

SHAWNEE CONSERVATION DISTRICT
ANNUAL FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

SHAWNEE CONSERVATION DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2016

	Page
INTRODUCTORY SECTION:	
Table of Contents	i
FINANCIAL SECTION:	
Accountant's Compilation Report	1
Financial Statements:	2
Statement of Assets, Liabilities and Net Position – Modified Cash Basis	3
Statement of Revenues and Expenses and Changes in Net Position – Modified Cash Basis	4
Statement of Cash Flows – Modified Cash Basis	5
Notes to Financial Statements	6-8

Kimberlye R. Mayer, CPA, P.C.

723 West Doolin

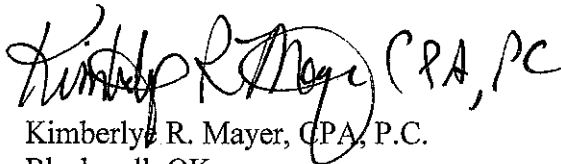
Blackwell, OK 74631

(580) 363-1453
Fax (580) 363-0068

Board of Directors
Shawnee Conservation District

Management is responsible for the accompanying financial statements of the Shawnee Conservation District which comprise the statement of assets, liabilities and net position as of June 30, 2016 and the related statements of revenues and expenses and changes in net position and of cash flows for the year then ended, and the related notes to the financial statements in accordance with the modified cash basis of accounting. Management is responsible to determine that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy and completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.



Kimberlye R. Mayer, CPA, P.C.

Blackwell, OK

October 26, 2016

FINANCIAL STATEMENTS

AND

NOTES

SHAWNEE CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
MODIFIED CASH BASIS
JUNE 30, 2016

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 40,872
County fund accounts	22,383
Total Current Assets	63,255
Land, buildings and equipment (Net of accumulated depreciation) (Note 5)	161,527
Deposits	-
Total Assets	\$ 224,782

LIABILITIES AND NET POSITION

Liabilities:	
County loan (note 6)	\$ 5,642
Net Position:	
Net investment in capital assets	155,885
Unrestricted	63,255
Total Net Position	219,140
Total Liabilities and Net Position	\$ 224,782

No assurance is provided on these financial statements.
See accountant's notes and compilation report.

SHAWNEE CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2016

Revenues:	
OCC reimbursements	\$ 38,907
Cost share received	13,750
Equipment rental	8,524
Sales of roots, grass seed and plat maps	1,183
Custom work	11,283
County sales tax	52,051
Total Operating Revenues	125,698
Expenses:	
Payroll	42,646
Payroll taxes and employee benefits	4,298
Repairs and maintenance	11,195
Cost share paid	13,750
Telephone and mobile phones	3,183
Office supplies and postage	3,131
Mileage, meetings and travel	2,696
Professional fees	628
Seeds, roots and plat maps	6,001
Dues, memberships and licenses	735
Utilities	4,552
Advertising and promotion	2,419
Fuel	3,446
Director fees	910
Insurance	6,537
Depreciation	18,866
Other expenses	2,058
Total Operating Expenses	127,051
Operating Income (Loss)	(1,353)
Nonoperating Revenues (Expenses):	
Interest income	13
Total Nonoperating Revenue (Expenses)	13
Changes in net position	(1,340)
Net position at beginning of year	220,480
Net position at end of year	\$ 219,140

No assurance is provided on these financial statements.
See accountant's notes and compilation report.

SHAWNEE CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2016

Cash flows from operating activities:	
Cash received from customers	\$ 20,990
Other operating cash receipts	104,708
Cash payments to suppliers for goods and services	(65,539)
Cash payments to employees	(42,646)
Net cash provided (used) by operating activities	<u>17,513</u>
Cash flows from non-capital financing activities:	
Cash flows from capital and related financing activities:	
Acquisition of assets	(1,543)
Principle payments	(6,000)
New borrowings	
Net cash provided (used) by financing activities	<u>(7,543)</u>
Cash flows from investing activities:	
Interest on cash and investments	13
(Increase) decrease in county funds	(7,626)
Net cash provided (used) by investing activities	<u>(7,613)</u>
Net increase (decrease) in cash and cash equivalents	2,357
Beginning cash and cash equivalents	38,515
Ending cash and cash equivalents	<u>\$ 40,872</u>
Reconciliation of income (loss) from operations to	
net cash provided (used) by operating activities:	
Income (Loss) from operations	\$ (1,353)
Adjustments to reconcile income (loss) from operations	
to net cash provided (used) by operating activities:	
Depreciation	18,866
Changes in assets and liabilities:	
Increase in deposits	
Net cash provided (used) by operating activities	<u>\$ 17,513</u>

No assurance is provided on these financial statements.
See accountant's notes and compilation report.

SHAWNEE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Shawnee Conservation District was created under Title 27A, Sections 3-1-101 through 3-3-410, as amended, of the laws of the State of Oklahoma. The purpose of the District is to provide for the conservation of the renewable natural resources in the area for which the District is responsible.

Basis of Accounting

The District maintains its records and prepares its financial statements using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenditures/expenses when they result from cash transactions with provision for depreciation in the financial statements. This basis is a basis of accounting other than accounting principles generally accepted in the United States of America.

As result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Net Position

Net position presents the difference between assets and liabilities in the statement of net position. Net investment in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

NOTE 2 – CASH AND CERTIFICATES OF DEPOSIT:

Bank balances and certificates of deposit are covered by the Federal Deposit Insurance Corporation. All deposits at June 30, 2016 were fully insured.

NOTE 3 – INVESTMENTS:

The State of Oklahoma allows government entities to invest in the following: direct obligations of the United States Government, its agencies or instrumentalities, collateralized or insured certificates of deposit, insured savings accounts or savings certificates, or county, municipal or school district direct debt.

SHAWNEE CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2016

NOTE 4 – CASH AND CASH EQUIVALENTS:

The District considers all checking accounts and deposits with a maturity of three months or less to be cash equivalents.

NOTE 5 – LAND, PROPERTY AND EQUIPMENT:

Depreciable assets are recorded at cost when purchased or constructed. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed. Depreciation is calculated on a straight-line basis over the estimated useful lives of the depreciable assets. Total depreciation for the year ended June 30, 2016 was \$18,866. The following is a summary by category of changes in property and equipment:

<u>Category</u>	<u>6/30/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/16</u>
Land	\$ 500	\$	\$	\$ 500
Building & improvements	224,072	1,543		225,615
Machinery and equipment	148,178			148,178
Office equipment	6,166			6,166
Totals	<u>378,916</u>	<u>1,543</u>		<u>380,459</u>
Accumulated depreciation	(200,066)	(18,866)		(218,932)
Net	<u>\$ 178,850</u>	<u>\$ (17,323)</u>	<u>\$</u>	<u>\$ 161,527</u>

NOTE 6 – NOTES PAYABLE:

The District received a loan of \$16,642 from Pottawatomie County for a vehicle. The interest rate is 0% and the monthly payments are \$500. Principle payments of \$6,000 were made during the year ended June 30, 2016. The balance of this note at June 30, 2016 was \$5,642. This note should be paid off during the fiscal year ending June 30, 2017.

NOTE 7 – OCC REIMBURSEMENTS:

The District is reimbursed by the Oklahoma Conservation Commission for salaries, payroll taxes, mileage, telephone charges, office supplies, and certain other office expenses. When received, such reimbursements are recognized as revenues.

NOTE 8 – RETIREMENT PLAN:

Oklahoma public employees who work 1,599 hours or more per year were enrolled in the Oklahoma Public Employees Retirement System. On salaries paid from reimbursable funds from the Oklahoma Conservation Commission, the employer's 16½% share of retirement was paid directly by the Commission. The employees' share of the retirement contribution was 3½% of locally earned wages and 3½% of state reimbursable wages.

SHAWNEE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 9 – FAIR VALUES OF FINANCIAL INSTRUMENTS:

The definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable.

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spread and credit risk).

Level 3: Significant unobservable inputs (including the District's own assumptions in determining the fair value of investments).

The District's financial instruments include cash and notes payable. The District's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying statement of net position. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

NOTE 10 – ESTIMATES:

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 11 – RISK MANAGEMENT:

The District is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The OCC and the District manages this risk through the purchase of commercial insurance policies.

NOTE 12 – CONTINGENCIES:

As of June 30, 2016, the District did not have any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 13 – COUNTY SALES TAX:

Pottawatomie County appropriates one percent (1%) of the one-cent sales tax collections for use by the two conservation districts in the county. Shawnee Conservation District receives two-thirds of the collections to be used for maintenance/operations and/or capital outlay. The account is maintained by Pottawatomie County and all purchases requested by Shawnee Conservation District are approved by a budget board. For the fiscal year ended June 30, 2016, Shawnee Conservation District received \$52,051 for supplies, maintenance, operations and loan payments. The balance in the account handled by Pottawatomie County at June 30, 2016 was \$22,383.