

KONAWA CONSERVATION DISTRICT
ANNUAL FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

KONAWA CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2017

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Accountant's Compilation Report

Board of Directors
Konawa Conservation District

Management is responsible for the accompanying financial statements of the Konawa Conservation District which comprise the statement of net position as of June 30, 2017 and the related statements of revenues and expenses and changes in net position for the year then ended, and the related notes to the financial statements in accordance with the cash basis of accounting. Management is responsible to determine that the 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 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, PC

Kimberlye R. Mayer, CPA, PC
Blackwell, Oklahoma
October 31, 2017

FINANCIAL STATEMENTS

AND

NOTES

KONAWA CONSERVATION DISTRICT
STATEMENT ASSETS, LIABILITIES AND NET POSITION
CASH BASIS
JUNE 30, 2017

ASSETS

Current Assets:

Operating account	\$ 18,040
Plat book account	<u>749</u>
Total cash and cash equivalents	<u>18,789</u>

Total Assets	<u><u>\$ 18,789</u></u>
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NET POSITION

Net Position:

Unrestricted	<u>\$ 18,789</u>
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Total Net Position	<u><u>\$ 18,789</u></u>
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KONAWA CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
CASH BASIS
YEAR ENDED JUNE 30, 2017

Operating Revenues:	
OCC reimbursements	\$ 33,444
Watershed reimbursements	4,900
Equipment rental	10,202
Product sales	1,107
Cost share received	7,480
Plat book sales	411
Total Operating Revenues	<u>57,544</u>
Operating Expenses:	
Payroll	29,709
Payroll taxes and employee benefits	2,624
Cost share paid	7,480
Watershed expenses	5,730
Insurance	222
Repairs, maintenance, fuel and supplies	588
Professional fees	1,095
Meeting, mileage and travel	1,357
Office supplies and postage	653
Donations	150
Membership dues	590
Miscellaneous expenses	164
Total Operating Expenses	<u>50,362</u>
Operating Income (Loss)	7,182
Nonoperating Revenues (Expenses):	
Interest income	<u>1</u>
Total Nonoperating Revenues (Expenses)	<u>1</u>
Changes in net position	7,183
Net position, beginning of year	<u>11,606</u>
Net position, end of year	<u><u>\$ 18,789</u></u>

See accountant's accompanying notes and compilation report.

KONAWA CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Konawa 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 cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenditures/expenses when they result from cash transaction. 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 the 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 property and related depreciation) 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 investments 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, 2017 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.

KONAWA COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 4 – 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 5 – 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 employers 16 ½% 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.

NOTE 6 – 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 7 – 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 manage this risk through the purchase of commercial insurance policies. Claims are recognized when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

NOTE 8 – CONTINGENCIES:

As of June 30, 2017, 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 9 – SALES TAX REVENUE:

Pottawatomie County appropriates 1% of sales tax collections for the use of the two conservation districts in the county. Konawa Conservation District receives 1/3 of the collections to be used for maintenance/operations and/or capital outlay. The accounts are maintained by Pottawatomie County and all purchase requests from the District are approved by the County budget board. The District used funds from the capital outlay account to purchase equipment during the year ended June 30, 2017. These accounts had a balance of \$23,440 at June 30, 2017.

KONAWA COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 10 - FAIR VALUE 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 cash equivalents. 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.