

LEFLORE COUNTY CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

LEFLORE COUNTY CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2017

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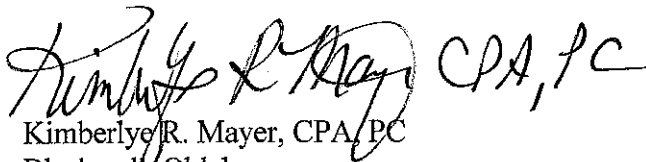
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Accountant's Compilation Report

Board of Directors
LeFlore County Conservation District

Management is responsible for the accompanying financial statements of the LeFlore County 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 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, PC
Blackwell, Oklahoma
November 2, 2017

FINANCIAL STATEMENTS

AND

NOTES

LEFLORE COUNTY CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
MODIFIED CASH BASIS
JUNE 30, 2017

ASSETS

Current Assets:

Checking account	\$ 1,709
Certificates of deposit	<u>8,557</u>
Total Cash and Cash Equivalents	10,266

Caston Mountain funds	254,526
Risenhoover Scholarship funds	<u>1,840</u>
Total Current Assets	266,632

Property and equipment (Net of accumulated depreciation) (Note 5)	<u>1,917</u>
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Total Assets	<u><u>\$ 268,549</u></u>
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LIABILITIES AND NET POSITION

Liabilities:	\$
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Net Position:

Net investment in capital assets	1,917
Restricted	256,366
Unrestricted	<u>10,266</u>
Total Net Position	<u>268,549</u>

Total Liabilities and Net Position	<u><u>\$ 268,549</u></u>
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LEFLORE COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2017

Revenues:

OCC reimbursements	\$ 71,041
Cost share received	6,000
Custom work	6,188
Sales of trees	1,668
Grant income	8,000
Sponsorships	2,035
Other income	100
Total Operating Revenues	<u>95,032</u>

Expenses:

Payroll	65,678
Payroll taxes and employee benefits	8,150
Repairs, maintenance and supplies	1,629
Telephone and mobile phones	842
Office supplies and postage	925
Meetings and travel	2,351
Professional fees	1,199
Tree purchases	1,296
Dues and memberships	393
Shop rent	600
Fuel	1,041
Conservation education	600
Cost share paid	6,000
Insurance	2,708
Depreciation	2,662
Scholarships	545
Other expenses	250
Total Operating Expenses	<u>96,869</u>

Operating Income (Loss) (1,837)

Nonoperating Revenues (Expenses):

Interest income	<u>1,170</u>
Total Nonoperating Revenue (Expenses)	<u>1,170</u>

Changes in net position (667)

Net position at beginning of year 269,216

Net position at end of year \$ 268,549

LEFLORE COUNTY CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2017

Cash flows From Operating Activities:

Cash received from customers	\$ 9,991
Other operating cash receipts	85,041
Cash payments to suppliers for goods and services	(28,529)
Cash payments to employees	(65,678)
Net cash provided (used) by operating activities	<u>825</u>

Cash flows from non-capital financing activities:

Cash flows from capital and related financing activities:

Net cash provided (used) by financing activities

Cash flows from investing activities:

(Increase) decrease in funds	(964)
Interest on cash and investments	1,170
(Increase) decrease in certificates of deposit	
Net cash provided (used) by investing activities	<u>206</u>

Net increase (decrease) in cash and cash equivalents 1,031

Beginning cash and cash equivalents 9,235

Ending cash and cash equivalents \$ 10,266

Reconciliation of income (loss) from operations to
net cash provided (used) by operating activities:

Income (Loss) from operations \$ (1,837)

Adjustments to reconcile income (loss) from operations
to net cash provided (used) by operating activities:

Depreciation 2,662

Changes in assets and liabilities:

Increase in deposits

Net cash provided (used) by operating activities \$ 825

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Leflore County 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 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 a 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 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. Restricted net position at June 30, 2017 consists of the Caston Mountain funds of \$254,526 and the Risenhoover Scholarship funds of \$1,840.

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.

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

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, 2017 was \$2,662. The following is a summary by category of changes in property and equipment:

<u>Category</u>	<u>6/30/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/17</u>
Furniture and fixtures	\$ 575	\$	\$	\$ 575
Equipment	97,452			97,452
Vehicles	23,941			23,941
Totals	121,968			121,968
Accumulated depreciation	(117,389)	(2,662)		(120,051)
Net	<u>\$ 4,579</u>	<u>\$ (2,662)</u>	<u>\$</u>	<u>\$ 1,917</u>

NOTE 6 – 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 7 – 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 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.

NOTE 8 - 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 disclosures 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.

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

NOTE 9 – 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. Claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

NOTE 10 – 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 cash equivalents and certificates of deposit. 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 11 – 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.