

**LEFLORE COUNTY CONSERVATION DISTRICT**

**ANNUAL FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2015**

LEFLORE COUNTY CONSERVATION DISTRICT  
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YEAR ENDED JUNE 30, 2015

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## Accountant's Compilation Report

Board of Directors  
LeFlore County Conservation District

We have compiled the accompanying financial statements of the LeFlore County Conservation District as of and for the year ended June 30, 2015. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are 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.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair representation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.



Kimberlye R. Mayer, CPA, PC  
Blackwell, Oklahoma  
November 13, 2015

FINANCIAL STATEMENTS

AND

NOTES

LEFLORE COUNTY CONSERVATION DISTRICT  
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION  
MODIFIED CASH BASIS  
JUNE 30, 2015

ASSETS

Current Assets:	
Checking account	\$ 1,015
Certificates of deposit	8,464
Total Cash and Cash Equivalents	9,479
Caston Mountain funds	252,536
Outdoor classroom funds	3,519
Risenhoover Scholarship funds	2,240
Total Current Assets	267,774
Property and equipment	
(Net of accumulated depreciation) (Note 5)	8,391
Total Assets	\$ 276,165

LIABILITIES AND NET POSITION

Liabilities:	\$
Net Position:	
Net investment in capital assets	8,391
Restricted	258,295
Unrestricted	9,479
Total Net Position	276,165
Total Liabilities and Net Position	\$ 276,165

See Accountant's Compilation Report and Notes.

LEFLORE COUNTY CONSERVATION DISTRICT  
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION  
MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2015

Revenues:	
OCC reimbursements	\$ 87,112
Equipment rental and sprigging	9,059
Sales of trees	3,101
Grant income	8,000
Meetings and sponsorships	2,693
Other income	23
Total Operating Revenues	109,988
Expenses:	
Payroll	80,789
Payroll taxes and employee benefits	8,144
Repairs, maintenance and supplies	1,055
Telephone and mobile phones	900
Office supplies and postage	1,015
Director fees	1,350
Meetings and travel	4,857
Professional fees	538
Seed and tree purchases	2,516
Dues and memberships	955
Utilities	563
Shop rent	914
Fuel	2,295
Conservation education	1,256
Insurance	3,785
Depreciation	9,067
Other expenses	565
Total Operating Expenses	120,564
Operating Income (Loss)	(10,576)
Nonoperating Revenues (Expenses):	
Interest income	1,265
Total Nonoperating Revenue (Expenses)	1,265
Changes in net position	(9,311)
Net position at beginning of year	285,476
Net position at end of year	\$ 276,165

See Accountant's Compilation Report and Notes.

LEFLORE COUNTY CONSERVATION DISTRICT  
STATEMENT OF CASH FLOWS  
MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2015

Cash flows From Operating Activities:	
Cash received from customers	\$ 14,853
Other operating cash receipts	95,135
Cash payments to suppliers for goods and services	(30,708)
Cash payments to employees	(80,789)
Net cash provided (used) by operating activities	<u>(1,509)</u>
Cash flows from non-capital financing activities:	
Cash flows from capital and related financing activities:	
Net cash provided (used) by financing activities	<u>                    </u>
Cash flows from investing activities:	
(Increase) decrease in funds	249
Interest on cash and investments	1,265
(Increase) decrease in certificates of deposit	(1,202)
Net cash provided (used) by investing activities	<u>312</u>
Net increase (decrease) in cash and cash equivalents	(1,197)
Beginning cash and cash equivalents	<u>10,676</u>
Ending cash and cash equivalents	<u>\$ 9,479</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:	
Income (Loss) from operations	\$ (10,576)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:	
Depreciation	9,067
Changes in assets and liabilities:	
Increase in deposits	<u>                    </u>
Net cash provided (used) by operating activities	<u>\$ (1,509)</u>

See Accountant's Compilation Report and Notes.

LEFLORE COUNTY CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

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, 2015 consists of the Caston Mountain funds of \$252,536, the Outdoor Classroom funds of \$3,519 and the Risenhoover Scholarship funds of \$2,240.

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, 2015 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, 2015

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, 2015 was \$9,067. The following is a summary by category of changes in property and equipment:

<u>Category</u>	<u>6/30/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/15</u>
Furniture and fixtures	\$ 575	\$	\$	\$ 575
Equipment	97,452			97,452
Vehicles	23,941			23,941
Totals	121,968			121,968
Accumulated depreciation	(104,510)	(9,067)		(113,577)
Net	<u>\$ 17,458</u>	<u>\$ (9,067)</u>	<u>\$</u>	<u>\$ 8,391</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.

LEFLORE COUNTY CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015

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.

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 VALUE OF INSTRUMENTS:

The District's financial instruments include cash, cash equivalents and restricted funds. The District's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of net assets. The carrying amount of these financial statements approximates fair value because of the short maturity of these instruments.

NOTE 11 – CONTINGENCIES:

As of June 30, 2015, 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.