

**NOBLE COUNTY CONSERVATION DISTRICT**  
**ANNUAL FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

NOBLE COUNTY CONSERVATION DISTRICT  
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YEAR ENDED JUNE 30, 2018

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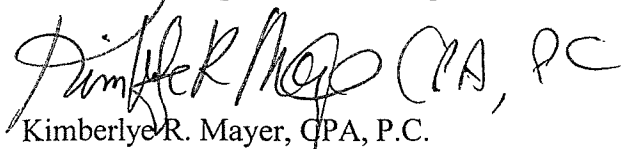
## Accountant's Compilation Report

Board of Directors  
Noble County Conservation District

Management is responsible for the accompanying financial statements of the Noble County Conservation District which comprise the statement of net position as of June 30, 2018 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.

We are not independent with respect to Noble County Conservation District.

  
Kimberlye R. Mayer, CPA, P.C.  
Blackwell, Oklahoma  
October 1, 2018

FINANCIAL STATEMENTS

AND

NOTES

NOBLE COUNTY CONSERVATION DISTRICT  
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS  
MODIFIED CASH BASIS  
JUNE 30, 2018

ASSETS

Current Assets:	
Operating accounts	\$ 8,908
Certificates of deposit	<u>30,000</u>
Total Cash and Cash Equivalents	38,908
Certificates of deposit	<u>38,065</u>
Total Current Assets	76,973
Noncurrent Assets:	
Property and equipment	
(net of accumulated depreciation) (Note 5)	<u>62,044</u>
Total Assets	<u><u>\$ 139,017</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	\$
Net Position:	
Net investment in capital assets	62,044
Unrestricted	<u>76,973</u>
Total Net Assets	<u>139,017</u>
Total Liabilities and Net Position	<u><u>\$ 139,017</u></u>

See accountant's notes and compilation report.

NOBLE COUNTY CONSERVATION DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2018

Operating Revenues:	
OCC reimbursements	\$ 68,222
Cost share received	35,705
Equipment rental	1,010
Sprigging income	13,500
Hay sales	840
O & M reimbursements	13,766
Plat books and map sales	580
Other income	869
Total Operating Revenues	<u>134,492</u>
Operating Expenses:	
Payroll	67,957
Payroll taxes and employee benefits	7,774
Office supplies and postage	1,198
Repairs and maintenance	4,095
Cost share paid out	35,660
Travel and meetings	1,590
Fuel	2,586
Plat books and maps	298
Professional fees	570
Director fees	1,375
Dues, subscriptions and licenses	2,008
Insurance	2,558
Telephone	240
Utilities	2,158
Depreciation	8,091
Conservation education	2,593
Other expense	367
Total Operating Expenses	<u>141,118</u>
Operating Income (Loss)	(6,626)
Nonoperating Revenues (Expenses):	
Sale of equipment	2,500
Interest income	487
Total Nonoperating Revenues (Expenses)	<u>2,987</u>
Changes in net position	(3,639)
Net position, beginning of year	<u>142,656</u>
Net position, end of year	<u><u>\$ 139,017</u></u>

See accountant's notes and compilation report.

NOBLE COUNTY CONSERVATION DISTRICT  
STATEMENT OF CASH FLOWS  
MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2018

Cash flows From Operating Activities:	
Cash received from customers	\$ 30,565
Other operating cash receipts	103,927
Cash payments to suppliers for goods and services	(65,070)
Cash payments to employees	<u>(67,957)</u>
Net cash provided (used) by operating activities	1,465
Cash flows from non-capital financing activities:	
Cash flows from capital and related financing activities:	
Cash flows from investing activities:	
(Increase) decrease in CDs	(35)
Interest on cash and investments	487
(Increase) decrease in fixed assets	<u>2,500</u>
Net cash provided (used) by investing activities	<u>2,952</u>
Net increase (decrease) in cash and cash equivalents	4,417
Beginning cash and cash equivalents	<u>34,491</u>
Ending cash and cash equivalents	<u><u>\$ 38,908</u></u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:	
Income (Loss) from operations	(6,626)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:	
Depreciation	8,091
Changes in assets and liabilities:	<u>          </u>
Net cash provided (used) by operating activities	<u><u>\$ 1,465</u></u>

See accountant's notes and compilation report.

NOBLE COUNTY CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Noble County Conservation District was created under Title 27A, sections 3-1-101 through 3-3-410, as amended, of the Oklahoma Statutes. 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.

NOTE 2 - CASH AND CERTIFICATES OF DEPOSIT:

Bank balances and certificates of deposit are covered by FDIC insurance. All deposits are fully insured.

NOTE 3 – INVESTMENTS:

The State of Oklahoma allows governmental entities to invest in the following: direct obligations of the United State 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.



NOBLE COUNTY CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018

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.

NOTE 5 - 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 assets or materially extend the asset's life are not. 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, 2018 was \$8,091. The following is a summary by category of changes in property and equipment:

Category	6/30/2017	Additions	Deletions	6/30/2018
Land	\$ 33,507	\$	\$	\$ 33,507
Building and improvements	45,958			45,958
Machinery and equipment	89,530		(6,623)	82,907
Totals	168,995		(6,623)	162,372
Accumulated depreciation	(98,860)	(8,091)	6,623	(100,328)
Net	<u>\$ 70,135</u>	<u>\$ (8,091)</u>	<u>\$</u>	<u>\$ 62,044</u>

NOTE 6 - 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 7 - 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 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 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.

NOBLE COUNTY CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018

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 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 10 – RISK MANAGEMENT:

The District is exposed to various risks of loss 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 purchase commercial insurance for these and other risks of loss.

NOTE 11 – CONTINGENCIES:

As of June 30, 2018 the District did not have any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statement.

NOTE 12 – EVALUATION OF SUBSEQUENT EVENTS:

The District has evaluated subsequent events through October 1, 2018, the date which the financial statements were available to be issued.