

STEPHENS COUNTY CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

STEPHENS COUNTY CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2021

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Kimberlye R. Mayer, CPA, P.C.

723 West Doolin

Blackwell, OK 74631

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

Accountant's Compilation Report

Board of Directors
Stephens County Conservation District

Management is responsible for the accompanying financial statements of the Stephens County Conservation District which comprise the statement of assets, liabilities and net position as of June 30, 2021 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 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 Stephens County Conservation District.



Kimberlye R. Mayer, CPA, P.C.

Blackwell, Oklahoma

December 14, 2021

FINANCIAL STATEMENTS
AND
NOTES

STEPHENS COUNTY CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
MODIFIED CASH BASIS
JUNE 30, 2021

ASSETS

Current Assets:	
Cash in operating account	\$ 126,915
Building account	
Total Cash and Cash Equivalents	126,915
Certificates of deposit	65,791
Total Current Assets	192,706
Property and equipment (net of accumulated depreciation) (Note 5)	34,465
Total Assets	\$ 227,171

LIABILITIES AND NET POSITION

Liabilities:	\$
Net Position:	
Net investment in capital assets	34,465
Unrestricted	192,706
Total Net Position	227,171
Total Liabilities and Net Position	\$ 227,171

STEPHENS COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2021

Operating Revenues:	
OCC reimbursements	\$ 92,591
Cost share received	23,624
Building rent	66,343
Donations and grant income	4,000
Other income	84
Total Operating Revenues	186,642
Expenses:	
Payroll	88,975
Payroll taxes and benefits	11,277
Office supplies and postage	1,030
Repairs and maintenance	1,878
Fuel	196
Mileage, meetings and travel	438
Dues, subscriptions and memberships	1,490
Cost share paid	23,624
Building and janitor expenses	787
Professional fees	1,405
Insurance	5,886
Utilities and telephone	9,461
Directors fees	1,225
Education and programs	320
Depreciation	2,406
Other expense	641
Total Operating Expenses	151,039
Income (Loss) From Operations	35,603
Nonoperating Revenue (Expense):	
Interest income	130
Total Nonoperating Revenue	130
Revenues Over (Under) expenses	35,733
Net position, beginning of year	191,438
Net position, end of year	\$ 227,171

See accountant's compilation report and notes.

STEPHENS COUNTY CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2021

Cash flows From Operating Activities:	
Cash received from customers	\$ 70,427
Cash received from OCC	116,215
Cash payments to suppliers for goods and services	(59,658)
Cash payments to employees	(88,975)
Net Cash Provided (Used) By Operating Activities	<u>38,009</u>
Cash Flows From Capital and Financing Activities:	
Acquisition and construction of capital assets	(719)
Principle payments of capital lease	
Interest payments	
Net Cash Provided (Used) by Financing Activities	<u>(719)</u>
Cash Flows From Investing Activities:	
Interest income	130
(Increase) decrease in CD's	(130)
Net Cash Provided (Used) by Investing Activities	<u></u>
Net increase (decrease) in cash and cash equivalents	37,290
Beginning cash and cash equivalents	<u>89,625</u>
Ending cash and cash equivalents	<u><u>\$ 126,915</u></u>
Reconciliation of income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 35,603
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	2,406
Changes in assets and liabilities:	
Net cash provided (used) by operating activities	<u><u>\$ 38,009</u></u>

See accountant's compilation report and notes.

STEPHENS COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Stephens 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 maintains its records and prepares its financial statements on the basis of modified cash accounting. Under the modified cash basis, revenues are recognized when received, rather than when earned, and expenditures are recognized as expenses when paid, rather than when incurred. Fixed assets are recorded at cost when purchased and annual depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

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); 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) and assets acquired under capital leases and the related liabilities are not recorded in these financial statements.

Net Position

Net position presents the difference between assets and liabilities in the statement of assets, liabilities and net assets. 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 DEPOSITS:

Bank balances are covered by the Federal Deposit Insurance Corporation. All deposits at June 30, 2021 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.

STEPHENS COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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 – PROPERTY AND EQUIPMENT:

Depreciable assets are recorded at cost when purchased or constructed. 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, 2021 was \$2,406. The balances of the assets by major category for the year ended June 30, 2021 are as follows:

	<u>6/30/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2021</u>
Depreciable assets:				
Buildings and land	\$ 406,518	\$	\$	\$ 406,518
Barn	21,030			21,030
Equipment	33,343	719	(851)	33,211
Vehicles	24,000			24,000
Outdoor classroom	8,620			8,620
	<u>493,511</u>	<u>719</u>		<u>493,379</u>
Accumulated depreciation	(457,359)	(2,406)	851	(458,914)
Net	<u>\$ 36,152</u>	<u>\$ (1,687)</u>	<u>\$</u>	<u>\$ 34,465</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 up to their allocated amount. Such reimbursements are recognized as revenue when received.

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 employer's 16½% share of retirement was paid directly by the Commission. The employee's share of the retirement contribution was 16½% of locally earned wages and 3½% of state reimbursable wages.

STEPHENS COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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.

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 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 loss can be reasonable estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

NOTE 10 – CONTINGENCIES:

As of June 30, 2021 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 11 - FAIR VALUE OF 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 12 – EVALUATION OF SUBSEQUENT EVENTS:

The District has evaluated subsequent events through December 14, 2021, the date which the financial statements were available to be used.