

JEFFERSON COUNTY CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

JEFFERSON COUNTY CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2021

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Accountant's Compilation Report

Board of Directors
Jefferson County Conservation District

Management is responsible for the accompanying financial statements of the Jefferson 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 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 Jefferson County Conservation District.

Handwritten signature of Kimberlye R. Mayer in black ink, followed by the text "CPA, PC".

Kimberlye R. Mayer, CPA, P.C.
Blackwell, Oklahoma
December 21, 2021

FINANCIAL STATEMENTS

AND

NOTES

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

ASSETS

Current Assets:

Cash and cash equivalents	\$ 121,266
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Property and equipment (net of accumulated depreciation) (Note 5)	<u>53,936</u>
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Total Assets	<u><u>\$ 175,202</u></u>
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LIABILITIES AND NET POSITION

Liabilities:	\$
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Net Position:

Net investment in capital assets	53,936
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Unrestricted	<u>121,266</u>
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Total Net Position	<u><u>175,202</u></u>
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Total Liabilities and Net Position	<u><u>\$ 175,202</u></u>
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JEFFERSON 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	\$ 32,423
Cost share received	20,954
Equipment rental	170
Service assistance	3,000
Building rent	47,169
Total Operating Revenues	<u>103,716</u>
Expenses:	
Personnel costs	32,126
Office supplies and postage	2,426
Repairs, maintenance, fuel and supplies	84
Cost share paid	20,954
Seeds purchased	26
Yard maintenance	2,500
Directors fees	855
Dues, subscriptions and memberships	1,113
Building expenses	3,318
Professional fees	643
Insurance	7,334
Utilities and telephone	6,928
Janitor	6,000
Education and programs	200
Depreciation	8,734
Other expense	51
Total Operating Expenses	<u>93,292</u>
Income (Loss) From Operations	10,424
Nonoperating Revenue (Expense):	
Interest income	453
Total Nonoperating Revenue	<u>453</u>
Revenues Over (Under) expenses	10,877
Net position, beginning of year	164,325
Net position, end of year	<u><u>\$ 175,202</u></u>

See accountant's compilation report and notes.

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

Cash flows From Operating Activities:

Cash received from customers	\$ 50,339
Cash received from OCC	53,377
Cash payments to suppliers for goods and services	(55,796)
Cash payments to employees	(28,762)
Net Cash Provided (Used) By Operating Activities	<u>19,158</u>

Cash Flows From Capital and Financing Activities:

Acquisition and construction of capital assets	(1,496)
Net Cash Provided (Used) by Financing Activities	<u>(1,496)</u>

Cash Flows From Investing Activities:

Interest income	453
Net Cash Provided (Used) by Investing Activities	<u>453</u>

Net increase (decrease) in cash and cash equivalents 18,115

Beginning cash and cash equivalents 103,151

Ending cash and cash equivalents \$ 121,266

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

Operating income (loss)	\$ 10,424
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	8,734
Changes in assets and liabilities:	
Net cash provided (used) by operating activities	<u><u>\$ 19,158</u></u>

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Jefferson 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 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 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.

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

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 up to the District's allocated amount. Such reimbursements are recognized as revenue when received.

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, 2021 was \$8,734. The following is a summary by category of changes in property and equipment:

Category	6/30/2020	Additions	Deletions	6/30/2021
Building	\$ 198,595	\$	\$	\$ 198,595
Furniture and fixtures	64,519	1,496		66,015
Vehicles	22,423			22,423
Equipment	6,433			6,433
Totals	291,970	1,496		293,466
Accumulated depreciation	(230,796)	(8,734)		(239,530)
Net	<u>\$ 61,174</u>	<u>\$ (7,238)</u>	<u>\$</u>	<u>\$ 53,936</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.

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

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. 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 manage this risk through the purchase of commercial insurance policies.

NOTE 11 – 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 statement.

NOTE 12 – EVALUATION OF SUBSEQUENT EVENTS:

The District has evaluated subsequent events through December 21, 2021 the date which the financial statements were available to be used.