

FILED

NOV 07 2011

RECORDS & COMMUNICATIONS

Compilation

HARPER COUNTY CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

HARPER COUNTY CONSERVATION DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2011

	Page
INTRODUCTORY SECTION:	
Table of Contents	i
FINANCIAL SECTION:	
Accountant's Compilation Report	1
Financial Statements:	2
Statement of Assets, Liabilities and Net Assets – Modified Cash Basis	3
Statement of Revenues, Expenses and Changes in Net Assets – Modified Cash Basis	4
Statement of Cash Flows – Modified Cash Basis	5
Notes to Financial Statements	6-8

Kimberlye R. Mayer

Certified Public Accountant

735 West Doolin

Blackwell, OK 74631

(580) 363-1453

Fax (580) 363-0068

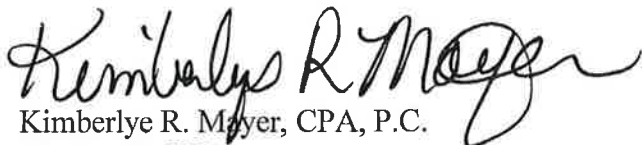
Accountant's Compilation Report

Board of Directors
Harper County Conservation District

We have compiled the accompanying financial statements of the Harper County Conservation District as of and for the year ended June 30, 2011. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance about whether the financial statements are in accordance with the modified cash basis of accounting, which is a comprehensive 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, P.C.

Blackwell, Oklahoma

September 9, 2011

FINANCIAL STATEMENTS

AND

NOTES

HARPER COUNTY CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
MODIFIED CASH BASIS
JUNE 30, 2011

ASSETS

Current Assets:	
Checking and savings accounts	\$ 58,603
Certificates of deposit	<u>218,052</u>
Total Cash and Cash Equivalents	\$ 276,655
Property and equipment	
(Net of accumulated depreciation) (Note 4)	<u>56,600</u>
Total Assets	<u><u>\$ 333,255</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	\$
Net Assets:	
Invested in capital assets, net of related debt	56,600
Unrestricted	<u>276,655</u>
Total Net Assets	<u>333,255</u>
Total Liabilities and Net Assets	<u><u>\$ 333,255</u></u>

See accountant's compilation report.

HARPER COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2011

Revenues:	
OCC reimbursements	\$ 46,914
Equipment rental, sales and supplies	5,439
Seed sales	55,427
Building rent	40,846
Conservation education fees	925
Map sales	405
Other income	186
Total Operating Revenues	150,142
Expenses:	
Salaries	48,529
Payroll taxes and employee benefits	5,331
Temporary labor	600
Advertising / promotion	263
Telephone expense	1,613
Office supplies and postage	1,367
Insurance	3,105
Vehicle expenses	811
Equipment maintenance	2,775
Map costs	280
Supplies and products	40,947
Meetings, mileage and travel	4,729
Professional fees	475
Seed costs	48,477
Building maintenance and supplies	1,716
Utilities	9,014
Janitor	5,400
Depreciation	16,694
Director fees	1,750
Conservation education	3,098
Other expenses	1,670
Total Operating Expenses	198,644
Operating Income (Loss)	(48,502)
Nonoperating Revenues (Expenses):	
Interest income	3,639
Total Nonoperating Revenue (Expenses)	3,639
Changes in net assets	(44,863)
Net assets at beginning of year	378,118
Net assets at end of year	\$ 333,255

See accountant's compilation report.

HARPER COUNTY CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2011

Cash flows From Operating Activities:	
Cash received from customers	\$ 103,228
Other operating cash receipts	46,914
Cash payments to suppliers for goods and services	(133,421)
Cash payments to employees	<u>(48,529)</u>
Net cash provided (used) by operating activities	<u>(31,808)</u>
Cash flows from non-capital financing activities:	
Cash flows from capital and related financing activities:	
Cash flows from investing activities:	
Fixed assets purchased	(5,174)
Interest on cash and CD's	<u>3,639</u>
Net cash provided (used) by investing activities	<u>(1,535)</u>
Net increase (decrease) in cash and cash equivalents	(33,343)
Beginning cash and cash equivalents	<u>309,998</u>
Ending cash and cash equivalents	<u><u>\$ 276,655</u></u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:	
Income (Loss) from operations	(48,502)
Depreciation	16,694
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:	
Net cash provided (used) by operating activities	<u><u>\$ (31,808)</u></u>

See accountant's compilation report.

HARPER COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Harper 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 assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As 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 Assets

Net assets present the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are 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.

Cash and Cash Equivalents

The Corporation considers all checking and savings accounts and deposits with a maturity of three months or less to be cash equivalents.

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, 2011 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.

HARPER COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 4 –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, 2011 was \$16,694. The following is a summary by category of changes in property and equipment:

<u>Category</u>	<u>6/30/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/11</u>
Building & fixtures	\$ 276,852	\$ 558	\$	\$ 277,410
Machinery and equipment	92,186	4,616	_____	96,802
Totals	369,038	5,174	_____	374,212
Accumulated depreciation	(300,918)	(16,694)	_____	(317,612)
Net	<u>\$ 68,120</u>	<u>\$ (11,520)</u>	<u>\$</u>	<u>\$ 56,600</u>

NOTE 5 – 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 6 – RETIREMENT PLAN:

Oklahoma public employees who work 1,000 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 15½ % share of retirement was paid directly by the Commission. The employees' share of the retirement contribution was 15½% of locally earned wages and 3 ½% of state reimbursable wages.

NOTE 7 – 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.

HARPER COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 8 -- 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 Corporation 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 9 -- CONTINGENCIES:

As of June 30, 2011, 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.