

KANSAS – OKLAHOMA ARKANSAS RIVER COMMISSION

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

As of and For the Years Ended June 30, 2014 and 2013

Cummins & Coffman, CPA's, P.A.  
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KANSAS – OKLAHOMA ARKANSAS RIVER COMMISSION  
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## INDEPENDENT AUDITOR'S REPORT

To the Commissioners of  
Kansas – Oklahoma Arkansas River Commission

We have audited the accompanying financial statements of Kansas – Oklahoma Arkansas River Commission, which comprise the statements of assets, liabilities, and net assets – cash basis as of June 30, 2014 and 2013, and the related statements of support, revenues, and expenses – cash basis for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Kansas – Oklahoma Arkansas River Commission as of June 30, 2014 and 2013, and its support, revenues, and expenses for the years then ended in accordance with the cash basis of accounting described in Note 1.

## Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

*Cummins & Coffman, CPAs, P.A.*

Topeka, Kansas  
July 31, 2014

KANSAS – OKLAHOMA ARKANSAS RIVER COMMISSION  
 STATEMENTS OF ASSETS, LIABILITIES,  
 AND NET ASSETS – CASH BASIS

ASSETS

	<u>June 30</u>	
	<u>2014</u>	<u>2013</u>
Cash	\$ <u>24,548</u>	\$ <u>20,426</u>
Total Assets	\$ <u>24,548</u>	\$ <u>20,426</u>

LIABILITIES AND NET ASSETS

Liabilities	\$ -	\$ -
Net Assets, Unrestricted	<u>24,548</u>	<u>20,426</u>
Total Liabilities and Net Assets	\$ <u>24,548</u>	\$ <u>20,426</u>

The accompanying notes are an integral part of the financial statements.

KANSAS – OKLAHOMA ARKANSAS RIVER COMMISSION  
 STATEMENTS OF SUPPORT, REVENUES,  
 AND EXPENSES – CASH BASIS  
 Years Ended

	<u>2014</u>	<u>June 30</u> <u>2013</u>
<u>UNRESTRICTED NET ASSETS</u>		
<u>SUPPORT AND REVENUE</u>		
Kansas Department of Agriculture	\$ 2,900	\$ 2,900
Oklahoma Water Resources Board	2,900	2,900
Interest revenue	2	2
Total support and revenue	5,802	5,802
<u>EXPENSES</u>		
Meeting	-	699
Audit	1,500	-
Insurance	180	180
Total expenses	1,680	879
Change in unrestricted net assets	4,122	4,923
Unrestricted net assets, beginning of year	20,426	15,503
Unrestricted net assets, end of year	\$ 24,548	\$ 20,426

The accompanying notes are an integral part of the financial statements.

KANSAS – OKLAHOMA ARKANSAS RIVER COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Kansas – Oklahoma Arkansas River Commission is an interstate administrative agency organized under the Arkansas River Basin Compact in 1965. Its primary purpose is to administer the water apportionment agreed to in the Compact.

Basis of Accounting

The accompanying financial statements have been prepared on the cash basis of accounting. Under that basis, the only asset recognized is cash, and no liabilities are recognized. Revenues are recognized when collected rather than when earned and expenses are recognized when paid, rather than when incurred.

Cash and Cash Equivalents

The Organization considers all investments with a maturity of three months or less to be cash equivalents. The Organization maintains its cash in bank accounts of local financial institutions. At June 30, 2014 and 2013, the Organization's cash balance was not in excess of the insured limits.

Net Assets

The Organization's net assets and revenues are classified based on the existence or absence of imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets-net assets that are not subject to imposed stipulations.

Temporarily restricted net assets-net assets that are subject to imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Support and Revenues

Support and revenue are reported as increases to unrestricted net assets unless use of the related assets is limited by imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Assessments are reported in the period received.

NOTE 2 SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2014, the date of the most recent statement of assets, liabilities, and net assets, have been evaluated for possible adjustment to the financial statements or disclosures is July 31, 2014, which is the date on which the financial statements were available to be issued. No material items have occurred subsequent to June 30, 2014.