

**Texas County Conservation District**

Compilation Report  
for the Year Ended June 30, 2016

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Texas County Conservation District  
Board of Directors  
HCR 4 Box 120  
Guymon, OK 73942

**Accountant's Compilation Report**

Management is responsible for the accompanying financial statements of Texas County Conservation District, which comprise the statement of net position as June 30, 2016 and the related statement of revenue, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. I have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by managements. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has omitted Management's Discussion and Analysis that is required by accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who consider it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

*Linda S. Woodruff, CPA, P.C.*  
Linda S. Woodruff CPA, P.C.

Oklahoma City, OK 73172  
November 30, 2016

**Texas County Conservation District  
Statement of Net Position  
Proprietary Fund  
June 30, 2016**

<b>Current Assets</b>		
Checking Account	\$ 161,092.19	
Cash on Hand	96.56	
Certificates of Deposit	145,999.75	
Money Market Account	83,828.58	
Accounts Receivable	10,036.71	
Claims Receivable	1,952.51	
Inventory	7,970.10	
Prepaid Insurance	<u>5,148.00</u>	
Total Current Assets		\$ 416,124.40
 <b>Capital Assets</b>		
Building /Improvements/Land	582,527.38	
Equipment	96,821.35	
Accumulated Depreciation	<u>(496,880.20)</u>	
Total Capital Assets		182,468.53
 <b>Deferred Outflows of Resources</b>		
Total Deferred Outflows	<u>-</u>	<u>-</u>
 <b>Total Assets</b>		 <b><u>\$ 598,592.93</u></b>

See Accountant's Compilation Report.  
The accompanying notes are an integral part of the basic financial statements.

**Texas County Conservation District  
Statement of Net Position  
Proprietary Fund  
June 30, 2016**

<b>Current Liabilities</b>			
Accounts Payable	\$	490.12	
Accrued Taxes		1,178.96	
Compensated Absences		6,735.96	
Total Current Liabilities		8,405.04	\$ 8,405.04
 <b>Long Term Liabilities</b>			
Total Long Term Liabilities		-	
<b>Total Liabilities</b>			8,405.04
 <b>Deferred Inflows of Resources</b>			
Total Deferred Resources		-	
 <b>Net Position</b>			
Invested in:			
Capital Assets-Restricted		182,468.53	
Unrestricted Position		407,719.36	
Total Net Position		590,187.89	
 <b>Total Liabilities and Net Position</b>			<b>\$ 598,592.93</b>

See Accountant's Compilation Report.  
The accompanying notes are an integral part of the basic financial statements.

**Texas County Conservation District**  
**Statement of Revenue, Expenses, & Changes in Net Position**  
**Proprietary Fund**  
**June 30, 2016**

<b>Revenue</b>		
Reimbursement by State	\$ 74,272.02	
Seed	173,342.44	
Rent - Building	51,300.00	
Sales & Service	3,062.27	
Tree Sales	2,516.24	
Rent - Equipment	12,226.00	
Total Revenue	\$ 316,718.97	
<b>Expenses</b>		
Salaries	50,963.42	
Seed	131,019.21	
Cost Share Payment	38,196.14	
Utilities	12,051.72	
Trees & Supplies	4,446.42	
Janitorial	7,351.85	
Insurance	5,084.74	
Repairs & Maintenance	3,830.69	
Meeting Expense	5,746.27	
Office Expense	2,121.48	
Education Expense	4,027.49	
Professional Fees	1,000.00	
Dues & Publications	1,300.00	
Miscellaneous	-	
Advertising	1,104.80	
Total Expenses	268,244.23	
<b>Operating Income (Loss)</b>		48,474.74
<b>Non-Operating Income (Expense)</b>		
Interest Income	824.88	
Insurance Claim	37,762.67	
Grant Income	8,250.00	
Depreciation	(32,825.34)	
Total Other Income (Expense)	14,012.21	
Change in Net Position		62,486.95
Net Position - Beginning of Year		527,700.94
<b>Net Position - End of Year</b>		\$ 590,187.89

See Accountant's Compilation Report.  
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**Texas County Conservation District  
Statement of Cash Flow  
Proprietary Fund  
June 30, 2016**

Cash Flow from Operating Activities	
Cash Payments for Services	\$ 308,673.96
Cash Payments to Suppliers for Goods and Contractors and Other Services	<u>(271,104.36)</u>
Net Cash Provided by Operating Activities	37,569.60
Cash Flows from Capital and Related Financing Activities	
Acquisition & Construction of Capital Assets	-
Grant Income	8,250.00
Prior Period Depreciation Adjustment	3,568.39
Insurance Claim Income	<u>37,762.67</u>
Net Cash Used in Capital and Financial Activities	49,581.06
Cash Flows from Investing Activities	
Interest Income	<u>824.88</u>
Net Cash Provided by Investing Activities	824.88
Net Increase (Decrease) in Cash	87,975.54
Cash and Cash Equivalents - Beginning of Year	<u>303,041.54</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 391,017.08</u></u>
Reconciliation of Operation Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	16,474.28
Adjustments to Reconcile Net Income to Operating Cash Provided by Operating Activities	
Depreciation	32,825.34
Changes in Assets & Liabilities	
(Increase) Decrease in Inventory	(901.62)
(Increase) Decrease in Claims Receivable	2,118.89
(Increase) Decrease in Prepaid Insurance	(250.34)
(Increase) Decrease in Accounts Receivable	(8,045.01)
Increase (Decrease) in Taxes Payable	(472.35)
Increase (Decrease) in Accounts Payable	(4,179.59)
Total Adjustments	<u>21,095.32</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 37,569.60</u></u>

See Accountant's Compilation Report.  
The accompanying notes are an integral part of the basic financial statements.

**Texas County Conservation District  
Guymon, Oklahoma**

**Notes to Financial Statements**

Organization

The Texas County Conservation District is a statutory district of the State of Oklahoma operating under the Oklahoma Conservation Commission. The District was created to implement soil conservation measures, and is financed by user charges and state governmental reimbursements.

Note 1 – Summary of Significant Accounting Principles

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP) promulgated in the United States of America. The accounting and financial reporting treatment is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation are included on the statement of net position. The operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Depreciation expense provides for capital assets based upon estimated useful lives.

**Fund Accounting**

The operations of the District constitute an enterprise fund, a proprietary fund type. Enterprise funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise – where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis is being financed or recovered primarily through user charges. The District's fund is accounted for on the flow of economic resources measurement focus and uses the accrual method of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The remaining costs are reimbursed by the State Conservation group.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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.



**Texas County Conservation District  
Guymon, Oklahoma**

**Notes to Financial Statements**

Note 1 – Summary of Significant Accounting Principles – Continued

**Cash Equivalents and Investments**

*1. Deposits and Investments*

Oklahoma Statutes authorize the District to invest in certificates of deposit, repurchase agreements, passbooks, bankers' acceptances, and other available bank investments provided that all deposits are fully covered by approved securities pledged to secure those funds. In addition, the District can invest in direct debt securities of the United States unless law expressly prohibits such an investment.

For financial statement presentation and for purposes of the statement of cash flows, the District's cash and cash equivalents are considered to be cash on hand, demand deposits and certificates of deposit with a maturity date of three months or less. Debt instruments with a maturity date of more than three months are considered to be investments. Investments are stated at cost.

On June 30, 2016, the District held deposits of approximately \$391,017 at financial institutions. The District's cash deposits including interest-bearing certificates of deposit are entirely covered by Federal Depository Insurance (FDIC) or direct obligations of the United States Government insured or collateralized with securities held by the District or by its agent in the District's name.

*2. Fair Value of Financial Instruments*

The District's financial instruments include cash and cash equivalents, investments, and accounts receivable. The District's estimates of the fair value of all financial instruments do not differ materially from the aggregate carrying values 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 2 – Income Tax

As a special district of a state government, the district is exempt from State and Federal income taxes.

Note 3 – Employee Benefits

**Pension Plan**

All full-time employees are covered by and must participate in the Oklahoma Public Employees Retirement Plan (OPERS). The District is not legally required to contribute to the OPERS, which is fully funded by the state and by contributions from covered employees.

Based on state statute, employees covered by the pension plan must contribute 3.5% of their gross earnings to the pension fund. The state is required to contribute 16.5% of gross earnings to the plan. During the fiscal year, \$1,660 pension expense was included in the financial statements.

**Post-Employment Healthcare Benefits**

The District does not provide post-employment healthcare benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and the District incurs no direct costs.

**Texas County Conservation District  
Guymon, Oklahoma**

**Notes to Financial Statements**

Note 4 – Compensated Absences

District employees are entitled to vacation and sick leave benefits in varying amounts based on their length of employment. It is the District’s policy to permit employees to accumulate earned but unused absences to specified maximums. With minor exceptions, compensated absences either vest or accumulate and are accrued when they are earned. Generally, employees are entitled to all accrued vacation leave upon termination. Employees are not compensated for unused sick leave upon termination. At the option of the employee, compensatory time off may be taken in lieu of cash payment for overtime worked. The expense and related liability for vested vacation benefits and compensatory time are recorded in the District’s financial statements as a current liability and the related payroll expense.

Note 5 – Property and Equipment

The District owns various equipment that is rented to individuals on an as needed basis. Additions to equipment are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The District does not maintain a capitalization threshold.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Office Equipment.....	7 years
Equipment.....	10 years
Building.....	40 years

Capital asset activity for the year is as follows:

	Balance 6/30/2015	Addition	Disposals	Balance 6/30/2016
<b>Depreciable Assets</b>				
Equipment	\$ 96,821.35	\$ -	\$ -	\$ 96,821.35
Building &	582,527.38	-	-	582,527.38
Total	679,348.73	-	-	679,348.73
<b>Accumulated Depreciation</b>				
Equipment	52,106.45	13,583.92	-	65,690.37
Building &	411,948.41	19,241.42	-	431,189.83
Total	464,054.86	32,825.34	-	496,880.20
Net Depreciable Assets	\$ 215,293.87	\$ (32,825.34)	\$ -	\$ 182,468.53

Note 6 – Subsequent Events

Management has evaluated subsequent events through the compilation report date, which is the date the financial statements were available to be issued and has determined that no additional information needs to be added to the financial statements.