

WASHITA COUNTY CONSERVATION
DISTRICT NO. 86

FINANCIAL STATEMENTS AND
ACCOUNTANT'S COMPILATION REPORT

JUNE 30, 2013



Certified Public Accountants

Glenn L. McCulley
Roselind C. McCulley

204 North Caddo
Post Office Box 1626
Weatherford, Oklahoma 73096

Voice (580) 772-8820
Fax (580) 772-0672

<http://prep.1040.com/mcculleycpas>
email: mmcpas@cebridge.net

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Washita County Conservation District No. 86
Cordell, Oklahoma

We have compiled the accompanying statement of assets, liabilities, and net assets - cash basis of Washita County Conservation District No. 86, as of June 30, 2013, and the related statement of cash receipts, cash disbursements, and changes in net assets - cash basis and statement of cash flows - cash basis for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting.

The management of Washita County Conservation District No. 86 is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control related to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standard Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of Washita County Conservation District No. 86 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.

McCulley & McCulley

Weatherford, Oklahoma

August 26, 2013

**WASHITA COUNTY CONSERVATION DISTRICT NO. 86
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
CASH BASIS
JUNE 30, 2013**

ASSETS		
Cash in Bank		\$ 34,890
Certificate of Deposit		<u>20,000</u>
TOTAL ASSETS		\$ <u>54,890</u>
 LIABILITIES AND NET ASSETS 		
LIABILITIES		\$
NET ASSETS		<u>54,890</u>
TOTAL LIABILITIES AND NET ASSETS		\$ <u>54,890</u>

See accompanying notes and accountant's compilation report.

**WASHITA COUNTY CONSERVATION DISTRICT NO. 86
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN NET ASSETS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2013**

CASH RECEIPTS

State Reimbursement	\$ 131,911
Office Rent Income	4,374
Interest Income	150
Donation	1,495
Sales of Seed	5,386
Other Income	_____

TOTAL CASH RECEIPTS	143,316
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CASH DISBURSEMENTS

Compensation and Benefits	73,913
Retirement and Health Insurance	6,573
Watershed Maintenance	44,711
Telephone	1,428
Meeting Expenses	1,707
Transportation Expenses	770
Mileage Expense	1,068
Seed Purchased	8,919
Classroom and Education	1,124
Advertising	249
Licenses and Dues	2,506
Insurance	2,441
Office Expenses	138
Equipment Rental - Cancelable Operating Lease	699
Repair and Maintenance	672
Professional Fees	500

TOTAL CASH DISBURSEMENTS	147,418
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NET CASH DISBURSEMENTS	(4,102)
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NET ASSETS

Beginning of Year	58,992
End of Year	\$ 54,890

See accompanying notes and accountant's compilation report.

**WASHITA COUNTY CONSERVATION DISTRICT NO. 86
STATEMENT OF CASH FLOWS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2013**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from State Reimbursements	\$ 131,911
Cash Received in Rent	4,374
Cash Received from Donations	1,495
Cash Received from Interest	150
Cash Received from Seed	5,386
Cash Paid to Employees and Benefits	(80,486)
Cash Paid for Operations	<u>(66,932)</u>

NET CASH (USED FOR) OPERATING ACTIVITIES (4,102)

NET (DECREASE) IN CASH AND CASH EQUIVALENTS (4,102)

CASH AND CASH EQUIVALENTS

Beginning of Year	<u>58,992</u>
End of Year	<u><u>\$ 54,890</u></u>

**RECONCILIATION OF NET CASH DISBURSEMENTS TO NET CASH
(USED FOR) OPERATING ACTIVITIES**

Net Cash Disbursements	\$ <u>(4,102)</u>
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NET CASH (USED FOR) OPERATING ACTIVITIES \$ (4,102)

See accompanying notes and accountant's compilation report.

WASHITA COUNTY CONSERVATION DISTRICT NO. 86
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

A. Summary of Significant Accounting Policies.

The Washita County Conservation District No. 86, (the District), is a special district of the State of Oklahoma. The District was created to implement soil conservation measures in Washita County, State of Oklahoma, and is financed by user charges and the Oklahoma Conservation Commission.

1. Basis of Accounting.

The District's policy is to prepare its financial statements on the cash basis of accounting; consequently, revenues are recognized when received rather than when earned, and expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

2. Cash in Bank and Certificate of Deposit.

Cash in bank consists of the District's checking and savings accounts. The Market value of the certificate of deposit approximates cost. All deposits are insured by the Federal Deposit Insurance Corporation.

For purposes of the statement of cash flows, the District considers all cash in bank and the certificate of deposit to be cash equivalents.

B. Capital Assets.

In accordance with the cash basis of accounting, the District's capital assets are recognized as an expense when cash is disbursed. Sales of capital assets are recognized as revenue when sold.

C. Risk Management.

The District purchases insurance on the equipment and building. Surety bonds are purchased for the employees and Board of Directors. The Oklahoma Conservation Commission purchases workers compensation insurance for the District.

WASHITA COUNTY CONSERVATION DISTRICT NO. 86
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

D. Employee Retirement System.

The District participates in the state-administered Oklahoma Public Employees Retirement System (the "System"), which is a cost-sharing, multiple-employer public employee retirement system (PERS). Under the System, contributions are made by the District, the State of Oklahoma, and the participating employees. Participation is required for all regular employees who work at least 1000 hours per year and are not seasonal or temporary employees. A participant's date of membership is the date the first contribution is made to the System. The System is administered by a Board of Trustees which acts as a fiduciary for investing the funds and governing the administration of the System. The District has no responsibility or authority for the operation and administration of the System nor has it any liability, except for the current contribution requirements.

A participant with 80 age/service points if hired before July 1, 1992 or 90 age/service points if hired after July 1, 1992, may retire with a normal retirement allowance at the age of sixty-two or with reduced benefits as early as age fifty-five with 10 years of service. The normal retirement allowance equals two percent of the members final average compensation multiplied by the number of years of credited service. When a retired participant dies, the beneficiary is entitled to a death benefit.

The contribution rates for the Districts, which are not actuarial determined, and its employees are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. The District is required by statute to contribute 16.5% of the applicable compensation for the year ended June 30, 2013. This contribution is actually paid by the Oklahoma Conservation Commission. The District is allowed by the Oklahoma Public Employees Retirements System to make the required contributions on behalf of the participating members. Employees contribute 3.5% of earnings for the year ended June 30, 2013.

Ten year historical trend information is presented in the Oklahoma Public Employees' Retirement System Annual Report for the year ended June 30, 2013. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.