

TEXAS COUNTY CONSERVATION DISTRICT
ANNUAL FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

TEXAS COUNTY CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2018

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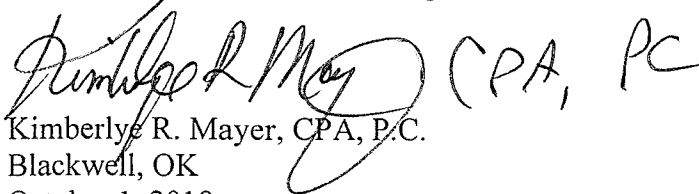
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Board of Directors
Texas County Conservation District

Management is responsible for the accompanying financial statements of the Texas County Conservation District which comprise the statement of net position as of June 30, 2018 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 accounting principles generally accepted in the United States of America. 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.

Texas County Conservation District has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basis financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basis financial statements in an appropriate operational, economic or historical context.

We are not independent with respect to Texas County Conservation District.

 (CPA, PC)
Kimberlye R. Mayer, CPA, P.C.
Blackwell, OK
October 1, 2018

TEXAS COUNTY CONSERVATION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

ASSETS

Current Assets:

Cash and cash equivalents (Note 2)	\$ 267,225
Certificate of deposits	100,869
Accounts receivable (Note 4)	563
Claims receivable (Note 4)	3,421
Prepaid insurance	4,089
Inventory	9,929
Total Current Assets	386,096

Property and equipment (Note 5) (net of accumulated depreciation)	191,423
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Total Assets	\$ 577,519
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LIABILITIES AND NET POSITION

Liabilities:	\$
Current Liabilities:	
Payroll taxes due	1,346
Accounts payable	270
Accrued absences (Note 9)	6,614
Total Liabilities	8,230

Net Position:

Net investment in capital assets	191,423
Unrestricted	377,866
Total Net Position	569,289

Total Liabilities and Net Position	\$ 577,519
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See accountant's notes and compilation report.

TEXAS COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2018

Operating Revenues:	
OCC reimbursements	\$ 36,132
Cost share received	11,869
Equipment rental	5,853
Sales of seeds, trees, and supplies	35,580
Building rent	51,300
Plat book sales	630
Grant and donations	8,000
Other income	399
Total Operating Revenues	149,763
Expenses:	
Personnel costs	53,240
Office supplies and postage	2,679
Repairs, maintenance and supplies	7,642
Conservation education	2,748
Mileage, meetings and travel	1,902
Fuel	537
Seeds, roots, and tree costs	27,704
Other product costs	1,409
Professional fees	1,720
Insurance and bond	6,794
Dues, advertising and promotion	1,413
Building supplies and maintenance	4,709
Janitor expenses	7,321
Utilities and telephone	10,771
Depreciation	25,678
Cost share paid	11,869
Plat book costs	491
Other expenses	371
Total Operating Expenses	168,998
Income (Loss) From Operations	(19,235)
Nonoperating Revenue (Expense):	
Interest income	1,757
Total Nonoperating Revenue	1,757
Revenues Over (Under) expenses	(17,478)
Net Position, beginning of year	586,767
Net Position, end of year	\$ 569,289

See accountant's notes and compilation report.

TEXAS COUNTY CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2018

Cash flows From Operating Activities:	
Cash received from customers	\$ 94,018
Other operating cash receipts	57,504
Cash payments to suppliers for goods and services	(98,347)
Cash payments to employees	(45,623)
Net Cash Provided (Used) By Operating Activities	<u>7,552</u>
Cash Flows From Capital and Financing Activities:	
Acquisition and construction of capital assets	(21,495)
Gain on sale of equipment	<u> </u>
Net Cash Provided (Used) by Financing Activities	<u>(21,495)</u>
Cash Flows From Investing Activities:	
Interest income	1,757
(Increase) decrease in investments	(28,522)
Net Cash Provided (Used) by Investing Activities	<u>(26,765)</u>
Net increase (decrease) in cash and cash equivalents	(40,708)
Beginning cash and cash equivalents	<u>307,933</u>
Ending cash and cash equivalents	<u><u>\$ 267,225</u></u>
Reconciliation of income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (19,235)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	25,678
Changes in assets and liabilities:	
(Increase) decrease in receivables	2,015
(Increase) decrease in inventory	(2,046)
(Increase) decrease in prepaids	1,104
Decrease (increase) in payables	36
Net cash provided (used) by operating activities	<u><u>\$ 7,552</u></u>

See accountant's notes and compilation report.

TEXAS COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Texas 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 accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred.

Net Position

Net position presents the difference between assets and liabilities in the statement of 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 positions 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.

Inventory

Inventory is stated at the lower of cost or market.

NOTE 2 - CASH AND CASH EQUIVALENTS:

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

NOTE 3 – 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 their allocated amount. Such reimbursements are recognized as revenue when received.

TEXAS COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 4 - ACCOUNTS RECEIVABLE:

At June 30, 2018, the District had amounts due from customers of \$563 and from the Oklahoma Conservation Commission of \$3,421. Management believes all amounts are collectible, so no provision has been made for uncollectible accounts.

NOTE 5 - PROPERTY AND EQUIPMENT:

Total depreciation for the year ended June 30, 2018 was \$25,678. The following is a schedule of property and equipment and the related accumulated depreciation at June 30, 2018:

	6/30/17	Additions	6/30/18
Buildings and improvements	\$ 626,618	\$ 21,495	\$ 648,113
Equipment	96,821		96,821
	723,439	21,495	744,934
Less accumulated depreciation	(527,833)	(25,678)	(553,511)
Net	\$ 195,606	\$ (4,183)	\$ 191,423

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 employer's 16 1/2% share of retirement was paid directly by the Commission. The employees' share of the retirement contribution was 3 1/2% of locally earned wages and 3 1/2% of state reimbursable wages.

NOTE 7 - 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 bonds.

NOTE 8 - 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
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 9 – ACCRUED ABSENCES:

District employees are entitled to vacation and sick leave benefits in varying amounts based on their length of employment. Employees can accumulate earned but unused absences to specified maximum amounts. At June 30, 2018 the District had a balance of \$6,614 of accrued unused absences.

NOTE 10 – 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 OCC and the District manage 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 loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

NOTE 11 – CONTINGENCIES:

As of June 30, 2018, 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.

NOTE 12 – 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, receivables, inventory and payables. 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.

TEXAS COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2018

NOTE 13 – EVALUATION OF SUBSEQUENT EVENTS:

The District has evaluated subsequent events through October 1, 2018 the date which the financial statements were available to be issued.