

**ADAIR COUNTY CONSERVATION DISTRICT
STILWELL, OKLAHOMA**

**COMPILED FINANCIAL STATEMENTS
For the year ended June 30, 2015 and 2016**

Compiled By:
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INDEPENDENT COMPILATION REPORT

To the Board of Directors
Adair County Conservation District
Stilwell, OK 74960

Management is responsible for the accompanying financial statements of Adair County Conservation District (a Govt. Sub Agency), which comprise the statement of Assets, Liabilities and Net Assets-Modified Cash Basis as of June 30, 2016 and 2015, and the related statements of Revenue, Expenses and Changes in Net Assets-Modified Cash Basis and cash flows-Modified Cash Basis 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 or 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.

We draw attention to Note B of the financial statement, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Robert St. Pierre, C.P.A., P.C.
October 17, 2014

**ADAIR COUNTY CONSERVATION DISTRICT
ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
JUNE 30, 2016 AND 2015**

ASSETS	2016	2015
CURRENT ASSETS		
Cash (Note C)	\$ 39,054	\$ 43,001
Certificates of Deposit (Note D)	<u>13,224</u>	<u>13,171</u>
TOTAL CURRENT ASSETS	52,278	56,172
FIXED ASSETS		
Equipment	120,585	120,585
<i>Less Accumulated Depreciation</i>	<u>(83,348)</u>	<u>(70,178)</u>
TOTAL FIXED ASSETS	<u>37,237</u>	<u>50,407</u>
TOTAL ASSETS	<u><u>89,515</u></u>	<u><u>106,579</u></u>
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Payroll Taxes Payable	<u>122</u>	<u>119</u>
TOTAL CURRENT LIABILITIES	122	119
NET ASSETS		
Unrestricted	<u>89,393</u>	<u>106,460</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 89,515</u></u>	<u><u>\$ 106,579</u></u>

**ADAIR COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES
IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016 AND 2015**

	2016	2015
REVENUE AND SUPPORT		
Governmental Reimbursements	\$ 213,949	\$ 195,508
Equipment Rentals	250	300
Water Quality Stipend	5,700	7,200
Brushhogging & Sprigging	6,015	7,010
AML	4,913	-
Rehab Contracting	-	82,054
Miscellaneous Income	6,000	8,000
	<u>236,827</u>	<u>300,072</u>
TOTAL REVENUE AND SUPPORT	236,827	300,072
 EXPENDITURES		
Salaries	70,954	71,219
Payroll Taxes	6,973	5,681
Employee Benefits	814	694
Board of Supervisors	520	1,525
Telephone	1,420	1,164
Insurance	1,578	1,578
Travel	2,715	2,439
Repairs and Maintenance	1,838	12,454
Watershed Maintenance	148,868	176,607
Office Expense	1,499	1,324
Legal and Professional	3,568	1,699
Depreciation	13,170	12,312
	<u>253,917</u>	<u>288,696</u>
TOTAL OPERATING EXPENSES	253,917	288,696
 NET INCOME FROM OPERATIONS	 <u>(17,090)</u>	 <u>11,376</u>
 OTHER INCOME AND EXPENSE		
Gain on Sale of Fixed Assets	-	-
Interest Income	24	68
	<u>-</u>	<u>-</u>
TOTAL OTHER INCOME AND EXPENSES	24	68
 NET INCOME	 (17,066)	 11,444
 FUND BALANCE BEGINNING OF PERIOD	 <u>106,459</u>	 <u>95,015</u>
 FUND BALANCE END OF THE PERIOD	 <u><u>\$ 89,393</u></u>	 <u><u>\$ 106,459</u></u>

**ADAIR COUNTY CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016 AND 2015**

	2016	2015
Cash Flows From Operating Activities		
Cash Received From Governmental Agencies	230,562	292,762
Cash Received From Customers	6,265	7,310
Cash Received From Others	-	-
Proceeds from the Sale of Assets	-	-
Cash Received From Interest	24	68
Payment of Expenditures	<u>(240,744)</u>	<u>(277,611)</u>
Net Cash Provided By Operations	(3,893)	22,529
Net Cash From Investing Activities		
Purchase of Fixed Assets	-	-
(Increase) Decrease in Investments	<u>(54)</u>	<u>(52)</u>
Net (Decrease) Increase in Cash Equivalents	(3,947)	22,477
Beginning Cash and Cash Equivalents	<u>43,001</u>	<u>20,524</u>
Ending Cash and Cash Equivalents	<u><u>39,054</u></u>	<u><u>43,001</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	(17,066)	11,444
Adjustments to Reconcile Operating Income to Net Cash		
Depreciation	13,170	12,312
Gain on Sale of Assets	-	-
Increase (Decrease) in Payroll Taxes Payable	<u>3</u>	<u>(1,227)</u>
Net Cash Provided by operations	<u><u>(3,893)</u></u>	<u><u>22,529</u></u>
Interest Expense	<u><u>-</u></u>	<u><u>-</u></u>

**ADAIR COUNTY CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE A: NATURE OF THE ORGANIZATION

The Adair County Conservation District operates as a field office for the Oklahoma Conservation Agency. Its primary source of operating support is derived from governmental reimbursements. Its purpose is to assist landowners in conservation efforts and to educate the public on the importance of the conservation of natural resources.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The financial statements of Adair County Conservation District have been prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principals. Modifications to the cash basis of accounting include recording depreciation on property and equipment and accruing for payroll taxes.

2. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

3. PROPERTY AND EQUIPMENT

Property and equipment are carried at cost, or if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life.

4. PENSION PLAN

The Adair County Conservation District provides a defined benefit pension plan to its full time employees through the Oklahoma Employees Retirement System. The plan calls for a 3.5% contribution by the employee, which is matched by an 15.5% contribution by the Oklahoma Conservation District. The Oklahoma Conservation District acting as trustee, maintains the pension plan.

5. EXPENSE ALLOCATION

The district office accounts for expenses directly paid by the district, however the state conservation office does pay certain expenses for the district office. These expenses consist of workman's compensation insurance, employee medical insurance and retirement benefits; as such these expenses are not included in the financial statements of the district office. The district is also provided office space and utilities through the Natural Resources Conservation Service.

6. INCOME TAXES

The Adair County Conservation District is a sub-division of state government and is therefore exempt from federal income taxes.

7. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE C: CASH AND INVESTMENTS

Unrestricted cash consists of the following:

	2016	2015
Armstrong Bank - Checking	\$39,054	\$43,001

NOTE D: CERTIFICATES OF DEPOSIT

A certificate of deposit totaling \$13,224 (at June 30, 2016) is included in the accompanying financial statements. The certificate bears interest at .40% and has a maturity of 12 months with a renewal clause at maturity. The certificate was renewed in fiscal year 2016 and 2015. Any penalties for early withdrawal would not have a material effect on the financial statements.

NOTE E: INVENTORIES

Expendable items are reflected as expenditures as paid. Merchandise on hand at June 30, 2016 and 2015 is determined to be immaterial; therefore no inventories have been reflected in the financial statements.