

**HUGHES COUNTY
CONSERVATION DISTRICT**

FINANCIAL STATEMENTS

JUNE 30, 2016

HUGHES COUNTY CONSERVATION DISTRICT

JUNE 30, 2016

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HUGHES COUNTY CONSERVATION DISTRICT

Board of Directors

<u>Name</u>	<u>Position</u>
Sam McClure	Chairman
Dale Jenkins	Vice-Chairman
Steve Enos	Secretary-Treasurer
Clay Meeks	Member
Leon Barrett	Member

Secretary

Andrea Jones

DAVID F. HEDGES, CPA

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Member:
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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Hughes County Conservation District

Management is responsible for the accompanying cash basis financial statements of the Hughes County Conservation District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Districts basic financial statements as listed in the table of contents, in accordance with the modified cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. I 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. 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 management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Spiro, Oklahoma
July 28, 2017

HUGHES COUNTY CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION
June 30, 2016

ASSETS

Current Assets:

Cash and Cash Equivalents	1,729
Total Assets	<u>1,729</u>

LIABILITIES

Current Liabilities:

Withheld Payroll Taxes	0
Total Liabilities	<u>0</u>

NET POSITION:

Unrestricted	1,729
Total Net Position	<u>1,729</u>

See Accompanying Notes and Independent Accountant's Report

**HUGHES COUNTY CONSERVATION DISTRICT
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN NET POSITION - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

CASH RECEIPTS:

Oklahoma Conservation Commission	47,872
Equipment Rental & Custom Work	10,862
Plat Book & Map Sales	540
Grants	150
Interest Income	5
Miscellaneous	2,726
Total Cash Receipts	<u>62,155</u>

CASH DISBURSEMENTS:

District Salaries & Related Costs	48,778
Director's Meeting	930
Dues, Subscriptions & Advertising	584
Bermuda Roots, Chemicals & Seed	4,207
Professional Fees	680
Office Supplies	835
Fuel	1,260
Educational Activities	3,075
Insurance & Bonds	1,875
Meetings, Travel & Mileage	1,761
Utilities & Telephone	2,249
Equipment Repairs & Supplies	2,689
Plat Books Expense	325
Miscellaneous	340
Total Cash Disbursements	<u>69,588</u>

Excess (Deficit) Cash Receipts Over Cash Disbursements	(7,433)
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Net Position - Beginning of the Year	9,162
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Net Position - End of the Year	<u>1,729</u>
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See Accompanying Notes and Independent Accountant's Report

HUGHES COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District's accounting policies applied in the preparation of the accompanying financial statements follow.

The cash basis of accounting is utilized which demonstrates compliance with the Oklahoma Conservation Commission requirement that complete and accurate records and receipts must be kept of the expenditures of District funds. The cash basis generally recognizes revenues when received rather than when earned and expenses when the obligation is paid rather than when incurred. Property, plant and equipment is charged to expense in the year of purchase and is not capitalized and depreciated.

The cash basis is a comprehensive basis of accounting other than U.S. generally accepted accounting principles, which require the full accrual basis of accounting and capitalization and depreciation of all property, plant and equipment. Generally accepted accounting principles also require management's discussion and analysis of the operations. Adoption of a budget is not legally required and the budgetary information normally required by generally accepted accounting principles has not been presented.

1.A. FINANCIAL REPORTING ENTITY

The Hughes County Conservation District (the "District") is a local subdivision of state government charged with the conservation of renewable natural resources. The District receives funds from state appropriation to the Oklahoma Conservation Commission as well as interest from its checking and savings accounts. As a political subdivision of the State of Oklahoma, the District is exempt from income taxes, and its employees are exempt from federal unemployment taxes.

1.B. FINANCIAL POSITION

CASH AND CASH EQUIVALENTS

For the purpose of financial reporting "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less. All accounts are fully insured by the Federal Deposit Insurance Corporation.

NOTE 2. CONTINGENCIES

2.A. LITIGATION

The District currently has no pending litigation.

HUGULES COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

2.B. STATE CONSERVATION COST-SHARE PROGRAM

The District is an intermediary for the State's Conservation Cost-Share Program. The District performed review, inspection and other services for applicants who received funds under the program.

2.C. CONTINGENT LIABILITIES

The District participates in a state assisted program. This program is audited in accordance with Government Auditing Standards in accordance with the required levels of State Financial Assistance. Audits of prior years have not resulted in any significant disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, management believes that further examinations would not result in any significant disallowed costs.

2.D. 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 contribution from covered employees. During the year ended June 30, 2016, the covered employees made contributions of \$1,086 to the OPERS. Under the pension plan, benefits vest after 6 years of full-time employment. An employee with 10 years of service may retire at age 55 and receive reduced retirement benefits.

Based on Oklahoma statute, employees covered by the pension plan contribute 3.5% of their monthly gross earnings to the pension fund. The state is required to contribute 16.5% of gross earnings to the plan.

The District's total current year payroll for all its employees amounted to \$38,189, of which \$31,017 was amount as the payroll covered by the plan.

2.E. COMPENSATED ABSENCES

The District's policy for accumulation annual leave is based on years of continuous service. Full-time employees with less than five years of service can accumulated up to 240 hours; employees with over five years of service can accumulate up to 480 hours. The accrual of compensated absences is not reflected in modified cash basis statements.

At June 30, 2016, the District had an unrecorded commitment for earned but unused vacation benefits that would require payment upon employee termination of service in the amount of \$2,752.

HUGBONS COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3. OTHER NOTES

3.A. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District manages these various risks of loss as follows:

Type of Loss	Method Managed	Risk Retained
a. Torts, errors and omissions	Coverage provided by Oklahoma Conservation Commission through Compsource	None
b. Injuries to employees (workers' compensation)	Coverage provided by Oklahoma Conservation Commission through Compsource	None
c. Physical property loss and natural disasters	Purchased commercial insurance package	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

3.B. ECONOMIC DEPENDENCY

Approximately 77% of the organization's total support was provided through funds appropriated annually by the Oklahoma Conservation Commission which are dependent upon legislative approval.

3.C. SUBSEQUENT EVENTS

The District did not have any subsequent events through the date the financial statements were issued, for events requiring recording or disclosure in the financial statements for the year ending June 30, 2016.