

**WASHITA COUNTY CONSERVATION
DISTRICT NO. 86**

**FINANCIAL STATEMENTS AND
ACCOUNTANT'S COMPILATION REPORT**

JUNE 30, 2012



Certified Public Accountants

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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, 2012, 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.

Management has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the accompanying financial statements.

McCulley & McCulley

Weatherford, Oklahoma
August 30, 2012

WASHITA COUNTY CONSERVATION DISTRICT NO. 86
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
CASH BASIS
JUNE 30, 2012

ASSETS		
Cash in Bank		\$ 38,992
Certificate of Deposit		<u>20,000</u>
TOTAL ASSETS		\$ <u>58,992</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		\$
NET ASSETS		<u>58,992</u>
TOTAL LIABILITIES AND NET ASSETS		\$ <u>58,992</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, 2012**

CASH RECEIPTS

State Reimbursement	\$ 102,769
Office Rent Income	4,858
Interest Income	171
Donation	1,535
Sales of Seed	11,920
Cedar Cutting	1,960
Other Income	873
	124,086
TOTAL CASH RECEIPTS	124,086

CASH DISBURSEMENTS

Compensation and Benefits	74,545
Retirement and Health Insurance	6,997
Watershed Maintenance	10,033
Telephone	1,251
Meeting Expenses	2,171
Transportation Expenses	1,282
Mileage Expense	880
Seed Purchased	10,990
Classroom and Education	1,004
Advertising	143
Licenses and Dues	2,165
Insurance	2,381
Office Expenses	269
Equipment Rental - Cancelable Operating Lease	419
Repair and Maintenance	281
Professional Fees	1,300
	116,111
TOTAL CASH DISBURSEMENTS	116,111

NET CASH RECEIPTS

7,975

NET ASSETS

Beginning of Year	51,017
End of Year	\$ 58,992

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, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from State Reimbursements	\$ 102,769
Cash Received in Rent	4,858
Cash Received from Donations	1,535
Cash Received from Interest	171
Cash Received from Seed	11,920
Cash Received from Cedar Cutting	1,960
Cash Received from Other Income	873
Cash Paid to Employees and Benefits	(81,542)
Cash Paid for Operations	<u>(34,569)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES 7,975

NET INCREASE IN CASH AND CASH EQUIVALENTS 7,975

CASH AND CASH EQUIVALENTS

Beginning of Year	<u>51,017</u>
End of Year	<u><u>\$ 58,992</u></u>

RECONCILIATION OF NET CASH RECEIPTS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Net Cash Receipts	<u>\$ 7,975</u>
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NET CASH PROVIDED BY OPERATING ACTIVITIES \$ 7,975

See accompanying notes and accountant's compilation report.

WASHITA COUNTY CONSERVATION DISTRICT NO. 86
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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 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 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 its 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, 2012

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 District, 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, 2012. This contribution is actually paid by the Oklahoma Conservation Commission. The District is allowed by the Oklahoma Public Employees Retirement System to make the required contributions on behalf of the participating members. Employees contribute 3.5% of earnings for the year ended June 30, 2012.

Ten year historical trend information is presented in the Oklahoma Public Employees' Retirement System Annual Report for the year ended June 30, 2012. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.