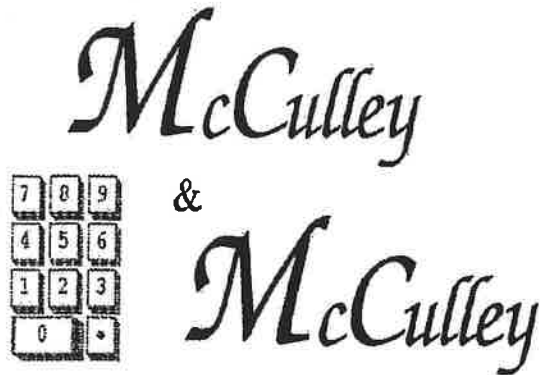


KIOWA COUNTY CONSERVATION  
DISTRICT NO. 76

FINANCIAL STATEMENTS AND  
ACCOUNTANT'S COMPILATION REPORT

JUNE 30, 2021



*Certified Public Accountants*

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# **INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

Board of Directors  
Kiowa County Conservation District No. 76  
Hobart, Oklahoma

Management is responsible for the accompanying statement of assets, liabilities, and net position - cash basis of Kiowa County Conservation District No. 76, (a component unit of the Oklahoma Conservation Commission), as of June 30, 2021, and the related statement of cash receipts, cash disbursements, and changes in net position - cash basis and statement of cash flows - cash basis for the year then ended and the related notes to the financial statements in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework.

We have performed a compilation engagement in accordance with the 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 prepared on the cash basis of accounting, 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 cash basis financial statements.

We draw attention to Note A 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.

*McCulley & McCulley*  
Weatherford, Oklahoma

October 8, 2021

**KIOWA COUNTY CONSERVATION DISTRICT NO. 76  
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION  
CASH BASIS  
JUNE 30, 2021**

**ASSETS**

**CURRENT ASSETS**

Cash in Bank	\$ 34,110
Restricted Cash in Bank	27,128
Certificate of Deposit	25,443
Total Current Assets	<u>86,681</u>

**NON-CURRENT ASSETS**

**TOTAL ASSETS**

\$ 86,681

**LIABILITIES AND NET POSITION**

**LIABILITIES**

\$                     

**NET POSITION**

Restricted	27,128
Unrestricted	59,553
Total Net Position	<u>86,681</u>

**TOTAL LIABILITIES AND NET POSITION**

\$ 86,681

See accompanying notes and accountant's compilation report.

**KIOWA COUNTY CONSERVATION DISTRICT NO. 76  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN NET POSITION - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

**CASH RECEIPTS**

State Reimbursement	\$ 100,892
State Cost Share Reimbursement	23,794
Equipment Rent Income	20,993
Interest Income	87
NACD Position Salary	37,320
Sales of Seed	24,554
Other Income	1,048

**TOTAL CASH RECEIPTS**

208,688

**CASH DISBURSEMENTS**

Compensation and Benefits	96,667
Watershed Maintenance	5,188
State Cost Share Payments	23,794
Telephone	393
Meeting Expenses	175
Transportation Expenses	1,492
Seed Purchases	18,088
Classroom and Education	
Advertising	218
Licenses and Dues	820
Insurance	4,429
Office Expenses	961
Equipment Rental - Cancelable Operating Lease	699
Repair and Maintenance	3,391
Utilities	1,641
Professional Fees	1,200
Capital Outlay	
Other	747

**TOTAL CASH DISBURSEMENTS**

159,903

**NET CASH RECEIPTS**

48,785

**NET POSITION**

Beginning of Year	<u>37,896</u>
End of Year	<u>\$ 86,681</u>

See accompanying notes and accountant's compilation report.

**KIOWA COUNTY CONSERVATION DISTRICT NO. 76  
STATEMENT OF CASH FLOWS - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from State Reimbursements	\$ 100,892
Cash Received in State Cost Share	23,794
Cash Received in Rent	20,993
Cash Received from NACD Position Salary	37,320
Cash Received from Seed	24,554
Cash Received from Other Income	1,048
Cash Paid to Employees and Benefits	(96,667)
Cash Paid for Operations	<u>(63,236)</u>

**NET CASH PROVIDED BY OPERATING ACTIVITIES**

48,698

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest Received on Cash and Certificates of Deposits	87
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**NET CASH PROVIDED BY INVESTING ACTIVITIES**

87

**NET INCREASE IN CASH AND CASH EQUIVALENTS**

48,785

**CASH AND CASH EQUIVALENTS**

Beginning of Year	<u>37,896</u>
End of Year	\$ <u><u>86,681</u></u>

**RECONCILIATION OF NET CASH DISBURSEMENTS TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES**

Net Cash Receipts	\$ 48,785
Interest Income	<u>(87)</u>

**NET CASH PROVIDED BY OPERATING ACTIVITIES**

\$ 48,698

See accompanying notes and accountant's compilation report.

**KIOWA COUNTY CONSERVATION DISTRICT NO. 76**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING JUNE 30, 2021**

**A. Summary of Significant Accounting Policies.**

The Oklahoma State Conservation District Act (Title 27A-3) defines the Kiowa County Conservation District No. 76, (the District) as a governmental subdivision of the State of Oklahoma. The Conservation District Act also established the Oklahoma Conservation Commission which provides funding and services to the District. Consequently, the District is considered to be a component unit of the Oklahoma Conservation Commission. The District was created to implement soil conservation measures in Kiowa 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 account. 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 and cash is received.

**KIOWA COUNTY CONSERVATION DISTRICT NO. 76**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING JUNE 30, 2021**

**C. Risk Management.**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to manage its risk of loss. Deductibles range from \$500 to \$1,000, depending upon the coverage. Surety bonds are purchased for certain employees and Board of Directors. The Oklahoma Conservation Commission purchases workers compensation insurance for the District.

**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 in the System 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 actuarial valuation report as of July 1, 2021, does not give pension information down to the District level of participation. The required disclosure information is not presented since it is not available at the District level. 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.

**KIOWA COUNTY CONSERVATION DISTRICT NO. 76**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING JUNE 30, 2021**

**D. Employee Retirement System (continued).**

The contribution rates for the Districts, which are not actuarially determined, and its employees, are established by Oklahoma 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, 2021.

This contribution is actually paid by the Oklahoma Conservation Commission. These on behalf payments are not reflected in these cash basis financial statements. The retirement expense amount shown on the financial statements is the actual expense paid by the District for compensation actually paid from local funds. 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, 2021.

Ten year historical trend information is presented in the Oklahoma Public Employees' Retirement System Annual Report for the year ended June 30, 2020 (latest available). This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. A publicly available financial report and required supplementary information for the System can be obtained by writing to the Oklahoma Public Employees Retirement System, P. O. Box 53007, Oklahoma City, OK 73152-3007 or it can be obtained online at <http://www.opers.ok.gov/>.

**E. Restricted Cash in Bank and Restricted Net Position.**

Restricted cash in bank and restricted net position consists of the NACD position salary funds received less the amount spent at June 30, 2021.