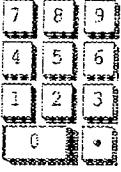


KIOWA COUNTY CONSERVATION  
DISTRICT NO. 76

FINANCIAL STATEMENTS AND  
ACCOUNTANT'S COMPILATION REPORT

JUNE 30, 2015

# McCulley



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# McCulley

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## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

We have compiled 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, 2015, 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. 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 Kiowa County Conservation District No. 76 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 Kiowa County Conservation District No. 76 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.

*McCulley & McCulley*

Weatherford, Oklahoma

February 23, 2016

**KIOWA COUNTY CONSERVATION DISTRICT NO. 76  
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION  
CASH BASIS  
JUNE 30, 2015**

**ASSETS**

**CURRENT ASSETS**

Cash in Bank	\$ 37,476
Certificate of Deposit	<u>27,719</u>
Total Current Assets	<u>65,195</u>

**NON-CURRENT ASSETS**

**TOTAL ASSETS**

**\$ 65,195**

**LIABILITIES AND NET POSITION**

**LIABILITIES**

\$                     

**NET POSITION**

Unrestricted	<u>65,195</u>
Total Net Position	<u>65,195</u>

**TOTAL LIABILITIES AND NET POSITION**

**\$ 65,195**

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, 2015**

**CASH RECEIPTS**

State Reimbursement	\$ 114,672
State Cost Share Reimbursement	1,100
Equipment Rent Income	19,975
Interest Income	170
Donation	650
Sales of Seed	14,251
Other Income	
	150,818

**CASH DISBURSEMENTS**

Compensation and Benefits	93,543
Watershed Maintenance	11,763
State Cost Share Payments	1,100
Telephone	2,123
Meeting Expenses	1,512
Board Meeting Expense	1,360
Transportation Expenses	3,103
Seed Purchases	3,430
Classroom and Education	1,220
Advertising	631
Licenses and Dues	1,076
Insurance	3,552
Office Expenses	458
Equipment Rental - Cancelable Operating Lease	1,347
Repair and Maintenance	7,296
Utilities	1,683
Professional Fees	1,460
Capital Outlays	47,228
Other	659
	184,544

**NET CASH DISBURSEMENTS**

(33,726)

**NET POSITION**

Beginning of Year, as Previously Reported	168,168
Prior Period Adjustment, Change in Accounting Basis	(69,247)
	98,921
Beginning of Year, as Restated	
End of Year	\$ 65,195

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, 2015**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from State Reimbursements	\$ 114,672
Cash Received in State Cost Share	1,100
Cash Received in Rent	19,975
Cash Received from Donations	650
Cash Received from Seed	14,251
Cash Received from Other Income	0
Cash Paid to Employees and Benefits	(93,543)
Cash Paid for Operations	<u>(91,001)</u>

**NET CASH (USED FOR) OPERATING ACTIVITIES** (33,896)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest Received on Cash and Certificates of Deposits	170
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**NET CASH PROVIDED BY INVESTING ACTIVITIES** 170

**NET (DECREASE) IN CASH AND CASH EQUIVALENTS** (33,726)

**CASH AND CASH EQUIVALENTS**

Beginning of Year	<u>98,921</u>
End of Year	<u><u>\$ 65,195</u></u>

**RECONCILIATION OF NET CASH RECEIPTS TO NET CASH  
(USED FOR) OPERATING ACTIVITIES**

Net Cash Disbursements	\$ (33,726)
Interest Income	<u>(170)</u>

**NET CASH PROVIDED BY OPERATING ACTIVITIES** \$ (33,896)

See accompanying notes and accountant's compilation report.

**KIOWA COUNTY CONSERVATION DISTRICT NO. 76**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**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.

**KIOWA COUNTY CONSERVATION DISTRICT NO. 76**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**C. Risk Management.**

The District purchases insurance on the 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.

**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. The actuarial valuation report as of July 1, 2014, 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. 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 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 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, 2015. This contribution is actually paid by the Oklahoma Conservation Commission. 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, 2015.

**KIOWA COUNTY CONSERVATION DISTRICT NO. 76**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

Ten year historical trend information is presented in the Oklahoma Public Employees' Retirement System Annual Report for the year ended June 30, 2014 (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. Prior Period Adjustment.**

The previous year compilation report was presented in accordance with generally accepted accounting principles (accrual basis). The Kiowa County Board has elected to present the current compilation report on the cash basis of accounting. The following are items removed from the prior year report to present this report on the cash basis.

Accounts Receivable	\$ (11,865)
Capital Assets, Net	(59,623)
Accounts Payable	<u>2,241</u>
Total Prior Period Adjustment	<u>\$ (69,247)</u>