

**Lincoln County Conservation District and
Crosstimbers Prescribed Burn Association Grant Fund
Chandler, OK**

**Financial Statements
As of and for the Year Ended June 30, 2017**

**Bill Ford
Certified Public Accountant**

Lincoln County Conservation District and
 Crosstimbers Prescribed Burn Association Grant Fund
 Chandler, Oklahoma
 For the Year ended June 30, 2017

TABLE OF CONTENTS

	<u>Page</u>
Table of Contents	
<u>Accountant's Compilation Report</u>	1
<u>Basic Financial Statements</u>	
Government-wide Financial Statements:	
Statement of Net Position – Modified Cash Basis	2
Statement of Activities – Modified Cash Basis	3
Fund Financial Statements	
Balance Sheet – Government Funds – General Fund – Modified Cash Basis	4
Statement of Revenues, Expenses, and Changes in Fund Balance	
- General Fund – Modified Cash Basis	5
Statement of Net Position – Proprietary Fund – Modified Cash Basis	6
Statement of Revenues, Expenses, and Changes in Net Position	
- Proprietary Fund – Modified Cash Basis	7
Statement of Cash Flows – Proprietary Fund – Modified Cash Basis	8
Statement of Net Assets – Fiduciary Fund – Modified Cash Basis	9
 <u>Notes to the Financial Statements</u>	 10-14
 <u>Other Supplemental Information:</u>	
Statement of Changes in Net Assets, Liabilities & Fund Balance – Fiduciary Fund – Expendable Trust Fund – Modified Cash Basis	15
Statement of Revenues, Expenditures & Changes in Fund Balance	
- Fiduciary Fund – Expendable Trust Fund – Modified Cash Basis	16

WILLIAM A. FORD
CERTIFIED PUBLIC ACCOUNTANT
119 MARSHALL DRIVE
CHANDLER, OKLAHOMA 74834

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

TELEPHONE
(405) 258-2405

Board of Directors
Lincoln County Conservation District and
Crosstimbers Prescribed Burn Association Grant Fund
Chandler, OK

I have compiled the accompanying modified cash basis financial statements of the governmental activities and the business-type activities of the Lincoln County Conservation District and Crosstimbers Prescribed Burn Association Grant Fund, Lincoln County, Oklahoma, as of and for the year ended June 30, 2017, which collectively comprise the District's basic financial statements as listed in the table of contents. I 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 modified cash basis of accounting.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting the financial information in the form of financial statement without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.



Bill A. Ford, CPA
November 20, 2017

LINCOLN COUNTY CONSERVATION DISTRICT and
 CROSSTIMBERS PRESCRIBED BURN ASSOCIATION GRANT FUND
 CHANDLER, OKLAHOMA
 STATEMENT OF NET POSITION – MODIFIED CASH BASIS
 JUNE 30, 2017

	<u>Government Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 30,471	\$ 17,211	\$ 47,682
Investments	<u>41,887</u>	<u>0</u>	<u>41,887</u>
Total current assets	<u>72,358</u>	<u>17,211</u>	<u>89,569</u>
Non-Current assets:			
Capital assets:			
Land		18,241	18,241
Building & Infrastructure		220,021	220,021
Equipment	<u>94,001</u>		<u>94,001</u>
Total non-current assets	<u>94,001</u>	<u>238,262</u>	<u>332,263</u>
Total assets	<u>\$ 166,359</u>	<u>\$ 255,473</u>	<u>\$ 421,832</u>
<u>LIABILITIES</u>			
Current liabilities:	<u>0</u>	<u>0</u>	<u>0</u>
<u>NET POSITION</u>			
Nonspendable capital assets, net of related debt	94,001	238,262	332,263
Unassigned	<u>72,358</u>	<u>17,211</u>	<u>89,569</u>
Total net position	<u>\$166,359</u>	<u>\$ 255,473</u>	<u>\$ 421,832</u>

See accompanying notes and compilation report

LINCOLN COUNTY CONSERVATION DISTRICT and
 CROSSTIMBERS PRESCRIBED BURN ASSOCIATION GRANT FUND
 CHANDLER, OKLAHOMA

STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION – MODIFIED CASH BASIS
 YEAR ENDED JUNE 30, 2017

Function/Programs	Program Revenue			Net (Expenses) Revenue and Changes in Net Assets		
Governmental activities	Charges For Services	Operating Grants & Contracts	Capital Grants & Contracts	Governmental Activities	Business Type Activities	Totals
Conservation program	\$ 141,705	\$100,033		\$ (41,672)		\$ (41,672)
Local earned income	<u>41,796</u>			<u>41,796</u>		<u>41,796</u>
Total governmental activities	<u>141,705</u>	<u>100,033</u>		<u>124</u>		<u>124</u>
Business-type activities						
Office building rental	<u>32,323</u>				<u>11,677</u>	<u>11,677</u>
Total business-type activities	<u>32,323</u>				<u>11,677</u>	<u>11,677</u>
Totals	<u>\$ 174,028</u>	<u>\$100,033</u>	<u>\$</u>	<u>\$ 124</u>	<u>\$ 11,677</u>	<u>\$ 11,801</u>
General revenues						
Investment earnings					229	229
Transfers				<u>28,000</u>	<u>(28,000)</u>	<u>0</u>
Total general revenue & transfers				<u>28,229</u>	<u>(28,000)</u>	<u>229</u>
Changes in net assets						
Net position – beginning of year				28,353	(16,323)	12,030
Net position – end of year				<u>138,006</u>	<u>271,796</u>	<u>409,802</u>
				<u>\$ 166,359</u>	<u>\$255,473</u>	<u>\$ 421,832</u>

See accompanying notes and compilation report

LINCOLN COUNTY CONSERVATION DISTRICT and
 CROSSTIMBERS PRESCRIBED BURN ASSOCIATION GRANT FUND
 CHANDLER, OKLAHOMA
 BALANCE SHEET – MODIFIED CASH BASIS
 GOVERNMENTAL FUNDS – GENERAL FUND
 JUNE 30, 2017

	<u>Total Governmental Funds</u>
<u>ASSETS</u>	<u>General Fund</u>
Current assets	
Cash & cash equivalents	\$ 30,471
Investments	<u>41,887</u>
Total current assets	<u>\$ 72,358</u>
 TOTAL ASSETS	 <u>\$ 72,358</u>
 <u>LIABILITIES</u>	 <u>\$ 0</u>
 <u>FUND BALANCE</u>	
Unassigned in general fund	<u>\$ 72,358</u>
 TOTAL FUND BALANCE	 <u>\$ 72,358</u>

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and are not reported as assets in government funds:

The cost of the asset is	<u>\$ 94,001</u>
Net position of governmental activities	<u>\$166,359</u>

See accompanying notes and compilation report

LINCOLN COUNTY CONSERVATION DISTRICT and
 CROSSTIMBERS PRESCRIBED BURN ASSOCIATION GRANT FUND
 CHANDLER, OKLAHOMA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES-MODIFIED CASH BASIS
 GOVERNMENTAL FUNDS – GENERAL FUNDS
 JUNE 30, 2017

	Total Governmental <u>Funds</u>
	<u>General Fund</u>
Revenues	
Oklahoma Conservation Commission	\$ 73,812
OCC cost share reimbursement	4,984
Local income	36,108
Net rental income	5,688
NRCS/WRP work	17,860
Insurance proceeds	3,377
Interest income	<u>\$ 229</u>
Total revenues	<u>142,058</u>
Expenditures	
Personnel & related taxes	66,486
Postage & office	442
Supplies & parts	16,007
Meeting expenses	1,233
Fuel	1,975
Insurance & retirement	8,513
Sprigging lease	2,119
Dues & memberships	575
NRCS/WRP	29,741
Professional expenses	1,200
Operation & maintenance	5,477
Other expenses	2,309
Cost share payments	4,984
Outreach	<u>644</u>
Total expenditures	141,705
Excess of revenue over (under) expenditures	<u>353</u>
Other financing sources (uses)	
Operating transfers in	28,000
Excess of revenues and other sources (uses)	
Over (under) expenditures and other uses	<u>28,353</u>
Fund balance unassigned – beginning of year	<u>44,005</u>
Fund balance unassigned – end of year	<u>\$ 72,358</u>

See accompanying notes and compilation report

LINCOLN COUNTY CONSERVATION DISTRICT and
 CROSSTIMBERS PRESCRIBED BURN ASSOCIATION GRANT FUND
 CHANDLER, OKLAHOMA
 STATEMENT OF NET POSITION – MODIFIED CASH BASIS
 PROPRIETARY FUND – ENTERPRISE FUND
 JUNE 30, 2017

	Total Proprietary Funds
	<u>Enterprise Fund</u>
ASSETS	
Current assets	
Cash & cash equivalents	\$ 17,211
Total current assets	<u>17,211</u>
Noncurrent assets	
Land	18,241
Building & improvements	<u>220,021</u>
Total noncurrent assets	<u>238,262</u>
Total assets	<u>\$ 255,473</u>
LIABILITIES	
Current liabilities	
Lease obligations payable	<u>0</u>
Total liabilities	<u>0</u>
NET ASSETS	
Nonspendable capital assets, out of related debt	238,262
Unassigned	<u>17,211</u>
Total net position	<u>\$ 255,473</u>

See accompanying notes and compilation report

LINCOLN COUNTY CONSERVATION DISTRICT and
 CROSSTIMBERS PRESCRIBED BURN ASSOCIATION GRANT FUND
 CHANDLER, OKLAHOMA
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION-MODIFIED CASH BASIS
 PROPRIETARY FUND – ENTERPRISE FUND
 JUNE 30, 2017

	<u>Proprietary Fund Type</u>
	<u>Enterprise Fund</u>
Operating revenue	
Rental income	\$ 44,000
Total operating revenues	<u>\$ 44,000</u>
Operating expenses	
Janitorial & mowing	6,615
Operations & maintenance	13,157
Utilities expense	9,118
Insurance	<u>3,433</u>
Total operating expense	<u>32,323</u>
Net operating income	11,677
Nonoperating revenue (expense)	
Transfer out	<u>(28,000)</u>
Total nonoperating revenues (expense)	<u>(28,000)</u>
Net income	(16,323)
Net position – beginning of year	<u>271,796</u>
Net position – end of year	<u>\$255,473</u>

See accompanying notes and compilation report

LINCOLN COUNTY CONSERVATION DISTRICT and
 CROSSTIMBERS PRESCRIBED BURN ASSOCIATION GRANT FUND
 CHANDLER, OKLAHOMA
 STATEMENT OF CASH FLOWS – MODIFIED CASH BASIS
 PROPRIETARY FUND – ENTERPRISE FUND
 JUNE 30, 2017

	<u>Proprietary Fund Type</u>
	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from renters	\$ 44,000
Payments to suppliers	<u>32,323</u>
Net cash provided (used) by operating activities	<u>11,677</u>
Cash flows from capital & related financial activities:	
Net cash provided (used) by capital & related financing activities	<u>0</u>
Cash flows from non-capital financing activities:	
Transfers to other funds	<u>(28,000)</u>
Net cash provided (used) from non-capital financing activities	<u>(28,000)</u>
Net increase (decrease) in cash & cash equivalents	(16,323)
Cash & cash equivalents at beginning of year	<u>33,534</u>
Cash & cash equivalents at end of year	<u>\$ 17,211</u>
Reconciliation of operating income (loss) to net cash provided (used)	
By operating activities	
Cash flows from operating activities	
Operating income (loss) from office building rental	\$ 11,677
Net cash provided (used) by operating activities	<u>\$ 11,677</u>

See accompanying notes and compilation report

LINCOLN COUNTY CONSERVATION DISTRICT and
 CROSSTIMBERS PRESCRIBED BURN ASSOCIATION GRANT FUND
 CHANDLER, OKLAHOMA
 STATEMENT OF NET ASSETS – FIDUCIARY FUNDS
 EXPENDABLE TRUST FUND – MODIFIED CASH BASIS
 JUNE 30, 2017

	Fiduciary Fund Type
	Trust & Agency Expendable <u>Trust Fund</u>
Assets:	
Current assets	
Cash & cash equivalents	\$ 2,023
Total current assets	<u>2,023</u>
Total assets	<u>\$ 2,023</u>
Liabilities	
Net Assets	
Reserved for association	<u>2,023</u>
Total net assets	<u>2,023</u>
Total liabilities & net assets	<u>\$ 2,023</u>

See accompanying notes and compilation report

LINCOLN COUNTY CONSERVATION DISTRICT and
CROSSTIMBERS PRESCRIBED BURN ASSOCIATION GRANT FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

1. ORGANIZATION

Lincoln County Conservation District (the "District") was organized to carry on programs of the Oklahoma Conservation Commission (the "Commission") and receives funding from the Commission. The accompanying financial statements include all functions and activities over which the District exercises financial accountability. The District also operates and maintains an expendable trust fund for grants received for the Crosstimbers Prescribed Burn Association.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting and reporting policies applied in the preparation of the accompanying financial statements for the year ended June 30, 2017, are as follows:

Measurement Focus and Basis of Accounting – Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus:

In the financial statements all activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current, financial, or non-financial) associated with their activities are reported. Fund equity is classified as net position.

Basis of Accounting:

In the financial statements, all activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions without a provision for depreciation. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or

provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. If the District utilized the basis of accounting recognized as generally accepted, the financial statements would use the accrual basis of accounting.

Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except the fiduciary funds. The statements distinguish between governmental and business type activities. Governmental activities generally are financed through taxes and inter-governmental revenues, and non-exchange revenues.

Business type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund financial statements of the reporting entity are organized into funds each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenses.

Fund Accounting – The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain district functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available in financial resources.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate “fund types”.

Government Fund Types

Governmental funds are used to account for all or most of a government’s general activities including the collection and disbursement of earmarked monies (special revenue funds), the acquisition of construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds).

General Fund – The General Fund is used to account for all financial transactions except those required to be accounted for in another fund.

Proprietary Fund Types

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds). The District does not maintain an internal service fund.

Enterprise Fund – The Enterprise Fund is used to account for the operations of a commercial rental office building.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When those assets are held under the terms of a formal trust agreement, either a nonexpendable trust fund or an expendable trust fund is used. The terms “nonexpendable” and “expendable” refer to whether or not the District is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

Expendable Trust Fund – The Expendable Trust Fund is the Crosstimbers Prescribed Burn Association Grant Fund which is used to account for monies collected principally through grants from U.S. Fish & Wildlife Service. The District is responsible for disbursing and accounting for these funds.

Property and Equipment – Acquisition and construction costs of property and equipment are capitalized.

Use of Estimates – Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities, and equity, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Income Tax Status – The District is a political instrumentality of Lincoln County, Oklahoma, and therefore, exempt from income taxes under the *Internal Revenue Code*.

Compensated Absences – Personal leave in varying amounts are granted by the District. The District does not record a liability for accrued compensated

absences. Using the modified cash basis the amount paid for compensated absences is expensed as paid.

3. CASH AND INVESTMENTS

The District’s investment policies are governed by state statute. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies. The District considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Collateral is required for demand deposits and certificates of deposit for all accounts not covered by federal deposit insurance.

Deposits and Investments – The District’s cash deposits and investments at June 30, 2017, were completely insured by federal deposit insurance. Therefore, the District’s cash deposits and investments at June 30, 2017, were not exposed to Custodial Credit Risk, Investment Credit Risk, Investment Interest Rate Risk, or Concentration of Investment Credit Risk.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, were as follows:

	Balance <u>7/1/16</u>	Increases <u>2017</u>	Decreases <u>2017</u>	Balance <u>6/30/17</u>
Building & fixtures	\$ 208,281	\$	\$	\$208,281
Parking lot	11,740			11,740
Equipment	94,001			94,001
Land	<u>18,241</u>			<u>18,241</u>
Total Capital Assets	<u>\$332,263</u>			<u>\$323,263</u>

Depreciation has not been recorded, see Note 2.

5. DEBT

The District has no debt.

6. PENSION PLAN

The organization participates in the Oklahoma Public Employees Retirement System. All eligible employees contribute 3.5% of gross wages. The Oklahoma Conservation Commission contributes 14.5% of gross wages on reimbursable salaries for all eligible participants.

7. 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 carries commercial insurance for risk of loss, including workers' compensation.

8. GRANT PROGRAMS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claim, including amounts already collected, may constitute a liability of the applicable funds.

9. SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through November 20, 2017, which is the date the financial statements were available to be issued.

LINCOLN COUNTY CONSERVATION DISTRICT and
 CROSSTIMBERS PRESCRIBED BURN ASSOCIATION GRANT FUND
 CHANDLER, OKLAHOMA
 STATEMENT OF CHANGES IN NET ASSETS, LIABILITIES
 AND FUND BALANCE – MODIFIED CASH BASIS
 FIDUCIARY FUND – EXPENDABLE TRUST FUND
 JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Changes</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS			
Cash	\$ <u>4,011</u>	\$ <u>(1,988)</u>	\$ <u>2,023</u>
Total assets	<u>4,011</u>	<u>(1,988)</u>	<u>2,023</u>
LIABILITIES			
Fund Balance			
Temporarily restricted for association	\$ <u>4,011</u>	\$ <u>(1,988)</u>	\$ <u>2,023</u>
Total liabilities & fund balance	<u>\$ 4,011</u>	<u>\$ (1,988)</u>	<u>\$ 2,023</u>

See accompanying notes and compilation report

LINCOLN COUNTY CONSERVATION DISTRICT and
 CROSSTIMBERS PRESCRIBED BURN ASSOCIATION GRANT FUND
 CHANDLER, OKLAHOMA
 STATEMENT OF REVENUES, EXPENDITURES &
 CHANGES IN FUND BALANCE – FIDUCIARY FUNDS
 EXPENDABLE TRUST FUND – MODIFIED CASH BASIS
 JUNE 30, 2017

Revenues	
Refund	\$ <u> 0</u>
Total revenues	\$ <u> 0</u>
Expenditures	
Supplies	1,962
Outreach	<u> 26</u>
Total expenditures	1,988
Excess of revenue over (under) expenditures	(1,988)
Excess of revenue & other sources (used) over (under) expenditures & other uses	(1,988)
Fund balance temporarily restricted – beginning of year	<u> 4,011</u>
Fund balance temporarily restricted – end of year	<u>\$ 2,023</u>

See accompanying notes and compilation report