

WASHITA COUNTY CONSERVATION
DISTRICT NO. 86

FINANCIAL STATEMENTS AND
ACCOUNTANT'S COMPILATION REPORT

JUNE 30, 2016



Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Washita County Conservation District No. 86
Cordell, Oklahoma

Management is responsible for the accompanying statement of assets, liabilities, and net position - cash basis of Washita County Conservation District No. 86, (a component unit of the Oklahoma Conservation Commission), as of June 30, 2016, 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 28, 2016

**WASHITA COUNTY CONSERVATION DISTRICT NO. 86
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
CASH BASIS
JUNE 30, 2016**

ASSETS		
Cash in Bank		\$ 63,638
Certificate of Deposit		<u>20,000</u>
TOTAL ASSETS		\$ <u>83,638</u>
 LIABILITIES AND NET POSITION		
LIABILITIES		\$
NET POSITION		<u>83,638</u>
TOTAL LIABILITIES AND NET POSITION		\$ <u>83,638</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 POSITION - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

CASH RECEIPTS

State Reimbursement	\$ 77,312
USDA/NRCS Grant Income	8,000
Cedar Cutting/Bobcat Work	4,090
Equipment Rent Income	2,031
Office Rent Income	2,400
Interest Income	166
Donation	1,620
Sales of Seed	61,574
Junior Easement	5,000
Other Income	673
	162,866
TOTAL CASH RECEIPTS	162,866

CASH DISBURSEMENTS

Compensation and Benefits	63,265
Retirement and Health Insurance	4,364
Watershed Maintenance	7,946
State Cost Share Payments	11,415
Telephone	1,276
Meeting Expenses	2,179
Transportation Expenses	1,310
Mileage Expense	1,454
Seed Purchases	46,329
Classroom and Education	1,298
Advertising	54
Licenses and Dues	750
Insurance	1,864
Office Expenses	494
Equipment Rental - Cancelable Operating Lease	559
Repair and Maintenance	51
Professional Fees	700
	145,308
TOTAL CASH DISBURSEMENTS	145,308

NET CASH RECEIPTS

17,558

NET POSITION

Beginning of Year	66,080
	66,080
End of Year	\$ 83,638
	83,638

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, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from State Reimbursements	\$ 77,312
Cash Received from Grants	8,000
Cash Received in Rent	4,431
Cash Received from Cedar Cutting/Bobcat Work	4,090
Cash Received from Donation	1,620
Cash Received from Interest Income	166
Cash Received from Other Income	673
Cash Received from Sales of Seed	61,574
Cash Received from Junior Easement	5,000
Cash paid to Employees and Benefits	(67,629)
Cash Paid for Operations	<u>(77,679)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES 17,558

NET INCREASE IN CASH AND CASH EQUIVALENTS 17,558

CASH AND CASH EQUIVALENTS

Beginning of Year	<u>66,080</u>
End of Year	<u><u>\$ 83,638</u></u>

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

Net Cash Receipts	<u>\$ 17,558</u>
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NET CASH PROVIDED BY OPERATING ACTIVITIES \$ 17,558

See accompanying notes and accountant's compilation report.

WASHITA COUNTY CONSERVATION DISTRICT NO. 86
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

A. Summary of Significant Accounting Policies.

The Oklahoma State Conservation District Act (Title 27A-3) defines the Washita County Conservation District No. 86, (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 Washita 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 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.

WASHITA COUNTY CONSERVATION DISTRICT NO. 86
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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, 2015, 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, 2016. 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, 2016.

WASHITA COUNTY CONSERVATION DISTRICT NO. 86
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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, 2015 (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/>.