

**GEARY COUNTY EXTENSION COUNCIL
AGREED-UPON-PROCEDURES REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019**



Pottberg, Gassman & Hoffman, Chtd.

816 N Washington
Junction City, KS 66441
(785) 238-5166
Fax (785) 238-6830

529 Humboldt, Suite 1
Manhattan, KS 66502
(785) 537-9700
Fax (785) 537-3734

505 NW 3rd, Suite 1
Abilene, KS 67410
(785) 263-2171
Fax (785) 263-3340

www.pgh-cpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Geary County Extension Council
Geary County, Kansas

We have performed the procedures enumerated in the attachment, which were agreed to by the Board of Directors of the Geary County Extension Council, (the specified parties), solely to assist you with compliance with the requirements of an agreed-upon-procedures engagement as outlined by the *Kansas Municipal Audit and Accounting Guide*. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures described in the attachment either for the purpose for which this report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the *Kansas Municipal Audit and Accounting Guide*. We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial records provided to us. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties, and is not intended to be and should not be used by anyone other than those specified parties.

Pottberg, Gassman & Hoffman, Chartered

Pottberg, Gassman & Hoffman, Chartered
Abilene, Kansas
January 11, 2021

MEMBERS:
American Institute of
Certified Public Accountants

Kansas Society of Certified
Public Accountants



ATTACHMENT

- 1) Tie the total cash per books at year-end to source documents. This includes a review of the bank reconciliation for the last month of the year. In addition to the testing discussed above, confirm bank balances and ensure that bank reconciliations are being approved and completed in a timely manner.

Response: The total cash per books at year-end tied to source documents and were confirmed. Bank reconciliations are being approved and completed in a timely manner.

- 2) Reconcile the year-end cash balance as shown on the Summary Statement of Receipts, Expenditures and Unencumbered Cash to: 1) demand deposits at the Council's official depository, 2) time deposits at the Council's official depository, 3) investments in U.S. Treasury bills, and other cash / investment accounts.

Response: The year-end cash balance as shown on the Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis was reconciled to demand deposits at the Council's official depository.

- 3) Using the last bank statement of the year, compare total deposits in excess of FDIC insurance to securities pledged to secure the excess deposits, as evidenced by joint custody receipts. Confirm the pledged securities as of December 31 and determine they are adequately secured.

Response: As of December 31, 2019, all Council deposits were covered by FDIC insurance.

- 4) For the last bank statement of the year, compare the name of the depository institution(s) to an entry in the official minutes that designated the institution as the Council's official depository.

Response: Central National Bank was designated as the official depository for the Council's funds in the January 10, 2019 minutes.

- 5) Tie out interest income per the bank confirmation to the Council's general ledger.

Response: Interest Income was completely and accurately traced from the bank statements and the 1099-INT statement to the council's cash receipts records.

- 6) For the first and last month of the year, plus two additional months, trace non-mail cash receipts from the receipt book to the bookkeeping records to determine if the receipts were properly recorded. In addition, for the same four months, trace bookkeeping entries for the cash receipts to the bank statement to determine if receipts were deposited intact and on a timely basis.

Response: For the months of January, May, June, and December, cash receipts were traced from the receipt book completely and accurately to the bookkeeping records and were deposited intact and timely in accordance with the Council's process of making monthly deposits.

- 7) For approximately 15% of the non-payroll cash disbursements, trace disbursements from the bookkeeping records to the related invoice, bank statement, and canceled check.

Response: Thirty-three of 33 expenditures tested were traced from the bookkeeping records to the related invoice, bank statement, and canceled check without exception.

- 8) For two months, compare the disbursements as recorded in the check register to an entry in the official minutes that approve the disbursements.

Response: For the months of February and May 2019, disbursements as recorded on the financial statement agreed to an entry in the official minutes that approved the Treasurer's Report.

ATTACHMENT

- 9) Examine evidence of encumbrances and accounts payable and determine if they have been properly stated in the financial statement as of the end of the year. Evidence of encumbrances would include unpaid purchase orders and contracts. Evidence of accounts payable would include unpaid invoices and receiving reports. In addition, review the approved expenditures per the minutes for the first two months of the subsequent year.

Response: There were not any encumbrances or accounts payable required to be recorded as of December 31, 2019.

- 10) Review the credit card policy and internal controls of the Council. For a minimum of two months, review the Council's credit card transactions to determine if approvals, expenditure procedures, and proper classification of expenditures were followed. In the agreed upon procedures report, describe the credit card procedure, if the credit card procedures and internal controls are being followed, and if the Council's credit cards are only in the name of the Council.

Response: The Council adheres to the 'Local Extension Unit Credit (Procurement) Card Policy' set forth through K-State Research and Extension. Per the policy, each employee is to read and sign a statement saying they are familiar with the credit card policies. The signed statements have been obtained and filed.

One Statement comes to the Council monthly. Christina reviews the statement and supporting documentation and prepares the check. At the monthly board meeting, the County Extension Director (or Extension Agent designee) reviews the documentation and signs the Voucher. Three members of the Board of Directors sign the check for approval.

The supporting documentation for credit card transactions in the months of March and November 2019 was reviewed. Approvals were present, procedures were followed, and expenditures were properly classified.

- 11) For two months, determine that proper payroll deductions and employer contributions are being remitted. In addition, trace the year-end payroll reports to the payroll register and general ledger to ensure proper reporting and remittance of payroll withholdings.

Response: For the months of April and December 2019, the proper payroll deductions and employee contributions were remitted. In addition, the year-end payroll reports traced to the payroll recorded on the Council's books.

- 12) For the last month of the year, review the payroll records for each employee to determine if a deduction for KPERS was made.

Response: As of the last month of the year, a deduction for KPERS was made for each employee.

- 13) Compare the following items in the current year financial statement to the same items in the prior year financial statement, to determine if there is a variance of more than 25% per fund: 1) total cash receipts, 2) total cash disbursements, 3) encumbrances and accounts payable, and 4) ending unencumbered cash balance. For variances larger than 25%, examine the variance, then document and report on the reason.

Response: A variance of more than 25% did not exist for 1) Total cash receipts, 2) total cash disbursements, 3) encumbrances and accounts payable, and 4) ending unencumbered cash balance.

- 14) For three months, review of the Council's month-end statement of cash receipts and cash disbursements to determine that the ending unencumbered cash balance is greater than or equal to zero.

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Response: For the months of January, March, and July 2019, the Council's ending unencumbered cash balance was greater than or equal to zero.

- 15) For two months, review the official minutes to determine that the minutes have been signed by the chairperson of the board of directors.

Response: For the months of February and May 2019, the official minutes were signed by the chairperson of the board of directors.

- 16) Review the Council's surety (fidelity) bonds to determine that all employees and officers entrusted with funds or property are covered by such a bond.

Response: The Treasurer was covered by a surety bond.

- 17) Review the general and entity specific compliance checklists.

Response: Reviewed the General Checklist for all municipalities and did not identify any violations of the Statutes listed.