GEARY COUNTY EXTENSION COUNCIL

AGREED-UPON-PROCEDURES REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

PGH
Certified Public Accountants

Pottberg, Gassman & Hoffman, Chtd.

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

529 Humboldt, Suite I
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 on the financial and management records of the Geary County Extension Council (Council) as of and for the year ended December 31, 2023. The Council's management is responsible for the financial and management records provided to us.

The Council has agreed to and acknowledged that the procedures performed are appropriate to assist you with compliance with the requirements of an agreed-upon-procedures engagement as outlined by the *Kansas Municipal Audit and Accounting Guide*. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were engaged by the Council to perform this agreed-upon procedures engagement and conducted our engagement 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 examination or a review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial and management 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.

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant and ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors of the Geary County Extension Council and is not intended to be and should not be used by anyone other than those specified parties.

Pottberg, Gassman & Hoffman, Chartered
Abilene, Kansas
December 2, 2024

MEMBERS:
American Institute of
Certified Public Accountants

Kansas Society of Certified
Public Accountants
CPA℠

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.

   Response: Total cash per books at year-end agreed to source documents.

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 cash balance as shown on the Summary, Statement of Receipts, Expenditures and Unencumbered Cash 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.

   Response: As of December 31, 2023, all bank deposits were adequately insured 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: For the last bank statement of the year, the name of Central National Bank agreed to an entry in the January 12, 2023 official minutes that designated Central National Bank as the Council's official depository.

5) For a minimum of two months, trace any interest income from the bank statement to the Council's cash receipts records.

   Response: For the months of March and August, interest income traced completely and accurately from the bank statement to the Council's cash receipts records.

6) For a minimum of two separate 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 two 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 July and September, 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 10% of the non-payroll cash disbursements, trace disbursements from the bookkeeping records to the related invoice, bank statement, and canceled check.

   Response: All twenty-five expenditures tested, traced from the bookkeeping records to the related invoice, bank statement, and canceled check.

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

   Response: For the months of April and August, disbursements as recorded in the check register agreed with an entry in the official minutes that approves the disbursements.

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.

Response: There were not any encumbrances or accounts payable required to be recorded as of December 31, 2023.

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 February and October were reviewed. Approvals were present, procedures were followed, and expenditures were properly classified.

11) For one month, determine that proper payroll deductions and employer contributions are being remitted.

Response: For the month of September, proper payroll deductions and employer contributions were remitted.

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: For the last month of the year, a deduction for KPERS was made.

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.

Response: For the months of April, July, and December, the ending unencumbered cash balance on the state of cash receipts and cash disbursements was greater than 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: The official minutes from January and November 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.

GEARY COUNTY EXTENSION COUNCIL
GEARY COUNTY, KANSAS

FINANCIAL STATEMENT
WITH INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

GEARY COUNTY EXTENSION COUNCIL
GEARY COUNTY, KANSAS

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Geary County Extension Council
Geary County, Kansas

Management is responsible for the accompanying financial statement of the governmental and business-type activities of the Geary County Extension Council (a municipality) as of and for the year ended December 31, 2023, which collectively comprise the annual summary statement of receipts, expenditures, and unencumbered cash – regulatory basis for the year ended December 31, 2023 and the related notes to the financial statements, and for determining the regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA and the *Kansas Municipal Audit and Accounting Guide*. We did not audit or review the financial statement 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 this financial statement.

We draw attention to Note 1 of the financial statement which describes the basis of accounting. The financial statement is prepared in accordance with the regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The individual fund schedule of regulatory basis receipts and expenditures-actual and budget (Schedule 1 as listed in the table of contents) is presented for analysis and is not a required part of the basic financial statement, however is required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The regulatory-required supplementary information was subject to our compilation engagement. We have not audited or reviewed the regulatory-required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Sincerely,

Pottberg, Gassman & Hoffman, Chartered

Pottberg, Gassman & Hoffman, Chartered
Abilene, Kansas
December 2, 2024

MEMBERS:
American Institute of
Certified Public Accountants

Kansas Society of Certified
Public Accountants
CPA SM

GEARY COUNTY EXTENSION COUNCIL
GEARY COUNTY, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	$ 76,662	-	418,832	404,361	91,133	-	91,133
Total Reporting Entity	$ 76,662	-	418,832	404,361	91,133	-	91,133

Composition of Cash:

Checking Account	$ 91,133

The notes to the financial statement are an integral part of this statement.

GEARY COUNTY EXTENSION COUNCIL
GEARY COUNTY, KANAS

NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Municipal Financial Reporting Entity
Geary County Extension Council (Council) provides services in such areas as agriculture, home economics, and 4-H Clubs, to all persons in the County. The Council is an elected nine-member executive board. Geary County, Kansas annually provides significant subsidies to the Council. Kansas State University provides the County Extension Council non-cash receipts and disbursements related to salaries for operations of the Council. Those non-cash receipts and disbursements are reflected as cash in and cash out for regulatory basis reporting purposes within the related municipal entity schedule.

Regulatory Basis Fund Types
General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Regulatory Basis of Accounting
Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The Council has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Budgetary Information
Kansas Statute (K.S.A. 2-610) requires that the Extension Council file with the County Commissioners in the office of the County Clerk a proposed budget prepared in cooperation with the Director of Extension of Kansas State University College of Agriculture and Applied Science for the ensuing calendar year. The Council, after approval of the budget, shall make it a part of the regular county budget.

Salaries
Pursuant to the Memorandum of Understanding between Kansas State University College of Agriculture and Applied Science and the Geary County Extension Council, the University pays for a portion of extension agent's salaries, payroll taxes and benefits and bills the remainder to the Council on a monthly basis. The extension agents are considered employees of the University for all payroll reporting purposes.

The Council prepares monthly financial statements and submits them to the University for their review. The monthly statements report the total extension agent salaries as an expenditure and includes the portion paid by the University as a receipt titled KSU salaries. The value of the non-cash KSU salaries for 2023 is $50,089.

2. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the Council. The statute requires banks eligible to hold the Council's funds have a main or branch bank in the county in which the Council is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Council has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Council's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Council has no investment policy that would further limit its investment choices. The Council had no investments in 2023.

Concentration of credit risk. State statutes place no limit on the amount the Council may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Council's deposits may not be returned to it. State statutes require the Council's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The Council has no designated "peak periods." All deposits were legally secured at December 31, 2023.

At December 31, 2023, the Council's carrying amount of deposits was $91,133 and the bank balance was $126,817. The bank balance was held by one bank resulting in a concentration of credit risk. The entire bank balance was covered by federal depository insurance.

3. DEFINED BENEFIT PENSION PLAN

Plan description. The Council participates in the Kansas Public Employees Retirement System (KPERS) a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate

3. DEFINED BENEFIT PENSION PLAN, continued

at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.43% for the fiscal year ended December 31, 2023. Contributions to the pension plan from the Council were $6,325 for the year ended December 31, 2023.

Net Pension Liability. At December 31, 2023 the Council's proportionate share of the collective net pension liability reported by KPERS was $70,553. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The Council's proportion of the net pension liability was based on the ratio of the Council's contributions to KPERS, relative to the total employer and non-employer contributions to the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported on the financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

4. RELATED PARTY TRANSACTIONS

The Council was apportioned $334,768 by Geary County, Kansas for the year ended December 31, 2023. The County also provides the Council with rent-free use of the building for its operations.

5. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Compensated Absences
The Council's policy regarding vacation leave allows employees to accumulate vacation time based on the years of continuous service as follows:

Years of Continuous Service	Vacation Days Accrued	Maximum Accrual
0 to 3	1 day / mo.	12
4 to 8	1.25 days / mo.	15
Over 8	1.50 day / mo.	18

Vacation leave is earned by month. Upon termination of employment, an employee is entitled to pay for unused accrued vacation time.

The Council's policy regarding sick leave allows employees to earn leave at the rate of one day per month with a maximum accumulation of 60 days. Upon retirement, an employee is

5. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS, continued

entitled to 1/3 of sick leave earned (maximum of 20 days). Upon resignation, an employee will forfeit all annual sick leave with no compensation given for leave time earned.

The Council has estimated the dollar amount of accumulated vacation for all employees at December 31, 2023 of $4,833.

Other Post Employment Benefits
As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

6. RISK MANAGEMENT

The Council 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. To insure against risk of these types of losses, the Council has purchased commercial insurance coverage from the EMC Insurance and Cardinal Insurance Companies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

7. 2022 FINANCIAL DATA

The amounts shown for 2022 in the regulatory-required supplementary information are included where practicable, only to provide a basis for comparison to 2023, and are not intended to present all information necessary for a fair presentation in accordance with the regulatory basis of accounting.

8. SUBSEQUENT EVENTS

The Council evaluated subsequent events through December 2, 2024, the date on which the financial statement was available to be issued.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

GEARY COUNTY EXTENSION COUNCIL
GEARY COUNTY, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2022)

GENERAL FUND	2022 Actual	2023 Actual	2023 Budget	Variance - Over (Under)
Receipts:				
County Tax Appropriation	329,650	334,768	334,768	-
Kansas State University (Salaries)	45,627	50,089	47,164	2,925
Education Services Reimbursements	21,294	23,676	35,000	(11,324)
Interest and Miscellaneous Income	3,388	10,299	2,000	8,299
Capital Outlay	-	-	30,000	(30,000)
Total Receipts	399,959	418,832	448,932	(30,100)
Expenditures:				
Salaries	258,842	267,006	270,532	(3,526)
Employer's Contribution	72,230	69,269	70,000	(731)
Travel	7,838	5,733	7,500	(1,767)
Printing, Auditing, and Bond	6,287	10,678	7,500	3,178
Telephone	6,350	5,470	6,500	(1,030)
Supplies, Stationary, and Postage	5,573	6,523	7,000	(477)
Equipment, Auto Exchange	13,155	794	8,000	(7,206)
Subsistence	3,887	1,553	4,500	(2,947)
Miscellaneous	12,820	14,353	12,000	2,353
Educational Services Supplies	23,810	22,597	35,000	(12,403)
Rent, Heating, and Lighting	385	385	400	(15)
Capital Outlay	5,875	-	30,000	(30,000)
Total Expenditures	417,052	404,361	458,932	(54,571)
Receipts Over (Under) Expenditures	(17,093)	14,471		
Unencumbered Cash, January 1	93,755	76,662		
Unencumbered Cash, December 31	$ 76,662	91,133		