



**21 CENTRAL EXTENSION DISTRICT**

AGREED-UPON PROCEDURES  
WITH INDEPENDENT ACCOUNTANT'S REPORT

**DECEMBER 31, 2021**



## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors  
21 Central Extension District

We have performed the procedures enumerated below on the financial records of 21 Central Extension District (the District) as of and for the year ended December 31, 2021. The District's management is responsible for the financial records of the District.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of compliance with the requirements of the *Kansas Municipal Audit and Accounting Guide*, as specified in K.S.A 75-1122, on the financial records of the District as of and for the year ended December 31, 2021. 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.

The procedures and associated findings are as follows:

1. Tie the District's total cash per books at period end to source documents. This should include a review of the bank reconciliation for the last month of the period.

**Finding:** No exceptions were found as a result of applying the procedure.

2. Reconcile the period-end cash balance as shown on the Statement of Cash Receipts and Cash Disbursements to: a. Demand deposits at the District's official depository; b. Time deposits at the District's official depository; c. Investments in U.S. Treasury bills; and other cash/investment accounts.

**Finding:** No exceptions were found as a result of applying the procedure.

3. Using the last bank statement of the period, compare total deposits in excess of FDIC insurance to securities pledged to secure the excess deposits, as evidenced by joint custody receipts.

**Finding:** As of December 31, 2021, there were no deposits in excess of FDIC insurance.

4. For the last bank statement of the period, compare the name of the depository institution to an entry in the official minutes that the designated the institution as the District's official depository.

**Finding:** As noted in the July 1, 2021 minutes of the Board of Directors the District, SJN Bank of Kansas was approved as authorized depository for the District's funds.

5. For a minimum of two months (to be selected by SSC CPAs, P.A., not a District employee) trace any interest income from the bank statement to the District's cash receipts records.

**Finding:** No interest was noted as received for the month of August or December.

6. For a minimum of two separate months (to be selected by SSC CPAs, P.A., not a District employee), trace nonmail cash receipts from the receipt book to the bookkeeping records to determine if the receipts were properly recorded. Also, for the same two months, trace bookkeeping entries for cash receipts to the bank statement to determine if receipts are deposited intact and on a timely basis

**Finding:** The following exceptions were noted as a result of applying the procedure for the months of September and November 2021. In the month of September 2021, there were three deposits totaling \$872.50 noted on the bank statement and on the monthly financial summaries that did not have corresponding receipts in the receipt book. In the month of November 2021, there was one deposit of \$5.35 noted on the bank statement and on the monthly financial summaries but did not have a corresponding receipt in the receipt book.

7. For approximately ten percent of the non-payroll cash disbursements (to be selected by SSC CPAs, P.A., not a District employee), trace disbursements from the bookkeeping records to the: related invoice, bank statement, and canceled check.

**Finding:** No exceptions were found as a result of applying the procedure.

8. For a minimum of one month (to be selected by SSC CPAs, P.A., not a District employee) compare the disbursements as recorded in the check register to an entry in the official minutes that approve the disbursements.

**Finding:** It was noted as a result of applying the procedure on the December 7, 2021 minutes that the disbursements were not approved in the board minutes. It was noted in the July 1, 2021 minutes that the Extension District Director is able to complete/authorize the payment of checks/vouchers. The Board of Directors of the District does approve monthly financial statements.

9. Examine evidence of encumbrances and accounts payable and determine if they have been properly stated in the financial statements as of the end of the period. Evidence of encumbrances would include unpaid purchase orders and contracts. Evidence of accounts payable would include unpaid invoices and receiving reports.

**Finding:** It was noted that one payroll check included 40 hours that was worked in 2021 but was not paid until 2022 and should have been encumbered as of December 31, 2021. The amount of this payroll check that should have been encumbered was \$229.42.

10. Review the credit card policy and internal controls of the District. For a minimum of two months (to be selected by SSC CPAs, P.A., not a District employee), review the District's credit card transactions to determine if approvals, expenditure procedures, and proper classification of expenditures were followed. In the agreed upon procedure report, describe the credit card procedure, if the credit card procedures and internal controls are being followed, and if the District's credit cards are only in the name of the District.

**Finding:** Noted that the District has VISA credit cards for each of the agents held in the District's name. We noted that the Board of Directors elected to follow the Local Extension Unit Credit Card policy as mandated by Kansas State University. Cards are in the possession of the assigned individuals to use as needed for District items. Receipts for purchases are submitted to the office and reconciled to the monthly statements when received. Payments are initiated by the credit card vendor each month through the disbursement process. The credit card statements and supporting documentation are submitted for review by the board at each monthly meeting. While signing checks, board members initial the credit card statement, indicating their review.

No exceptions were noted as a result of applying the procedures for the months of August, September and October 2021.

11. Review payroll for a minimum of one month (to be selected by SSC CPAs, P.A., not a District employee) to determine that proper deductions and employer contributions are being remitted.

**Finding:** October 2021 was selected for testing and no exceptions were found as a result of applying the procedure.

12. For the last month of the period review the payroll records for each employee to determine if a deduction for KPERS (Kansas Public Employees Retirement System) was made.

**Finding:** It was noted as a result of applying the procedure that the District did not have KPERS deductions in 2021

13. Compare the following items in the current period financial statement to the same items in the prior period financial statement to determine if there is a variance of more than 25% per fund: a. Total cash receipts; b. Total cash disbursements; c. Encumbrances and accounts payable; d. Ending unencumbered cash balance. For variances larger than 25%, examine the variance, then document and report on the reason.

**Finding:** Due to the District being formed in July 2021, there are no amounts in the prior year for comparison. Therefore, all categories had variances larger than 25%

14. For a minimum of two months (to be selected by SSC CPAs, P.A., not a District employee), review the District'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.

**Finding:** The months of July and November 2021 were selected for testing. No negative unencumbered cash balances were noted as a result of applying the procedure.

15. For a minimum of two months (to be selected by SSC CPAs, P.A., not a District employee), review the official minutes to determine that the minutes have been signed by the chairperson of the board of directors.

**Finding:** Reviewed the September 8, 2021 and the December 7, 2021 minutes and did not note a signature of the Secretary of the Board of Directors.

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

**Finding:** No exceptions were found as a result of applying the procedure.

17. Review the general and entity specific compliance checklists.

**Finding:** No exceptions were found as a result of applying the procedure.

We were engaged by the District 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. We are not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial records of the District as of and for the year December 31, 2021. 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the management and board of directors of 21 Central Extension District and regulatory authorities, and is not intended to be and should not be used by anyone other than the specified parties.

SSC CPAs, P.A.

SSC CPAs, P.A.  
Salina, Kansas

October 13, 2022