Flint Hills Extension District #13

Morris & Chase County, Kansas

December 31, 2021

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Table of Contents

	Page
Accountant's Agreed Upon Procedures Report	1-4

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Independent Accountant's Report on Applying Agreed Upon Procedures

Executive Board
Flint Hills Extension District #13
501 W Main
Council Grove, KS 66846

To the Executive Board and Management of Flint Hills Extension District #13:

We have performed the procedures enumerated below in procedures 1 through 17 to the financial records of the Flint Hills Extension District #13 for the year ended December 31, 2021. The Executive Board of the Flint Hills Extension District #13 is responsible for the financial records.

The Executive Board of the Flint Hills Extension District #13 has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose as described in the Kansas Municipal Audit and Accounting Guide, Appendix K. 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 summarized as follows:

Procedures:	Results:
Procedure 1: Tie the district's total cash per books at year end to source documents. This should include a review of the bank reconciliation for the last month of the year.	The district's cash in checking balance on the books at year end agrees with the bank reconciliation and source documents. The district's cash in the savings balance is listed as $100,000 but is $101,231 per the bank.
Procedure 2: Reconcile the year-end cash balance as shown on the Statement of Cash Receipts and Cash Disbursements to: 1) demand deposits at the district's official depository, 2) time deposits at the district's official depository, 3) investments in US Treasury bills; and other cash/investment accounts.	The district's cash balance as shown on the Statement of Cash Receipts and Cash Disbursements reflects a correct cash in checking balance. The cash in savings balance is reflected at $100,000 but the bank balance is $101,231.
Procedure 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.	The district's bank balance, as of the last bank statement of the year, was covered by FDIC insurance.

Procedures:	Results:
Procedure 4: For the last bank statement of the year, compare the name of the depository institution to an entry in the official minutes that designates the institution as the district's official depository.	The district's depository institution, used for the last bank statement of the year, agrees with an entry in the minutes designating the depository institution.
Procedure 5: For a minimum of two months (to be selected by the CPA) trace any interest income from the bank statement to the district's cash receipts records.	Interest earned on the savings account was not recorded on the district financial records.
Procedure 6: For a minimum of two separate months (to be selected by the CPA), trace non-mail 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 the receipts are deposited intact and on a timely basis.	For two months, I traced receipts from the receipt book to the bookkeeping records and to matching entries on the bank statement and determined that they agreed. Deposits were made once a month.
Procedure 7: For approximately 10% of the non-payroll cash disbursements (to be selected by the CPA), trace disbursements from the bookkeeping records to the: related invoice, bank statement, and cancelled check.	No exceptions were noted as a result of applying this procedure.
Procedure 8: For a minimum of one month (to be selected by the CPA) compare the disbursements as recorded in the check register to an entry in the official minutes that approve the disbursements.	For the month chosen, the disbursements as recorded in the check register agree with an entry in the official minutes approving the disbursements.
Procedure 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 year. Evidence of encumbrances would include unpaid purchase orders and contracts. Evidence of accounts payable would include unpaid invoices and receiving reports.	The District maintains its records on the cash basis. Amounts were determined from an inquiry and search for payables and the district records were adjusted to include the year-end balance of payables and encumbrances.

Procedures:	Results:
Procedure 10: Review the credit card policy and internal controls of the district. For a minimum of two months (to be selected by CPA), 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.	The district follows the K-State "Local Extension Unit Credit Card Policy". This policy provides each user a separate card. It requires that original receipts be submitted and reminds users of their tax exempt status. Gas is allowed for extension office vehicles only. Lodging for district business is allowed but meals, etc. for the associated overnight travel is not. The cards may be used for district purchases only. Users should sign a statement saying they are familiar with credit card policies. We noted the use of credit cards for each agent. For the two months selected, the credit card policy was followed. We did note that the agent's had not signed a statement acknowledging the credit card policies. The credit cards are in the district name.
Procedure 11: Review payroll for a minimum of one month (to be selected by CPA) to determine that proper deductions and employer contributions are being remitted.	No exceptions were noted as a result of applying this procedure.
Procedure 12: For the last month of the year, review payroll records for each employee to determine if a deduction for KPERS was made.	The district does have any KPERS deductions.
Procedure 13: Compare the following items in the current year financial statements to the same items in the prior year financial statements to determine if there is a variance of more than 25 percent 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 the reason.	No variances in excess of 25% were identified as a result of applying this procedure.
Procedure 14: For a minimum of two months (to be selected by CPA), review the District's month-end statement of cash receipts and disbursements to determine that the ending unencumbered cash balance is greater than or equal to zero**.**	For the two months chosen, the district's unencumbered cash balance was greater than zero.

Procedures:	Results:
Procedure 15: For a minimum of two months (to be selected by CPA), review the official minutes to determine that the minutes have been signed by the chairperson of the board of directors.	For the two months chosen, the district's minutes were signed by the chairperson of the board.
Procedure 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.	The district's treasurer is covered with a surety bond.
Procedure 17: Review the general and entity specific compliance checklists.	We noted that the district had not passed its' GAAP waiver as of the date of this report. It was on the agenda to pass at its' next meeting.

We were engaged by the Executive Board of the Flint Hills Extension District #13 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 were not engaged to and did not perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial information. 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 were required to be independent of the Flint Hills Extension District #13 and to meet our ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the use of the Executive Board of the Flint Hills Extension District #13 and the State of Kansas, and is not intended to be, and should not be, used by anyone other than the specified parties.

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December 19, 2022