WILDCAT EXTENSION DISTRICT NO. 14

AUDITORS' REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2021

WILDCAT EXTENSION DISTRICT NO. 14, GIRARD, KANSAS

December 31, 2021

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CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Wildcat Extension District No. 14
120 E. Buffalo Street
Girard, KS 66743

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Wildcat Extension District No. 14, Girard, Kansas (District), as of and for the year ended December 31, 2021, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2021, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of December 31, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1B.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide.* Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matters Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note 1B of the financial statement, the financial statement is prepared by District on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide,* which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are 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 information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or

to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1B.

The predecessor auditor also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Wildcat Extension District No. 14, Girard, Kansas, as of and for the year ended December 31, 2020 (not presented herein), and have issued their report thereon dated December 15, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link http://admin.ks.gov/offices/chief-financialofficer/municipal-services. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the 2020 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2020, on the basis of accounting described in Note 1.

Yerkes & Michels

YERKES & MICHELS, CPA, LLC
Independence, KS

September 15, 2022

WILDCAT EXTENSION DISTRICT NO 14
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNCEMBUMERED CASH
REGULATORY BASIS

For the Year Ended December 31, 2021

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance	
GOVERNMENTAL TYPE FUNDS:								
GENERAL FUND	$ 1,067,854.83	$ -	$ 1,465,935.32	$ 1,331,511.06	$1,202,279.09	$ -	$1,202,279.09	GENERAL FUND
TOTAL PRIMARY GOVERNMENT	$ 1,067,854.83	$ -	$ 1,465,935.32	$ 1,331,511.06	$1,202,279.09	$ -	$1,202,279.09	TOTAL PRIMARY GOVERNMENT

COMPOSITION OF CASH-Primary Government

Community National Bank	
Checking	$ 702,279.09
Savings	500,000.00
TOTAL PRIMARY GOVERNMENT	$1,202,279.09

THE NOTES TO THE FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

NOTES TO THE FINANCIAL STATEMENT

WILDCAT EXTENSION DISTRICT NO. 14

NOTES TO THE FINANCIAL STATEMENT

December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1A. FINANCIAL REPORTING ENTITY

Wildcat Extension District No. 14 is an Extension District governed by a sixteen-member Board of Directors. In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The District was formed on July 1, 2011 by the combination of Crawford, Labette and Montgomery County Extension Councils, and in 2017 Wilson County Extension Council joined the District. The District's purpose is to provide quality information, education, and problem solving programs to individuals in the Crawford, Labette, Wilson, and Montgomery County, Kansas areas about crops and livestock, 4-H and youth development, lawn and garden, and health and nutrition.

1B. 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 District 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 District to use the regulatory basis of accounting.

1C. REIMBURSEMENTS

The City of Sedan, Kansas records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

NOTE 2 – 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.

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL MATTERS

3A. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

3B. COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL MATTERS

Management is not aware of any violations of compliance with Kansas Statutes or violations of other finance related legal matters.

NOTE 4 – DEPOSITS AND INVESTMENTS

As of December 31, 2021, the District had no investments.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District 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 District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District'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 District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District 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 District's deposits may not be returned to it. State statutes require the District'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%. All deposits were legally secured at December 31, 2021.

At December 31, 2021 the District's carrying amount of deposits, including certificates of deposit, was $1,202,279.09 and the bank balance was $1,336,924.10. Of the bank balance, $250,000.00 was covered by federal depository insurance, creating a custodial credit risk, and the remaining $1,086,924.10 was collateralized with securities held by the pledging financial institutions' agents in the District's name. All funds were adequately secured as of December 31, 2021.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 5 – OTHER POST EMPLOYMENT BENEFITS

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes healthcare 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 District under this program.

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2021.

NOTE 6 – COMPENSATED ABSENCES

District employees are eligible for vacation benefits that accrue as follows: 0 to 5 years of employment accrue 1 day per month, 5 to 14 years employment accrue 1 ½ days per month and 15 years or more accrue 1 ¾ days per month. Employees may accumulate up to 30 days of vacation; any vacation accumulated in excess will be forfeited.

All full-time District employees earn sick leave at a rate of one day per month, there is no limit on the amount that can be accumulated. The District does not compensate for any unused sick leave, however upon retirement an employee will be compensated for 30 days of unused sick leave, if they have accumulated at least 100 days. Retirement is defined as being eligible for Social Security Benefits.

The liability for accrued vacation and sick pay is not reflected on the financial statements. Neither the actual nor estimated amount of the liability was available at December 31, 2021. The cost of vacation and sick pay are recognized as expenditures when paid.

NOTE 7 – USE OF ESTIMATES

The preparation of regulatory basis financial statements requires management to make estimates and assumptions that affect the reported amounts of expenditures during the audit period, encumbrances outstanding, fair value of investments, and disclosure of contingencies at the end of the audit period. Actual results could differ from the estimates.

NOTE 8 – DATE OF MANAGEMENT'S REVIEW

Subsequent events were evaluated through the date of financial statement issuance September 15, 2022.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

Schedule 1

WILDCAT EXTENSION DISTRICT NO. 14
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2021

GOVERNMENTAL TYPE FUNDS	Certified Budget	Adjustment For Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General - See Note 2	$ 1,982,195.00	$ -	$ 1,982,195.00	$ 1,331,511.06	$ (650,683.94)

WILDCAT EXTENSION DISTRICT NO. 14
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

GENERAL FUND

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the year Ended December 31, 2020)

	Year Ended December 31, 2020	Current Year		
		Actual	Budget	Variance Over (Under)
CASH RECEIPTS				
Taxes	$ 1,280,875.00	$ 1,244,808.90	$ 1,692,039.00	$ (447,230.10)
KSU Funding	185,203.00	175,588.89	190,156.00	(14,567.11)
Educational Service	47,687.00	38,724.26	100,000.00	(61,275.74)
Miscellaneous	2,694.00	6,813.27	-	6,813.27
TOTAL CASH RECEIPTS	1,516,459.00	1,465,935.32	$ 1,982,195.00	$ (516,259.68)
EXPENDITURES				
Audit, bond, insurance, and legal fees	35,877.00	28,833.25	$ 34,000.00	$ (5,166.75)
Telephone	23,972.00	23,712.02	30,000.00	(6,287.98)
Utilities	45,304.00	46,402.90	60,000.00	(13,597.10)
Supplies	25,788.00	20,153.93	30,000.00	(9,846.07)
Equipment	46,588.00	49,769.53	70,000.00	(20,230.47)
Educational Program Support	4,970.00	7,701.14	20,000.00	(12,298.86)
Travel	17,216.00	24,859.24	45,000.00	(20,140.76)
Subsistence	3,188.00	5,047.90	20,000.00	(14,952.10)
Salaries and wages	792,639.00	822,234.40	900,000.00	(77,765.60)
Employee Benefits	149,418.00	161,336.44	200,000.00	(38,663.56)
Capital Outlay	-	96,708.00	453,015.00	(356,307.00)
Miscellaneous	70,287.17	44,752.31	120,180.00	(75,427.69)
TOTAL EXPENDITURES	1,215,247.17	1,331,511.06	$ 1,982,195.00	$ (650,683.94)
RECEIPTS OVER (UNDER) EXPENDITURES	301,211.83	134,424.26		
UNENCUMBERED CASH, BEGINNING	766,643.00	1,067,854.83		
UNENCUMBERED CASH, ENDING	$ 1,067,854.83	$ 1,202,279.09		