# RENO COUNTY
# CONSERVATION DISTRICT
## South Hutchinson, Kansas

## AGREED-UPON PROCEDURES AND COMPILATION REPORT

## Year Ended December 31, 2023

GOHEEN & SLAVIK CPAs, LLC
Certified Public Accountants
Downs, Kansas

RENO COUNTY
CONSERVATION DISTRICT

2023

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# GOHEEN & SLAVIK

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Supervisors
Reno County Conservation District
South Hutchinson, Kansas 67505

We have performed the procedures enumerated below solely to assist you with respect to determining the District's compliance with the procedures outlined in the Kansas Municipal Audit and Accounting Guide (KMAAG), Appendix L, for the year ended December 31, 2023. The Reno County Conservation District's management is responsible for compliance with these procedures, as well as the Combined Statement of Cash Receipts, Cash Disbursements and Cash Balance-Regulatory Basis for the year then ended.

The Board of Supervisors of the Reno County Conservation District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining the District's compliance with the procedures outlined in the Kansas Municipal Audit and Accounting Guide (KMAAG), Appendix L. Additionally, the Division of Conservation of the Kansas Department of Agriculture has agreed to and acknowledged that the procedures performed are appropriate for their purposes. 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.

Our procedures and findings are as follows:

1. We have tied the District's ending cash balance to the year-end bank reconciliation and any other documents evidencing year end cash.

   FINDINGS: No discrepancies were noted.

2. We tied 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, and (3) investments in U.S. Treasury bills; and other cash/investment accounts.

   FINDINGS: No discrepancies were noted. Cash balances were as follows:

| | General Ledger Account Balances as of December 31, 2023 |
|---|---|
| Peoples Bank and Trust | |
| Checking Account #472506 | $ 8,372 |
| Checking Account #472522 | 5,951 |
| Money Market #472514 | 178,414 |
| Money Market #472530 | 153,854 |

| | | |
|---|---|---|
| Certificate of Deposit #7124 | | 29,427 |
| Certificate of Deposit #13632 | | 13,488 |
| Citizens Bank of Kansas | | |
| Certificate of Deposit #9879 | | 27,450 |
| Certificate of Deposit #1527 | | 27,967 |
| Total | $ | 444,923 |

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

   FINDINGS: Using the last bank statements of the year, we have compared total deposits in excess of FDIC insurance limit to securities pledged on the excess deposits, as evidenced by joint custody receipts. FDIC regulations state that time deposits and demand deposits are insured separately, each up to $250,000. One bank was found to have demand deposits over the limit. At December 31, 2023, the district's carrying amount of demand deposits at Peoples Bank and Trust was $346,591, creating $96,591 in excess of the $250,000 FDIC insured amount. This bank balance was held by one bank, therefore resulting in a concentration of credit risk. As of December 31, 2023, the accounts at Peoples Bank & Trust were covered by a sufficient securities pledge.

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

   FINDINGS: No discrepancies were noted.

5. For two months, we traced the interest income from the bank statement to the District's cash receipts records.

   FINDINGS: No discrepancies were noted.

6. For at least two separate months, we traced non-mail cash receipts from the receipt book to the bookkeeping records to determine the receipts were properly recorded. For those same two months, we traced bookkeeping entries to the bank statement to determine receipts were deposited intact and on a timely basis.

   FINDINGS: No discrepancies were noted.

7. For approximately ten percent of the District's non-payroll cash disbursements, we traced the disbursement from the bookkeeping records to the related invoice, as well as the bank statement and cancelled check. We also reviewed the propriety of these disbursements, considering the following:
   - The district supervisor shall receive no compensation for services but may receive travel expenses.
   - Travel and expenses are permitted only for supervisors and district employees.
   - Disbursements are not permitted for prizes or as incentives for achievements or attendance at meetings.
   - Disbursements are not permitted for meals at the annual meeting.

FINDINGS: 2 transactions tested were found to be without a claims voucher or invoice but were able to be traced to the bank statement and general ledger. District was reminded to keep an invoice or receipt for all disbursements. Several transactions did not have invoices due to an ongoing agreement that the district pays monthly rent to the owners.

8. For at least one month, we compared the disbursements as recorded in the check register to an entry in the official minutes that approved the disbursements.

   FINDINGS: No discrepancies were noted.

9. We have examined evidence of encumbrances and accounts payable and determined that 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 evidence is consistent with the related amount shown on the financial statement.

   FINDINGS: Encumbrances and accounts payable as of December 31, 2023 are:

| Operations Fund | | Business Fund | CLWQP | |
|---|---|---|---|---|
| Payroll expense | $7,392 | N/A | Payroll expense | $ 5,556 |
| Other administrative | 1,586 | | | |
| Travel expense | 67 | | | |
| Total | $9,045 | | | |

10. We reviewed the District's credit card policy and internal controls, as applicable.

    FINDINGS: There are two district credit cards which are in the district's name. Each card also has the respective authorized signer's name on it. The district manager and the board chairperson are the authorized signers on the credit cards. Employees are required to save the receipts from the credit card purchases and submit them to the board with the monthly credit card statement. The board reviews them and signs off on the claims vouchers that contain these transactions. The purchase limit without prior board approval is $1,000. We performed procedures to review the items in the credit card policy, as well as test two months transactions, to determine procedures described above were followed. No discrepancies were noted.

11. For at least one month, we reviewed payroll records to determine that the correct deductions and employer contributions are being properly made. We also determined that the District was in compliance with the Fair Labor Standards Act.

    FINDINGS: No discrepancies were noted. District was in compliance with the Fair Labor Standards Act.

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

    FINDINGS: It was discovered that C. Adams wages were under reported to KPERS by $200, district was advised on how to correct.

13. We compared the following items in the current year financial statements to the same items in the prior year financial statements to determine if there was 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.

    FINDINGS: Variances were checked for cause and the following funds revealed variances of more than 25%:

    Operations Fund: Total Cash Receipts, Outstanding Encumbrances & A/P, & Ending Unencumbered Cash Balance

    - Review and analysis of the funds revealed Total Cash Receipts were down 30.72% due to a decrease in state appropriations.
    - Review and analysis of the funds revealed Outstanding Encumbrances & A/P were up 450.52% or $7,402 due to an increase in payroll and other administrative expenses encumbered at year end.
    - Review and analysis of the funds revealed Ending Unencumbered Cash Balance was down 70.02% due to a decrease in receipts and an increase in disbursements and encumbrances resulting in a lower ending cash balance.

    Business Fund: Total Cash Receipts, Total Cash Disbursements, & Outstanding Encumbrances & A/P

    - Review and analysis of the funds revealed Total Cash Receipts were up 73.31% due to an increase in retail sales and transfers from other funds.
    - Review and analysis of the funds revealed Total Cash Disbursements were up 29.55% due to an increase in goods for resale expenses.
    - Review and analysis of the funds revealed Outstanding Encumbrances & A/P were down 100% due to a decrease in education expenses encumbered at year end.

    Cheney Lake Project Fund: Outstanding Encumbrances & A/P

    - Review and analysis of the funds revealed Outstanding Encumbrances & A/P were up 529.93% or $4,674 due to an increase in grant payroll expenses encumbered at year end.

14. For two months, we reviewed 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.

    FINDINGS: No discrepancies were noted.

15. For at least two months, we reviewed the official minutes to determine that the minutes have been signed by the chairperson of the board of supervisors.

    FINDINGS: No discrepancies were noted.

16. We reviewed the District's surety (fidelity) bond to determine that the District manager is covered by such a bond.

    FINDINGS: No discrepancies were noted.

We were engaged by the Board of Supervisors of the Reno County Conservation 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 were 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 Combined Statement of Cash Receipts, Cash Disbursements and Cash Balance-Regulatory Basis. 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 Reno County Conservation 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 Board of Supervisors of Reno County Conservation District and the Kansas Department of Agriculture's Division of Conservation, and is not intended to be, and should not be, used by anyone other than those specified parties.

Goheen & Slavik CPAs, LLC

October 30, 2024
Downs, Kansas

Goheen & Slavik CPAs, LLC
Certified Public Accountants

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## ACCOUNTANTS' COMPILATION REPORT

To the Board of Supervisors
Reno County Conservation District
South Hutchinson, Kansas 67505

Management is responsible for the accompanying financial statements of the Reno County Conservation District, which comprise the Combined Statement of Cash Receipts, Cash Disbursements, and Cash Balance-Regulatory Basis as of December 31, 2023, in accordance with the regulatory basis accounting provisions permitted in the Kansas Municipal Audit and Accounting Guide (KMAAG), and for determining that 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. 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.

The financial statements are prepared in accordance with the regulatory basis of accounting provisions permitted in 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.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the above stated regulatory basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the District's cash receipts, cash disbursements, and cash balance. Accordingly, the financial statement is not designed for those who are not informed about such matters.

Goheen & Slavik CPAs, LLC

October 30, 2024
Downs, Kansas

Goheen & Slavik CPAs, LLC
Certified Public Accountants

RENO COUNTY CONSERVATION DISTRICT
Combined Statement of Cash Receipts, Cash Disbursements, and Cash Balance
For the Year Ended December 31, 2023

| | Operations Fund | Business Fund | Cheney Lake Project | Total |
|---|---|---|---|---|
| Beginning Cash Balance, January 1 | $ 65,679 | $ 219,543 | $ 167,537 | $ 452,759 |
| Cash Receipts: | | | | |
| Appropriations - State | $ 24,640 | $ 12,500 | $ 125,000 | $ 162,140 |
| Appropriations - County | 50,000 | - | - | 50,000 |
| Retail Sales & Services | - | 48,684 | - | 48,684 |
| Equipment Rental | - | 12,588 | 1,130 | 13,718 |
| Interest | - | 770 | 50 | 820 |
| Miscellaneous | 613 | 5,000 | - | 5,613 |
| Grant Funds | 87,601 | 3,600 | 28,070 | 119,271 |
| Donations | - | 515 | - | 515 |
| Transfers from Other Funds | - | 6,000 | - | 6,000 |
| Total Cash Receipts | 162,854 | 89,657 | 154,250 | 406,761 |
| Total Available Cash | $ 228,533 | $ 309,200 | $ 321,787 | $ 859,520 |
| Cash Disbursements: | | | | |
| Salaries and Wages | $ 148,818 | $ - | $ 95,065 | $ 243,883 |
| Employee Benefits | 25,231 | - | 24,893 | 50,124 |
| Travel | 4,357 | 250 | 2,877 | 7,484 |
| Equipment & Building Maintenance | 180 | 2,050 | - | 2,230 |
| Information & Education | 1,582 | 1,972 | - | 3,554 |
| Other Administrative Expenses | 14,121 | 2,583 | 10,609 | 27,313 |
| Goods for Resale | - | 45,471 | - | 45,471 |
| Grant Expense | - | - | 28,538 | 28,538 |
| Transfers to Other Funds | 6,000 | - | - | 6,000 |
| Total Cash Disbursements | 200,289 | 52,326 | 161,982 | 414,597 |
| Ending Cash Balance, December 31 | $ 28,244 | $ 256,874 | $ 159,805 | $ 444,923 |
| Outstanding Encumbrances and Accounts Payable, December 31 | (9,045) | - | (5,556) | (14,601) |
| Ending Unencumbered Cash, December 31 | $ 19,199 | $ 256,874 | $ 154,249 | $ 430,322 |
| Composition of Cash: | | | | |
| Checking Accounts | 17,150 | (8,778) | 5,951 | 14,323 |
| Money Market Accounts | 11,094 | 167,320 | 153,854 | 332,268 |
| Certificates of Deposit | - | 98,332 | - | 98,332 |
| Total Cash | $ 28,244 | $ 256,874 | $ 159,805 | $ 444,923 |

See Accountants' Compilation Report.