MARION COUNTY CONSERVATION DISTRICT

Report on Applying Agreed-upon Procedures

For the Year Ended December 31, 2023

ADAMS BROWN
Strategic Allies and CPAs
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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Supervisors
Marion County Conservation District
Marion, Kansas

We have performed the procedures enumerated below on the accounting records of **Marion County Conservation District** for the year ended December 31, 2023. **Marion County Conservation District's** management is responsible for the accounting records.

Marion County Conservation District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose as required in accordance with K.S.A. 75-1122. Additionally, the Kansas Department of Agriculture, Division of Conservation has agreed to and acknowledged that the procedures performed are appropriate for its 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.

The procedures and findings are as follows:

Procedure 1 – Cash Receipts
For two separate months, we traced 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, we traced bookkeeping entries for cash receipts to the bank statement to determine if receipts were deposited intact and on a timely basis. No exceptions were found.

Procedure 2 – Cash Disbursements
For approximately ten percent of the non-payroll cash disbursements, we traced disbursements from the bookkeeping records to the related invoice, bank statement, and canceled check. Also, we determined the propriety of the disbursements from the operations fund considering the following: (1) the district supervisor shall receive no compensation for services but may receive travel expenses, (2) travel and expenses are permitted only for supervisors and district employees, (3) disbursements are not permitted for prizes or as incentives for achievements or attendance at meetings and (4) disbursements are not permitted for meals at the annual meeting. No exceptions were found.

Procedure 3 – Credit Cards
Due to the credit card recently being opened, we reviewed the District's credit card transactions for the month of December to determine if approvals, expenditure procedures, and proper classification of expenditures were followed. The District's credit card procedures are as follows:

> The District has authorized 2 credit cards, with a maximum credit of $1,500 each, that are held in a locked drawer within the office. Authorized users include the District Manager, District Clerk or a designated Supervisor when necessary. The original receipts for all purchases are attached to the monthly bill and reviewed by the board at their monthly meeting. No exceptions were found.

Procedure 4 – Encumbrances and Accounts Payable
We examined evidence of outstanding encumbrances and accounts payable to determine if they were properly stated in the financial statement as of the end of the year. The following exception was found:

The District had not recorded payables at year-end in the amount of $2,216 for the Operating Fund, $52 for the Enterprise Fund, $2,017 for the Cottonwood Fund, and $1,270 for the Marion Reservoir Fund. The District Director should enter credit card bills with the date of the purchase, rather than the date the credit card statement is received.

Procedure 5 - Year End Cash
We tied the District's total cash per books at year end to source documents. Also, we reviewed the bank reconciliation for the last month of the year. No exceptions were found.

Procedure 6 – Payroll
We reviewed payroll for one month to determine that proper deductions and employer contributions were made. No exceptions were found.

Procedure 7 – **Comparison with Prior Year**
We compared total cash receipts, total cash disbursements, outstanding encumbrances and accounts payable, and ending unencumbered cash balance for the current year with the same financial statement items for the prior year and examined any changes greater than 25%.

Total cash disbursements increased 28.75% ($123,084) due to more cost share program expenses.

Procedure 8 – Other Procedures
We performed other procedures as listed in the schedule of agreed-upon procedures. No exceptions were found.

We were engaged by **Marion County Conservation District** to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to, and did not, conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records. 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 **Marion 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 **Marion County Conservation District** and the Kansas Department of Agriculture, Division of Conservation and is not intended to be, and should not be, used by anyone other than those specified parties.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
McPherson, Kansas

March 15, 2024

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ACCOUNTANTS' COMPILATION REPORT

To the Board of Supervisors
Marion County Conservation District
Marion, Kansas

Management is responsible for the accompanying financial statement of **Marion County Conservation District**, which comprises the combined statement of cash receipts, cash disbursements, and cash balance – regulatory basis for the year ended December 31, 2023, in accordance with the regulatory basis of accounting, 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. We do not express an opinion, a conclusion, nor provide any form of assurance on this financial statement.

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.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the 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 receipts, disbursements, and cash balance. Accordingly, the financial statement is not designed for those who are not informed about such matters.

AdamsBrown, LLC

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Certified Public Accountants
McPherson, Kansas

March 15, 2024

MARION COUNTY CONSERVATION DISTRICT
Combined Statement of Cash Receipts, Cash Disbursements, and Cash Balance - Regulatory Basis
For the Year Ended December 31, 2023

	Operations Fund	Enterprise Fund	Cottonwood WRAPS II	Marion Reservoir WRAPS	Total
Beginning Cash Balance, January 1	$ 31,940	138,134	137,577	60,834	**368,485**
Cash Receipts					
Appropriations - State	24,640	-	-	-	**24,640**
Appropriations - County	39,500	-	-	-	**39,500**
Cost Share Program & WRAPS	-	134	250,000	125,000	**375,134**
Equipment Rental	-	18,757	-	-	**18,757**
Retail Sales & Services	-	37,426	-	-	**37,426**
Donations and Grants	-	2,850	-	-	**2,850**
Interest	1,298	6,330	-	-	**7,628**
Transfers From Other Funds	25,000	-	-	-	**25,000**
Total Cash Receipts	90,438	65,497	250,000	125,000	**530,935**
Total Available Cash	122,378	203,631	387,577	185,834	**899,420**
Cash Disbursements					
Salaries and Payroll Taxes	80,900	-	-	-	**80,900**
Contracted Services	-	-	52,000	32,000	**84,000**
Supervisor Expenses	1,684	650	1,002	1,000	**4,336**
Employee Mileage	2,493	106	-	-	**2,599**
Equipment & Building Maintenance	-	2,909	-	-	**2,909**
Information & Education	1,263	387	-	-	**1,650**
Administrative Expenses & Fees	10,272	244	1,000	1,023	**12,539**
Goods for Resale	-	34,067	-	-	**34,067**
Farmer to Farmer Meeting Expense	-	494	-	-	**494**
Annual Meeting	-	2,448	-	-	**2,448**
Cost Share Program & WRAPS	-	-	227,178	73,015	**300,193**
Transfers to Other Funds	-	-	15,000	10,000	**25,000**
Total Cash Disbursements	96,612	41,305	296,180	117,038	**551,135**
Ending Cash Balance, December 31	25,766	162,326	91,397	68,796	**348,285**
Outstanding Encumbrances and Accounts Payable, December 31	(2,216)	(52)	(2,017)	(1,270)	**(5,555)**
Ending Unencumbered Cash, December 31	$ 23,550	162,274	89,380	67,526	**342,730**
Composition of Cash					
Checking Accounts	$ 25,766	59,566	91,397	68,796	**245,525**
Savings Accounts	-	102,760	-	-	**102,760**
Total Cash	$ 25,766	162,326	91,397	68,796	**348,285**

See accountants' compilation report.