NESS COUNTY
CONSERVATION DISTRICT
Ness City, KS

AGREED UPON PROCEDURES AND COMPILATION REPORT

Year Ended December 31, 2024

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

NESS COUNTY
CONSERVATION DISTRICT

2024

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING ENHANCED AGREED-UPON PROCEDURES

Board of Supervisors
Ness County Conservation District
Ness City, KS 67560

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 K & L, for the year ended December 31, 2024. The Ness 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 Ness 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 K & 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 associated 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. **Enhanced Procedure:** Confirm bank balances and ensure that bank reconciliations are being approved and completed in a timely manner.

   FINDINGS: No discrepancies were noted. Bank balances were confirmed with depositories.

2. We tied the year-end cash balances 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, 2024
First State Bank – Ness City	
Checking account #230707	$ 61,914
Checking account #230693	137,922

Certificate of deposit #20359	9,000
First State Bank – Ransom	
Checking account #2534	10,773
Farmers Bank & Trust	
Checking account #0560	10,363
Certificate of deposit #215206	50,000
Peoples Bank & Trust	
Checking account #6473	12,451
Certificate of deposit #6329	50,000
Total	$342,423

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. **Enhanced Procedure:** Confirm the pledged securities as of December 31 and determine they are adequately secured.

   FINDINGS: No deposits were found to be in excess of the FDIC insured amount.

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 depository designation was found in the official minutes. Per K.S.A. 9-1401, this designation is not required annually, but is recommended whenever the board of supervisors changes. There was no change in the board of supervisors for 2024. However, because it is a testing requirement, we recommended the District report this designation on an annual basis in their minutes.

5. For two months, we traced the interest income from the bank statement to the District's cash receipts records. **Enhanced Procedure:** Expand this testing to tie out total interest income per bank confirmations to the district's general ledger.

   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 for cash receipts to the bank statement to determine receipts were deposited intact and on a timely basis. **Enhanced Procedure:** This test will be performed for a minimum of four months. In addition to the two months discussed above, this procedure will also be performed for the first and last month of the fiscal year.

   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.

Enhanced Procedure. This test will be performed for approximately fifteen percent of the non-payroll cash disbursements.

FINDINGS: No discrepancies were noted.

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. **Enhanced Procedure:** Perform this testing for a minimum of two months.

   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. **Enhanced Procedure:** Review the approved expenditures per the minutes and expand the search to the first two months of the new year.

   FINDINGS: Encumbrances or accounts payable as of December 31, 2024 are:

Operations Fund		Business Fund	
Payroll expenses	$4,273	Other admin expenses	$ 2,179
		Travel expenses	196
		Total	$ 2,375

10. We reviewed the District's credit card policy procedures and internal controls. For two months we reviewed the district's credit card transactions to determine if approvals, expenditure procedures, and proper classification of expenditures were followed.

    FINDINGS: District does have a written credit card policy. The policy covers the following topics: (1) the card is to be used for official business purposes only, (2) monthly statements and receipts for each transaction will be reviewed by the board of supervisors prior to payment approval, (3) District Manager will be held responsible for payment in full for any unauthorized purchases, and (4) card statements must be paid each month. The District Manager is in possession of such card and has signed an understanding of the policy rules. We have performed procedures to review the items in the credit card policy and do not find any discrepancies. Credit cards issued by Ness County Conservation District are in the name of the District. The district's credit card procedures and internal controls are currently being followed.

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. **Enhanced Procedure:** Expand testing to two months. In addition, trace the year end payroll reports to the payroll register and general ledger to ensure proper reporting and remittance of payroll withholdings.

    FINDINGS: It was discovered that Wages, Tips, and Other Compensation were reported incorrectly on Q2-Q4 Form 941s, but W-3/W-2s were reported correctly, no correction necessary.

It was also discovered that quarterly unemployment wages were incorrect. These wages should be reported after the deduction of employee's KPERS contribution. Variance was insignificant, no correction necessary. 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 of KPERS (Kansas Public Employees Retirement Service) was made.

    FINDINGS: No discrepancies were noted.

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 Disbursements & Outstanding Encumbrances & A/P

    - Review and analysis of the fund revealed that Total Cash Disbursements were up 53.39% due to an increase in payroll and contract labor expenses.
    - Review and analysis of the fund revealed that Outstanding Encumbrances & A/P were up 359.96% due to an increase in payroll expenses encumbered at year end.

    Business Fund: Outstanding Encumbrances & A/P

    - Review and analysis of the fund revealed that Outstanding Encumbrances & A/P were down 649.05% due to a decrease in goods for resale expenses encumbered at year end.

    Building Fund: Total Cash Receipts & Total Cash Disbursements

    - Review and analysis of the fund revealed that Total Cash Receipts were down 100% due to a decrease in interest income.
    - Review and analysis of the fund revealed that Total Cash Disbursements were down 100% due to a decrease in transfers to other funds.

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. **Enhanced Procedure:** Perform this testing for a minimum of three months.

    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) bonds 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 Ness County Conservation District to perform this enhanced 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 Ness County Conservation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our enhanced agreed-upon procedures engagement.

This report is intended solely for the use of the Board of Supervisors of Ness 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

August 5, 2025
Downs, Kansas

Goheen & Slavik CPAs, LLC
Certified Public Accountants

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ACCOUNTANTS' COMPILATION REPORT

Board of Supervisors
Ness County Conservation District
Ness City, KS 67560

Management is responsible for the accompanying financial statements of the Ness County Conservation District, which comprise the Combined Statement of Cash Receipts, Cash Disbursements, and Cash Balance-Regulatory Basis as of December 31, 2024, 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 statement is prepared in accordance with the regulatory basis of accounting provisions permitted in KMAAG, 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

August 5, 2025
Downs, Kansas

Goheen & Slavik CPAs, LLC
Certified Public Accountants

NESS COUNTY CONSERVATION DISTRICT
Combined Statement of Cash Receipts, Cash Disbursements, and Cash Balance - Regulatory Basis
For the Year Ended December 31, 2024

	Operations Fund	Business Fund	Building Fund	Total
Beginning Cash Balance, January 1	$ 55,494	$ 232,644	$ 16,000	$ 304,138
Cash Receipts:				
Appropriations - State	$ 35,898	$ -	$ -	$ 35,898
Appropriations - County	20,500	-	-	20,500
Grant Income	-	1,000	-	1,000
Retail Sales & Services	-	259,694	-	259,694
Donations	2,000	-	-	2,000
State Reimbursements	15,387	-	-	15,387
Miscellaneous	-	26	-	26
Interest	497	4,151	-	4,648
Total Cash Receipts	74,282	264,871	-	339,153
Total Available Cash	$ 129,776	$ 497,515	$ 16,000	$ 643,291
Cash Disbursements:				
Salaries & Payroll Taxes	$ 53,114	$ -	$ -	$ 53,114
Employee Benefits	7,570	-	-	7,570
Contract Labor	7,178	86,219	-	93,397
Goods for Resale	-	135,932	-	135,932
Equipment & Building Maintenance	-	663	-	663
Information & Education	-	931	-	931
Travel	-	2,445	-	2,445
Other Administrative	-	6,816	-	6,816
Total Cash Disbursements	67,862	233,006	-	300,868
Ending Cash Balance, December 31	$ 61,914	$ 264,509	$ 16,000	$ 342,423
Outstanding Encumbrances and Accounts Payable, December 31	(4,273)	(2,375)	-	(6,648)
Ending Unencumbered Cash Balance, December 31	$ 57,641	$ 262,134	$ 16,000	$ 335,775
Composition of Cash:				
Checking Accounts	61,914	155,509	16,000	233,423
Certificate of Deposits	-	109,000	-	109,000
Total Cash	$ 61,914	$ 264,509	$ 16,000	$ 342,423

See Accountant's Compilation Report.