NESS 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
Ness County Conservation District
Ness City, Kansas

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

Ness 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 associated 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 supervisors 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
For two months, we reviewed the District's credit card transactions to determine if approvals, expenditure procedures, and proper classification of expenditures were followed. The District's credit card procedures are as follows:

- The District credit card is only to be used for official business purchases directly related to the promotion of conservation and programs/services of the District. Monthly statements, including receipts for each transaction, are reviewed by the Board of Supervisor prior to payment. The District's credit card is only in the name of the District.

The procedures and internal controls are being followed, with the exception that one disbursement in the amount of $87.80 did not have an itemized receipt.

Procedure 4 – Encumbrances and Accounts Payable
We examined evidence of 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:

- Seven transactions totaling $18,719 were not included as accounts payable on the financial statement as of the end of the year.

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. The following exceptions were found:

- Bank reconciliations include old outstanding checks and deposits dating back to 2008. These should be cleaned up so that the only items outstanding are within a year from the statement end date.

- The financial statement provided at the annual meeting should include all transactions for the year. We found the reconciled ending cash balance for December 31, 2023 did not match the annual meeting financial statement by $1,037.

Procedure 6 – Payroll
We reviewed payroll for one month to determine that proper deductions and employer contributions were being made. The following exception was found:

- Amounts withheld for Federal and Kansas withholdings do not agree with the elections made by employees on forms W-4 and K-4.

Procedure 7 – Comparison with Prior Year
We compared total cash receipts, total cash disbursements, 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 variances greater than 25%. The following variances were found:

- Total cash receipts increased by 27% ($75,883). In 2023, there was an increase in the number of acres that needed to be interseeded/drilled.

- Encumbrances increased by 881% ($16,810). The District had more unrecorded payables in 2023 than in 2022.

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 **Ness 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 **Ness 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 **Ness 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.

AdamsBrown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Hays, Kansas

December 9, 2024

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ACCOUNTANTS' COMPILATION REPORT

To the Board of Supervisors
Ness County Conservation District
Ness City, Kansas

Management is responsible for the accompanying financial statement of **Ness 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
Hays, Kansas

December 9, 2024

NESS COUNTY CONSERVATION DISTRICT

Combined Statement of Cash Receipts, Cash Disbursements, and Cash Balance - Regulatory Basis

For the Year Ended December 31, 2023

	Operations Fund	Business Fund	Building Fund	Total
Beginning Cash Balance, January 1	$ 30,213	206,253	16,000	252,466
Cash Receipts				
Appropriations - State	20,205	-	-	20,205
Appropriations - County	20,500	-	-	20,500
State Reimbursements	26,563	-	-	26,563
Retail Sales and Services	-	286,825	-	286,825
Donations	2,000	-	-	2,000
Information and Education	-	2,000	-	2,000
Interest	255	2,250	293	2,798
Miscellaneous Income	-	14	-	14
Transfers In	-	293	-	293
Total Cash Receipts	69,523	291,382	293	361,198
Total Available Cash	99,736	497,635	16,293	613,664
Cash Disbursements				
Salaries and Payroll Taxes	38,972	-	-	38,972
Employee Benefits	5,270	-	-	5,270
Contract Labor	-	52,425	-	52,425
Cost of Goods Sold	-	200,629	-	200,629
Equipment and Building Maintenance	-	588	-	588
Information and Education	-	353	-	353
Travel	-	1,559	-	1,559
Insurance	-	2,540	-	2,540
Other Administrative	-	6,735	-	6,735
Miscellaneous	-	162	-	162
Transfers Out	-	-	293	293
Total Cash Disbursements	44,242	264,991	293	309,526
Ending Cash Balance, December 31	55,494	232,644	16,000	304,138
Outstanding Encumbrances and Accounts Payable, December 31	(929)	(17,790)	-	(18,719)
Ending Unencumbered Cash, December 31	$ 54,565	214,854	16,000	285,419
Composition of Cash				
Checking Account	$ 55,494	123,644	16,000	195,138
Certificate of Deposit	-	109,000	-	109,000
Total Cash	$ 55,494	232,644	16,000	304,138

See accountants' compilation report.