CITY OF SAWYER, KANSAS

Report on Applying Agreed-upon Procedures

For the Year Ended December 31, 2025

ADAMS BROWN
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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the City Council
City of Sawyer, Kansas
Sawyer, Kansas

We have performed the procedures enumerated below on the accounting records of **City of Sawyer, Kansas** for the year ended December 31, 2025. **City of Sawyer, Kansas'** management is responsible for the accounting records.

City of Sawyer, Kansas 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 State of Kansas, Division of Accounts and Reports, 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. No exceptions were found.

Procedure 3 – Credit Cards
We agreed to verify that all credit cards are issued solely in the City's name and that credit card transactions comply with internal policies, including proper authorization and accurate expenditure classification. The City does not have any credit cards. As a result, no testing was performed for this procedure.

Procedure 4 – Year End Cash
We tied the City's total cash per books at year end to source documents. Also, we examined the bank reconciliation for the last month of the year to ensure it was reconciled. No exceptions were found.

Procedure 5 – Payroll
We examined payroll for one month to determine that deductions agree with employee elections and that payroll withholdings and taxes were accurately remitted. The following exception was found:

- Federal and state withholdings did not agree with the elections made on forms W-4 and K-4 on file for three employees.

Procedure 6 – Encumbrances and Accounts Payable
We examined evidence of encumbrances and accounts payable and determined if they were properly stated in the financial statement as of the end of the year. The following exception was found:

- Disbursements incurred in 2025 but paid in 2026 totaling $2,578 were not included in accounts payable at year end. As a result, total liabilities were understated by $2,578.

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 encumbrances and accounts payable for the General Fund increased 413% ($2,584) due to 4th quarter federal and state withholdings being booked to only the General Fund in 2025 versus being split between funds in 2024.

- Total cash disbursements for the Special Highway Fund decreased 70% ($2,364) due to culvert repairs made in 2024.

- Total encumbrances and accounts payable for the Special Highway Fund decreased 100% ($480) due to street signs being purchased and encumbered in 2024.

- Total cash receipts for the Water Utility Fund decreased 29% ($13,179) due to a reimbursement received for a well pump in 2024.

- Unencumbered ending cash for the Water Utility Fund decreased 31% ($10,761), which is consistent with the decrease in receipts in 2025.

- Total encumbrances and accounts payable for the Water Utility Fund increased 186% ($1,555) due to the fire department water repair encumbered in 2025.

- Total cash receipts for the Gas Utility Fund increased 26% ($15,815) due to increased utility usage and federal aid received in 2025.

- Total cash disbursements for the Gas Utility Fund increased 39% ($24,154) due to increased attorney fees, insurance, federal aid expenses, and gas usage in 2025.

- Total cash disbursements for the Sewer Utility Fund increased 27% ($5,520) due to sewer clean out expenses and insurance policy renewals posted to this fund in 2025.

- Total encumbrances and accounts payable for the Sewer Utility Fund decreased 99% ($519) due to 4th quarter federal and state withholdings being booked to only the General Fund in 2025 versus being split between funds in 2024.

- Total cash disbursements for the ARPA Grant Fund decreased 100% ($5,831) due to the City spending the remaining grant funds in 2024.

- Total cash receipts for the Water Grant Fund increased 97% ($156,589) due to increased loan proceeds received in 2025.

- Total cash disbursements for the Water Grant Fund increased 107% ($154,385) due to increased loan expenditures for the City's water project in 2025.

- Unencumbered ending cash for the Water Grant fund increased 113% ($19,084), which is consistent with the increase in receipts being greater than the increase in disbursements in 2025.

- Total encumbrances and accounts payable for the Water Grant Fund decreased 100% ($605) due to EBH grant fees encumbered in 2024.

Procedure 8 – Other Procedures
We performed other procedures as listed in the schedule of agreed-upon procedures. The City does not participate in KPERS. No exceptions were found.

Procedure 9 – Compliance Checklist
We reviewed the general and entity specific compliance checklists. The following exception was found:

- The City did not approve a GAAP waiver for 2025, which is a violation of K.S.A. 75-1120a.

We were engaged by **City of Sawyer, Kansas** 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 **City of Sawyer, Kansas** 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 **City of Sawyer, Kansas** and the State of Kansas, Division of Accounts and Reports 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
Hays, Kansas

July 7, 2026