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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Linwood Community Library

We have performed the procedures as referenced in the *Kansas Municipal Audit and Accounting Guide* (KMAAG), and as reflected in the attached supplement, which were agreed to by the management of the Linwood Community Library, Linwood, Kansas, on the compliance requirements of KMAAG for the year ended December 31, 2021. Linwood Community Library's management is responsible for the Library's records in accordance with KMAAG requirements. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are described in the attached supplement.

This agreed-upon procedures engagement was conducted 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, the objective of which would be the expression of an opinion or a conclusion, respectively, on the records in accordance with KMAAG requirements. 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.

This report is intended solely for the information and use of the management of Linwood Community Library, board of directors and regulatory authorities, and is not intended to be and should not be used by anyone other than these specified parties.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

February 8, 2023

SUPPLEMENT TO REPORT ON AGREED-UPON PROCEDURES
LINWOOD COMMUNITY LIBRARY
AGREED-UPON PROCEDURES AND FINDINGS

1. We tied the Library's total cash per books at year end to source documents which included a review of the bank reconciliation for the last month of the year.

   No exceptions were noted.

2. We reconciled the year-end cash balance as shown on the Statement of Cash Receipts and Cash Disbursements to 1) demand deposits at the Library's official depository, 2) time deposits at the Library's official depository, 3) investments in U.S. Treasury bills; and other cash/investments.

   No exceptions were noted.

3. We used the last bank statement of the year to compare total deposits in excess of FDIC insurance to securities pledged to secure those excess deposits, as evidenced by joint custody receipts.

   The Library did not have pledged securities as of December 31, 2021. Therefore, deposits of $11,533 were in excess of FDIC coverage and were unsecured as of December 31, 2021.

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 designates the institution as the Library's official depository.

   Documentation of the Library's official depository could not be found in the Board minutes. However, the Library has used the same depository for many years.

5. We selected two months and traced interest income from the bank statements to the Library's cash receipt records.

   No exceptions were noted.

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

   No exceptions were noted.

7. We selected approximately ten percent of the non-payroll cash disbursements and traced disbursements from the bookkeeping records to the related invoice, bank statement, and canceled check.

   Of the 29 cash disbursements selected, 29 cash disbursements agreed to supporting documentation, bank statements and canceled checks.

8. We selected one month to compare the disbursements as recorded in the check register to an entry in the official minutes that approved the disbursements.

   We noted that the Board minutes approve the disbursements, but the minutes do not list out a total dollar amount of the disbursements being approved.

9. We examined evidence of selected encumbrances and accounts payable and determined if they have been properly stated in the financial statements as of the end of the year. Evidence of encumbrances included unpaid purchase orders and contracts. Evidence of accounts payable included unpaid invoices and receiving reports.

   The Library had no encumbrances and $[346.20] in accounts payable at year end. No exceptions were noted when we viewed support for the accounts payable balance.

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

    The Credit Card Policy for the Library is as follows: The Library maintains one credit card through the bank and two store credit cards. Library staff may purchase goods and/or services valued up to $500 and the Library Director may purchase goods and/or services up to $1,500 on items that are included in the Library's annual budget or are listed in an approved capital plan. Credit card transactions must follow the Library's Purchasing Policy. Physical documentation of a purchase and/or approval of such purchase must be presented to the Board within 30 days of purchase or delivery of goods and/or services. Purchases by Library staff up to $500 require prior Director's approval. Purchase by the Director up to $1,500 will be reviewed by the Board. Purchases from $1,500 to $5,000 require prior Board approval. Purchases on excess of $5,000 require a good faith effort be made to obtain multiple written quotes.

    We noted two credit card statements and two store card statements showed the Library had paid $45 in late fees and $7 in interest for the year. We also noted No other exceptions were noted during the review of the two months of credit card transactions.

11. We reviewed selected payroll records for a minimum of one month and determined that proper deductions and employer contributions are being remitted.

    No exceptions were noted.

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

    The Library does not participate in the KPERS retirement program; therefore, this procedure is not applicable.

13. We compared the following items in the current year financial statement to the same items in the prior year financial statement 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. For variances larger than 25%, we examined the variance and documented the reason.

    No exceptions were noted.

14. We selected two months and viewed the Library's month-end statement of cash receipts and cash disbursements and determined that the ending unencumbered cash balance is greater than zero.

    No exceptions were noted.

15. We selected two months and viewed the official minutes to determine that the minutes have been signed by the chairperson of the board of directors.

    We noted one of the two meeting minutes were not signed by the chairperson of the board of directors.

16. We viewed the Library's surety (fidelity) bonds and determined that all employees and officers entrusted with funds or property are covered by such a bond.

    No exceptions were noted.

17. We reviewed the general and entity specific compliance checklists.

    We completed the Kansas Regulatory Compliance Checklist for all Municipalities from the *Kansas Municipal Audit and Accounting Guide*. No instances of noncompliance were found during the procedures.

LINWOOD COMMUNITY LIBRARY
LINWOOD, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
For the Year Ended December 31, 2021

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	$ 158,476	$ -	$ 258,159	$ 288,904	$ 127,731	$ [346]	$ 127,385
Special Purpose Fund:							
Capital Improvement Fund	97,876	-	52,218	-	150,094	-	150,094
Employee Benefit Fund	7,233	-	8,864	11,986	4,111	-	4,111
Total Reporting Entity	$ 263,585	$ -	$ 319,241	$ 300,890	$ 281,936	$ [346]	$ 281,590

Composition of Cash:

Checking Accounts	$ 240,866
Certificates of Deposit	40,724
Total Reporting Entity (Excluding Agency Funds)	$ 281,590

No assurance is provided on these financial statements.