LINWOOD COMMUNITY LIBRARY
LINWOOD, KANSAS

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

December 31, 2023

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

Linwood Community Library
3021 Main St.
Linwood, Kansas

We have performed the procedures enumerated below on the financial statements and accounting systems of the Linwood Community Library for the year ended December 31, 2023. The Linwood Community Library's management is responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of its financial statements and accounting systems.

Linwood Community Library has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of managing the organization's financial statements and accounting systems. 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 – Examined the December 2023 bank statements and compared to the general ledger.

Results – We examined the bank statements for December 2023 for the General Checking and Capital Improvement accounts. There was a duplicate entry of a $31,500 transfer expense out of the General Checking in the general ledger. When factoring this in, the cash per the bank reconciliations and statements tied to the general ledger.

Procedure #2 – Examined the year-end cash balance shown on the Statement of Cash Receipts and Cash Disbursements and compared to the December 2023 bank statements.

Results –The bank statements as of December 31, 2023 tie to the bank reconciliations and the bank reconciliations, with outstanding checks and deposits, agree to the Statement of Cash Receipts and Cash Disbursements.

Procedure #3 – Using the last bank statement of the year, compare total deposits in excess of FDIC insurance to securities pledged to secure the excess deposits, as evidenced by joint custody receipts.

Results – Total deposits in excess of FDIC insurance are adequately secured to pledged securities..

Procedure #4 – For the last bank statement of the year, compare the name of the depository institution to an entry in the official minutes that designates the institution as the District's official depository.

Results – Bank statements agree to the bank listed in the minutes.

Procedure #5 – We traced interest income from the General Checking and Capital Improvement accounts bank statements to the District's general ledger for all 12 months.

Results – No exceptions were noted.

Procedure #6 – We selected March and August 2023 to trace cash receipts to the bank statements and general ledger.

Results – No exceptions were noted.

Procedure #7 – We randomly selected 20 non-payroll disbursements and performed the following procedures:

a. Disbursements appear to be for appropriate Library expenses.
b. Invoices or other documents exist and are mathematically correct.
c. The payee on the cancelled checks agree with the invoice / document.
d. Checks were approved in the monthly meetings.
e. Checks contained signatures from 2 authorized signers.
f. Disbursements were properly recorded on Library's books.

Results – All selected disbursements appeared to be reasonable expenses, agreed with supporting documentation, were approved in monthly meetings and contained appropriate signatures. No exceptions were noted.

Procedure #8 – We compared the disbursements for November to the approval in the official minutes.

Results – No exceptions were noted.

Procedure #9 – We examined evidence of accounts payable at year end and January 2024 to determine if they have been properly recorded in the financial statements as of the end of the year.

Results – No significant payables or encumbrances were noted which should have been recorded. The payroll paid in January 2024 was approximately half for December 2023. However, each year the process has been the same so the change in payroll has not been a significant amount from one year to the next.

Procedure #10 – We examined the Library's internal controls and credit card policy, then reviewed the credit card transactions for April and August to determine if they contained proper support and approvals, and if procedures and proper classification of expenditures were followed.

Results – Credit cards are in the Library's name and are issued to employees. Cards are to be used for budgeted, official business purchases only. Board members review credit card statements and transaction receipts monthly. Receipts for every transaction are to be attached to the credit card statements. It appears the credit card procedures and internal controls are being followed. No exceptions were noted.

Procedure #11 – We reviewed the December payrolls to determine that proper deductions and employer contributions are being remitted.

Results – No exceptions were noted.

Procedure #12 – We reviewed the December payroll records for each employee to determine if a deduction for KPERS was made.

Results – The Library is not participating in KPERS, thus there are no deductions for KPERS.

Procedure #13 – We compared total cash receipts, total cash disbursements, accounts payable, and ending unencumbered cash balances to the same items in the prior year to determine if there is a variance of more than 25%.

Results – Total cash disbursements were up from the prior year in part due to a transfer from general fund to capital outlay of $31,500. Additionally, the Library did not have a director for 9 months of 2022 but had the position filled for 2023 so the salaries expense increased in 2023 as a result of this change. All other accounts were under 25%.

Procedure #14 – Reviewed the Library's month-end statement of cash receipts and cash disbursements reports for February and December to determine the ending unencumbered cash balance was greater than or equal to zero.

Results – For 2023, there was not a report for every month but for 2024, the director has been preparing a report each month. Based on review of the February and December reports, as well as the general ledger, it appears the Library maintained an unencumbered cash balance greater than zero throughout the year.

Procedure #15 – We reviewed the minutes for November and December to determine that the minutes have been signed by the chairperson of the board of directors.

Results – No exceptions were noted.

Procedure #16 – Review the Library's surety bonds to determine that all employees and officers entrusted with funds or property are covered by such a bond.

Results – The Library did not have surety bonds for 2023 and just recently started to look for bond for the treasurer.

We were engaged by the Linwood Community Library to perform this 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 financial statements. 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 have responsibility to update this report for subsequent findings.

We are required to be independent of Linwood Community Library 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 the Linwood Community Library and is not intended to be and should not be used by anyone other than those specified parties.

Harold K. Mayes Jr

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Ottawa, Kansas
November 8, 2024