LINWOOD COMMUNITY LIBRARY
LINWOOD, KANSAS

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

December 31, 2025

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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, 2025. 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 – Tie the municipality's total cash per books at year end to source documents. This should include a review of the bank reconciliation for the last month of the year. Confirm bank balances and ensure that bank reconciliations are being approved and completed in a timely manner.

Results – We examined the bank statements for December 2025 for the General Checking and Capital Improvement accounts and compared to general ledger. The cash per the bank reconciliations and statements tied to the general ledger. We confirmed bank balances and traced to approval by Board. No exceptions were noted.

Procedure #2 – Reconcile the year-end cash balance as shown on the Statement of Cash Receipts and Cash Disbursements to: 1) demand deposits at the Municipality's official depository, 2) time deposits at the Municipality's official depository,

Results –The bank statements as of December 31, 2025, tie to the bank reconciliations and the bank reconciliations, with outstanding checks and deposits, agree to the Statement of Cash Receipts and Cash Disbursements. Demand and time deposits are at the Library's official depository.

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. Confirm the pledged securities as of December 31 and determine they are adequate.

Results – Total deposits in excess of FDIC insurance are adequately secured to pledged securities. We confirmed the depository 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 – Banks used by the Library were designated as such in the minutes for 2025.

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

Results – Interest income agreed to general ledger and to bank confirmations. No exceptions were noted.

Procedure #6 – For a minimum of four separate months (to be selected by the certified public accountant), trace non-mail cash receipts from the receipt book to the bookkeeping records to determine if the receipts were properly recorded. Also, for the same four months, trace bookkeeping entries for cash receipts to the bank statement to determine if receipts are deposited intact and on a timely basis. Procedure will also be performed for the first and last month of the fiscal year.

Results – We examined January, June, November and December for the above with no exceptions.

Procedure #7 – We randomly selected over 15% 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 agrees 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 – For two months (to be selected by the certified public accountant) compare the disbursements as recorded in the check register to an entry in the official minutes that approve the disbursements.

Results – For the months of November and December we preformed the above procedure with no exceptions..

Procedure #9 – Examine evidence of encumbrances and accounts payable at year end and for January and February 2026 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 2026 was approximately 5 days in December 2025. 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 – Review the Library's internal controls and credit card policy, then review the credit card transactions for one month 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. We examined the month of September for this procedure. It appears the credit card procedures and internal controls are being followed. No exceptions were noted.

Procedure #11 – Review payroll for two months (to be selected by certified public accountant) to determine that proper deductions and employer contributions are being remitted. In addition, trace the year end payroll reports to the payroll register and general ledger to ensure proper reporting and remittance of payroll withholdings.

Results – Based on procedures performed proper deductions and employer contributions are being remitted timely. Traced the year end payroll reports to payroll register and general ledger for proper reporting and remittance of payroll withholdings.

Procedure #12 – For the last month of the year review the payroll records for each employee to determine if a deduction for KPERS (Kansas Public Employees Retirement System) was made.

Results – We reviewed the December payroll records for each employee to determine if a deduction for KPERS was made. The Library is not participating in KPERS, thus there are no deductions for KPERS.

Procedure #13 – Compare the following items in the current year financial statement to the same items in the prior year financial statement to determine if there is 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%, examine the variance, then document and report on the reason

Results – Cash accounts were up 25.87% over last year the direct result of receipts over expenditures. All other areas did not exceed the 25% change from prior year.

Procedure #14 – For a minimum of three months (to be selected by the certified public accountant), review the Library'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.

Results – Based on review of June, November and December reports, it appears the Library maintained an unencumbered cash balance greater than zero throughout the year.

Procedure #15 –For a minimum of two months (to be selected by the certified public accountant), review the official minutes to determine that the minutes have been signed by the chairperson of the board of directors.

Results – Minutes for November and December were signed. 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 – We examined the surety bond for 2025.

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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Agler & Gaeddert, Chartered
Ottawa, Kansas
August 9, 2025