CITY OF BURDETT, KANSAS

AGREED-UPON PROCEDURES

For the Year Ended December 31, 2021

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INDEPENDENT ACCOUNTANT'S REPORT

To City of Burdett and City Council

We have performed the procedures enumerated below on the Summary Statement of Receipts, Expenditures and Unencumbered Cash Balances - regulatory basis of City of Burdett for the year ended December 31, 2021. City of Burdett's management is responsible for the Summary Statement of Receipts, Expenditures and Unencumbered Cash Balances - regulatory basis for the year ended December 31, 2021.

City of Burdett has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the City of Burdett evaluate the accuracy of the Summary Statement of Receipts, Expenditures and Unencumbered Cash Balances – regulatory basis and meet the annual audit requirements per K.S.A. 75-1122 for the year ended December 31, 2021. 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 the associated findings are as follows:

Procedure 1. Tie the municipality's total cash per books at year end to source documents. This will include a review of the bank reconciliation for the last month of the year.

Municipality's total cash per books at year end was $6,278.88 higher than the balances per the source documents and bank reconciliation for the last month of the year.

Procedure 2. Tie the year-end cash balances 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 district's official depository, 3) investments in U.S. Treasury bills; and other cash/investments accounts.

Year-end cash balance as shown on the Statement of Cash Receipts and Cash Disbursements was $6,278.88 higher than the balances in the municipality's deposits at their 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.

No evidence of securities pledged to secure deposits in excess of FDIC insurance of $24,665.54 at SJN Bank of Kansas.

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.

No entry in the official minutes designating the depository institution as the municipality's official depository was noted.

Procedure 5. For a minimum of two months (to be selected by the certified public accountant), trace any interest income from the bank statement to the district's cash receipt records.

No findings were found as a result of applying this procedure.

Procedure 6. For a minimum of two 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 two months, trace bookkeeping entries for cash receipts to the bank statement to determine if receipts are deposited intact and on timely basis.

For the two months selected no cash receipt book was maintained by the municipality.

Procedure 7. For approximately ten percent of the non-payroll cash disbursements (to be selected by the certified public accountant), trace disbursements from the bookkeeping records to the: related invoice, bank statement, and canceled check.

Of the cash disbursements examined three did not have a related invoice and/or supporting documentation.

Procedure 8. For a minimum of one month (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.

No findings were found as a result of applying this procedure.

Procedure 9. Examine evidence of encumbrances and accounts payable and determine if they have been properly stated in the financial statement as of the end of the year. Evidence of encumbrances would include unpaid purchase orders or contracts. Evidence of accounts payable would include unpaid invoices and receiving reports.

No findings were found as a result of applying this procedure.

Procedure 10. Review the credit card policy and internal controls of the district. For a minimum of two months (to be selected by the certified public accountant), review the district's credit card transactions to determine if approvals, expenditure procedures, and proper classification of expenditures were followed. In the agreed upon procedures report, describe the credit card procedure, if the credit card procedures and internal controls are being followed, and if the municipality's credit cards are only in the name of the municipality.

Purchases over $500 must be approved by the Council, anything under does not. Receipts supporting the credit card charges were not with the monthly statement.

Procedure 11. Review payroll for a minimum of one month (to be selected by the certified public accountant) to determine that proper deductions and employer contributions are being made.

Deduction for FICA on an employee was incorrectly calculated and $1.10 to much was withheld. Tax deposit to IRS was short $13.30 compared to monthly payroll register. Also, no payment to Kansas Department of Revenue for state withholding of $175.00 was noted per review of the bank statement.

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 Employee Retirement System) was made.

Municipality is not an affiliate of the Kansas Public Employee Retirement System.

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 percent 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.

Variances larger than 25% were examined and the reasons provided appear reasonable.

Procedure 14. For a minimum of two months (to be selected by the certified public accountant), review the Municipality'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.

No findings were found as a result of applying this procedure.

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 city council or designated individual(s).

No findings were found as a result of applying this procedure.

Procedure 16. Review the Municipality's surety (fidelity) bonds to determine that all employees and officers entrusted with funds or property are covered by such bond.

No findings were found as a result of applying this procedure.

Procedure 17. Review the general and entity specific compliance checklists.

No findings were found as a result of applying this procedure.

We were engaged by City of Burdett 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 examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Summary Statement of Receipts, Expenditures and Unencumbered Cash Balances - regulatory basis of City of Burdett for the year ended December 31, 2021. 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 Burdett 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 Burdett and the City Council, and is not intended to be and should not be used by anyone other than these specified parties.

VonFeldt, Bauer & VonFeldt, Chtd.

VONFELDT, BAUER & VONFELDT, CHTD.
Certified Public Accountants
Larned, Kansas
February 10, 2023