CITY OF SAWYER, KANSAS

Report on Applying Agreed-upon Procedures

For the Year Ended December 31, 2024

ADAMS BROWN
Strategic Allies and CPAs
adamsbrowncpa.com

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, 2024. **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 bookkeeping ledger to the budget 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. The following exceptions were found:

- One disbursement paid to United States Postal Service for $146 did not have a receipt to support the disbursement.

- An October 2024 reimbursement paid to Harry Williams was undercalculated by $1.

Procedure 3 – Credit Cards
We agreed to review the credit card policy and internal controls of the City. We also agreed to review two separate months of the City's credit card transactions to determine if approvals, expenditure procedures, and proper classification of expenditures were followed. 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 reviewed the bank reconciliation for the last month of the year. No exceptions were found.

Procedure 5 – Payroll
We reviewed payroll for one month to determine that proper deductions and employer contributions were being remitted. The following exceptions were found:

- For one employee, form W-4 was not on file and form K-4 was not completed in its entirety.
- Forms W-4 and K-4 were not completed and filed with the City for the council members.
- Federal and state withholdings did not agree with the elections made on forms W-4 and K-4 on file for one employee.

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 2024 but paid in 2025 totaling $4,695 were not included in accounts payable at year end. As a result, total liabilities were understated by $4,695.

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 cash disbursements for the General Fund decreased 27% ($16,654) due to a decrease in salaries and hours worked, office repairs and maintenance, and attorney fees in 2024.
- Total cash disbursements for the Special Highway Fund increased 1,353% ($2,678) due to culvert repairs made in 2024.
- Total cash receipts for the Water Utility Fund increased 32% ($11,208) due to a reimbursement for a well pump in 2024.
- Unencumbered ending cash for the Water Utility Fund increased 28% ($7,835), which is consistent with the increase in receipts in 2024.
- Total cash receipts for the Gas Utility Fund decreased 37% ($36,343) due to decreased utility usage, which resulted in less customer receipts in 2024.
- Total cash disbursements for the Gas Utility Fund decreased 40% ($39,640) due to less repairs, attorney fees, and gas usage in 2024.
- Unencumbered ending cash in the ARPA Grant Fund decreased 100% ($5,831) due to the City spending the remaining grant funds in 2024.
- The Water Grant Fund was a new fund in 2024, which was created to track the revenues and expenditures associated with the City's new water project 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 checklists. The following exceptions were found:

- The City did not approve a GAAP waiver for 2024, which is a violation of K.S.A. 75-1120a.
- The City did not publish the annual 2024 financial statements. This is a violation of K.S.A. 12-1608.

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.

Adamsbrown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Larned, Kansas

August 6, 2025