SSC CPAs, P.A.

EUDORA PUBLIC LIBRARY

AGREED-UPON PROCEDURES
TOGETHER WITH INDEPENDENT ACCOUNTANT'S
REPORT

YEAR ENDED DECEMBER 31, 2023

SSC CPAs, P.A.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board and Management
Eudora Public Library

We have performed the procedures enumerated below on the financial records of Eudora Public Library (the Library) as of and for the year ended December 31, 2023. The Library's management is responsible for the financial records of Eudora Public Library.

The board and management have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of compliance with the requirements of the *Kansas Municipal Audit and Accounting Guide,* as specified in K.S.A. 75-1122, on the financial records of Eudora Public Library as of and for the year ended December 31, 2023. 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 finding are as follows:

1. Tie the Library'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.

   Finding: The bank account reconciliation and financial statement do not agree, due to an internal transfer of $480 on the bank reconciliation. No other exceptions were found as a result of applying the 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 Library's official depository, 2) time deposits at the Library's official depository, 3) investments in U.S. Treasury bills; and other cash/investment accounts.

   Finding: SSC noted a $480 difference in demand deposits to the financial statement. The Library does not have time deposits or investments defined under the *Kansas Municipal Audit and Accounting Guide*.

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.

   Finding: No exceptions were found as a result of applying the 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 Library's official depository.

   Finding: SSC noted the Library did not designate the name of the depository institution to an entry in board minutes in or prior to the year ended December 31, 2023. The Library provided the declaration of official depository dated November 19, 2024, designating Kaw Valley State Bank of Eudora, Kansas as the depository institution.

5. For a minimum of two months (to be selected by SSC CPAs, P.A.) trace any interest income from the bank statement to the Library's cash receipts records.

   Finding: No exceptions were found as a result of applying the procedure.

6. For a minimum of two separate months (to be selected by SSC CPAs, P.A), 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 a timely basis.

   Finding: SSC noted Eudora Public Library does not utilize a cash receipt book. Cash receipts are minimal.

7. For approximately ten percent of the non-payroll cash disbursements (to be selected SSC CPAs, P.A.), trace disbursements from the bookkeeping records to the: related invoice, bank statement, and canceled check.

   Finding: No exceptions were found as a result of applying the procedure.

8. For a minimum of one month (to be selected by SSC CPAs, P.A.) compare the disbursements as recorded in the check register to an entry in the official minutes that approve the disbursements.

   Finding: SSC noted in the May 17, 2023 and August 22, 2023 board minutes that disbursements were not approved.

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

   Finding: SSC noted that $4,623 was not included in encumbrances and accounts payable at 12/31/23.

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

    Finding: SSC noted there was no official credit card policy until November 2024. SSC tested two credit card disbursements, there were no exceptions noted with the approvals and proper classification of expenditures. SSC noted that the credit cards are registered in the Library's name.

11. Review payroll for a minimum of one month (to be selected by SSC CPAs, P.A.) to determine that proper deductions and employer contributions are being made.

    Finding: No exceptions were found as a result of applying the 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.

    Finding: SSC noted the Library does not participate in KPERS.

13. Compare the following items in the current year financial statements to the same items in the prior year financial statements 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.

    Finding: We noted one account that had a variance of 25% from the prior year and report the following reason for the variance:

    > The capital campaign's cash disbursements increased due to the Library transferring $23,000 to the Douglas County Community Foundation..

14. For a minimum of two months (to be selected by SSC CPAs, P.A.), 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.

    Finding: No negative cash balances were noted as a result of applying the procedures.

15. For a minimum of two months (to be selected by SSC CPAs, P.A.), review the official minutes to determine that the minutes have been signed by the chairperson of the board of directors.

    Finding: SSC noted board minutes are not signed.

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

    Finding: SSC noted the Library does not have surety bonds.

17. Review the general and entity specific compliance checklists.

    Findings:

    1) There was no depository designated during the year ended December 31, 2023. The Library designated Kaw Valley State Bank of Eudora, Kansas as the depository in November 2024.
    2) Approval of the custodial agreements are not noted in the minutes.
    3) Board minutes do not show that a GAAP waiver was obtained for the year ended December 31, 2023.
    4) No other exceptions were found as a result of applying the procedure.

We were engaged by the 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 are 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 records

of the Library as of and for the year ended December 31, 2023. 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 the 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 Board and Management of the Eudora Public Library and is not intended to be and should not be used by anyone other than these specified parties.

SSC CPAs, P.A.

SSC CPAs, P.A.
Lawrence, Kansas

January 21, 2025