CITY OF SYLVAN GROVE, 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 Sylvan Grove, Kansas
Sylvan Grove, Kansas

We have performed the procedures enumerated below on the accounting records of **City of Sylvan Grove, Kansas** for the year ended December 31, 2024. **City of Sylvan Grove, Kansas'** management is responsible for the accounting records.

City of Sylvan Grove, 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 receipt book to the bookkeeping 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. No exceptions were found.

Procedure 3 – Encumbrances and Accounts Payable
We examined evidence of encumbrances and accounts payable to determine if they were properly stated in the financial statement as of the end of the year. No exceptions were found.

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. The following exceptions were found:

- The petty cash account is not currently being reconciled. The petty cash account should be reconciled monthly.

- The bank reconciliation for the main checking account includes outstanding checks dating back to 2021. These should be reviewed and turned over to the State Treasurer as unclaimed property if the requirements are met.

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:

- One of the W-4 forms reviewed did not have an election made for single or married. All payroll forms should be completed in their entirety.

- The KPERS deduction currently in QuickBooks is set up as a 401(k) deduction, which reduces Federal and State wages. However, KPERS should only reduce Federal wages. The KPERS deduction should be reviewed and edited to only reduce Federal wages.

Procedure 6 – Credit Cards
For two months, we reviewed the City's credit card transactions to determine if approvals, expenditure procedures, and proper classification of expenditures were followed. The City's credit card procedures are as follows:

> Credit card receipts are turned into the city clerk. The city clerk then compares the receipts to the credit card statements to ensure all purchases are for approved expenses and all purchases have a matching receipt. The City's procedures and internal controls are being followed. The credit cards are in the name of the City only.

No exceptions were found.

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:

- Encumbrances in the General Fund decreased by 63% ($6,620) due to more being encumbered for grant expenditures in the prior year.

- Ending unencumbered cash in the General Fund increased by 97% ($9,446) due to receipts exceeding expenditures in the current year.

- Encumbrances in the Employee Benefits Fund decreased 51% ($705) due to payroll taxes being paid by year-end instead of encumbered for the current year.

- Ending unencumbered cash in the Employee Benefits Fund increased 44% ($10,346) due to receipts exceeding expenditures in the current year.

- Receipts in the Special Liability Insurance Fund increased by 56% ($1,016) due to receiving more taxes from the county in the current year.

- Ending unencumbered cash in the Special Liability Insurance Fund increased by 89% ($2,820) due to receipts exceeding expenditures in the current year.

- Ending unencumbered cash in the Special Highway Fund increased by 101% ($5,623) due to receipts exceeding expenditures in the current year.

- Encumbrances in the Special Highway Fund decreased by 100% ($480) due to gravel encumbrances in the prior year.

- Total cash receipts in the Special Parks Fund decreased by 59% ($5,076) due to receiving a grant in the prior year for the baseball field renovation.

- Total expenditures in the Special Parks Fund decreased by 25% ($2,434) due to less equipment purchases in the current year.

- Ending unencumbered cash in the Special Parks Fund decreased by 37% ($3,684) due to expenditures exceeding receipts in the current year.

- Total expenditures in the Sewer Fund increased by 74% ($20,633) due to sewer repairs in the current year.

- Encumbrances in the Sewer Fund decreased by 98% ($8,170) due to sewer maintenance liabilities in the prior year.

Procedure 8 – Other Procedures
We performed other procedures as listed in the schedule of agreed-upon procedures. No exceptions were found.

Procedure 9 – Compliance Checklist
We reviewed the general and entity specific compliance checklists. No exceptions were found.

We were engaged by **City of Sylvan Grove, 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 Sylvan Grove, 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 Sylvan Grove, 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.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Hays, Kansas

September 5, 2025