INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE HASKELL TOWNSHIP FOR THE YEAR ENDED DECEMBER 31, 2023

LEWIS, HOOPER & DICK LLC
certified public accountants

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

Haskell Township
PO Box 266
Sublette, KS 67877

We have performed the procedures enumerated below solely to assist you with respect to the accounting records of Haskell Township (the Township), for the year ended December 31, 2023. The Township's management is responsible for the Township's accounting records.

The Township has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting management with respect to the accounting records. 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 for the year ended December 31, 2023:

1. We tied the Township's total cash per books at year end to source documents. This included a review of the bank reconciliation for the last month of the year.

   We found no exceptions during our comparison of the Township's total cash per books to source documents for the year ended December 31, 2023. We also found no exceptions during our review of the bank reconciliation for the last month of the year.

2. We reconciled the year-end cash balance as shown on the Statement of Cash Receipts and Cash Disbursements to: 1) demand deposits at the Township's official depository, 2) time deposits at the Township's official depository, 3) investments in U.S. Treasury bills and other cash/investment accounts.

   The year-end cash balance as shown on the Statement of Cash Receipts and Cash Disbursements agreed with the Township's demand and time deposits, and investments per the bank. However, the year-end cash balance as shown on the Statement of Cash Receipts and Cash Disbursements did not agree with the Township Library's demand and time deposits, and investments per the bank as the Statement is not properly maintained by fund.

3. Using the last bank statement of the year, we compared total deposits in excess of FDIC insurance to securities pledged to secure the excess deposits, as evidenced by joint custody receipts.

   We found no exceptions during our comparison of total deposits in excess of FDIC insurance to the securities pledged to secure the excess deposits, as evidenced by joint custody receipts.

4. For the last bank statement of the year, we compared the name of the depository institution to an entry in the official minutes that designated the institution as the Township's official depository.

   The Township's depository institution per the last bank statement of the year agreed with the designated depository approved in the minutes. The Township Library does not individually designate an official depository as they use the same depository designated by the Township.

5. For a minimum of two months, we traced any interest income from the bank statement to the Township and the Township Library's cash receipts records.

   Of the two months selected, we were able to trace the interest income from the bank statement to the Township and the Township Library's cash receipts records.

6. For a minimum of 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. In addition, 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.

   Of the two months selected, we were able to determine that receipts were properly recorded and deposited on a timely basis.

7. 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.

   Of the non-payroll cash disbursements selected for testing, no exceptions were noted

8. For a minimum of one month, we compared the disbursements as recorded in the check register to an entry in the official minutes that approved the disbursements.

   We noted no exceptions during our comparison.

9. 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.

   The encumbrances and accounts payables were not properly stated in the financial statement as of the end of the year. Accounts payables were understated by at least $3,846.

10. We reviewed the credit card policy and internal controls of the Township. For a minimum of two months, we reviewed the Township's credit card transactions to determine if approvals, expenditure procedures and proper classification of expenditures were followed. In this report, we also describe the credit card procedure, if the credit card procedures and internal controls are being followed and if the Township's credit cards are only in the name of the Township.

    The Township does not use a credit card. The Township Library authorized a VISA credit card to be obtained with a limit of $5,000 to be used by the Library Director. There is no formal policy over the use of this card. However, receipts are retained and kept with each month's credit card statement. The statement and receipts are reviewed and initialed by a board member when all other invoices are being approved to be paid each month.

    For the two months selected, the Township Library's credit card transaction statement had all of the appropriate receipts and approvals noted on them. The expenditures in QuickBooks were properly classified and recorded.

11. We reviewed payroll for a minimum of one month to determine that proper deductions and employer contributions were remitted.

    We found no exceptions during our review of payroll, and determined that proper deductions and employer contributions were remitted.

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

    For the last month of the year, a deduction for KPERS for two employees at the Township Library was made.

13. We compared the following items in the current year financial statement to the same items in the prior year financial statement to determine if there was a variance of more than twenty-five percent per fund: 1) total cash receipts, 2) total cash disbursements, 3) encumbrances and accounts payable, and 4) ending unencumbered cash balance.

    In comparing the current year financial statement to the prior year, we found the following funds had variances greater than twenty-five percent.

Total cash receipts

Fund	2023	2022	Variance	Circumstance
Library Employee Benefits	$ 16,594	$ 43,003	-159.15%	The Library Employee Benefits fund received $26,409 less in Ad Valorem tax in 2023 than in 2022.
Special Library Capital Outlay	19,236	25,759	-33.91%	The Special Library Capital Outlay fund received $3,123 in 2022 for grant revenues; no grant revenues were received in 2023. In addition, transfers in from the Library's General fund were $3,816 less in 2023 than in 2022.

Total cash disbursements

Fund	2023	2022	Variance	Circumstance
Special Library Capital Outlay	$ 2,666	$ 13,573	-409.11%	Capital improvements in 2022 included expenses for the new Library sign as well as new shelving.

Ending unencumbered cash balance

Fund	2023	2022	Variance	Circumstance
Library	$ 27,333	$ 52,963	-93.77%	The decrease in cash balance is the result of the Library's General fund's expenditures exceeding its revenues. The Library's General fund received $34,271 more in Ad Valorem tax in 2023 compared to 2022; however, expenditures exceeded revenues by $24,991 in 2023, resulting in the fund spending down its cash balance.

14. For a minimum of two months, we reviewed the Township's month-end statement of cash receipts and cash disbursements to determine that the ending unencumbered cash balance was greater than or equal to zero.

    For the two months selected, we were able to determine from the accounting system that the ending unencumbered cash balance was greater than or equal to zero.

15. For a minimum of two months, we reviewed the official minutes to determine that the minutes had been signed by the appropriate member of the board.

    For the two months selected from the Township, we found the official minutes were signed. However, for the two months selected for the Township Library, the official minutes were not signed.

16. We reviewed the Township's surety bonds to determine if all employees and officers entrusted with funds or property were covered by such a bond.

    All employees and officers entrusted with funds or property of the Township were covered by a surety bond. However, the Township Library only had the Board Treasurer bonded as of December 31, 2023.

17. We reviewed the Kansas Regulatory Compliance Checklists for "General - All Municipalities".

    The Township failed to comply with the following checklist items:

    - Kansas statute 10-1117 requires records to be maintained to reflect each fund's indebtedness. The Township Library is currently not monitoring by fund.

    - The State of Kansas requires fidelity bonds be considered for all persons handling cash receipts or disbursements. We noted the Township Library employees had no fidelity bond covering individuals handling cash or holding other positions of trust.

    - The State of Kansas requires governmental entities preparing their financial statements on the statutory basis to pass an annual resolution waiving the use of generally accepted accounting principles. The Township did not pass a resolution for the waiver as required under KSA 75-1220c.

    - Kansas statute 79-2934 requires records to be maintained for each fund showing the budget balance available for appropriation. Currently, the Township is not maintaining records to reflect budgeted receipts and expenditures versus actual receipts and expenditures to track the budget balance.

We were engaged by the Township 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 accounting records of the Township 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 Township 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 management of the Township, and is not intended to be and should not be used by anyone other than this specified party.

Lewis, Hooper, + Dick, LLC

LEWIS, HOOPER & DICK, LLC

May 15, 2024