CANEY CITY LIBRARY

AGREED-UPON PROCEDURES
For the Year Ended December 31, 2021

YERKES & MICHELS, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANTS
American Institute of Certified Public Accountants, Kansas Society of Certified Public Accountants
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Caney City Library
211 W 5th
Caney, KS 67333

We have performed the procedures enumerated below, which were agreed upon by the Caney City Library represented by Jennifer Rosson, Director, in our letter dated January 21, 2022 solely to assist you with respect to the accounting records of the Library as of December 31, 2021. The Caney City Library management is responsible for the Library's financial statements and accounting records. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the financial statement or sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. We did not audit or review the financial statement nor were we required to perform any procedure to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any form of assurance on this financial statement.

Our procedures and findings are as follows:

1. Cash Receipts
   Procedure: For a minimum of two separate months (to be selected by the CPA), 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.

   Results: We tested the receipts in February and July by tracing the receipts from the receipt book to Quickbooks, then to the bank statement for completeness and deposit on a timely basis. No exceptions noted.

2. Cash disbursements
   Procedure: For approximately ten percent of the non-payroll cash disbursements (to be selected by the CPA), trace disbursements from the bookkeeping records to the: related invoice, bank statement, and canceled check. Also, determine the propriety of the disbursements from the operations fund considering the following:

   - The library supervisor shall receive no compensation for services but may receive travel expenses.

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- Travel and expenses are permitted only for supervisors and library employees.
- Disbursements are not permitted for prizes or as incentives for achievements or attendance at meetings.
- Disbursements are not permitted for meals at the annual meeting.

Results: We performed the above procedures on 10.60% of the total cash disbursements including transfers, excluding payroll for the year, which totaled $3,829.51. No exceptions noted.

3. Encumbrances and Accounts Payable

Procedure: 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.

Results: We reviewed the Financial Report for 2021 and noted that no encumbrances were reported. Additionally, we selected eight expenditures in January and February 2022 to ensure expenditures were recorded in the proper period. It was determined the following should have been encumbered or partially encumbered but were not.

Check Number	Payee Name	Amount
2510	Hoopla Digital/Midwest Tape	103.70
2511	Baker & Taylor	70.13
EFT	Atmos Energy	129.14
EFT	Evergy	12.00

4. Year-End Cash

Procedure: 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.

Results: We reviewed the December 31, 2021 bank reconciliation for each of the Library's bank accounts and verified they reconciled to the bank's confirmed balances and agreed with the cash balances reported on the end of year financial statements. All accounts agreed and were able to be reconciled to the financials except for the General Fund checking account which varied by $282.80 from the bank reconciliation.

5. Payroll

Procedures: Review payroll for a minimum of one month (to be selected by the CPA) to determine that proper deductions and employer contributions are being made.

Results: We selected the month of June 2021 to determine if proper deductions and employer contributions were being made. In reviewing and recalculating the June payroll for proper deductions no exceptions were noted.

6. Comparison With Prior Year

Procedures: 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 percent per fund: 1) total cash receipts, 2) total cash disbursements, 3) encumbrances and accounts payable, and 4) ending unencumbered cash balance.

Results: There were no variances greater than 25% in Total Assets or Liabilities. No exceptions noted.

7. Compliance with Kansas Statutes:

a) For a minimum of two months (to be selected by the CPA) trace any interest income from the bank statement to the library's cash receipts records.

Results: We traced interest income into the library's financial records for the months of February and July 2021. No exceptions were noted.

b) 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.

Results: Meeting minutes in 2021 do not list official depositories, however, we do not consider this a finding as it is not required to be done annually by state statute.

c) Tie 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.

Results: No exceptions noted.

d) 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.

Results: The balances at December 31, 2021 at the Community National Bank & Trust were all secured by FDIC insurance coverage with balances of $9,952.61, $5,016.00, and $5,003.29, respectively.

e) For a minimum of one month (to be selected by the CPA) compare the disbursements as recorded in the check register to an entry in the official minutes that approve the disbursements.

Results: We selected the month of April 2021 to ensure the disbursements as recorded agreed with that of the disbursements listed in the minutes. No exceptions were found.

f) For a minimum of two months (to be selected by the CPA) 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.

Results: We reviewed the months of April and September 2021 to determine the unencumbered cash balance was greater than zero. The unencumbered balance appeared greater than zero, no exceptions noted.

g) For a minimum of two months (to be selected by the CPA) review the official minutes to determine that the minutes have been signed by the president of the board of supervisors.

Results: We reviewed the months of April and September 2021 to ensure the minutes were signed by the chairperson of the Board of Supervisors. From August forward, the board secretary was the only person required to sign the meeting minutes, as well as the board approve the minutes in the following month's board meeting. No exceptions were noted.

h) 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.

Results: Per review of the latest surety bond all employees and officers appear to be covered.

i) 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.

Results: No deductions to KPERS was made for any employee. No exceptions noted.

j) Review the credit card policy and internal controls of the Library. For a minimum of two months (to be selected by the CPA), 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.

Results: We selected the credit card statements for the months of February and October 2021. Four transactions from the February statement were missing totaling $93.40.

Credit Card Policy: The library director is authorized as card holder on behalf of Caney City Library for official business purchases only. Monthly card statements, as well as a claim voucher will be reviewed by the Board of Supervisors prior to payment approval. Any unauthorized purchases will not be approved by the supervisors and the director will be held responsible for payment in full. The Board is to pay the full balance of all authorized purchases on a monthly basis to remain in good standing.

This agreed-upon procedures engagement was conducted 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, the objective of which would be the expression of an opinion or conclusion, respectively, on the Combined Statement of Cash Receipts, Cash Disbursements, and Cash Balances 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.

This report is intended solely for the use of the Caney City Library management and should not be used by anyone other than those specified parties.

Sincerely,

Yerkes & Michels, CPA, LLC
Independence, Kansas

August 28, 2022