



Wichita Area Metropolitan Planning Organization

**Independent Auditor's Report and
Financial Statements**

December 31, 2023



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Independent Auditor's Report

Transportation Policy Body
Wichita Area Metropolitan Planning Organization
Wichita, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Wichita Area Metropolitan Planning Organization (WAMPO), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise WAMPO's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of WAMPO, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *Kansas Municipal Audit and Accounting Guide* (KMAAG). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of WAMPO and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WAMPO's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and KMAAG will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and KMAAG, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WAMPO's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WAMPO's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise WAMPO's basic financial statements. The schedule of revenues, expenditures and changes in fund balance – budget and actual – budgetary basis and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2024, on our consideration of WAMPO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WAMPO's internal control over financial reporting and compliance.

FORVIS,LLP

Wichita, Kansas
April 5, 2024

**Wichita Area Metropolitan Planning Organization
Management's Discussion and Analysis (Unaudited)
Year Ended December 31, 2023**

As management of Wichita Area Metropolitan Planning Organization (WAMPO), we offer readers of WAMPO's financial statements this narrative overview and analysis of the financial activities of WAMPO for the fiscal year ending December 31, 2023.

Financial Highlights

The assets of WAMPO exceeded its liabilities at the close of the fiscal year ended December 31, 2023, by \$1,096,219. This full amount was unrestricted. WAMPO's total net position increased by \$244,245. The increase is attributed to a combination of grant revenue reimbursements and the timing of related accounts payable. As of the close of the fiscal year, WAMPO's governmental fund reported an ending fund balance of \$1,118,881.

Overview of the Financial Statements

Management's Discussion and Analysis is intended to serve as an introduction to WAMPO's basic financial statements, which include three components: 1) Government-wide financial statements, 2) Fund financial statements and 3) Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of WAMPO's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of WAMPO's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of WAMPO is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both government-wide financial statements present the activities of WAMPO that are principally supported by intergovernmental revenues (governmental activities). The governmental activities of WAMPO include general government, pavement monitoring, short and long-range planning assistance to local entities, economic development, and transportation planning.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. WAMPO, like other state and local government uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of WAMPO consist of governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**Wichita Area Metropolitan Planning Organization
Management's Discussion and Analysis (Unaudited)
Year Ended December 31, 2023**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. WAMPO maintains one individual governmental fund, which is reported as the organization's general fund.

Notes to the Financial Statements

The notes to the financial statements are an integral part of the basic financial statements. They provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found immediately following the financial statements in this report.

Budgets

WAMPO adopts an annual appropriated budget. A budgetary comparison statement has been provided for the fund to demonstrate compliance with this budget. WAMPO's actual revenues were \$1,061,663 less than the final budgeted amounts for WAMPO. WAMPO's actual expenditures were \$526,801 less than the final expenditure budget, primarily due to the number of projects that were being carried out in 2023.

Government-Wide Financial Analysis

Analysis of Net Position

As previously noted, net position may serve over time as a useful indicator of a government's financial position. In the case of WAMPO, assets exceeded liabilities by \$1,096,219 at the close of the fiscal year.

Governmental Activities

Significant changes in governmental activities on the statements of net position included the following:

- Assets increased by \$391,835 and liabilities increased by \$147,590, due to primarily additional Federal Transit Administration revenue.
- Net position increased by \$244,245 due primarily to additional Federal Transit Administration revenue. WAMPO did not have any restricted net position balances.

Significant changes in governmental activities on the statement of activities included the following:

- Operating grants and contributions increased by \$866,708 as a result in grant revenue reimbursement.
- Expenses increased by \$981,094 primarily due to an increase in the number of projects carried and increased number of employees.

Financial Analysis of the Government's Funds

As noted earlier, WAMPO uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Fund

The focus of WAMPO's governmental fund is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing WAMPO's financing requirements. In particular, assigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of December 31, 2023, WAMPO's governmental fund reported ending fund balance of \$1,118,881, an increase of \$247,257 from the prior year. The ending fund balance is assigned fund balance, which is available for spending at the government's discretion.

**Wichita Area Metropolitan Planning Organization
Management's Discussion and Analysis (Unaudited)
Year Ended December 31, 2023**

Economic Factors

As a metropolitan planning organization, WAMPO's focus is on multimodal transportation planning. WAMPO will focus on administering its work program in a manner that reduces traffic accidents, transportation related fuel consumption, air pollution, and greenhouse gases, while increasing transportation safety clean energy, air quality and supporting sustainable communities, trade, and tourism.

Requests for Information

This financial report is designed to provide a general overview for all those with an interest in WAMPO finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Wichita Area Metropolitan Planning Organization, 271 West 3rd Street North, Wichita, Kansas 67202.

Wichita Area Metropolitan Planning Organization
Statement of Net Position
December 31, 2023

	Governmental Activites
Assets	
Cash	\$ 597,379
Receivables	661,055
Right-of-use assets	56,991
Other	42,143
	<hr/>
Total assets	1,357,568
	<hr/> <hr/>
Liabilities and Net Position	
Liabilities	
Accounts payable	165,932
Accrued expenses	15,764
Operating lease liability	56,991
Compensated absences, current	17,118
Compensated absences, long-term	5,544
	<hr/>
Total liabilities	261,349
	<hr/>
Net Position	
Unrestricted	1,096,219
	<hr/>
Total net position	1,096,219
	<hr/>
Total liabilities and net position	\$ 1,357,568
	<hr/> <hr/>

Wichita Area Metropolitan Planning Organization
Statement of Activities
Year Ended December 31, 2023

Funds/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Administrative	\$ 590,551	\$ -	\$ -	\$ (590,551)
Highway and transit planning	1,349,110	-	1,635,129	286,019
Total governmental	<u>\$ 1,939,661</u>	<u>\$ -</u>	<u>\$ 1,635,129</u>	<u>(304,532)</u>
General Revenues				
				50,000
				498,777
			Total general revenues	<u>548,777</u>
			Change in net position	<u>244,245</u>
			Net position, beginning of year	<u>851,974</u>
			Net position, end of year	<u>\$ 1,096,219</u>

Wichita Area Metropolitan Planning Organization
Balance Sheet
Governmental Funds
December 31, 2023

	Metropolitan Planning Fund
Assets	
Cash	\$ 597,379
Receivables - intergovernmental	661,055
Other	<u>42,143</u>
Total assets	<u><u>\$ 1,300,577</u></u>
Liabilities and Net Position	
Liabilities	
Accounts payable	\$ 165,932
Accrued expenses	<u>15,764</u>
Total liabilities	<u>181,696</u>
Fund Balance	
Assigned to - Highway and transit planning	<u>1,118,881</u>
Total fund balance	<u>1,118,881</u>
Total liabilities and fund balance	<u><u>\$ 1,300,577</u></u>

**Wichita Area Metropolitan Planning Organization
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
December 31, 2023**

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balance - Total Governmental Funds	\$	1,118,881
Right-of-use assets		56,991
Operating lease liability		(56,991)
Compensated absences are not due and payable in the and, therefore, are not reported in the governmental fund		<u>(22,662)</u>
Total Net Position - Governmental Activities	\$	<u>1,096,219</u>

Wichita Area Metropolitan Planning Organization
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended December 31, 2023

	<u>Metropolitan Planning Fund</u>
Revenues	
Intergovernmental	
Kansas Department of Transportation/Federal Highway	
Federal Transit Administration	\$ 1,635,129
Member fees	50,000
TIP fees	<u>498,777</u>
Total revenues	<u>2,183,906</u>
Expenditures	
Current	
Administration	587,539
Highway and transit planning	<u>1,349,110</u>
Total expenditures	<u>1,936,649</u>
Change in fund balance	<u>247,257</u>
Fund balance, beginning of year	<u>871,624</u>
Fund balance, end of year	<u><u>\$ 1,118,881</u></u>

**Wichita Area Metropolitan Planning Organization
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balance of Governmental Funds to the Statement of Activities
Year Ended December 31, 2023**

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balance - Governmental Funds	\$	247,257
Expenses for compensated absences reported in the the use of current financial resources and, therefore, are not the governmental funds		<u>(3,012)</u>
Net Change in Net Position - Governmental Activities	\$	<u><u>244,245</u></u>

Note 1. Summary of Significant Accounting Policies

The financial statements of the Wichita Area Metropolitan Planning Organization (WAMPO) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. WAMPO's significant accounting policies are described below.

Reporting Entity

WAMPO is a quasi-governmental entity which was established as Wichita Metropolitan Area's designated Metropolitan Planning Organization under federal law. The membership of the Executive Board consists of members from towns and cities in the Wichita Metropolitan Area. The Transportation Policy Body acts as a policy body coordinating transportation planning, traffic engineering, air quality conformity, and related implementation activities. It prepares reports to meet the requirements of several transportation and environmental oversight entities at the federal level. The Transportation Policy Body also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (*i.e.* the statement of net position and the statement of activities) present financial information about WAMPO as a whole. The reported information includes all of the nonfiduciary activities of WAMPO. These statements are to distinguish between the governmental and business-type activities of WAMPO. Governmental activities normally are supported by taxes and intergovernmental revenues and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. WAMPO did not report any business-type activities.

Government-wide Financial Statements – The government-wide financial statements are reported using the “economic resources” measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met.

Fund Financial Statements – Governmental fund financial statements are reported using the “current financial resources” measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, WAMPO considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

However, compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental fund. Member fees associated with the current fiscal period are all considered to be susceptible to accrual and, accordingly, have been recognized as revenue of the current fiscal period. Miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Unearned revenues also arise when resources are received by WAMPO before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider. Receivables that will not be collected within the available period have also been reported as unavailable revenue on the governmental fund financial statements.

Wichita Area Metropolitan Planning Organization
Notes to the Financial Statements
Year Ended December 31, 2023

WAMPO reports the following major governmental fund: WAMPO Fund – Accounts for all resources used to finance WAMPO’s highway and transportation planning activities.

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

WAMPO evaluates lease assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a lease asset has occurred. No asset impairment was recognized during the year ended December 31, 2023.

Compensated Absences

All regular full-time employees of WAMPO are entitled to paid time off. Annual leave begins to accrue according to the following schedule:

<u>Completed Years of Service</u>	<u>Vacation Days Earned Per Year</u>
Less than 4	10 days
4 - Less than 10	15 days
10 - Less than 15	17 days
15 - Less than 20	20 days
20 or more	24 days

The maximum vacation hours an employee can carryforward is 240 hours. Unused annual leave will be paid at the time of termination up to this maximum at their current rate of pay at the time of termination. The current and long-term liabilities, including related benefits, for accumulated vacation and sick leave are reported on the government-wide financial statements. A liability for these amounts, including related benefits, is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations, and retirements.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Net Position/Fund Balance Classifications

Net Position – Government-wide financial statements classify net position as invested in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

**Wichita Area Metropolitan Planning Organization
Notes to the Financial Statements
Year Ended December 31, 2023**

Fund Balance – In the governmental fund financial statements, fund balance is composed of five classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The governmental fund types classify fund balances as follows:

- *Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, (such as prepaid items), or legally or contractually required to be maintained intact.
- *Restricted* – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.
- *Committed* – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Executive Committee of the Transportation Policy Board (Executive Committee). Those committed amounts cannot be used for any other purpose unless the Executive Committee removes or changes the specified use by taking the same type of action it employed to previously commit those accounts through ordinances or resolutions.
- *Assigned* – Amounts in the assigned fund balance classification are intended to be used by WAMPO for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts represent intended uses established by the Executive Committee or a management official delegated that authority by the formal Executive Committee action. The Executive Committee has delegated this authority to the Executive Director.
- *Unassigned* – The unassigned classification is the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

Fund Balance Policies

WAMPO applies restricted resources first when expenditures are incurred for purposes for which either restricted, committed, assigned, and unassigned amounts are available. Similarly, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the remaining fund balance classifications could be used.

Program Revenues

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and fees that are restricted to meeting the operational or capital requirements of a particular function or segment. Member fees for general purposes and other items not included among program revenues are reported instead as general revenues.

Note 2. Detailed Notes on All Activities and Funds

Deposits

Custodial Credit Risk – For deposits, custodial credit risk is the risk that, in the event of a bank failure, WAMPO will not be able to recover the value of its deposits. State statutes require pledged collateral with a fair value equal to 100% of the funds on deposit, less insured amounts, and that the collateral be held in safekeeping in WAMPO's name at other than the depository financial institution.

At December 31, 2023, WAMPO's deposits of approximately \$597,000 were fully covered by federal depository insurance or collateralized by securities held by WAMPO's agent in WAMPO's name.

Wichita Area Metropolitan Planning Organization
Notes to the Financial Statements
Year Ended December 31, 2023

Receivables

Receivable balances are due from intergovernmental agencies. Intergovernmental receivables as of year-end for WAMPO in the aggregate, were \$661,055. The full amount due from the Kansas Department of Transportation is \$440,000. Management considers all receivables at December 31, 2023, to be fully collectible; therefore, no allowance for doubtful accounts was included.

Lease Asset

Lease Asset activity for the year ended December 31, 2023, was as follows:

	<u>Right-of-Use Asset</u>
Governmental Activities	
Balance at January 1, 2023	\$ -
Additions	83,766
Reductions	<u>(26,775)</u>
Balance at December 31, 2023	<u>\$ 56,991</u>

Long-term Liabilities

Long-term liability activity for the year ended December 31, 2023, was as follows:

	<u>Compensated Absences</u>
Governmental Activities	
Balance at January 1, 2023	\$ 19,650
Additions	29,238
Reductions	<u>(26,226)</u>
Balance at December 31, 2023	<u>\$ 22,662</u>
Due within one year	<u>\$ 17,118</u>

	<u>Lease Liability</u>
Governmental Activities	
Balance at January 1, 2023	\$ -
Additions	83,766
Reductions	<u>(26,775)</u>
Balance at December 31, 2023	<u>\$ 56,991</u>
Due within one year	<u>\$ 27,906</u>

During 2023, WAMPO entered into a three-year lease agreement for office space. WAMPO is required to make semi-annual payments of \$15,000. The lease has an interest rate of 4.18%.

Wichita Area Metropolitan Planning Organization
Notes to the Financial Statements
Year Ended December 31, 2023

Economic Dependency

WAMPO received approximately 75% of its revenues from the Federal Transit Administration and the Federal Highway Administration passed through the Kansas Department of Transportation.

Risk Management

WAMPO is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. WAMPO carried commercial insurance for all risks of loss, including property and liability, workers' compensation, and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Retirement Plans

WAMPO participates in a voluntary defined contribution retirement plan (Plan), as authorized by Internal Revenue Services (IRS) Code Section 457. Salary reduction agreements are made with eligible employees whereby prescribed amounts are withheld from the employee's pay and remitted to the Trustee, American United Life Insurance Company, which invests the withholdings in allowable investments in accordance with the investment instructions of the employees. These monies are not available to employees until termination or retirement from employment, death, or unforeseeable emergency. Any classified or unclassified employees, except those employed on an emergency, temporary, or intermittent basis, are eligible on their first day of employment to participate in the Plan. For the year-ended December 31, 2023, WAMPO made contributions to the Plan totaling \$14,525 and twelve employees of WAMPO participated in the Plan. All assets under this Plan are held in trust for the exclusive benefit of participants and their beneficiaries. For this purpose, an annuity contract or custodial account described in IRS Code Section 497(g) is treated as a trust.

Adoption of Governmental Accounting Standards Board Statements

In 2023, WAMPO adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides new accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs), which have become increasingly common among state and local governments in recent years. Statement 96 is based on the standards established in Statement 87, *Leases*. The new defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The guidance requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability (with an exception for short-term SBITAs, those with a maximum possible term of 12 months) and provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. After careful consideration of all potential SBITA transactions, it was determined these transactions individually and, in the aggregate, had no material effect on the financial statements as of and for the year ended December 31, 2023.

Supplementary Information

Wichita Area Metropolitan Planning Organization
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – Budget Basis
WAMPO Fund
Year Ended December 31, 2023

	<u>Budgeted Amounts Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Over/ (Under)</u>
Revenues			
Intergovernmental			
Kansas Department of Transportation/ Federal Highway Administration/ Federal Transit Administration	\$ 2,596,455	\$ 1,635,129	\$ (961,326)
Member fees	50,000	50,000	-
TIP fees	599,114	498,777	(100,337)
	<u>3,245,569</u>	<u>2,183,906</u>	<u>(1,061,663)</u>
Total revenues			
Expenditures			
Administration	788,250	587,539	(200,711)
Highway and transit planning			
Long-range planning	898,600	556,502	(342,098)
Multimodal planning	333,800	62,922	(270,878)
Community engagement	55,350	45,512	(9,838)
Short range programming	59,400	34,806	(24,594)
Transportation data and modeling	328,050	233,350	(94,700)
Section 5310 Program	-	1,432	1,432
CTD-FTA Mobility Manager	-	49,263	49,263
TDM - Consulting Service	-	365,323	365,323
	<u>2,463,450</u>	<u>1,936,649</u>	<u>(526,801)</u>
Total expenditures			
Net change in fund balance	<u>\$ 782,119</u>	<u>247,257</u>	<u>\$ (534,862)</u>
Fund Balance, Beginning of Year		<u>871,624</u>	
Fund Balance, End of Year		<u>\$ 1,118,881</u>	

Due to its nature as a recipient of grant funding, WAMPO does not legally adopt a budget. As such, the budgetary schedule is presented as supplementary information.

The accompanying budgetary comparison schedule is presented using the modified accrual basis of accounting.

**Wichita Area Metropolitan Planning Organization
Schedule of Expenditures of Federal Awards
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023**

<u>Federal Grantor Pass-Through Grantor Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Transportation</u>				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research				
Passed through Kansas Department of UPWP-2023 Consolidated Planning CPG	20.505	L-0133-23	\$ -	\$ 1,220,856
Federal Highway Administration				
Highway Planning and Construction Cluster - Highway Planning and Construction	20.205	N-0746-01	-	<u>365,323</u>
Total Federal Assistance			<u>\$ -</u>	<u>\$ 1,586,179</u>

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of WAMPO under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of WAMPO, it is not intended to and does not present the financial position, changes in net position or cash flows of WAMPO.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

WAMPO has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Transportation Policy Body
Wichita Area Metropolitan Planning Organization
Wichita, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and the major fund of Wichita Area Metropolitan Planning Organization (WAMPO), as of December 31, 2023, and the related notes to the financial statements, which collectively comprise WAMPO's basic financial statements, and have issued our report thereon dated April 5, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered WAMPO's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of WAMPO's internal control. Accordingly, we do not express an opinion on the effectiveness of WAMPO's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether WAMPO's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS,LLP

Wichita, Kansas
April 5, 2024



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Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Transportation Policy Body
Wichita Area Metropolitan Planning Organization
Wichita, Kansas

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Wichita Area Metropolitan Planning Organization's (WAMPO) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on WAMPO's major federal program for the year ended December 31, 2023. WAMPO's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, WAMPO complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of WAMPO and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of WAMPO's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to WAMPO's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on WAMPO's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about WAMPO's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding WAMPO's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of WAMPO's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of WAMPO's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

FORVIS,LLP

**Wichita, Kansas
April 5, 2024**

**Wichita Area Metropolitan Planning Organization
 Schedule to Findings and Questioned Costs
 Year Ended December 31, 2023**

Section I - Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:
 Unmodified Qualified Adverse Disclaimer

2. Internal control over financial reporting:
 Significant deficiency(ies) identified? Yes None reported
 Material weakness(es) indentified? Yes No

3. Noncompliance material to the financial statements noted? Yes No

Federal Awards

4. Internal control over major federal awards programs:
 Significant deficiency(ies) identified? Yes None reported
 Material weakness(es) identified? Yes No

5. Type of auditor's report issued on compliance for the major federal program:
 Unmodified Qualified Adverse Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)? Yes No

7. Identification of the major federal program:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.

9. Auditee qualified as a low-risk auditee? Yes No

**Wichita Area Metropolitan Planning Organization
Schedule to Findings and Questioned Costs (Continued)
Year Ended December 31, 2023**

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

**Wichita Area Metropolitan Planning Organization
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2023**

Reference Number	Summary of Finding	Status
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No matters are reportable.