

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2020

AND

INDEPENDENT AUDITOR'S REPORT



WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION

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YEAR ENDED DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

Year Ended December 31, 2020

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Transportation Policy Body
Wichita Area Metropolitan Planning Organization

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Wichita Area Metropolitan Planning Organization (WAMPO), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise WAMPO's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of WAMPO as of December 31, 2020, 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.

Other Matter

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 balances – budget and actual – budgetary basis is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of revenues, expenditures and changes in fund balances – budget and actual – budgetary basis 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. Such 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 budgetary comparison schedule 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 May 7, 2021 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 WAMPO'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.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

May 7, 2021
Wichita, Kansas

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Wichita 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, 2020.

FINANCIAL HIGHLIGHTS

- The assets of WAMPO exceeded its liabilities at the close of the fiscal year ended December 31, 2020 by \$66,762. This full amount was unrestricted. WAMPO's total net position decreased by \$31,503. The decrease 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 \$74,549.

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 of the 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.

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.

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 \$376,086 less than the final budgeted amounts for WAMPO. WAMPO's actual expenditures were \$339,415 less than the final expenditure budget, primarily due to the number of projects that were being carried out in 2020.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and should be read with the financial statements. The notes can be found immediately following the financial statements in this report.

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 \$66,762 at the close of the fiscal year.

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

- Assets decreased by \$227,035 and liabilities decreased by \$195,532, due primarily to a partial repayment of the cash advance received from its fiscal agent.

- Net position decreased by \$31,503 due primarily to a decrease in grant revenue reimbursement and the timing of related accounts payable. WAMPO did not have any restricted net position balances.

Governmental activities. Significant changes in governmental activities on the statements of activities included the following:

- Operating grants and contributions decreased by \$469,972 as a result of a decrease in federal operating grants.
- Expenses decreased by \$517,655 primarily due to timing of expenses.

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, 2020, WAMPO's governmental fund reported ending fund balance of \$74,549, a decrease of \$36,671 from the prior year. The ending fund balance is assigned fund balance, which is available for spending at the government's discretion.

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 W 3rd St N, Wichita, KS 67202.

BASIC FINANCIAL STATEMENTS

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

STATEMENT OF NET POSITION

December 31, 2020

	Governmental Activities
ASSETS:	
Cash, including investments	\$ 452,415
Receivables	<u>172,579</u>
Total assets	<u>624,994</u>
LIABILITIES AND NET POSITION:	
Liabilities:	
Accounts payable	68,329
Accrued expenses	5,303
Cash advance from fiscal agent	476,813
Compensated absences, current	4,515
Compensated absences, long-term	<u>3,272</u>
Total liabilities	<u>558,232</u>
Net position:	
Unrestricted	<u>66,762</u>
Total net position	<u><u>\$ 66,762</u></u>

The accompanying notes are an integral part of the basic financial statements.

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Total Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
Administrative	\$ 502,263	\$ --	\$ --	\$ (502,263)
Highway and transit planning	764,602	--	1,028,585	263,983
Total governmental activities	1,266,865	--	1,028,585	(238,280)
General revenues:				
Member fees				50,000
TIP fees				156,777
Total general revenues				206,777
Change in net position				(31,503)
Net position, beginning of year				98,265
Net position, end of year				\$ 66,762

The accompanying notes are an integral part of the basic financial statements.

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2020

	Metropolitan Planning Fund
ASSETS:	
Cash	\$ 452,415
Receivables: Intergovernmental	172,579
	<hr/>
Total assets	\$ 624,994
	<hr/>
LIABILITIES AND FUND BALANCE:	
Liabilities:	
Accounts payable	\$ 68,329
Accrued expenses	5,303
Cash advance from fiscal agent	476,813
	<hr/>
Total liabilities	550,445
	<hr/>
Fund balance:	
Assigned to: Highway and transit planning	74,549
	<hr/>
Total fund balance	74,549
	<hr/>
Total liabilities and fund balance	\$ 624,994
	<hr/> <hr/>

The accompanying notes are an integral part of the basic financial statements.

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

December 31, 2020

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

Total fund balance – total governmental funds	\$ 74,549
Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental fund	<u>(7,787)</u>
Total net position – governmental activities	<u>\$ 66,762</u>

The accompanying notes are an integral part of the basic financial statements.

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2020

	<u>Metropolitan Planning Fund</u>
Revenues:	
Intergovernmental:	
Kansas Department of Transportation /	
Federal Highway Administration /	
Federal Transit Administration	\$ 1,028,585
Member fees	50,000
TIP fees	<u>156,777</u>
Total revenues	<u>1,235,362</u>
Expenditures:	
Current:	
Administration	502,263
Highway and transit planning	<u>769,770</u>
Total expenditures	<u>1,272,033</u>
Change in fund balance	<u>(36,671)</u>
Fund balance, beginning of year	<u>111,220</u>
Fund balance, end of year	<u><u>\$ 74,549</u></u>

The accompanying notes are an integral part of the basic financial statements.

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN THE FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ACTIVITIES

For the Year Ended December 31, 2020

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

Net change in fund balance – governmental funds	\$ (36,671)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental fund	<u>5,168</u>
Net change in net position – governmental activities	<u><u>\$ (31,503)</u></u>

The accompanying notes are an integral part of the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

NOTES TO THE FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Wichita Metropolitan Planning Organization (WAMPO) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant accounting and reporting policies and practices employed by WAMPO are as follows:

A. 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.

B. 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.

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

NOTES TO THE FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

C. 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	25 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.

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

NOTES TO THE FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. 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.

E. 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.

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.

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

NOTES TO THE FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. 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.

G. 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.

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash and Cash Equivalents

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, 2020, approximately \$202,376 of WAMPO's deposits were not fully covered by federal depository insurance or collateralized by securities held by WAMPO's agent in WAMPO's name.

Credit Risk and Concentration of Credit Risk. Kansas law limits the types of investments that can be made by WAMPO, which inherently reduces its credit risk.

Credit risk is the risk that the issuer or other counterparty to an investment will be unable to fulfill its obligations to the holder of the investment. This risk can be measured by the assignment of a rating by a nationally recognized statistical rating organization.

Interest Rate Risk. As a means of managing its exposure to fair value losses arising from increasing interest rates, WAMPO follows state statutes which generally limit investment maturities to two years. To minimize the risk of loss, WAMPO matches investments to anticipated cash flows and diversifies the investment types to the extent practicable. Investments in U.S. treasury coupon securities have a maturity of less than one year.

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

NOTES TO THE FINANCIAL STATEMENTS

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

B. Receivables

Receivable balances are due from an intergovernmental agency. Intergovernmental receivables as of year-end for WAMPO in the aggregate, were \$172,579. The full amount is due from the Kansas Department of Transportation.

Management considers all receivables at December 31, 2020 to be fully collectible; therefore, no allowance for doubtful accounts was included.

C. Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020 was as follows:

	<u>Compensated absences</u>
Governmental Activities:	
Balance at January 1, 2019	\$ 12,995
Additions	23,276
Reductions	<u>(28,484)</u>
Balance at December 31, 2019	<u>\$ 7,787</u>
Due within one Year	<u>\$ 4,515</u>

As of December 31, 2020, WAMPO had an outstanding cash advance in the amount of \$476,813 from its fiscal agent. Interest is charged on the outstanding balance at a variable rate based on the greater of the fiscal agent's weighted average yield to maturity on its pooled cash and investments or the 91-day Treasury Bill yield. As of December 31, 2020, the effective interest rate on the cash advance was .80% and interest expense for the year ended December 31, 2020 was \$7,526. In the event of termination of the fiscal agent agreement, the cash advance will become due and payable within thirty days of termination.

D. Economic Dependency

WAMPO received approximately 83% of its revenues from the Federal Transit Administration and the Federal Highway Administration passed through the Kansas Department of Transportation.

E. 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.

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

NOTES TO THE FINANCIAL STATEMENTS

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

F. 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, 2020, WAMPO made contributions to the Plan totaling \$8,101 and six 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.

G. Pending Governmental Accounting Standards

The effect on WAMPO's financial statements of the following statements issued, but not yet adopted, has not yet been determined.

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resource based on the payment provisions of the contract. It establishes a single model for lease accounting based on foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Provisions of this statement were originally effective for financial statements for WAMPO's fiscal year ending December 31, 2020, now postponed until December 31, 2022 per the provisions of GASB Statement No. 95.

GASB Statement No. 91, *Conduit Debt Obligations*, provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The provisions of this statement were originally effective for WAMPO's fiscal year ending December 31, 2021, now postponed until December 31, 2022 per the provisions of GASB Statement No. 95.

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

NOTES TO THE FINANCIAL STATEMENTS

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

G. Pending Governmental Accounting Standards (Continued)

GASB Statement No. 92, *Omnibus 2021*, enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. This statement addresses a variety of topics including: effective date of GASB 87 for interim financial reports; intra-entity transfers between primary governments and component unit pension or OPEB plans; applicability of Statements No. 73 and 74 for reporting assets accumulated for postemployment benefits; applicability of certain requirements of GASB 84 to postemployment benefit arrangements; measurement of asset retirement obligations in government acquisitions; reporting by public entity risk pools for amounts recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements in authoritative literature and terminology used related to derivative instruments. Certain provisions of this statement were effective upon issuance and did not impact the Department's financial reporting, other provisions of this statement are were originally effective for financial statements for WAMPO's fiscal year ending December 31, 2022, now postponed until December 31, 2023 per the provisions of GASB Statement No. 95.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, provides guidance where some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) -most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The provisions of this statement were originally effective for financial statements for WAMPO's fiscal year ending December 31, 2022, now postponed until December 31, 2023 per the provisions of GASB Statement No. 95.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for financial statements for WAMPO's fiscal year ending December 31, 2023.

**WICHITA AREA METROPOLITAN
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NOTES TO THE FINANCIAL STATEMENTS

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

G. Pending Governmental Accounting Standards (Continued)

GASB 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. The provisions of this statement will be effective for financial statements for WAMPO's fiscal year ending December 31, 2023.

GASB Statement No. 97, Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, provides the following guidance: 1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and 3) addresses relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefit provided through those plans. The first two provisions of this statement are effective immediately. The last provision will be effective for financial statements for WAMPO's fiscal year ending December 31, 2022.

SUPPLEMENTARY INFORMATION

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – BUDGET BASIS
WAMPO FUND

For the Year Ended December 31, 2020

	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
Revenues:			
Intergovernmental:			
Kansas Department of Transportation / Federal Highway Administration / Federal Transit Administration	\$ 1,411,448	\$ 1,028,585	\$ (382,863)
Member fees	50,000	50,000	--
TIP fees	150,000	156,777	6,777
Total revenues	1,611,448	1,235,362	(376,086)
Expenditures:			
Administration	520,364	502,263	18,101
Highway and transit planning			
Long-range planning	411,584	324,582	87,002
Multimodal planning	104,000	28,084	75,916
Community engagement	77,000	68,719	8,281
Short range programming	54,000	56,924	(2,924)
Transportation data and modeling	249,500	168,770	80,730
Planning walkable places	195,000	122,691	72,309
Total expenditures	1,611,448	1,272,033	339,415
Net change in fund balance	\$ --	\$ (36,671)	\$ (36,671)
Fund balance, beginning of year		111,220	
Fund balance, end of year		\$ 74,549	

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.

Budgetary Comparison Schedule

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