



Transportation Policy Body (TPB) Meeting Agenda

Tuesday, May 11th at 3:00 pm

<https://global.gotomeeting.com/join/757478117>

Please call us at 316-779-1321 at least 48 hours in advance if you require special accommodations to participate in this meeting. We make every effort to meet reasonable requests.

Meeting Agenda

[Note: Meeting agenda is subject to change during the meeting.]

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Chad Parasa, TPB Secretary

May 4, 2021



Meeting Summary
Transportation Policy Body (TPB) Meeting Summary
Tuesday, April 13th @ 3:00 PM
Online Meeting

Meeting Duration: 84 minutes

Members in Attendance:

David Dennis, Chair, Sedgwick Co.
Troy Tabor, Andover/TAC Chair
Jack Hezlep, Derby
Bruce Armstrong, Haysville
Mike Moriarty, KDOT
Brent Terstriep, KDOT
Brent Clark, Valley Center
Anne Stephens, Bel Aire
Tom Hein, KDOT

Becky Tuttle, Vice Chair, Wichita
Ronald Colbert, Valley Center
Bryan Frye, Wichita
Cindy Claycomb, Wichita
Jim Howell, Sedgwick Co.
Donna Clasen, Maize
Cory Davis, KDOT
Pete Meitzner, Sedgwick County
Kelly Arnold, Sedgwick County

Jim Benage, Bel Aire
Tom Stolz, Sedgwick County
Warren Porter, Rose Hill
Terry Somers, SCAC
Tom Jones, Park City
Jared Cerullo, Wichita
Richard Backlund, KDOT

Other Attendees:

Chad Parasa, WAMPO Director
Michelle Styles, WAMPO Staff
Patty Sykes, WAMPO Staff
Nick Flanders, WAMPO Staff
Marcela Quintanilla, WAMPO Staff
Brad Shores, JEO
Alan Kailer, BWV
Jane Byrnes, League of Women Voters
Gary Janzen, City of Wichita
Rene Hart, KDOT

Kelly Rundell, Hite, Fanning &
Honeyman LLP
Raven Alexander, Wichita Transit
Matt Messina, KDOT
Brett Letkowski, TranSystems
Kristen Zimmerman, PEC
Ron Nuessen
Jake Borchers
James Weber
Barbara Maley, FHWA

Michelle Locke, AGH
Mike Lowry, AGH
Matt McDonald, KDOT
Andrew Nave, Greater Wichita
Partnership
Lynn Packer, Sedgwick Co. PW
Tod Salfrank, KDOT
Dan Squires, City of Derby
Scott Knebel, City of Derby
James Wagner, City of Wichita

1. Mr. Dennis called the meeting to order at 3:00 PM.

2. Welcome

David Dennis introduced and welcomed Councilmember Jared Cerullo to the TPB Board. Mr. Cerullo replaced previous TPB board member, James Clendenin, and will serve as a City of Wichita representative.

3. Regular Business

A. Approval of April 13, 2021 Agenda

Discussion: None

Action: Moved to approve agenda as presented. Motion passed (25-0).

Motion: D. Dennis

Second: B. Tuttle

B. Approval of March 9, 2021 Minutes

Discussion: None

Action: Moved to approve minutes with corrections. Motion passed (25-0).

Motion: D. Dennis

Second: B. Tuttle

C. TPB Chairman's Report

i. TPB Membership

David Dennis noted that the Executive Committee asked for guidance from WAMPO legal consultant, Kelly Rundell, on whether a "Citizen at Large" can become a member of the TPB. Mrs. Rundell spoke to the board regarding her research of both the United States Code and the Code of Federal

Regulations membership laws. Mrs. Rundell's conclusion is that there is no authority for WAMPO to expand membership to include other types of people, other than the following: Local elected officials, officials of public agencies who administer and operate major modes of transportation, and appropriate state officials.

ii. Director's Report

Overview & WAMPO area Population Trends

Chad Parasa gave an overview of the TPB agenda for today. The city of Derby is expected to present their growth pattern and their connectivity plans to connect with other jurisdictions within the WAMPO region. The TPB board will also be hearing population trends, economic trends and industrial growth trends in the region. Mr. Parasa also shared that there will be a potential award given to a jurisdiction that gives their best efforts to connect with the WAMPO region. This award will be given either at the end of the year or early part of next year. Staff will be requesting a summary report on individual jurisdiction's presentation on regional growth & connectivity.

CRRSAA Funds status update

Matt McDonald noted that they're still waiting on more information on eligibility from headquarters regarding these funds. If there are any specific project questions that the board has, please reach out to Matt McDonald.

Quarterly Activity Report – UPWP

Chad Parasa provided a summary of the Quarterly Activity Report – UPWP. This report is updated quarterly and provides a summary of the tasks and activities that the staff is responsible for.

4. Public Comment Opportunity – None

5. New Business

A. Update: City of Derby's Land-use & Transportation Growth and its plans to connect with the Region

Dan Squires and Scott Knebel gave a presentation on the City of Derby. Derby is WAMPO's second largest region and currently has an estimated 25,000 residents. Mr. Knebel predicts that Derby's population will grow by 11,000-12,000 people by the year 2040. Currently Derby has a shortage on median and upper housing options, and hopes to begin developing new residential neighborhoods soon. Most of Derby's residents are above Kansas' median household income range, with an average of \$70,678.00 per household. There are approximately 15,000 total residents making up Derby's workforce, with the top employment fields for residents currently being: manufacturing, education services, healthcare/social assistance, and retail trade. Most Derby residents continue to commute to Wichita and other WAMPO regions for work. Within the next coming years, Derby plans to grow their mixed use development, transportation connections, and their walkable development.

B. Update: Status of Audit

AGH Representatives, Mike Lowry and Michelle Locke discussed the WAMPO 2020 Audit Status. Currently the 2020 financial audit is under way for WAMPO and should wrap up with their fieldwork this week. Mr. Lowry noted that in years past WAMPO had struggled with having proper internal controls related to financial reporting. As previously reported to the board, WAMPO also showed a number of material weaknesses and the inability to prepare a schedule for expenditures and federal awards. Since having these audit issues the current WAMPO management created a corrective action plan to help mitigate these in the future. An Executive Committee was also formed, this committee meets with WAMPO staff monthly. Once the 2020 financial audit is complete, AGH will report back on those findings and if the corrective action plans had been implemented.

C. Update: Regional Economy – Industrial Growth Trends

Andrew Nave, with Greater Wichita Partnership, presented on the Regional Growth Plan for the WAMPO area. This growth plan includes an economic strategy to grow the greater Wichita region's economy, attract new businesses, and expand existing industries. Mr. Nave noted that the growth plan shows seven core industry sectors within the WAMPO area, one being manufacturing. Currently our region is the number one US region for percentage of manufacturing workers. The Wichita region also supports a robust supply chain and ecosystem, with over 450 suppliers within their network. A. Nave mentioned some of the companies that had announced new investment opportunities for 2020-2021, that will be coming to the Wichita region. Amazon and Deloitte, along with a dozen others, will bring 2,758 new jobs to WAMPO residents.

A. Committee Reports/Updates

A. Executive Committee, David Dennis

Mr. Dennis mentioned that the Executive Committee had completed Chad Parasa's yearly evaluation. D. Dennis also announced that based on WAMPO's budget, Mr. Parasa was granted permission to hire two new positions. Mr. Dennis noted that WAMPO is currently working to move TPB board meetings to a hybrid model. More information will be given to the members soon.

B. Active Transportation Committee, Alan Kailer

The next meeting for WAMPO Active Transportation Committee is on June 2nd. Mr. Kailer mentioned that the committee is reviewing all jurisdictions active transportation plans.

C. Kansas Department of Transportation update, Tom Hein and Mike Moriarty

Mr. Hein updated the board on upcoming spring and summer projects. The accelerated part of the Gold Project has now started, the first phase will address the problems on the North Junction. For more information you may visit www.135gold.com for a weekly update, or please contact Tom Hein.

Mr. Moriarty shared some personnel updates, KDOT is recently created 2 new bureaus to help boost the service delivery in both the safety and technology spaces. The Transportation Safety Bureau, led by Vanessa Platt and the Transportation Technology Bureau, led by Shari Hilliard.

D. Federal Highway Administration update, Rick Backlund

Mr. Backlund updated the TPB on the status of the Infrastructure Proposal has been submitted and being vetted by the administration working with Congress. R. Backlund is hopeful this will produce a concrete program moving forward. Mr. Backlund quickly noted that Barbara Maley from the Texas division has remained as interim planning support, the Federal Highway Administration should be announcing who will be filling that role soon.

B. Other Business – None

C. Meeting adjourned at 4:24 PM.

Next Meeting will be held on Tuesday, May 11th, 2021 at 3:00 PM.

DRAFT



Background

WAMPO staff's discussions, with WAMPO Executive Committee and TPB Chair Commissioner Dennis, evolved into "How can WAMPO Region attain a Unified Vision in the development of Regional Metropolitan Transportation Plan (MTP)". This resulted into discussions with local jurisdictions on its growth & efforts to connect regionally. Regional Metropolitan Transportation Plan (MTP) is due in May 2025.

"City/Jurisdiction connecting with the Region":

Presentation (15 minutes + or -) from City/Jurisdiction regarding the following topic "City/Jurisdiction connecting with the Region". The topic can be subdivided as follows:

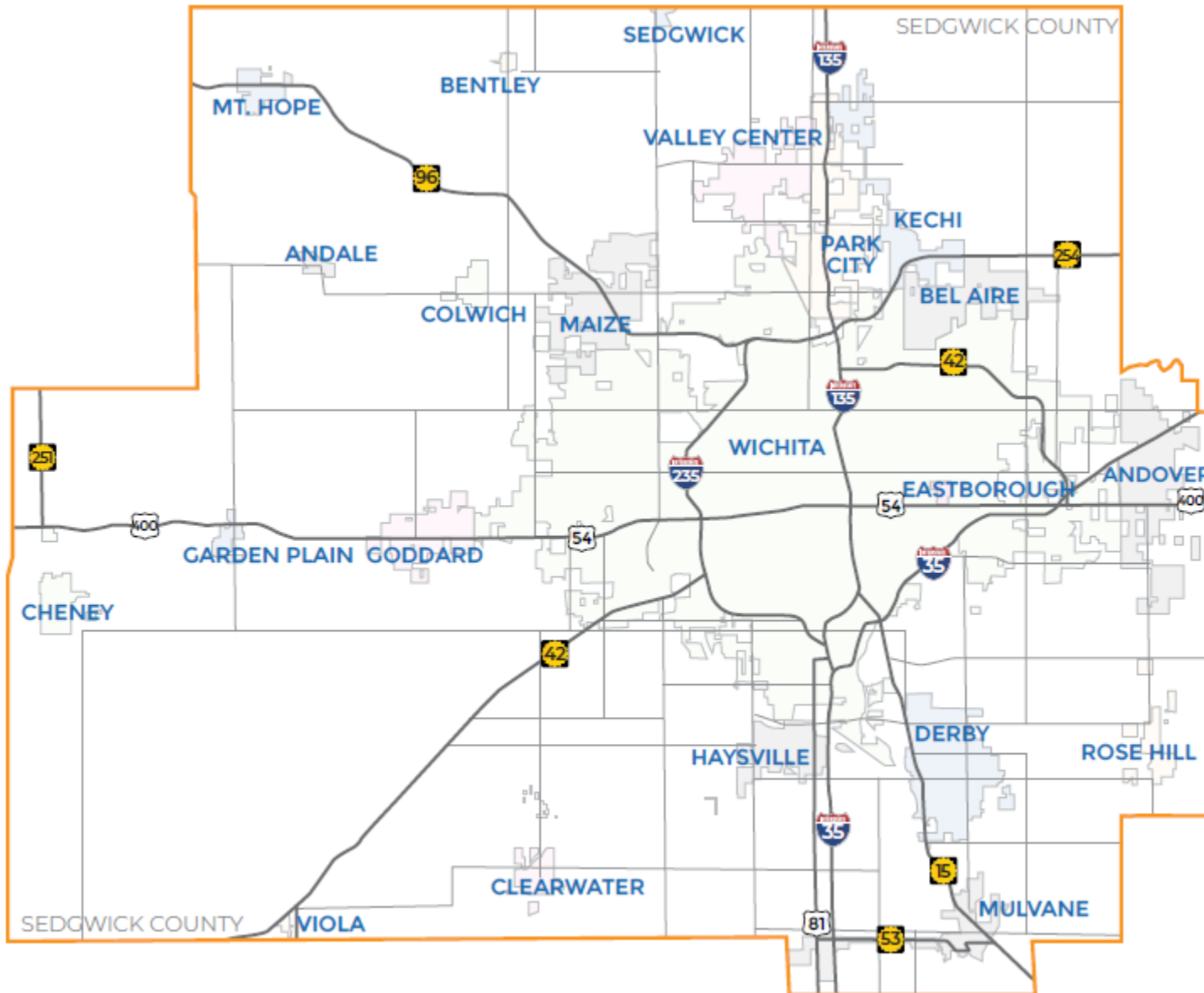
1. Growth Patterns (Population, Housing, Jobs, 'employment centers in & around – commuting patterns from City/Jurisdiction')
2. Transportation Projects Improvements planned
3. Plans to tie "Growth Patterns" & "Transportation Projects Improvements" regionally.

Perhaps any of planning staff or engineering staff or anyone or your team, can present this topic.

SCHEDULE		
TPB MEETING DATE	JURISDICTION (2019 Population)	Notes
2021/03/09	Maize (4,934)	https://www.youtube.com/watch?v=JfJGkIDC8Dc Maize presentation starts at 24:35 of this youtube until 44:40
2021/04/13	Derby (38,753)	
2021/05/11	Bel Aire (8,300)	
2021/06/08	Andover (13,405)	
2021/07/13	Rose Hill (3,968)	
2021/08/09	Haysville (11,338)	
2021/09/14		
2021/10/12		
2021/11/09		

Next Steps:

Staff would like to request a 'summary report' of this presentation. There is a potential for awards for the "Jurisdiction making Best Efforts to Connect Regionally". This 'awards planning event' is still under discussions with the intent of motivating all jurisdictions towards a Unified Vision in the development of Regional Metropolitan Transportation Plan (MTP).



Map 1. WAMPO Area

The WAMPO area includes 22 cities and 3 counties in south-central Kansas.

POPULATION BY YEAR AND WAMPO JURISDICTION

Current As Of: 4/2/2021

Jurisdiction	2012 ^a	2013 ^b	2014 ^c	2015 ^d	2016 ^e	2017 ^f	2018 ^g	2019 ^h
Wichita city	385,577	386,552	388,413	389,965	389,902	390,591	389,255	389,938
Sedgwick County (unincorp only)	37,480	37,443	37,758	37,813	37,724	38,111	38,054	38,753
Derby city	22,943	23,047	23,234	23,509	23,633	23,673	24,721	24,943
Andover city	12,099	12,265	12,509	12,745	12,980	13,111	13,278	13,405
Haysville city	10,951	11,004	11,112	11,212	11,245	11,278	11,264	11,338
Bel Aire city	6,838	6,916	7,284	7,435	7,661	7,914	8,073	8,300
Park City city	7,446	7,499	7,556	7,618	7,632	7,729	7,730	7,764
Valley Center city	6,965	7,011	7,057	7,222	7,343	7,300	7,313	7,325
Mulvane city	6,267	6,287	6,289	6,314	6,316	6,359	6,416	6,489
Maize city	3,708	3,823	4,073	4,362	4,438	4,557	4,662	4,934
Goddard city	4,532	4,582	4,692	4,719	4,710	4,746	4,724	4,796
Rose Hill city	3,932	3,942	3,960	3,995	4,015	3,980	3,965	3,968
Butler County (unincorp in WAMPO area only) ⁱ	2,660	2,660	2,660	2,660	2,660	2,660	2,660	2,660
Clearwater city	2,489	2,530	2,531	2,537	2,519	2,524	2,543	2,552
Cheney city	2,120	2,133	2,153	2,159	2,165	2,170	2,172	2,167
Kechi city	1,958	1,961	1,982	1,996	1,995	2,007	1,996	2,005
Colwich city	1,334	1,345	1,362	1,378	1,398	1,406	1,409	1,467
Sumner County (unincorp in WAMPO area only) ⁱ	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Andale city	964	966	981	992	993	997	988	987
Garden Plain city	862	866	879	897	894	898	900	909
Mount Hope city	817	816	814	813	807	805	800	801
Eastborough city	773	771	769	768	761	754	735	732
Bentley city	528	526	524	523	517	525	520	517
Sedgwick city (part in WAMPO area only)	193	191	193	194	193	193	193	195
Viola city	131	131	131	131	130	129	128	128
Total	524,817	526,517	530,166	533,207	533,881	535,667	535,749	538,323

(Geography: 2015 Metropolitan Area Planning Boundary)

The Kansas Division of the Budget is responsible for the certification of Kansas Population Data to the Secretary of State. This certification is done by July 1st of each year.

<https://budget.kansas.gov/population/>

^a Data source: Kansas Certified Population for 2012, Certified to Secretary of State by Division of Budget on 7/1/13

^b Data source: Kansas Certified Population for 2013, Certified to Secretary of State by Division of Budget on 7/1/14

^c Data source: Kansas Certified Population for 2014, Certified to Secretary of State by Division of Budget on 7/1/15

^d Data source: Kansas Certified Population for 2015, Certified to Secretary of State by Division of Budget on 7/1/16

^e Data source: Kansas Certified Population for 2016, Certified to Secretary of State by Division of Budget on 7/1/17

^f Data source: Kansas Certified Population for 2017, Certified to Secretary of State by Division of Budget on 7/1/18

^g Data source: Kansas Certified Population for 2018, Certified to Secretary of State by Division of Budget on 7/1/19

^h Data source: Kansas Certified Population for 2019, Certified to Secretary of State by Division of Budget on 7/1/20

ⁱ For unincorporated portions of Butler and Sumner Counties in the WAMPO region, used Block-level 2010 Census numbers because don't have a way to calculate more recent populations in unincorporated areas that are within WAMPO boundary.

Unincorporated areas were delineated by removing 2019 Census Bureau Incorporated Places.

Where a Census Block was only partially contained, its population was assumed to be evenly distributed throughout its area.

Unincorporated Butler population revised from 2676 to 2660. Unincorporated Sumner population revised from 1232 to 1250.



Agenda Item 3
Public Comment Opportunity
Commissioner David Dennis, TPB Chair

The Public Comment Opportunity is an open forum for the public to provide comments about specific items on this month's agenda, as well as any other issues directly pertaining to WAMPO's policies, programs, or documents.

Comments are limited to two (2) minutes per individual.



Agenda Item 4B: Update
WAMPO 2020 Audit

Mike Lowry, Michelle Locke – Assurance, Allen, Gibbs, & Houlik, L.C

WAMPO 2020 audit final reports attached.

1. WAMPO Single Audit Report, year ending December 31, 2020
2. WAMPO Financial Statements with Supplementary Information, year ended December 31, 2020

Action Options:

Receive and file.

Attachment:

- **WAMPO 2020 Audit Final Reports**

To the Transportation Policy Body
Wichita Area Metropolitan Planning Organization
Wichita, Kansas

This letter is to inform the Governing Board of Wichita Area Metropolitan Planning Organization (WAMPO) about significant matters related to the conduct of our audit as of and for the year ended December 31, 2020, so that it can appropriately discharge its oversight responsibility and we comply with our professional responsibilities.

This report is intended solely for the information and use of the Governing Board and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

This letter includes other comments and suggestions with respect to matters that came to our attention in connection with our audit of WAMPO's financial statements. These items are offered as constructive suggestions to be considered part of the ongoing process of modifying and improving WAMPO's practices and procedures.

The following summarizes various matters that must be communicated to you under auditing standards generally accepted in the United States of America.

The Respective Responsibilities of the Auditor and Management

Our responsibility under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our arrangement letter dated March 4, 2021. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated March 4, 2021 regarding the planned scope and timing of our audit and have discussed with you our identification of significant risks of material misstatement. We made no significant changes to the scope or timing of our procedures.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

In our meeting with you, we will discuss our views about the qualitative aspects of WAMPO's significant accounting practices, including accounting policies, accounting estimates and financial statement disclosures. The following is a list of the matters that will be discussed, including the significant estimates, which you may wish to monitor for your oversight responsibilities of the financial reporting process:

Adoption of, or Change in, Accounting Policies - Management has the ultimate responsibility for the appropriateness of the accounting policies used by WAMPO, and management may select among alternative accounting practices in certain circumstances. WAMPO did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current year.

Significant or Unusual Transactions - We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Management's Judgments and Accounting Estimates - Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates.

Audit Adjustments

Audit adjustments proposed by us and recorded by WAMPO are as follows:

- To eliminate an asset recorded for forfeitures applied to reduce employer contributions within the 457 Retirement Plan.
- To recognize revenue for TIP fees billed and collected during 2020, consistent with the modified accrual basis of accounting and the current financial resources measurement focus.

The net impact of the above entries was to decrease net position and fund balance by \$111,848.

Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Management Representations

In connection with our audit procedures, we have obtained a written management representation letter. This representation letter constitutes written acknowledgments by management that it has the primary responsibility for the fair presentation of the financial statements in conformity with generally accepted accounting principles and also includes the more significant and specific oral representations made by officers and employees during the course of the audit. The letter is intended to reduce the possibility of misunderstandings between us and WAMPO and reminds the signing officers to consider seriously whether all material liabilities, commitments and contingencies or other important financial information have been brought to our attention.

Other Disclosures

We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit year; we encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements; we are not aware of any consultations management had with other accountants about accounting or auditing matters; significant issues arising from the audit were discussed or the subject of correspondence with management; and we did not encounter any difficulties in dealing with management relating to the performance of the audit.

Internal Control Matters

In planning and performing our audit of the financial statements of WAMPO as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, 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 opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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.

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

Our audit was also not designed to identify deficiencies in internal control that might be significant deficiencies. 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. We consider the following deficiency in the Organization's internal control to be a significant deficiency:

Segregation of Duties - WAMPO has a general lack of segregation of incompatible duties within the accounting function due to limited staffing levels within the organization. The organization's practice is to require director approval for all accounting transactions, including cash disbursements and journal entries. However, there are no access controls available within the accounting software to support this policy. Both the Director and the Financial analyst have admin access to the accounting system. Additionally, during 2020, the Financial Analyst had signature authority on the organization's cash account. Supervision and monitoring of transactions are important compensatory controls which require the involvement of the governing body in an organization this size. We would recommend that the Director be granted read only access to the accounting system and that the Financial Analyst be removed from the organization's bank accounts to mitigate this risk. We would recommend that a member of the governing body be granted signature authority on the organization's bank account to serve as a backup in the event the director is unavailable to authorize transactions.

In addition, we identified the following deficiency in internal control:

Cash management: - As of December 31, 2020, WAMPO had cash deposits in excess of federally insured amounts. For any uninsured deposits, WAMPO should obtain pledged collateral from the financial institution where the deposits are held in order to mitigate custodial credit risk.

Other Matters

Pending governmental accounting standards

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, will be effective for

WAMPO's fiscal year ending December 31, 2022. WAMPO sponsors a 457 deferred compensation plan and contributes an employer match of up to 4.7% of employee deferrals. Based on the guidance contained in GASB Statement No. 97, the plan should be reported as a fiduciary fund within the upon implementation of this standard. This will result in both a change in the reporting entity for WAMPO and a significant change in the scope of the audit, which will include a full scope audit of the 457 plan.

Information Security Governance

Executive managers and those charged with governance must be confident that the City is protecting your information and the systems that process it. The potential impacts of a failure in the availability, confidentiality or integrity of your critical information assets is monumental in today's environment of cybersecurity breaches.

Many organizations believe their information security practices are adequately mitigating their risks. Unfortunately, they are often surprised to discover those practices are failing to perform as expected and the consequences are usually severe.

Information security is more than a technology issue. It is a governance and management challenge that involves risk management, accountability and reporting. And it requires executive stewardship to ensure the timely assessment of emerging threats and your organization's effective response to them.

Additional information on "Information Risk is Business Risk" can be accessed through our AGH University website located at <http://www.aghuniversity.com/webinars/archived/archived-webinars.aspx> (from the "select a topic" drop-down box, select Information Technology). Additionally, we encourage your management team to take advantage of peer networking groups, trade associations or other resources relating to IT and information risk and the most recent best practices as the constant risk evolves.

Additionally, a structured assessment can help you develop stronger, better and more systematic approaches to your information security. It will help you clearly and objectively understand the strengths and weaknesses in your current information security processes and the extent to which those processes are meeting your needs. Most important, it will guide you with recommendations to help you protect your information, facilities, people and technology.

Vulnerability Assessment

In addition to a periodic information system governance review, the City should also conduct periodic (at least annually or semi-annually) vulnerability assessments. There are more than 115,000 known network vulnerabilities that can leave organizations open to significant risk. High-profile security breaches have become commonplace and many companies are susceptible to the same failures.

Network vulnerability assessments can help you identify and resolve your vulnerabilities before they are exploited by cybercriminals. AGH's experienced security professionals use network vulnerability assessments to discover and analyze known flaws and weaknesses.

Using automated scanners - along with their experience and judgment - our security professionals will identify existing vulnerabilities, evaluate their severity and recommend steps for fixing the underlying problems.

Comprehensive Policy and Procedure Review



Given the broad and deep scope of your operations, you should consider completing a comprehensive evaluation of the adequacy and effectiveness of the entity's internal financial policies, processes and procedures, including a comparison to best practices among organizations the same size.

For entities that have experienced budget cuts in the finance area or those that have experienced turnover, a periodic review of controls is imperative. Even if your finance team has been stable over the years, we remind you that even the best design of controls is only as good as the people who carry out and execute such controls.

Financial policies, procedures and processes are a key element of sound fiscal administration. When policies are effective, they can preserve or enhance the fiscal health and wealth of the organization and create efficiencies for staff members.

This comprehensive evaluation could include:

1. Evaluation of existing controls
2. Identification of financial policies that could lead to vulnerability to fraud and/or abuse
3. For those identified weaknesses and risks, recommendations for improvements

AGHUniversity Resources - As part of AGH's ongoing commitment to serve as a trusted advisor, we offer these resources as a key part of the additional value AGH provides beyond the engagement itself

- AGHUniversity.com - a full schedule of complimentary CPE or current and relevant topics and other updates to clients throughout the year. Free registration and webinars are available for WAMPO's staff and board members at aghuniversity.com. A sample of recent topics include Management and Key Position Succession Planning; Destroying the Myths about Employee Engagement; Preventing Fraud in Small and Medium Sized Organizations; Measuring What Matters in Your 401K Plan to Recruitment, Retention and Reward; Planning The Transition: Taking Your Company To Market; and The How and Why of Business Valuations.
- Also available from the home page of www.aghlc.com are COVID-19 resources for employers and taxpayers. You can access tax and HR-related alerts, webinars and other third-party resources to help you navigate through the COVID-19 pandemic.

AGH alerts and newsletters - this includes periodic mailings or emails to alert clients to new accounting standards or regulatory changes.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to Wichita Area Metropolitan Planning Organization.

This report is intended solely for the information and use of the Governing Board and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

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

May 7, 2021
Wichita, Kansas

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

SINGLE AUDIT REPORT

YEAR ENDED DECEMBER 31, 2020

WITH

INDEPENDENT AUDITOR'S REPORT



WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION

SINGLE AUDIT REPORT

YEAR ENDED DECEMBER 31, 2020

WITH

INDEPENDENT AUDITOR'S REPORT

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

SINGLE AUDIT REPORT

Year Ended December 31, 2020

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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

To the Transportation Policy Body
Wichita Area Metropolitan Planning Organization

We have audited, in accordance with 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, the financial statements of the governmental activities and the major fund of 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, and have issued our report thereon dated May 7, 2021.

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) to determine the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain a deficiency in internal control, described in the accompanying schedule of findings and responses or schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

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 determination of financial statement amounts. 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*.

WAMPO's Response to Findings

WAMPO's response to the findings identified in our audit is described in the accompanying *schedule of findings and questioned costs*. WAMPO's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Allen, Gibbs & Houlik, L.C

CERTIFIED PUBLIC ACCOUNTANTS

May 7, 2021
Wichita, Kansas

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

To the Transportation Policy Body
Wichita Area Metropolitan Planning Organization

Report on Compliance for Each Major Federal Program

We have audited Wichita Area Metropolitan Planning Organization's (WAMPO) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of WAMPO's major federal programs for the year ended December 31, 2020. WAMPO's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of WAMPO's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about WAMPO's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of WAMPO's compliance.

Opinion on Each Major Federal Program

In our opinion, WAMPO complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of WAMPO is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered WAMPO's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of WAMPO's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-002 that we consider to be a significant deficiency.

WAMPO's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. WAMPO's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of WAMPO as of and for the year ended December 31, 2020, and have issued our report thereon dated May 7, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion of the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

May 7, 2021
Wichita, Kansas

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None reported
- Noncompliance material to financial statements noted? Yes X No

FEDERAL AWARDS

Internal control over major programs:

- Material weaknesses identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None reported

Any audit findings disclosed that are required to be reported in accordance with section 516(a) of the Uniform Guidance: X Yes No

Type of auditor's report issued on compliance for major programs:

<u>CFDA Number</u>	<u>NAME OF FEDERAL PROGRAM</u>	<u>Opinion</u>
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	Unmodified

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

Auditee qualified as low-risk auditee? Yes X No

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2020
(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 2020-001 Significant Deficiency (Repeat of Finding 2018-001): Segregation of Duties

Condition: WAMPO has a general lack of segregation of duties within in the accounting function.

Criteria: 2 CFR 200.302 of the uniform guidance requires effective control over, and accountability for, all funds, property, and other assets. The non-federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. An entity that expends federal awards must have controls in place that would enable an appropriate level of supervision and monitoring. Segregation of duties is a principle based on sharing responsibilities of key processes and spreading the authorization of transactions, recording of transactions and the custody assets across more than one person or department.

Questioned Costs: Unknown.

Context: Supervision and monitoring are critical compensating controls when adequate segregation of duties is not possible. The severity of this deficiency was reduced from the prior year due to the fact that more stringent controls were implemented during 2020. However, the director and the financial analyst both have unrestricted access to the accounting system and the ability to authorize transactions. Therefore, the finding was repeated in 2020.

Cause: WAMPO has an insufficient segregation of duties due to limited staffing levels.

Effect: Having appropriate segregation of duties can ensure that there is appropriate oversight to assist in reviewing and catching errors. Additionally, separating the authorization of transactions, recording of transactions and the custody of assets can help prevent fraud or theft because it requires two people to collude in order to hide a transaction.

Recommendation: We recommend that the management and the board continue to monitor the internal control environment and strive to maintain strong controls over the accounting function which should include periodic monitoring and adequate supervision.

Management's Response (Unaudited): An executive committee member is added to have access to Commerce bank connections in addition to the Director, for oversight and approvals when needed. In addition, WAMPO is planning on adding an additional staff member based on budget forecasts, primarily to make sure to address the issue of 'segregation of duties within in the accounting function.'

Contact Person: WAMPO Director

Anticipated Correction Date: The new process has been in place for 2021.

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2020
(Continued)

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2020-002 Significant Deficiency (Repeat of Finding 2019-004)

CFDA#20.505: U.S. Department of Transportation, Passed Through Kansas Department of Transportation, Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research, All Open Grants

Condition: Lack of proper approval for reporting.

Criteria: Per 2 CFR 200.303(a) establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Questioned Costs: Unknown.

Context: During 2020, management implemented a process to include the monthly progress reports for the Unified Planning Work Program on the consent agenda of the Transportation Policy Board before being sent to the Kansas Department of Transportation. From a sample size of two (2) reports, there was one (1) instance without proper evidence of the review and approval process. This occurred prior to the implementation of the new approval process.

Overall, the severity of this deficiency was reduced from the prior year due to implementation of proper approvals over expenditures, cash management and period of performance and the mid-year implementation of approvals for reporting.

The sample sizes were determined based upon the guidelines provided by the AICPA which was not a statistically valid sample.

Cause: Prior to December 2020, WAMPO had not yet put appropriate internal controls in place to ensure proper review and approval of reporting.

Effect: Without proper review and approval there is potential for reporting to be inaccurate.

Recommendation: Continue to include the monthly progress reports for the Unified Planning Work Program on the consent agenda of the Transportation Policy Board before being sent to the Kansas Department of Transportation.

Management's Response (Unaudited): An approval process is now in place for the UPWP reports. WAMPO staff determined this approval process by coordinating with KDOT staff. Quarterly UPWP reports will be presented at TPB meeting under Director's report. These quarterly reports will include a breakdown by monthly activity of tasks that are programmed in UPWP.

Contact Person: WAMPO Director

Anticipated Correction Date: The new process has been in place for 2021.

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2020
(Continued)

Findings required to be reported by Government Audit Standards

Finding 2019-001 Material Weakness (Repeat of Finding 2018-001): Segregation of Duties

Condition: WAMPO has a general lack of segregation of duties within the accounting department.

Criteria: 2 CFR 200.302 of the uniform guidance requires effective control over, and accountability for, all funds, property, and other assets. The non-federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. An entity that expends federal awards must have controls in place that would enable an appropriate level of supervision and monitoring. Segregation of duties is a principle based on sharing responsibilities of key processes and spreading the authorization of transactions, recording of transactions and the custody assets across more than one person or department.

Corrective Plan: In 2020 we implemented more stringent control procedures in the updated Employee and Operations Manual. The Financial Analyst has no approval authority. All invoices must receive the approval of the Director prior to processing and payment. Once they are approved for payment the financial analyst enters the invoice into the accounting software and sets up the payment using the online banking system. For the payment to be processed, the Director is notified to go into the banking system for the final approval to pay. Neither the Director nor other personnel can initiate payments. WAMPO does not utilize paper checks for paying invoices. This further reduces the exposure of assets to misuse.

Status: Partially corrected in 2020. See finding 2020-001.

Finding 2019-002 Material Weakness (Repeat of Finding 2018-003): Payroll

Condition: Specific to payroll; it was noted that

- (a) WAMPO was unable to provide adequate support for payroll personnel files;
- (b) The individual responsible for payroll record-keeping was also responsible for reviewing and approving the bi-weekly payroll; and
- (c) During 2018 it was discovered that an employee may have received an unauthorized payroll increase. The employee was terminated shortly after the discovery. As a result, KDOT also completed an investigation and identified further questioned costs. Such costs were deducted from the reimbursement requests submitted to KDOT. As a result of KDOT's investigation, a total of \$74,567 in questioned costs were identified. Of these costs, \$49,367 was excluded from federal expenditures. These costs were subject to an 80% federal share. Thus, the net amount of questioned costs related to federal expenditures was \$20,160. These amounts were included as questioned costs in the 2018 audit report and are therefore not reported as questioned costs below.

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2020
(Continued)

Finding 2019-002 Material Weakness (Repeat of Finding 2018-003): Payroll (Continued)

Criteria: 2 CFR 200.302 of the uniform guidance requires effective control over, and accountability for, all funds, property, and other assets.

Corrective Plan:

- (a) The Director maintains custody of the personnel files and is working to complete the process of reviewing the files to include all necessary documents.
- (b) The individual responsible for payroll record-keeping is no longer responsible for approving the biweekly payroll. The Financial Analyst prepares a payroll summary and sends it to the Director for approval. Once approved, it is submitted to the payroll processor. After processing, the payroll service sends a payroll register to the financial analyst to review. The Financial Analyst reviews the data and compares it to previous periods to look for variances. If it appears correct, the register is forwarded to the Director for approval. Once approved, the register is returned to the processor so the payroll checks can be prepared. Once the processor sends the data to the bank, the Director is notified to go into the banking system for the final approval to pay. A data file is sent to the Financial Analyst who uploads the data into the accounting system.

Status: Corrected

Finding 2019-003 Significant Deficiency (Repeat of Finding 2017-003): Schedule of Expenditures of Federal Awards

Condition: 2 CFR 200.510(b) of the Uniform Guidance requires WAMPO to prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the financial statements. Due to personnel turnover, management does not currently have any procedures in place for the preparation of the SEFA.

Criteria: An entity that expends federal awards must have controls in place that would enable an entity to compile an accurate and complete SEFA. A SEFA identifies and tracks all federal awards and their related information, including but not limited to the Catalog of Federal Domestic Assistance (CFDA No.), grant award title, grant award amount, federal expenditures, and amount provided to subrecipients.

Corrective Plan: WAMPO used a payment tracking system that closely matches the SEFA. For 2020 this worksheet is being updated to match the SEFA as compiled by the auditor. WAMPO currently submits monthly expenditure reports to the Kansas Department of Transportation for review and approval. Grant compliance training will be scheduled to gain a better understanding of the document requirements.

Status: Corrected

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2020
(Continued)

Findings required to be reported by the Uniform Guidance

Finding 2019-004 Material Weakness (Repeat of Finding 2018-004):

CFDA#20.505: U.S. Department of Transportation, Passed Through Kansas Department of Transportation, Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research, All Open Grants

Condition: General lack of proper internal controls on the approval process for expenditures, both non-payroll and payroll, cash management, and reporting.

Criteria: Per 2 CFR 200.303(a) establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Corrective Plan: WAMPO invoices are approved by the Director before payment is submitted. This practice was implemented in late 2019 and will continue. The Director approves payroll prior to submission. Journal entries on behalf of WAMPO were being made by the City of Wichita. Effective September 2019, WAMPO had direct control of journal entries. The Director received verbal approval of UPWP grant funding prior to June 2019. Minutes from the UPWP approval will now be drawn up and signed by an Executive Committee member.

Status: Partially corrected in 2020. See finding 2020-002.

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended December 31, 2020
(Continued)

Finding 2019-005 Material Weakness (Repeat of Finding 2018-005):

CFDA#20.505: U.S. Department of Transportation, Passed Through Kansas Department of Transportation, Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research, All Open Grants

Condition: WAMPO did not follow the procurement policies during the procurement process. WAMPO currently follows two policies, Kansas Department of Transportation (KDOT) and the City of Wichita (fiscal agent).

Criteria: 2 CFR Part 200 of the Uniform Guidance requires that entities must use their own documented procurement procedures which reflect applicable state, local, and tribal laws and regulations, provided that the procurements conform to applicable federal law and the standards identified in parts 2 CFR 200.318 through 200.326 of the Uniform Guidance.

Corrective Plan: WAMPO had several procurements in 2019 where adequate documentation could not be located. Due to staff changes, the parties involved in the procurements were not available to assist in locating any additional documentation that they may have collected via email or other sources. Multiple searches of physical and electronic files did not produce the necessary supporting documents. The Employee and Operations Manual was approved in mid-2020 that further details the procurement process to avoid this issue going forward. With the assistance of a consultant, WAMPO is implementing a detailed process for procurements that includes a flowchart to make sure all requirements are followed.

Status: Corrected

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2020

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Cluster #</u>	<u>CFDA #</u>	<u>Pass Thru Number</u>	<u>Total Federal Expenditures</u>
US Department of Transportation				
Highway Planning and Construction				
Passed Through Kansas Department of Transportation Planning Walkable Places Program	1	20.205	N-0671-17	\$ 97,987
				<u>97,987</u>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research				
Passed Through Kansas Department of Transportation UPWP-2018 Consolidated Planning CPG		20.505	L-0133-20	930,599
				<u>930,599</u>
			Federal Agency Total:	<u>1,028,586</u>
			Total Expenditures of Federal Awards: \$	<u>1,028,586</u>
Clusters	Cluster Total			
1 Highway Planning and Construction	\$ 97,987			

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2020

Note 1. Organization

Wichita Area Metropolitan Planning Organization (WAMPO) is the recipient of several federal grants. All the grants received are administered by WAMPO staff and accounted for in the Metropolitan Planning Fund, the governmental fund of WAMPO.

Note 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal awards activity of WAMPO under programs of the federal government for the year ended December 31, 2020. 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 WAMPO, it is not intended to and does not present the financial position, changes in fund balances or cash flows of WAMPO.

Note 3. Summary of Significant Accounting Policies

Expenditures reported on the accompanying Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* (Circular), or cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. WAMPO has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

Note 5. Additional Audits

Grantor agencies reserve the right to conduct additional audits of WAMPO's grant programs for economy, efficiency, and program results, which may result in disallowed costs to WAMPO. However, management does not believe such audits would result in any disallowed costs that would be material to WAMPO's financial position at December 31, 2020.

**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

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2020

AND

INDEPENDENT AUDITOR'S REPORT

**WICHITA AREA METROPOLITAN
PLANNING ORGANIZATION**

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

Year Ended December 31, 2020

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is available at WAMPO's office.*

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

Functions/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	\$ 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/> <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
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. 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.

2021 TPB Representatives and Contact Information

VOTING MEMBERS & ALTERNATES	REPRESENTATIVES	MEMBER EMAIL	ALTERNATE EMAIL
City of Andover	*Troy Tabor, TAC Chair	ttabor@andoverks.com	
City of Bel Aire	Jim Benage, alt. Anne Stephens	ibenage@belaireks.gov	astephens@belaireks.gov
City of Butler County	*Dan Woydziak, Ex Officio, Past Chair	dwoydzia@bucoks.com	
City of Clearwater	Burt Ussery, alt. Ron Marsh	bussery@clearwaterks.org	rmarsh@clearwaterks.org
City of Derby	*Jack Hezlep, alt. Kathy Sexton	jhezlep@gmail.com	kathysexton@derbyweb.com
City of Goddard	Vacant, alt. Micah Scoggan		msscoggan@goddardks.gov
City of Haysville	*Bruce Armstrong, alt. William Black	barmstrong@haysville-ks.com	wblack@haysville-ks.com
Kansas Department of Transportation	Mike Moriarty, alt. Cory Davis	Michael.Moriarty@ks.gov	Cory.Davis@ks.gov
Kansas Department of Transportation	Brent Terstriep alt. Tom Hein	Brent.Terstriep@ks.gov	tom.hein@ks.gov
City of Kechi	John Speer, alt. Bob Conger	jspeer@kechi.gov	rconger@kechi.gov
City of Maize	Donna Clasen, alt. Richard LaMunyon	dclasen@cityofmaize.org	rlamunyon@cityofmaize.org
City of Mulvane	Nancy Faber-Mottola, alt. Joel Pile	nmottola@mulvane.us	jpile@mulvane.us
City of Park City	Tom Jones, alt. Dana Walden	tjones@parkcityks.com	dwalden@parkcityks.com
City of Rose Hill	Steve Huckaby, alt. Warren Porter	shuckaby@cityofrosehill.com	wporter@cityofrosehill.com
Sedgwick County Association of Cities (SCAC)	Terry Somers, alt. Vacant	tssomers1@gmail.com	
Sedgwick County	*David Dennis, TPB Chair	David.Dennis@sedgwick.gov	
Sedgwick County	Jim Howell, alt. Tom Stolz	jim.howell@sedgwick.gov	thomas.stolz@sedgwick.gov
Sedgwick County	Pete Meitzner, alt. Tim Kaufman	Pete.Meitzner@Sedgwick.gov	tim.kaufman@segwick.gov
Sedgwick County	Sarah Lopez, alt. Tania Cole	Sarah.Lopez@sedgwick.gov	tania.cole@sedgwick.gov
City of Valley Center	Vacant, alt. Brent Clark		bclark@valleycenterks.org
City of Wichita	Cindy Claycomb, alt. Vacant	CCLaycomb@wichita.gov	
City of Wichita	Jared Cerulla, alt. Robert Layton	jcerulla@wichita.gov	rlayton@wichita.gov
City of Wichita	Bryan Frye, alt. Brandon Johnson	BFrye@wichita.gov	BJJohnson@wichita.gov
City of Wichita	*Becky Tuttle, TPB Vice Chair	btuttle@wichita.gov	
NON-VOTING MEMBERS & ALTERNATES	REPRESENTATIVES	MEMBER EMAIL	ALTERNATE EMAIL
Federal Highway Administration	Rick Backlund, alt. Paul Foundoukis	Richard.Backlund@dot.gov	paul.foundoukis@dot.gov
Federal Tranist Association	Eva Steinman, alt. Cathy Monroe	Eva.Steinman@dot.gov	cathy.monroe@dot.gove
WAMPO	Chad Parasa	Chad.Parasa@wampo.org	

*denotes Executive Committee Members

2021 WAMPO Meeting Schedules



Meeting Location: 271 W. 3rd Street, Suite 203, Wichita, KS 67202 (OR Online)

Transportation Policy Body	Transportation Advisory Committee
<i>3:00 pm (unless otherwise stated)</i>	<i>10:00 am (unless otherwise stated)</i>
January 12, 2021	January 25, 2021
February 9, 2021	February 22, 2021
March 9, 2021	March 22, 2021
April 13, 2021	April 26, 2021
May 11, 2021	May 24, 2021
June 8, 2021	June 28, 2021
July 13, 2021	July 26, 2021
August 10, 2021	August 23, 2021
September 14, 2021	September 27, 2021
October 12, 2021	October 25, 2021
November 9, 2021	November 22, 2021
December 14, 2021	No December Meeting