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INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of Flint Hills Metropolitan Planning Organization:

We have performed the procedures enumerated in the attached schedule on the accounting records, transactions and internal control of Flint Hills Metropolitan Planning Organization for the year ended December 31, 2022. Flint Hills Metropolitan Planning Organization's management is responsible for the accounting records, transactions and internal control for the year ended December 31, 2022.

Flint Hills Metropolitan Planning Organization has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting the requirements as specified in KSA 75-1122(b). This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are listed in the attached schedule.

We were engaged by Flint Hills Metropolitan Planning Organization to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, transactions and internal control for the year ended December 31, 2022. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Flint Hills Metropolitan Planning Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Directors of Flint Hills Metropolitan Planning Organization and is not intended to be and should not be used by anyone other than that specified party.

Sincerely,

VonFeldt, Bauer & VonFeldt, Chtd.

VonFeldt, Bauer & VonFeldt, Chtd.
Manhattan, Kansas
September 20th, 2023

Flint Hills Metropolitan Planning Organization
Schedule of Procedures and Findings
December 31, 2022

Procedure #1: Tie the total cash per books at year end to source documents and review the bank reconciliation for the last month of the year. Confirm that the bank reconciliations are being approved and completed in a timely manner.

No exceptions were found as a result of applying this procedure.

Procedure #2: Reconcile the year-end cash balance as shown on the balance sheet to:

a. Demand deposits at the organizations bank
b. Time deposits at the organizations bank
c. Investments in US Treasury bills and other cash/investment accounts

No exceptions were found as a result of applying this procedure.

Procedure #3: Using the last bank statement of the year, compare the total deposits in excess of FDIC insurance to securities pledged to secure the excess deposits, as evidenced by joint custody receipts. Confirm the pledged securities as of December 31, 2022, and determine they are adequately secured.

No exceptions were found as a result of applying this procedure.

Procedure #4: For the last bank statement of the year, compare the name of the depository institution to an entry in the official minutes that designates the institution as the organizations official depository.

No exceptions were found as a result of applying this procedure.

Procedure #5: Tie out total interest from the bank confirmations to the organization's general ledger.

No exceptions were found as a result of applying this procedure.

Procedure #6: For a minimum of two separate months, trace non-mail cash receipts from the receipt book to the bookkeeping records to determine if the receipts were properly recorded. Also, for the same two months, trace bookkeeping entries for cash receipts to the bank statement to determine if receipts are deposited intact and on a timely basis.

Except for the following, no other exceptions were found as a result of applying this procedure:

1. *Finding:* Per inspection of the invoice for STIC of $3,769.37 on 3/22/2022, this payment was received on 7/18/2022 but the payment was recorded as a new deposit and not applied to the invoice in QuickBooks resulting in the overstatement of income.
2. *Finding:* Per inspection of the deposit for KDOT reimbursement of $4,282.47 on 7/18/2022, this deposit was actually payment for STIC invoices and should have been applied to the 1Q and 2Q STIC invoices rather than being recorded as a separate deposit for KDOT reimbursement.
3. *Finding:* Per inspection of the invoice for Flint Hills ATA of $2,258.46 on 10/03/2022, the invoice was never sent to the customer and therefore payment was never received.
4. *Finding:* Per inspection of the invoice for STIC of $1,931.92 on 10/03/2022, this payment was received on 1/17/2023 but the payment was recorded as a new deposit and not applied to the invoice in QuickBooks resulting in the overstatement of income.

Procedure #7: For approximately ten percent of the non-payroll cash disbursements, trace disbursements from the bookkeeping records to the: related invoice, bank statement, and cancelled check.

Except for the following, no other exceptions were found as a result of applying this procedure:

1. *Finding:* Per review of the 10 expenditure selections paid for by credit card or check for the year ended December 31, 2022, all selections were lacking formal approval by an individual other than the individual paying the disbursement and reconciling the bank statement.

Flint Hills Metropolitan Planning Organization
Schedule of Procedures and Findings
December 31, 2022

Procedure #8: For a minimum of one month compare the disbursements as recorded in the check register to an entry in the official minutes that approve the disbursements.

Except for the following, no other exceptions were found as a result of applying this procedure:

1. *Finding:* Per review of the board meeting minutes, previous months expenditures were not reported in the minutes.

Procedure #9: Examine evidence of encumbrances and accounts payable, and determine if they have been properly stated in the financial statements as of the end of the year. Evidence of encumbrance would include unpaid purchase orders and contracts. Evidence of accounts payable would include unpaid invoices and receiving reports.

No exceptions were found as a result of applying this procedure:

Procedure #10: Review the credit card policy and internal controls of the organization. For a minimum of two months, review the organizations credit card transactions and determine if approvals, expenditure procedures, and proper classification of expenditures were followed. In the agreed upon procedures report, describe the credit card procedure, if the credit card procedures and internal controls are being followed, and if the organizations credit cards are only in the name of the organization.

Credit Card Policy: Both Stephanie Peterson and Jared Tremblay have their own credit cards under the organization's name. Stephanie's credit card was closed when she left the organization in May. Monthly the credit card statements are sent to their bookkeeper who inputs all transactions into QuickBooks before the statement is paid via QuickBooks automatic payment. No prior approval required but the credit cards have a limit of $2,000 which is under the board's approval threshold. Every receipt is kept and reported to KDOT quarterly for verification and reimbursement. Stephanie stopped working for FHMPO in May.

Except for the following, no other exceptions were found as a result of applying this procedure:

1. *Finding:* Per review of the 12/31/2022 credit card liability balance, the charges to Wix.com on 5/5 for $149.00, Grasshopper.com on 6/1 for $383.40 and Assoc. of Pedestr on 7/1 for $585.00 were not recorded in QuickBooks. In addition the charge to Merchant Zip on 11/9 for $27.39 was incorrectly recorded for $16.78. This caused the 12/31 credit card liability balance to be understated by $1,127.98.
2. *Finding:* Per review of the May and December credit card statements, three charges on the May credit card statement are lacking supporting receipts.

Procedure #11: Review payroll for a minimum of one month to determine that proper deductions and employer contributions are being remitted.

No exceptions were found as a result of applying this procedure.

Procedure #12: For the last month of the year review the payroll records for each employee to determine if a deduction for KPERS was made.

No exceptions were found as a result of applying this procedure.

Flint Hills Metropolitan Planning Organization
Schedule of Procedures and Findings
December 31, 2022

Procedure #13: Compare the following items in the current year financial statement to the same items in the prior year financial statement to determine if there is a variance of more than 25% per fund:

a. Total cash receipts
b. Total cash disbursements
c. Encumbrances and accounts payable
d. Ending unencumbered cash balance

For variances larger than 25%, examine the variance, and document and report on the reason.

Except for the following, no other exceptions were found as a result of applying this procedure:

1. *Finding:* Per review of the Profit and Loss for 2022, expenses have decreased by $68,585.01 which is a variance of -27.12%. This is due to the following:
   a. A decline in supplies and materials expenses for projects like AARP due to the majority of the project being completed in prior years.
   b. The misclassification of income in expenses accounts like counters/field equipment and STIC supplies resulting in the understatement of expenses.
   c. A decline in health insurance premiums due to Stephanie only being on the policy through April and then after that it was only Jared on the policy.
   d. A decline in wages due to Stephanie no longer being employed after the 5/6/2022 pay period.
2. *Finding:* Per review of the Profit and Loss for 2022, revenues have decreased by $73,736.75 which is a variance of -29.28%. This is due to the following:
   a. A decline in ATA reimbursement income due to Flint Hills ATA hiring a full-time planner and not needing as many services anymore.
   b. A decline in KDOT reimbursement income due to fewer billable hours for the year due to not having Stephanie's hours to bill once she left in May.
3. *Finding:* Per review of the Balance Sheet as of December 31, 2022, A/P has increased by $730.11 which is a variance of 253.96%. See Procedure #9 for testing and findings on the year end A/P balance.
4. *Finding:* Per review of the Balance Sheet as of December 31, 2022, Credit Cards have decreased by $1,879.53 which is a variance of -212.49%. See Procedure #10 for testing and findings on the credit card liability balance being understated.

Procedure #14: For a minimum of two months, review the organizations balance sheet to determine that the ending cash balance is greater than or equal to zero.

No exceptions were found as a result of applying this procedure.

Procedure #15: For a minimum of two months, review the official minutes to determine that the minutes have been signed by the chairperson of the board of directors.

Except for the following, no other exceptions were found as a result of applying this procedure:

1. *Finding*: Per review of the board meeting minutes, no evidence of signature by the chairperson was noted.

Procedure #16: Review the organizations surety (fidelity) bonds to determine that all employees and officers entrusted with funds or property are covered by such a bond.

Except for the following, no other exceptions were found as a result of applying this procedure:

1. *Finding*: The organization determined that they are not required to have a surety (fidelity) bond. At this time the organization has decided not to obtain surety (fidelity) bond coverage for employees.

Procedure #17: Review the general and entity specific compliance checklists.

No exceptions were found as a result of applying this procedure.