



VONFELDT, BAUER & VONFELDT, CHTD

Certified Public Accountants

2306 Anderson Ave
Manhattan, KS 66502

Telephone: (785) 320-2555
Fax: (785) 371-1665

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, 2021. Flint Hills Metropolitan Planning Organization's management is responsible for the accounting records, transactions and internal control for the year ended December 31, 2021.

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, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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
December 2nd, 2022

**Flint Hills Metropolitan Planning Organization
Schedule of Procedures and Findings
December 31, 2021**

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.

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

- 1- *Finding:* Per inspection of the bank reconciliation and the cash balance on the balance sheet as of 12/31/2021, the two do not match. The difference was the amount of a check to AICK for \$96.90. This check was deleted after completing the bank reconciliation resulting in the bank reconciliation balance not matching the balance sheet balance.
- 2- *Finding:* Per inspection of the deposits in transit as of 12/31/2021, the deposits from Flint Hills ATA (rural) on 1/7/2021 for \$2,092.58, Flint Hills ATA (MHK) on 1/7/2021 for \$3,510.71, Flint Hills ATA (MHK) on 2/24/2021 for \$1,060.36, Flint Hills ATA (rural) on 2/24/2021 for \$152.54 and a bank deposit on 5/3/2021 for \$984.41 are still outstanding and have not cleared the bank.
- 3- *Finding:* Per inspection of the outstanding checks as of 12/31/2021, the checks to AICK on 7/6/2020 for \$96.90, Jared Tremblay on 7/15/2020 for \$1,273.67, Amber Berg on 7/15/2020 for \$170.71, Rachel Peterson on 7/15/2020 for \$1,207.34, Abbey Hebbert on 7/15/2020 for \$36.01, Stephanie Peterson on 7/15/2020 for \$2,027.18, Ashton Hess on 7/15/2020 for \$1,334.44 and IRS on 2/18/2021 for \$1,334.44 are still outstanding and have not cleared the bank.

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, 2021, 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 deposit for KDOT reimbursement of \$11,088.79, it did not match the reimbursement request of \$11,299.32 that was submitted to KDOT.

**Flint Hills Metropolitan Planning Organization
Schedule of Procedures and Findings
December 31, 2021**

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 12 expenditure selections paid for by credit card or check for the year ended December 31, 2021, all selections were lacking formal approval by an individual other than the individual paying the disbursement and reconciling the bank statement.
- 2- *Finding:* Per review of the 12 expenditure selections paid for by credit card or check for the year ended December 31, 2021, two selections were lacking supporting invoices.

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.

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

- 1- *Finding:* Per review of the QuickBooks A/P report as of December 31, 2021, two payments that occurred on 8/19/2020 and 8/31/2020 that didn't have an accompanying bill recording a liability in the A/P account. This results in the A/P balance being understated by \$1,254.19 and \$22.73 respectively.
- 2- *Finding:* Per review of the QuickBooks A/P report as of December 31, 2021, one bill dated 10/23/2020 never had a recorded payment to reduce the A/P liability balance. This results in the A/P balance being overstated by \$300.00.

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 had their own credit cards under the organization's name. 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.

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

- 1- *Finding:* Per review of the April and October credit card statements, two charges on the October 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.

**Flint Hills Metropolitan Planning Organization
Schedule of Procedures and Findings
December 31, 2021**

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.

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 2021, expenses have increased by \$100,216.55 which is a variance of 65.62%. This is due to the following:
 - a. The organization became its own organization separate from City of Manhattan in July of 2020 resulting in only 6 months of expenses in 2020 compared to a full year in 2021
 - b. Health insurance premiums increased overall and new employees with more expensive premiums were added to the policy in 2021.
 - c. New projects like STIC supplies occurred in 2021 that didn't happen in 2020.
- 2- **Finding:** Per review of the Balance Sheet as of December 31, 2021, A/R has decreased by \$15,426.91 which is a variance of -28.82%. This is due to a timing difference and the organization not having as many outstanding invoices as of 12/31/2021 compared to the prior year.
- 3- **Finding:** Per review of the Balance Sheet as of December 31, 2021, A/P has increased by \$287.49 which is a variance of 1,289.29%. This is due to items that need cleaned up in A/P as noted in the findings for procedure #9.
- 4- **Finding:** Per review of the Balance Sheet as of December 31, 2021, the credit card liability has increased by \$884.53 from a prior year balance of \$0.00. This is due to a timing difference on when the December statement was paid. The 12/31/2021 balance was tested as part of procedure #10.
- 5- **Finding:** Per review of the Balance Sheet as of December 31, 2021, payroll liabilities have increased by \$7,139.66 which is a variance of 247.46%. This is due to the 12/31/2020 payroll liability balance being incorrect as some of the beginning balances were not inputted correctly when the organization started on its own in July 2020.

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.

**Flint Hills Metropolitan Planning Organization
Schedule of Procedures and Findings
December 31, 2021**

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

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