



WHISMAN GIORDANO  
CERTIFIED PUBLIC ACCOUNTANTS

Building Extraordinary Relationships

To the Members of the Council  
**Dover/Kent County Metropolitan Planning Organization (Dover/Kent County MPO)**  
Camden, Delaware

We have audited the financial statements of Dover/Kent County Metropolitan Planning organization (Dover/Kent County MPO) as of and for the year ended June 30, 2023, and have issued our report thereon dated (DATE TO BE DETERMINED). Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated November 8, 2021, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of Dover/Kent County MPO solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated (DATE TO BE DETERMINED).

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

### **Qualitative Aspects of the Entity's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Dover/Kent County MPO is included in Note 2 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements is management's indirect cost allocation.

Management's estimate of the indirect cost allocation is based on an annually approved Unified Planning Work Program (UPWP) and a review performed monthly during the monthly billing cycle. We evaluated the key factors and assumptions used to develop the indirect cost allocation and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

## **Qualitative Aspects of the Entity's Significant Accounting Practices (Continued)**

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Dover/Kent County MPO's financial statements relate to intergovernmental receivables.

### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant or unusual items were noted during the audit.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. The attached schedule summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management: See attached schedule of adjusting journal entries.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Dover/Kent County MPO's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated (DATE TO BE DETERMINED).

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with Dover/Kent County MPO, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Dover/Kent County MPO's auditors.

This report is intended solely for the information and use of the Members of the Council, and others within Dover/Kent County MPO, and management of Dover/Kent County MPO and is not intended to be and should not be used by anyone other than these specified parties.

Newark, Delaware  
(DATE TO BE DETERMINED)

Client: **4162 - Dover Kent County MPO**  
 Engagement: **AUD - Dover Kent County MPO**  
 Period Ending: **6/30/2023**  
 Trial Balance: **3000.01 - Database Trial Balance**  
 Workpaper: **3700.01 - Adjusting Journal Entries Report**  
 Fund Level: **All**  
 Index: **All**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries</b>				
<b>Adjusting Journal Entries JE # 2</b>				
To reverse Prior year accounts receivable entries.				
5000	Reimbursed Expenses		119,910.00	
1101	Accounts Receivable (Other)			119,910.00
<b>Total</b>			<b>119,910.00</b>	<b>119,910.00</b>
<b>Adjusting Journal Entries JE # 3</b>				
To reverse prior year accounts payable entry.				
3001	Accounts Payable (Other)		52,578.00	
6170	EXPENSES: Plan/Eng Consultants			52,578.00
<b>Total</b>			<b>52,578.00</b>	<b>52,578.00</b>
<b>Adjusting Journal Entries JE # 4</b>				
To reverse prior year payroll accrual.				
3005	Accrued Payroll		4,735.00	
6550	Payroll Salary-Payroll Accrual Adjustment			4,735.00
<b>Total</b>			<b>4,735.00</b>	<b>4,735.00</b>
<b>Adjusting Journal Entries JE # 7</b>				
To capitalize fixed assets				
2000	Property & Equipment	4600.10	9,975.00	
6030	EXPENSES: Computer Hardware			9,750.00
6125	EXPENSES: IT Services			225.00
<b>Total</b>			<b>9,975.00</b>	<b>9,975.00</b>
<b>Adjusting Journal Entries JE # 8</b>				
To record depreciation as of year end				
9998	Depreciation Expense	4600.10	217.00	
2001	Accumulated Depreciation			217.00
<b>Total</b>			<b>217.00</b>	<b>217.00</b>
<b>Adjusting Journal Entries JE # 9</b>				
To properly record receivables at 6/30/2023.				
1101	Accounts Receivable (Other)	4200.20	135,714.00	
5000	Reimbursed Expenses			135,714.00
<b>Total</b>			<b>135,714.00</b>	<b>135,714.00</b>
<b>Adjusting Journal Entries JE # 12</b>				
Immaterial entry to adjust accrued vacation to actual for presentation purposes.				
6550	Payroll Salary-Payroll Accrual Adjustment	5200.20	11,163.00	
3006	Accrued Vacation			6,478.00
3007	Accrued Sick Leave			4,685.00
<b>Total</b>			<b>11,163.00</b>	<b>11,163.00</b>
<b>Total Adjusting Journal Entries</b>			<b>334,292.00</b>	<b>334,292.00</b>
<b>Reclassifying Journal Entries</b>				
<b>Reclassifying Journal Entries JE # 5</b>				
To reclass accrued payroll				
1000	Shore Bank Checking Account	4100.11A	6,650.00	
3005	Accrued Payroll			6,650.00
<b>Total</b>			<b>6,650.00</b>	<b>6,650.00</b>
<b>Reclassifying Journal Entries JE # 6</b>				
To reclass checks that were held at year end.				
1000	Shore Bank Checking Account	4100.11A	103,272.00	
3001	Accounts Payable (Other)			103,272.00
<b>Total</b>			<b>103,272.00</b>	<b>103,272.00</b>
<b>Reclassifying Journal Entries JE # 13</b>				
To reclassify out state and local revenue from the federal revenue.				
5000	Reimbursed Expenses	7100.15	218,504.00	
5598	FEDERAL STIC GRANT			8,366.00
5599	STATE STIC GRANT			2,092.00
5998	LOCAL REVENUE			33,884.00
5999	STATE REVENUE			174,162.00
<b>Total</b>			<b>218,504.00</b>	<b>218,504.00</b>
<b>Total Reclassifying Journal Entries</b>			<b>328,426.00</b>	<b>328,426.00</b>

Total All Journal Entries

662,718.00

662,718.00

Draft For Discussion Purposes Only - Subject To Revisions - February 27, 2024

Client: **4162 - Dover Kent County MPO**  
 Engagement: **AUD - Dover Kent County MPO**  
 Period Ending: **6/30/2023**  
 Trial Balance: **3000.01 - Database Trial Balance**  
 Workpaper: **3700.10 - Reclassifying Journal Entries Report**  
 Fund Level: **All**  
 Index: **All**

Account	Description	W/P Ref	Debit	Credit
<b>Reclassifying Journal Entries</b>				
<b>Reclassifying Journal Entries JE # 5</b>				
To reclass accrued payroll				
1000	Shore Bank Checking Account	4100.11A	6,650.00	
3005	Accrued Payroll			6,650.00
<b>Total</b>			<b>6,650.00</b>	<b>6,650.00</b>
<b>Reclassifying Journal Entries JE # 6</b>				
To reclass checks that were held at year end.				
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<b>Total All Journal Entries</b>			<b>328,426.00</b>	<b>328,426.00</b>

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Client: **4162 - Dover Kent County MPO**  
 Engagement: **AUD - Dover Kent County MPO**  
 Period Ending: **6/30/2023**  
 Trial Balance: **3000.01 - Database Trial Balance**  
 Workpaper: **3700.15 - Waived Journal Entries Report over trival amount**  
 Fund Level: **All**  
 Index: **All**

Account	Description	W/P Ref	Debit	Credit
<b>Waived Journal Entries</b>				
<b>Waived Journal Entries JE # 10</b>				
To adjust reimbursed expenses to agree with support.				
5000	Reimbursed Expenses	7100.15	3,284.00	
1100	Accounts Receivable			3,284.00
<b>Total</b>			<b>3,284.00</b>	<b>3,284.00</b>
<b>Waived Journal Entries JE # 11</b>				
To remove July rent from books				
3001	Accounts Payable (Other)	7100.05	2,500.00	
5000	Reimbursed Expenses		2,500.00	
6010	EXPENSES: Cleaning Service			260.00
6070	EXPENSES: Electric Service			200.00
6240	EXPENSES: Rent			1,860.00
6260	EXPENSES: Telephone			180.00
9999	Refundable Advance			2,500.00
<b>Total</b>			<b>5,000.00</b>	<b>5,000.00</b>
<b>Total Waived Journal Entries</b>			<b>8,284.00</b>	<b>8,284.00</b>
<b>Total All Journal Entries</b>			<b>8,284.00</b>	<b>8,284.00</b>

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