GREAT PLAINS
DEVELOPMENT AUTHORITY
PARSONS, KANSAS

Regulatory Basis Financial Statement and
Independent Auditors' Report with
Regulatory Required Supplemental Information

For the Fiscal Year Ended December 31, 2022

GREAT PLAINS DEVELOPMENT AUTHORITY

PARSONS, KANSAS

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Diehl
Banwart
Bolton
Certified Public Accountants PA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Great Plains Development Authority
Parsons, Kansas 67357

Adverse and Unmodified Opinions

We have audited the accompanying summary statement of receipts, expenditures, and unencumbered cash – regulatory basis of the Great Plains Development Authority, Parsons, Kansas, (GPDA) a Municipal Financial Reporting entity as of and for the year ended December 31, 2022, and the and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the GPDA, as of December 31, 2022, or changes in net position, or cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the financial statements referred to above present fairly, in all material respects, the aggregate cash and unencumbered cash balances of the GPDA as of December 31, 2022, and the aggregate receipts and expenditures it paid for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* as described in Note 1.

Basis for Adverse and Unmodified Opinions
We conducted our audit 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 *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of GPDA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles
As described in Note 1, the financial statement is prepared by the GPDA on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Kansas. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and

accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the State of Kansas. Management is also responsible for 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.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GPDA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 GPDA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the GPDA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the December 31, 2022, summary statement of receipts, expenditures, and unencumbered cash – regulatory basis (financial statement) of GPDA as a whole. The individual fund schedules of receipts and expenditures – regulatory basis, (Schedule 1 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the December 31, 2022 financial statement, however they are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statement. 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules of receipts, expenditures – regulatory basis and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the financial statement as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2024, on our consideration of GPDA'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 GPDA'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 GPDA's internal control over financial reporting and compliance.

Diehl, Banwart, Bolton, CPAs PA

Diehl Banwart Bolton CPA's PA

Pittsburg, Kansas
January 12, 2024

GREAT PLAINS DEVELOPMENT AUTHORITY
PARSONS, KANSAS

Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2022

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:						
General	$ 539,747	$ 1,326,552	$ 1,109,632	$ 756,667	$ 302,423	$ 1,059,090
Special Purpose Funds:						
ESCA	193,507	691,753	1,035,342	(150,082)	335,453	185,371
Capital Improvement	143,215	40,500	-	183,715	-	183,715
Waterline Project	-	1,200,000	40,600	1,159,400	40,600	1,200,000
Rail Rehab	-	389,606	117,930	271,676	33,310	304,986
Total Entity (Excluding Agency Funds)	$ 876,469	$ 3,648,411	$ 2,303,504	$ 2,221,376	$ 711,786	$ 2,933,162

Composition of Cash	
Operations and Maintenance Checking	2,875,115
ESCA Checking	58,047
Total Cash	$ 2,933,162

The notes to the financial statement are an intregal part of this statement.

GREAT PLAINS DEVELOPMENT AUTHORITY
PARSONS, KANSAS

NOTES TO THE FINANCIAL STATEMENT
For the Year Ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations
The GPDA is a quasi-municipality established by the authority of the Labette County, Kansas, Commission pursuant to the requirements of the Base Realignment and Closure Act to provide the functions, services and facilities authorized by law. GPDA is governed by a nine member Board which is appointed by the Labette County Commission.

Basis of Presentation - Fund Accounting
A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds comprise the financial activities of the GPDA:

REGULATORY BASIS FUND TYPES

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – to account for the proceeds of specific tax levies and other specific revenue sources (other than capital projects and tax levies for long-term debt) that are intended for specified purposes.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America
The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

GPDA has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

Kansas Statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), debt service funds, and enterprise funds. GPDA is not required to adopt or publish a budget for any of its funds.

Cash and Investments

Cash and investments include interest bearing checking accounts. Kansas Statutes permit investment in savings accounts, certificates of deposit, and, in certain cases, obligations of the U.S. Treasury.

Compensated Absences

Employees accrue six sick days per year. Unused amounts are accumulated up to 800 hours. Upon termination unused sick leave is forfeited. Employees accrue between 80 and 120 hours of vacation time per year based on years of service. Up to 80 hours of vacation time may be carried over to the next year. Any amounts in excess of this are forfeited.

GPDA determines a liability for compensated absences when the following conditions are met:

1. GPDA's obligation relating to the employee's rights to receive compensation for future absences is attributable to employee's services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and is material to the financial statements.

In accordance with the above criteria, GPDA has not accrued a liability for sick pay or vacation pay.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

Statement 1 and the regulatory required supplemental schedules have been prepared in order to show compliance with the cash-basis and budget laws of Kansas. The negative unencumbered cash balance in the ESCA Fund is not a cash basis violation as this amount was reimbursed. There were no other apparent violations of the cash basis and budget laws of Kansas.

3. CASH, INVESTMENTS AND DEPOSITS WITH FINANCIAL INSTITUTIONS

K.S.A. 9-1401 establishes the depositories which may be used by the GPDA. The statute requires banks eligible to hold the GPDA's funds have a main or branch bank in the county in which the GPDA is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The GPDA has no other policies that would further limit interest rate risk.

3. CASH, INVESTMENTS AND DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

K.S.A. 12-1675 limits the GPDA's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The GPDA has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the GPDA may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the GPDA's deposits may not be returned to it. State statutes require the GPDA's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. At December 31, 2022, the GPDA's deposits were adequately secured.

At December 31, 2022 the GPDA's carrying amount of deposits was $2,933,162 and the bank balance was $2,939,780. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance $250,000 was covered by federal depository insurance and $1,689,780 was collateralized by securities held by the pledging financial institution's agents in GPDA's name, with a market value of $3,142,287.

4. RISK MANAGEMENT

The GPDA is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions, injuries to employees; employees' health and life; and natural disasters. The GPDA continues to carry commercial insurance for these risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

5. PENSION PLAN

General Information about the Pension Plan

Plan description. The GPDA participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

5. PENSION PLAN (Continued)

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1.0% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.9% for the year ended December 31, 2022. Contributions to the pension plan from GPDA were $32,491 for the year ended December 31, 2022.

Net Pension Liability

At December 31, 2022, the GPDA's proportionate share of the collective net pension liability reported by KPERS was $348,285. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The GPDA's proportion of the net pension liability was based on the ratio of the GPDA's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

6. SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring subsequent to December 31, 2022, through the date of the issuance of the financial statements on January 12, 2024. During this period, there were no subsequent events requiring recognition in the financial statements or disclosure in the notes to the financial statements during this period.

7. CONTINGENT LIABILITY

GPDA purchased 6,229 acres from the Department of Defense for $49,999 in 2012. If any of this real estate is sold in the next ten years, 25% of the sale proceeds must be paid to the Department of Defense. In addition to this 20% of any income generated from leasing, farming, etc. of the land in years six through ten must be paid to the Department of Defense. Also, 25% of any revenue from railroad operations in years seven and eight, and 50% of any revenue from railroad operations in years nine and ten must be paid to the Department of Defense. If any railroad right-of-way is sold during the ten year period, 50% of the proceeds must be paid to the Department of Defense. The total payments to the Department of Defense under this agreement are capped at $3,450,000. This cap is reduced to $3,000,000 if it is paid within seven years.

8. LONG-TERM DEBT

In December 2020 GPDA executed a loan agreement with the City of Parsons, Kansas, for $100,000 to be used on road improvements. The details of the loan agreement and schedule of payments are as follows:

8. LONG TERM DEBT OBLIGATIONS (Continued)

Schedule of Changes in Long-Term Debt

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balances Beginning of Year	Additions / New Debt	Reductions / PrincipalPaid	Balances End of Year	Interest Paid
Note Payable									
City of Parsons, Kansas	0.00%	12/1/2020	100,000	12/1/2024	$ 75,000	$ -	$ -	$ 75,000	$ -
					$ 75,000	$ -	$ -	$ 75,000	$ -

Schedule of Maturities in Long-Term Debt

Fiscal Years Ending June 30,	2023	2024	2025	2026	2027	Totals
PRINCIPAL						
Note Payable						
City of Parsons, Kansas	$ 50,000	$ 25,000	$ -	$ -	$ -	$ 75,000
Total Principal	50,000	25,000	-	-	-	75,000
INTEREST						
Note Payable						
City of Parsons, Kansas	-	-	-	-	-	-
Total Interest	-	-	-	-	-	-
Total Principal and Interest	$ 50,000	$ 25,000	$ -	$ -	$ -	$ 75,000

REGULATORY REQUIRED SUPPLEMENTAL INFORMATION

GREAT PLAINS DEVELOPMENT AUTHORITY
PARSONS, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2022

Cash Receipts		
Local Sources		
Agricultural leases	$	63,459
Interest		5,471
Other		81,593
Rent Income		799,356
Rail Income		270,050
Utility sales		92,013
Property Tax Reimbursements		14,610
Total Cash Receipts		1,326,552
Expenditures		
Office		48,978
Wages and Benefits		523,787
Professional Fees		57,225
Supplies and Maintenance		111,092
Insurance		65,355
Travel and Entertainment		5,673
Utilities		66,884
Capital Equipment Purchases		22,086
Property Taxes		71,306
Loan Payment		-
Army MO Revenue Share		137,246
Total Expenditures		1,109,632
Receipts Over (Under) Expenditures		216,920
Unencumbered Cash, Beginning		539,747
Unencumbered Cash, Ending	$	756,667

GREAT PLAINS DEVELOPMENT AUTHORITY
PARSONS, KANSAS
ESCA FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2022

Cash Receipts	
Federal Sources	
ESCA Grant	$ 691,753
Total Cash Receipts	691,753
Expenditures	
Environmental Cleanup	1,035,342
ESCA Grant Administration	-
Total Expenditurs	1,035,342
Receipts Over (Under) Expenditures	(343,589)
Unencumbered Cash, Beginning	193,507
Unencumbered Cash, Ending	$ (150,082)

GREAT PLAINS DEVELOPMENT AUTHORITY
PARSONS, KANSAS
CAPITAL IMPROVEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2022

Cash Receipts	
Other Income	$ 40,500
State Sources	
Grant	-
Total Cash Receipts	40,500
Expenditures	
Road Expenditures	-
Total Expenditurs	-
Receipts Over (Under) Expenditures	40,500
Unencumbered Cash, Beginning	143,215
Unencumbered Cash, Ending	$ 183,715

GREAT PLAINS DEVELOPMENT AUTHORITY
PARSONS, KANSAS
WATERLINE PROJECT
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2022

Cash Receipts	
Federal Sources	
ARPA Grant	$ 1,200,000
Total Cash Receipts	1,200,000
Expenditures	
Waterline Expense	40,600
Total Expenditures	40,600
Receipts Over (Under) Expenditures	1,159,400
Unencumbered Cash, Beginning	-
Unencumbered Cash, Ending	$ 1,159,400

GREAT PLAINS DEVELOPMENT AUTHORITY
PARSONS, KANSAS
RAIL REHAB FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2022

Cash Receipts	
Other Income	$ -
State Sources	
Department of Transportation	389,606
Operating Transfer from:	
General Fund	-
Total Cash Receipts	389,606
Expenditures	
Expenses	117,930
Total Expenditurs	117,930
Receipts Over (Under) Expenditures	271,676
Unencumbered Cash, Beginning	-
Unencumbered Cash, Ending	$ 271,676

GREAT PLAINS DEVELOPMENT AUTHORITY
PARSONS, KANSAS

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

FEDERAL GRANTOR / PASS THROUGH GRANTOR / PROGRAM TITLE	FEDERAL CFDA NUMBER	AMOUNT RECEIVED	AMOUNT EXPENDED
U.S. Department of Defense			
Environmental Services	12.599		
Cooperative Agreement		$ 691,753	$ 1,035,342
U.S. Department of Treasury			
Passed Through Labette County, Kansas			
COVID-19 Coronavirus State and Locas Fiscal	21.027		
Recovery Funds		1,200,000	40,600
TOTALS		$ 1,891,753	$ 1,075,942

Note: The Schedule of Expenditures of Federal Awards has been prepared using the regulatory basis of accounting as established in the Kansas Municipal Audit and Accounting Guide. Under the regulatory basis of accounting, revenues are recognized when cash is received. Expenditures include cash disbursements, accounts payable and encumbrances. Encumbrances are commitments of GPDA for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract.

Note: GPDA did not elect to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

Diehl
Banwart
Bolton
Certified Public Accountants PA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Great Plains Development Authority
Parsons, Kansas 67357

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 statement and related notes to the financial statement of Great Plains Development Authority (GPDA) as of the year ended December 31, 2022, and have issued our report thereon dated January 12, 2024.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statement, we considered the GPDA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstance for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the GPDA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the GPDA'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 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the GPDA's financial statement is free of 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 that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to Management of the GPDA in a separate letter dated January 12, 2024.

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 organization'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 organization's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Diehl, Banwart, Bolton, CPAs PA

DIEHL, BANWART, BOLTON, CPAs PA

January 12, 2024
Pittsburg, Kansas

Diehl
Banwart
Bolton
Certified Public Accountants PA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Great Plains Development Authority
Parsons, Kansas 67357

Report on Compliance for Each Major Federal Program
We have audited the Great Plains Development Authority's (GPDA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the GPDA's major federal programs for the year ended December 31, 2022. The GPDA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, GPDA 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, 2022.

Basis for Opinion on Each Major Federal Program
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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of GPDA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of GPDA's compliance with the compliance requirements referred to above

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or agreements applicable to GPDA's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on GPDA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about GPDA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing* Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding GPDA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of GPDA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 GPDA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charge with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Diehl, Banwart, Bolton, CPAs PA

DIEHL, BANWART, BOLTON, CPAs PA

January 12, 2024
Pittsburg, Kansas

GREAT PLAINS DEVELOPMENT AUTHORITY
PARSONS KANSAS

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS:

Type of auditors' report issued:

- Adverse for departures from accounting principles generally accepted in the United States of America due to preparation of financial statements in accordance with the statutory basis of accounting.
- Unmodified opinion on the statutory basis financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? _ *YES* _X_ *NO*
- Significant deficiency(ies) identified that are not considered to be material weaknesses? NONE _ *YES* _X_ *REPORTED*

Noncompliance material to financial statements noted? _ *YES* _X_ *NO*

FEDERAL AWARDS:

Internal control over major programs:

- Material weakness(es) identified? _ *YES* _X_ *NO*
- Significant deficiency(ies) identified that are not considered to be material weaknesses? NONE _ *YES* _X_ *REPORTED*

Type of auditors' report issued on compliance for major programs: UNMODIFIED

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of the Uniform Guidance. _ *YES* _X_ *NO*

IDENTIFICATION OF MAJOR PROGRAMS:

CFDA #	NAME OF PROGRAM
12.599	Environmental Services Cooperative Agreement

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

Auditee qualified as low-risk auditee? _ *YES* _X_ *NO*

GREAT PLAINS DEVELOPMENT AUTHORITY
PARSONS KANSAS

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs required to be disclosed under the Uniform Guidance.