NORTH CENTRAL REGIONAL PLANNING COMMISSION
BELOIT, KANSAS

FINANCIAL STATEMENT
MARCH 31, 2023

North Central Regional Planning Commission

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INDEPENDENT AUDITOR'S REPORT

Executive Board
North Central Regional Planning Commission
Beloit, Kansas

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of North Central Regional Planning Commission, (the Commission) as of and for the year ended March 31, 2023, and the related notes to the financial statement.

Adverse Opinion on US Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Commission as of March 31, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Commission as of March 31, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* 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 (GAAS) 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Commission, 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 adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note 1 of the financial statement, the financial statement is prepared by the Commission 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. 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.

Responsibilities of Management for the Financial Statement
Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances.

Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is 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 the Commission'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 Statement
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 opinions. 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 GAAS and *Government 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 GAAS and the *Government Auditing Standards*, We:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 Commission'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 statement.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and the schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. 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 statement.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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 financial statement. 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 itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 December 12, 2023, on our consideration of the Commission'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 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 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 the Commission's internal control over financial reporting and compliance.

James Gordon & Associates CPA, P.A.

James Gordon & Associates CPA, P.A.
Manhattan, Kansas
December 12, 2023

STATEMENT 1

North Central Regional Planning Commission
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended March 31, 2023

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances And Accounts Payable	Ending Cash Balance
General Fund	$ 224,539	$ 6,982,868	$ 6,878,194	$ 329,213	$ 412,951	$ 742,164
Special Purpose:						
Revolving Loan - CARES	58,907	133,155	151,842	40,220	-	40,220
Total	$ 283,446	$ 7,116,023	$ 7,030,036	$ 369,433	$ 412,951	$ 782,384

Composition of Cash:	
Checking account	$ 569,933
Certificate of deposit	212,451
Total	$ 782,384

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

North Central Regional Planning Commission
Notes to the Financial Statement
March 31, 2023

Note 1 – Summary of Significant Accounting Policies

Municipal Financial Reporting Commission

The North Central Regional Planning Commission (the Commission) was created under provisions of K.S.A. 12-2901 *et seq.* per resolutions, and presently serves a twelve-county area of North Central Kansas as part of an economic development district. The purposes of the Commission are to support the activities of member counties and cities, giving local leadership access to information and technical expertise, which would otherwise be unavailable in a truly rural setting.

The Commission was officially recognized as the North Central Regional Planning Commission for the area in March 1972. Membership consists of county and/or city governmental units. The Executive Board is composed of one representative of each county commission or municipality, as well as private sector and at-large representatives. Total executive board membership on March 31, 2023 was fifteen.

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 fund – Used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Projects and tax levies for long-term debt) that are intended for specified purposes.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (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 receipts 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.

The Commission 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 Commission to use the regulatory basis of accounting.

Note 6 – Concentration Risk

During 2023, the Commission received approximately 98% of its receipts from grants, of that approximately 51% of it was received from the Kansas Highway Patrol as a pass-thru from Home Land Security.

Note 7 – Defined Benefit Pension Plan

Plan description. The Commission 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.

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% for the Death and Disability Program) and the statutory contribution rate was 8.90% for the fiscal year ended March 31, 2023. Contributions to the pension plan were $80,041 for the year ended March 31, 2023.

At December 31, 2022, the proportionate share of the collective net pension liability reported by KPERS was $891,081. 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 proportion of the net pension liability was based on the ratio of the Commission's contributions to KPERS, relative to the total employer and nonemployer 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 this financial statement.

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.

Note 3 – Deposits and Investments (continued)

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. State statutes require the Government'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%. The Commission did not have a peak period pledge agreement during 2023, therefore the Commission did not designate peak periods. All deposits were legally secured at March 31, 2023.

At March 31, 2023, the carrying amount of the Commission's deposits including certificates of deposit was $782,384 and the bank balance was $1,157,511. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, $500,000 was covered by FDIC insurance and the remaining was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the Commission's name, or letters of credit.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

Note 4 – Revolving Loan Fund

In 2020, the Commission received a CARES Economic Development Administration (EDA) grant of $1,078,000 to be used as a $64,000 administration grant and $1,014,000 as loan capital for a business revolving loan fund program covering its entire twelve-county service area. The CARES grant's final disbursement was August 26, 2021, and the program moved to the revolving phase. The federal portion of the program is 100%. The EDA reviews the Commission's program by requiring semi-annual reports for periods ending March 31 and September 30 and periodic on-site monitoring. No more than 100% of the interest income received from these loans may be used for documented administrative costs. The EDA annually calculates the regional capitalization rate for its 10-state district (typically around 25%) in idle funds and an action plan to resolve or reduce will be required if the Commission exceeds this rate. As of March 31, 2023, there were 18 loans outstanding totaling $977,553 with 16 interest free and 2 loans at 5% fixed interest rate.

Note 5 – Other Long – Term Obligations from Operations

Compensated Absences

The Commission's policy is to recognize the costs of compensated absences when actually paid. The Commission's policy regarding vacation leave allows full-time permanent employees to earn one day of vacation for each month of continued employment. An employee may accumulate a maximum of 15 days at a time. Management estimated a dollar amount of accrued vacation at March 31, 2023 of $42,534.

Note 6 – Concentration Risk

During 2023, the Commission received approximately 98% of its receipts from grants, of that approximately 51% of it was received from the Kansas Highway Patrol as a pass-thru from Home Land Security.

Note 7 – Defined Benefit Pension Plan

Plan description. The Commission 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.

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% for the Death and Disability Program) and the statutory contribution rate was 8.90% for the fiscal year ended March 31, 2023. Contributions to the pension plan were $80,041 for the year ended March 31, 2023.

At December 31, 2022, the proportionate share of the collective net pension liability reported by KPERS was $891,081. 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 proportion of the net pension liability was based on the ratio of the Commission's contributions to KPERS, relative to the total employer and nonemployer 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 this financial statement.

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.

Note 8 – Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. To insure against risk of these types of losses, the Commission has purchased commercial insurance coverage. In the past three years, the Commission has not had any claims.

Note 9 – Evaluation of Subsequent Events

The Commission has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditor's report which is the date the financial statement was available for issue.

Regulatory-Required Supplementary Information

SCHEDULE 1

North Central Regional Planning Commission

Summary of Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended March 31, 2023

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	$ 5,422,537	$ -	$ 5,422,537	$ 6,878,194	$ 1,455,657

See independent auditor' s report on regulatory-required supplementary information.

SCHEDULE 2

North Central Regional Planning Commission

General Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended March 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Grant income and contracts	$ 6,401,403	$ 4,753,332	$ 1,648,071
Local contributions and dues	56,200	56,200	-
Rural tax credit program	-	100	(100)
EDA grant local match	70,000	38,800	31,200
Business finance program	73,848	75,850	(2,002)
Interest income	8,933	2,625	6,308
Reimbursement/fees	371,349	328,000	43,349
Miscellaneous	1,135	18,960	(17,825)
Total Receipts	6,982,868	$ 5,273,867	$ 1,709,001
Expenditures			
Homeland security	3,274,400	$ 2,450,000	$ 824,400
Dane Hansen housing rehab	924,423	-	924,423
Salaries and wages	962,562	1,028,149	(65,587)
Payroll taxes and benefits	333,456	382,804	(49,348)
Audit	15,720	21,000	(5,280)
Building repairs and maintenance	-	8,700	(8,700)
Insurance	45,924	39,034	6,890
Office supplies	28,908	15,000	13,908
Dues and subscriptions	9,245	9,000	245
Postage	7,528	8,000	(472)
Occupancy	15,627	15,000	627
Utilities	30,758	34,000	(3,242)
Equipment rental and maintenance	20,328	12,000	8,328
Materials and supplies	476,784	562,000	(85,216)
Professional fees	103,753	147,000	(43,247)
Travel	86,662	60,000	26,662
Contract labor	403,843	465,000	(61,157)
Local match for EDA	70,000	70,000	-
Conferences and seminars	10,075	23,500	(13,425)
Equipment small purchases	23,938	55,000	(31,062)
Miscellaneous	34,260	17,350	16,910
Total Expenditures	6,878,194	$ 5,422,537	$ 1,455,657
Receipts Over (Under) Expenditures	104,674		
Unencumbered Cash, Beginning	224,539		
Unencumbered Cash, Ending	$ 329,213		

See independent auditor's report on regulatory-required supplementary information.

SCHEDULE 2-1

North Central Regional Planning Commission

General Fund
Detail Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended March 31, 2023

	General	Homeland Security	Weatherization	Economic Development	Other Grants	Total
Receipts:						
Grant income and contracts	$ 1,542,173	$ 3,274,469	$ 1,449,761	$ 120,000	$ 15,000	$ 6,401,403
Local contributions and dues	56,200	-	-	-	-	56,200
Business finance program	73,848	-	-	-	-	73,848
EDA grant local match	-	-	-	70,000	-	70,000
Interest income	8,700	-	233	-	-	8,933
Reimbursement/fees	371,349	-	-	-	-	371,349
Miscellaneous	135	-	1,000	-	-	1,135
Total Receipts	$ 2,052,405	$ 3,274,469	$ 1,450,994	$ 190,000	$ 15,000	6,982,868
Expenditures:						
Homeland security	$ -	$ 3,274,400	$ -	$ -	$ -	3,274,400
Dane Hansen housing rehab	924,423	-	-	-	-	924,423
Salaries and wages	518,785	-	336,326	107,176	275	962,562
Payroll taxes and benefits	189,298	-	113,906	30,206	46	333,456
Audit	10,720	-	4,000	1,000	-	15,720
Insurance	17,113	-	24,280	4,526	5	45,924
Office supplies	15,726	-	10,570	2,609	3	28,908
Dues and subscriptions	6,905	-	1,118	1,222	-	9,245
Postage	4,159	-	2,316	1,053	-	7,528
Occupancy	7,919	-	5,573	2,132	3	15,627
Telephone and utilities	15,006	-	12,549	3,203	-	30,758
Equipment rental and maintenance	8,763	-	10,421	1,142	2	20,328
Materials and supplies	37,808	-	438,914	62	-	476,784
Equipment-small purchases	5,820	-	18,058	60	-	23,938
Professional fees	17,409	-	6,976	79,347	21	103,753
Travel	24,766	-	49,522	12,374	-	86,662
Contract labor	47,390	-	348,936	7,516	1	403,843
Local match for EDA	70,000	-	-	-	-	70,000
Conferences and seminars	1,925	-	147	8,003	-	10,075
Miscellaneous	28,722	-	5,054	484	-	34,260
Total Expenditures	$ 1,952,657	$ 3,274,400	$ 1,388,666	$ 262,115	$ 356	$ 6,878,194

See independent auditor's report on regulatory-required supplementary information.

North Central Regional Planning Commission

Revolving Loan Fund - CARES
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended March 31, 2023

Receipts		
Principal payments	$	128,050
Closing costs/fees		2,216
Interest income - loans		2,434
Interest income - bank account		455
Total Receipts		133,155
Expenditures		
Audit		1,000
Loans approved		150,000
Postage		3
Equipment and Rental/Maintenance		650
Travel		48
Loan Closing Costs		131
Miscellaneous		10
Total Expenditures		151,842
Receipts Over (Under) Expenditures		(18,687)
Unencumbered Cash, Beginning		58,907
Unencumbered Cash, Ending	$	40,220

See independent auditor's report on regulatory-required supplementary information.

SINGLE AUDIT SECTION

North Central Regional Planning Commission

Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass - Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
Department of Agriculture				
Water and Waste Technical Assistance and Training Grants	10.761	USDA TAT	$ 12,521	$ -
Department of Commerce				
Economic Development Administration (EDA)				
Support for Planning Organization	11.302	ED18DEN3020004	70,000	-
COVID-19 Support for Planning Organization	11.302	ED20DEN3070070	50,000	-
Economic Adjustment Assistance				
COVID-19 Revolving Loan Fund - (CARES/Covid-19)	11.307	05-79-05995	1,019,615	-
Total Department of Commerce			1,139,615	-
Department of Defense				
Community Ecomonic Adjustment Assistance for Compatible Use and Joint Land Use Studies	12.610	OEA18	22,459	22,459
Total Department of Defense			22,459	22,459
Department of Energy				
Passed through Kansas Housing Resources Corporation				
Weatherization Assistance for Low Income Persons	81.042	DOE - 21	268,654	-
Weatherization Assistance for Low Income Persons	81.042	DOE - 22	296,381	-
Weatherization Assistance for Low Income Persons	81.042	WAP-BIL	13,670	-
Total Department of Energy			578,705	-
Department of Health and Human Services				
Passed through Kansas Department of Health and Environment				
Public Health Emergency Preparedness	93.069	PHEP 21-22	3,604	-
Passed through Kansas Housing Resources Corporation				
Low Income Home Energy Assistance Program	93.568	LIEAP - 22	821,895	-
Total Department of Health and Human Services			825,499	-
Department of Homeland Security				
Passed through the Kansas Highway Patrol				
Homeland Security Grant Program	97.067	SHSP FY19	57,581	-
Homeland Security Grant Program	97.067	SHSP FY20	853,227	-
Homeland Security Grant Program	97.067	SHSP FY21	1,708,519	-
Homeland Security Grant Program	97.067	SHSP FY22	601,264	-
Total Department of Homeland Security			3,220,591	-
Total Expenditures of Federal Awards			$ 5,799,390	$ 22,459

See independent auditor's report on the financial statement and notes to the schedule of expenditures of federal awards.

North Central Regional Planning Commission

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2023

Note 1. General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal financial assistance programs for the North Central Regional Planning Commission (the Commission). The reporting Commission is defined in Note 1 of the Commission's basic financial statement. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the Schedule.

Note 2. Basis of Presentation

The accompanying Schedule is presented on a basis which is the same basis of accounting as the financial statement. The information in the 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 the operations of the Commission, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Commission.

The Commission did not elect to use the 10% de minimis cost rate.

Note 3. Economic Development Administration Revolving Loan Grant

The calculation of expenditures of federal awards for the Economic Development Administration, Economic Adjustment Assistance Revolving Loan Fund (RLF) grant program follows:

Balance of RLF loan - CARES outstanding as of March 31, 2023	$ 977,553
Cash and investment balance in RLF as of March 31, 2023	40,220
Administrative expense paid out of RLF income during the fiscal year	1,842
Subtotal	1,019,615
Federal share of the RLF	100.00%
Expenditures of federal awards	$ 1,019,615

North Central Regional Planning Commission

Schedule of Findings and Questioned Costs
For the Year Ended March 31, 2023

Section I – Summary of Independent Auditor's Results

Financial Statement

Type of auditor's report issued:	**Unmodified (Regulatory Basis)**
	Adverse (GAAP)
Internal control over financial reporting:	
Material weakness(es) identified?	**No**
Significant deficiencies identified?	**None Reported**
Noncompliance material to financial statement noted?	**No**

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	**No**
Significant deficiencies identified?	**None Reported**
Type of auditor's report issued on compliance for major programs:	**Unmodified**
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	**No**

Identification of Major Federal Programs:

CFDA Number	Name of Federal Program or Cluster
97.067	Homeland Security Grant Program
93.568	Low Income Home Energy Assistance Program

Dollar threshold used to distinguish between type A and type B programs:	**$ 750,000**
Auditee qualified as low-risk auditee?	**No**

Section II – Financial Statement Findings

None Noted

Section III – Federal Award Findings and Questioned Costs

None Noted

JAMES GORDON & ASSOCIATES CPA, P.A.

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INDEPENDENT AUDITOR'S 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*

To the Executive Board
North Central Regional Planning Commission

We have audited, in accordance with the 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, Summary Statement of Receipts, Expenditures, and Unencumbered Cash of the North Central Regional Planning Commission (the Commission), as of and for the year ended March 31, 2023, and the related notes to the financial statement, which collectively comprise the Commission's basic financial statement, and have issued our report thereon dated December 12, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission'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 financial statements. 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*.

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.

James Gordon & Associates CPA, P.A.

James Gordon & Associates CPA, P.A.
Manhattan, Kansas
December 12, 2023

JAMES GORDON & ASSOCIATES CPA, P.A.

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

To the Executive Board
North Central Regional Planning Commission

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited North Central Regional Planning Commission's (the Commission), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended March 31, 2023. The Commission'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, the Commission 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 March 31, 2023.

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 the Commission 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 the Commission'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 grant agreements applicable to the Commission's federal programs.

Auditor's 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 the Commission'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 judgment made by a reasonable user of the report on compliance about the Commission'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 the Commission'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 the Commission'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 the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance 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.

James Gordon & Associates CPA, P.A.

James Gordon & Associates CPA, P.A.
Manhattan, Kansas
December 12, 2023