CITY OF OVERLAND PARK, KANSAS

UNIFORM GUIDANCE

SINGLE AUDIT REPORT

DECEMBER 31, 2023

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' 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*

Honorable Mayor and Members
of the City Council
City of Overland Park, Kansas

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 (*Government Auditing Standards)*, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Overland Park, Kansas (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 25, 2024. The financial statements of the Overland Park Development Corporation and the Overland Park Convention Center, which is included in the Transient Guest Tax Fund, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Overland Park Development Corporation and the Overland Park Convention Center.

Report Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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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 have not been identified.

Report On Compliance And Other Matters

As part of obtaining reasonable assurance about whether the City'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 result 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.

RubinBrown LLP

June 25, 2024

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report On Compliance For The Major Federal Program; Report On Internal Control Over Compliance; And Report On Schedule Of Expenditures Of Federal Awards Required By The Uniform Guidance

Honorable Mayor and Members
of the City Council
City of Overland Park, Kansas

Report On Compliance For The Major Federal Program

Opinion On The Major Federal Program

We have audited City of Overland Park, Kansas's (the City) 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 the City's major federal program for the year ended December 31, 2023. The City of Overland Park, Kansas' major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis For Opinion On The Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards)*; 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* (the 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 City and to meet our 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 the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

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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 City'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 the City'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 GAAS, *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 City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *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 City'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 City'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 City'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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report On Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002, to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Report On Schedule Of Expenditures Of Federal Awards Required By The Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2023, and have issued our report thereon dated June 25, 2024 which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. 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 statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

RubinBrown LLP

July 22, 2024

CITY OF OVERLAND PARK, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2023

Federal Grantor/Pass-Through Grantor/ Program Or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through To Subrecipients
U.S. Department Of Housing And Urban Development:				
Direct Programs:				
CDBG-Entitlement Grants Cluster:				
Community Development Block Grant	14.218	B-19-MC-20-0002	$ 60,000	$ 60,000
Community Development Block Grant	14.218	B-20-MC-20-0002	74,632	74,632
COVID-19 - Community Development Block Grant	14.218	B-20-MW-20-0002	140,903	140,169
Community Development Block Grant	14.218	B-21-MC-20-0002	129,856	120,349
Community Development Block Grant	14.218	B-22-MC-20-0002	176,028	94,751
Community Development Block Grant	14.218	B-23-MC-20-0002	124,430	124,430
Total CDBG Entitlement Grants Cluster			705,849	614,331
Total U.S. Department Of Housing And Urban Development			705,849	614,331
U.S. Department Of Justice				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607	2022BUBX	8,795	—
Passed Through Bureau of Justice Assistance:				
2021 Community Policing Development Program (COPS) CIT	16.710	15JCOPS-21-GG-02307-SPPS	212,425	—
2022 COPS Technology and Equip Prgm	16.710	15JCOPS-22GG-01490-TECP	67,057	—
2022 LEMHWA (Law Enforcement Mental Health and Wellness Act)	16.710	15JCOPS-22-GG-04109-LEMH	15,470	—
Subtotal ALN 16.710			294,952	—
Passed Through Johnson County, Kansas:				
FFY2022 Byrne/JAG Grant	16.738	O-BJA-2022-171368	39,239	—
Equitable Sharing Program - Justice	16.922	MEP-M-14-D31-P	38,406	—
Total U.S. Department Of Justice			381,392	—
U.S Department Of Transportation				
Passed Through Kansas Department of Transportation:				
Switzer - 159th to 167th St	20.205	N-0712-01	3,899,439	—
Passed Through Kansas Department of Transportation:				
Highway Safety Cluster:				
2023 Teen Angel	20.600	SP-2254-23	4,866	—
2023 Kansas Step Grant	20.600	SP-1300-23	6,527	—
2023 KDOT Impaired Driving (IDDP)	20.616	SP-4704.23	6,479	—
Total Highway Safety Cluster			17,872	—
Total U.S. Department Of Transporation			3,917,311	—
U.S. Department Of The Treasury				
Direct Programs:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	2,178,219	—
Passed Through Johnson County, Kansas:				
Equitable Sharing Program - Federal	21.016	Unknown	261,572	—
Total U.S. Department Of Transporation			2,439,791	—
Total Expenditures Of Federal Awards			$ 7,444,343	$ 614,331

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2023

1. Organization

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal award programs of the City of Overland Park, Kansas (the City) for the year ended December 31, 2023. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the Schedule.

2. Basis Of Presentation

The accompanying Schedule includes the federal award activity of the City under programs of the federal government for the year ended December 31, 2023. The information in this 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* (the Uniform Guidance). Because the Schedule presents only a selected portion of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

3. Summary Of Significant Accounting Policies

Expenditures reported on the accompanying Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. Local Government Contributions

Local cost sharing, as defined by 2 CFR Section 200.306 of the Uniform Guidance, is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the schedule of expenditures of federal awards.

5. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy, efficiency, and program results, which may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position at December 31, 2023.

CITY OF OVERLAND PARK, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

Section I - Summary Of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes _x_ no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ___ yes _x_ none reported

Noncompliance material to financial statements noted? ___ yes _x_ no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ yes _x_ no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _x_ yes ___ none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance? _x_ yes ___ no

Identification of major programs:

Name Of Federal Program Or Cluster	Federal Assistance Listing No.
U.S. Department Of Treasury	
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027

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

Auditee qualified as low-risk auditee? _x_ yes ___ no

Section II - Financial Statement Findings

None

Section III - Federal Award Findings And Questioned Costs

Finding No. 2023-001 Significant Deficiency: Procurement and Suspension and Debarment - Compliance and Control Finding

ALN 21.027 - Coronavirus State and Local Fiscal Recovery Funds

Federal Award Identification Number: OMB 1505-0271

Year: 2021

Federal Agency: US Department of the Treasury

Pass-Through Entity: Not Applicable

Criteria Or Specific Requirement: The regulations in 2 CFR part 180 restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

Condition: Audit procedures revealed that one contract tested did not include a suspension and debarment clause representing that the vendor is not suspended or debarred, or that the vendor was evaluated for suspension or debarment prior to allocating federal funds to the contract.

Cause: The contract was re-allocated from using City funding to using Coronavirus State and Local Fiscal Recovery Funds, and an addendum was not subsequently added to the contract.

Effect: Suspension and Debarment provisions were not met for one of three contracts tested.

Questioned Costs: Not applicable.

Context: Out of three contracts tested, one contract tested did not include a suspension and debarment clause representing that the vendor is not suspended or debarred.

Identification As A Repeat Finding: This is a first-time finding.

Finding No. 2023-002 Significant Deficiency: Reporting - Control Finding

ALN 21.027 – Coronavirus State and Local Fiscal Recovery Funds

Federal Award Identification Number: OMB 1505-0271

Year: 2021

Federal Agency: US Department of the Treasury

Pass-Through Entity: Not applicable

Criteria Or Specific Requirement: 2 CFR Part 200.514(c) requires auditors to test internal control over compliance to support a low assessed level of control risk over compliance.

Condition: Audit procedures revealed that there is no independent review of the quarterly Project and Expenditure Reports prior to submission.

Cause: The quarterly Project and Expenditure Reports are compiled from internal reports which are aggregated from expenditure information which has been through proper approvals, and the quarterly Project and Expenditure Reports are prepared and submitted without review of the compiled report.

Effect: Controls over reporting provisions are not properly designed.

Questioned Costs: Not applicable.

Context: There is no independent review of the quarterly Project and Expenditure Reports prior to submission.

Identification As A Repeat Finding: This is a first-time finding.

CITY OF OVERLAND PARK, KANSAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For The Year Ended December 31, 2023

Finding No.	Federal Assistance Listing No.	Program/Cluster	Condition	Current Year Status
2022-001	14.218	CDBG - Entitlement Grants Cluster	Federal Funding Accountability and Transparency Act (FFATA) reporting was not completed timely.	Corrective action taken.

OVERLAND PARK
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CORRECTIVE ACTION PLAN
For The Year Ended December 31, 2023

Finding No.	2023-001 Significant Deficiency: Procurement and Suspension and Debarment – Compliance and Control Finding
Personnel Responsible For Corrective Action:	Michael Koss, City Attorney
Anticipated Completion Date:	June 2024
Corrective Action Plan:	One of the first projects earmarked for use of funds from the American Rescue Plan Act was the Tomahawk Ridge Community Center Generator Replacement project. The McGuire Electric contract for this project was written early in the process and did not include language addressing ARPA requirements (the contract was written as if the project would be City funded vs Federally funded). Because language addressing ARPA requirements was not included in the contract, Finance verified McGuire Electric was not on the Suspension and Debarment list after the contract was written. Contracts for ARPA funded projects currently include language which address ARPA requirements.

CORRECTIVE ACTION PLAN *(Continued)*
For The Year Ended December 31, 2023

Finding No. 2023-002 Significant Deficiency: Reporting – Control Finding

Personnel Responsible For Corrective Action: Janice Meier, Manager of Financial Services

Anticipated Completion Date: June 2024

Corrective Action Plan: Tracking and reporting ARPA expenditures includes many steps;

- Assistant City Manager and Law approve projects submitted for use of ARPA funds
- Projects approved for full or partial funding from ARPA funds are approved by City Council as either part of the CIP/MIP budget approval or as a standalone item.
- Listing of projects and amounts to be funded by ARPA is provided to Finance Manager
- Contracting
    - Project Manager notifies the Law Department if the resulting contract is funded by ARPA funds.
    - Law Department approves contracts as to form (including review of required ARPA language).
- Finance Manager reviews expenditures for each project. Expenditures would have been routed to appropriate individuals and approved in the finance system.
- Finance Manager determines funding to be moved to project based on expenditures made and allocated ARPA funds remaining for project
- Project expenditures over the ARPA funding will be funded thru other sources

Finance Manager enters current quarter and life to date information into SLFRF reporting.

Second quarter 2024 and future submissions will be approved by the Director of Finance and Budgeting prior to entering in SLFRF system.