

**RENO COUNTY, KANSAS PUBLIC BUILDING COMMISSION**

Financial Statement  
(Internally Prepared by Reno County Staff)

For the Year Ended December 31, 2021

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**TABLE OF CONTENTS**

Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis ..... 1

Notes to Financial Statement ..... 2

**Regulatory–Required Supplementary Information**

Schedule 1 – Schedule of Receipts and Expenditures – Regulatory Basis  
Individually presented by fund

**Governmental Type Fund**

**Bond and Interest Fund**

1-1 Public Works Facility Debt Service Fund ..... 7

**RENO COUNTY, KANSAS PUBLIC BUILDING COMMISSION**  
 Summary Statement of Receipts, Expenditures and Unencumbered Cash  
 (Internally Prepared by Reno County Staff)  
 Regulatory Basis  
 For the Year Ended December 31, 2021

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Type Fund</b>							
<b>Bond and Interest Fund</b>							
Public Works Facility Debt Service Fund	\$ 2,154	-	413,122	413,200	<b>2,076</b>	-	<b>2,076</b>
			<b>Composition of Cash</b>		Checking Account	\$	<b>2,076</b>

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

## RENO COUNTY, KANSAS PUBLIC BUILDING COMMISSION

Notes to Financial Statement  
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December 31, 2021

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reno County, Kansas Public Building Commission** has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

#### **Use of Estimates**

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from those estimates.

#### **Financial Reporting Entity**

The Commission is a municipal corporation of the State of Kansas under the authority of K.S.A. 12-1757 *et seq.* and Charter Resolution No. 98-4 of Reno County, Kansas. The Commission has been organized by the governing body of Reno County, Kansas for the purposes of acquiring a site or sites for and constructing, reconstructing, equipping and furnishing, or purchasing or otherwise acquiring, a building or buildings or other facilities of a revenue producing character and is governed by a three member committee. The accompanying financial statement includes all funds which are controlled by or are dependent on the Commission. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

The Commission is a related municipal entity of Reno County, Kansas. The members are appointed by the Reno County Commissioners. The Commission has the power and authority to issue revenue bonds to provide funds for the purpose of paying all or a portion of the costs of the project.

#### **Basis of Presentation – Fund Accounting**

The accounts of the Commission are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following type of fund comprises the financial activities of the Commission for the year ended December 31, 2021.

#### **Regulatory Basis Fund Type**

**Bond and Interest Fund** – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

#### **Basis of Accounting**

*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 receipts and regulatory basis expenditures for the fiscal year. All recognized assets and

**RENO COUNTY, KANSAS PUBLIC BUILDING COMMISSION**

Notes to Financial Statement

(Internally Prepared by Reno County Staff)

December 31, 2021

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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.

**Departure From Accounting Principles Generally Accepted in the United States of America**

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the Commission are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, and temporary notes are not presented in the financial statement.

**Restricted Assets**

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts.

**Reimbursements**

The Commission records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis of accounting.

**NOTE 2 – BUDGETARY INFORMATION**

The Commission is not subject to the legal annual operating budget requirements.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

The Commission follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

K.S.A. 9-1401 establishes the depositories which may be used by the Commission. The statute requires banks eligible to hold the Commission's funds have a main or branch bank in the county in which the Commission is located, or in an adjoining county if such institution has been designated as an official depository, 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 Commission has no other policies that would further limit interest rate risk.

## RENO COUNTY, KANSAS PUBLIC BUILDING COMMISSION

Notes to Financial Statement

(Internally Prepared by Reno County Staff)

December 31, 2021

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K.S.A. 12-1675 limits the Commission'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 Commission has no investment policy that would further limit its investment choices.

### Concentration of Credit Risk

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

### 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 Commission'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 does not use "peak periods". All deposits were legally secured at December 31, 2020.

At December 31, 2021, the Commission's carrying amount of deposits was \$2,076 and the bank balance was \$2,076. The bank balance was held by one bank resulting in a concentration of credit risk. The bank balance was fully covered by federal depository insurance.

### 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. The Commission had no investments at December 31, 2021.

## NOTE 4 – LITIGATION

The Commission is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the Commission.

**RENO COUNTY, KANSAS PUBLIC BUILDING COMMISSION**  
Notes to Financial Statement  
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December 31, 2021

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**NOTE 5 – LEASE RECEIVABLE**

The Commission entered into the following lease agreement with Reno County, Kansas:

Public Works Facility 2014 Agreement

The County is obligated to make payments to the Commission equivalent to the debt that the Commission has assumed in order to pay its outstanding revenue bonds. The Commission covenants that unless the County is in default under the lease obligation, it will not, without the County's written consent unless required by law, sell or otherwise part with or encumber its fee or other ownership interest in the project at any time during the life of the lease. The County covenants and agrees that it will, during the term of the lease obligation, keep and maintain the project and all parts thereof in good condition and repair, including but not limited to, the furnishing of all parts, mechanisms and devices required to keep the machinery, equipment and personal property constituting a part of the project in good mechanical and working order, and that during said period of time it will keep the project and all parts thereof free from filth, nuisance or conditions unreasonably increasing the danger of fire. Total payments receivable are scheduled below.

<u>Years Ending December 31</u>	<u>Total</u>
2022	<u>87,125</u>
<b>Total</b>	<b>\$ <u>87,125</u></b>

**NOTE 6 – LONG-TERM DEBT**

The Commission has the following type of long-term debt.

**Revenue Bonds**

On March 26, 2014, the Commission issued \$2,470,000 in Revenue Bonds - Series 2014 to retire \$2,355,000 of Revenue Bonds - Series 2007. The bonds have varying maturities with semiannual payments. Interest rates range from 2.00% to 2.50% depending on the maturity date.

**RENO COUNTY, KANSAS PUBLIC BUILDING COMMISSION**

Regulatory-Required Supplementary Information



**RENO COUNTY, KANSAS PUBLIC BUILDING COMMISSION**

Notes to Financial Statement  
 (Internally Prepared by Reno County Staff)  
 December 31, 2021

Changes in long-term liabilities for the Commission for the year ended December 31, 2021, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
<b>Revenue Bonds</b>									
Series 2014	2.0-2.5%	3/26/2014	\$ 2,470,000	10/1/2022	\$ 485,000	-	(400,000)	85,000	11,125

Current maturity of long-term debt and interest through maturity is as follows:

Issue	YEAR	
	2022	Total
<b>Principal</b>		
Series 2014	\$ 85,000	<b>85,000</b>
<b>Interest</b>		
Series 2014	2,125	<b>2,125</b>
<b>Total Principal and Interest</b>	<b>\$ 87,125</b>	<b>87,125</b>

**RENO COUNTY, KANSAS PUBLIC BUILDING COMMISSION**  
**Public Works Facility Debt Service Fund**  
Schedule of Receipts and Expenditures  
(Internally Prepared by Reno County Staff)  
Regulatory Basis  
For the Year Ended December 31, 2021  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Rental Income - County	\$ 417,000	<b>413,122</b>
Interest Income	1	<b>0</b>
<b>Total Receipts</b>	<u>417,001</u>	<u>413,122</u>
<b>Expenditures</b>		
Contractual Services	3,575	<b>2,075</b>
Debt Service Principal	395,000	<b>400,000</b>
Debt Service Interest	19,025	<b>11,125</b>
<b>Total Expenditures</b>	<u>417,600</u>	<u><b>413,200</b></u>
<b>Receipts Over (Under) Expenditures</b>	(599)	<b>(78)</b>
<b>Unencumbered Cash - Beginning</b>	<u>2,753</u>	<u><b>2,154</b></u>
<b>Unencumbered Cash - Ending</b>	\$ <u><u>2,154</u></u>	<u><u><b>2,076</b></u></u>