MAIZE RECREATION COMMISSION
MAIZE, KANSAS

FINANCIAL STATEMENT
JUNE 30, 2021

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MAIZE RECREATION COMMISSION
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INDEPENDENT AUDITORS' REPORT

Maize Recreation Commission
Maize, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Maize Recreation Commission, Maize, Kansas**, as of and for the year ended **June 30, 2021**, and the related notes to the financial statement.

Management's Responsibility 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 to meet the financial reporting requirements 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 the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America
As described in Note 1 of the financial statement, the financial statement is prepared by **Maize Recreation Commission, Maize, Kansas**, to meet the requirements of the State of Kansas 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.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America
In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America" paragraph, the 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 **Maize Recreation Commission, Maize, Kansas,** as of **June 30, 2021**, or the changes in its financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **Maize Recreation Commission, Maize, Kansas,** as of **June 30, 2021**, and the aggregate cash 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.

Report on 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 and individual fund schedule of regulatory basis receipts and expenditures-actual and budget (Regulatory-Required Supplementary Information 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 financial statement as a whole, on the basis of accounting described in Note 1.

Maize Recreation Commission

The 2020 Actual column presented in the individual fund schedule of regulatory basis receipts and expenditures-actual and budget (as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2020 basic financial statement upon which we rendered an unmodified opinion dated September 15, 2020. The 2020 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link http://da.ks.gov/ar/muniserv/. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 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 2020 basic financial statement or to the 2020 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 2020 comparative information is fairly stated in all material respects in relation to the 2020 basic financial statement as a whole, on the basis of accounting described in Note 1.

BFR CPA, LLC

BFR CPA, LLC
September 28, 2021

MAIZE RECREATION COMMISSION
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	$ 517,214	$ 0	$ 792,003	$ 636,895	$ 672,322	$ 0	$ 672,322

Composition of Cash:	Checking Account	$ 521,461
	Savings Account	150,861
		$ 672,322

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

MAIZE RECREATION COMMISSION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Maize Recreation Commission is a recreation commission established under State of Kansas statutes designed to provide recreational services in and around Maize, Kansas. The Commission is governed by an appointed board created by the City of Maize and Unified School District No. 266 as a result of a special election on April 6, 1999. The Commission's financial statement includes all funds over which the Commission exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

KMAAG Regulatory Basis of Presentation Fund Definitions:

> General Fund-The chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

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 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 accounting principles generally accepted in the United States of America and allowing the municipality to use the regulatory basis of accounting.

Budget and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), and bond and interest funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Publication in local newspaper of the proposed budget and notice of public hearing on the budget at least ten days before the hearing.
2. Public hearing at least ten days after publication of notice of hearing and at least ten days before certification of the budget to the Commission.
3. Certification of the final budget to the Commission on or before August 1st.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no amendments for the year ended June 30, 2021.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the Commission for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

Note 2 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the Commission to record vacation and sick leave benefits as expenditures when paid.

Note 3 - Contingencies:

Risk Management
The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Grant Programs
The Commission participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Note 4 - Deposits:

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.

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 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 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%. All deposits were legally secured at June 30, 2021.

At June 30, 2021, the Commission's carrying amount of deposits was $672,322 and the bank balance was $688,072. The bank balance is held by one bank resulting in a concentration of credit risk. Of the bank balance, $500,000 was covered by federal depository insurance and the remaining $188,072 was collateralized with securities held by the pledging financial institution's agent in the Commission's name.

Note 5 - Postemployment Benefits:

As provided by K.S.A. 12-5040, the Commission allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the Commission is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Commission makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Note 6 - Operating Lease:

The Commission leases space from the City of Maize for offices and activities. Minimum payments required under the agreement for the years ended June 30, are based on debt payments of the City for the building and are as follows:

2022	$ 150,944
2023	154,280
2024	129,730
2025	137,255
2026	142,658
2027-2031	807,032
Total future minimum lease payments	$ 1,521,899

The Commission's lease payment to the City of Maize was $118,745 for the year ended June 30, 2021.

Note 7 - Reimbursed Expenditures:

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 the KMAAG regulatory basis of accounting.

Note 8 - Subsequent Events:

The Commission has evaluated subsequent events through September 28, 2021, the date which the financial statement was available to be issued.

REGULATORY REQUIRED SUPPLEMENTARY INFORMATION

MAIZE RECREATION COMMISSION
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Fund	Certified Budget	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	$ 865,000	$ 636,895	$ (228,105)

MAIZE RECREATION COMMISSION
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Taxes Through USD	$ 525,676	$ 600,851	$ 525,000	$ 75,851
Fees	129,192	189,661	280,000	(90,339)
Reimbursements	0	0	100	(100)
Other Receipts	14	1,201	500	701
Interest	1,035	290	2,000	(1,710)
	655,917	792,003	$ 807,600	$ (15,597)
Expenditures				
Salaries	352,360	328,460	$ 330,000	$ (1,540)
Administrative	26,318	29,910	40,000	(10,090)
Sports	48,984	45,823	70,000	(24,177)
Operations	73,586	64,892	110,000	(45,108)
Capital Outlay	115,734	118,745	240,000	(121,255)
Programs	56,439	49,065	75,000	(25,935)
	673,421	636,895	$ 865,000	$ (228,105)
Receipts Over (Under) Expenditures	(17,504)	155,108		
Unencumbered Cash, Beginning	534,718	517,214		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 517,214	$ 672,322		