

**KCK 501 MINNESOTA, INC.**  
**(A COMPONENT UNIT OF THE UNIFIED GOVERNMENT OF**  
**WYANDOTTE COUNTY AND KANSAS CITY, KANSAS)**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

AND

INDEPENDENT AUDITOR'S REPORT



KCK 501 MINNESOTA, INC.  
(A COMPONENT UNIT OF THE UNIFIED GOVERNMENT OF  
WYANDOTTE COUNTY AND KANSAS CITY, KANSAS)

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

**KCK 501 MINNESOTA, INC.  
(A COMPONENT UNIT OF THE UNIFIED GOVERNMENT OF  
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FINANCIAL STATEMENTS

Year ended December 31, 2021

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is available at the KCK 501's office.*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
**KCK 501 Minnesota, Inc.**  
**(A Component Unit of the Unified Government of  
Wyandotte County and Kansas City, Kansas)**

### ***Opinions***

We have audited the financial statements of the governmental activities and the general fund of KCK 501 Minnesota, Inc. (KCK 501), a component unit of the Unified Government of Wyandotte County and Kansas City, Kansas (Unified Government), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise KCK 501's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of KCK 501, as of December 31, 2021, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of KCK 501, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about KCK 501's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 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 statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of KCK 501's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about KCK 501'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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-6 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Allen, Gibbs & Houlik, L.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

Wichita, KS  
June 27, 2022

REQUIRED SUPPLEMENTARY INFORMATION

**KCK 501 MINNESOTA, INC.**  
**(A COMPONENT UNIT OF THE UNIFIED GOVERNMENT OF**  
**WYANDOTTE COUNTY AND KANSAS CITY, KANSAS)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

This annual financial report of the KCK 501 Minnesota, Inc. (KCK 501) consists of two sections: Management's Discussion and Analysis and Basic Financial Statements. This section of the report presents management's discussion and analysis of the financial position and changes in financial position for the year ended December 31, 2021. This analysis should be read in conjunction with the independent auditor's report, audited governmental fund balance sheet and statement of net position, governmental fund revenues, expenditures and changes in fund balance and statement of activities, and accompanying notes.

KCK 501 was formed in May 2019 as a nonprofit support organization for the Unified Government for the purpose of leasing certain real property and constructing and leasing a grocery store in Kansas City, Kansas to be financed with the proceeds of a New Markets Tax Credit (NMTC) transaction.

**FINANCIAL HIGHLIGHTS**

- At December 31, 2021, KCK 501's total assets was \$7,903,151 which consisted of restricted cash of \$380,088, related party receivables of \$320,150, land of \$54,880, buildings of \$5,409,635 infrastructure improvements of \$859,177 and equipment related to the grocery store of \$878,421.
- Long term debt was \$6,860,000 as of December 31, 2021 which consisted of two promissory notes, proceeds of which will be used to construct the grocery store.
- The main source of revenue was derived from lease revenue owed by the Unified Government for \$290,000.
- KCK 501 expenses consisted primarily of interest expense on the notes of \$92,992, depreciation expense of \$294,803 and other professional service fees of \$34,500 for the year ended.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The *Governmental Fund Balance Sheet and Statement of Net Position* answers the question, "How is our financial health at the end of the year?" This statement includes all assets and liabilities of KCK 501. The General Fund balance sheet uses the modified accrual basis of accounting and current resources measurement focus, and the Statement of Net Position uses the accrual basis of accounting and economic resources measurement focus. For the current period, there are no differences between these two bases of accounting. The resulting net position presented in the statement is displayed as restricted or unrestricted. Net position is restricted when its use is subject to external limits such as legal agreements or statutes. Net position falling outside this category is characterized as unrestricted. Over time, changes in net position may serve as a useful indicator of whether the financial position of KCK 501 is improving or deteriorating.

**KCK 501 MINNESOTA, INC.  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

All of the current year's revenues and expenditures of KCK 501 are accounted for in the *Governmental Fund Revenues, Expenditures and Changes in Fund Balance and Statement of Activities*. This statement measures the activities of KCK 501's operations for the year ended December 31, 2021 and presents the excess of revenues over expenditures/expenses and change in fund balance/net position. The General Fund and Statement of Activities are presented using the two bases of accounting noted in the preceding paragraph. It can be used to determine whether KCK 501 has successfully recovered all of its costs through externally funded programs and other revenue sources. This statement helps answer the question, "Is KCK 501 as a whole better off or worse off as a result of the year's activities?"

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the financial statements. *The Notes to the Financial Statements* follow the basic financial statements.

**CONDENSED FINANCIAL INFORMATION**

**Statement of Net Position**

The following table presents a condensed statement of net position at December 31, 2021 and 2020:

	2021	2020
<b>Assets</b>		
Restricted cash	\$ 380,888	\$ 1,241,769
Related party receivable	320,150	104,612
Land	54,880	54,880
Construction in progress	--	--
Buildings	5,409,635	5,471,978
Infrastructure improvements	859,177	882,398
Equipment	878,421	1,003,910
Total assets	\$ 7,903,151	\$ 8,759,547
<b>Liabilities</b>		
Accounts payable	\$ --	\$ 724,101
Notes payable	6,860,000	6,860,000
Total liabilities	6,860,000	7,584,101
<b>Net position</b>		
Net investment in capital assets	342,113	636,320
Restricted	701,038	539,126
Total net position	1,043,151	1,175,446
Total liabilities and net position	\$ 7,903,151	\$ 8,759,547



**KCK 501 MINNESOTA, INC.**  
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MANAGEMENT'S DISCUSSION AND ANALYSIS

**Statement of Activities**

The following table presents a condensed statement of activities for the years ending December 31, 2021 and 2020:

	2021	2020
<b>Revenues</b>		
Grant revenue	\$ --	\$ 324,253
Lease revenue	290,000	193,333
Total revenues	290,000	517,586
<b>Expenses</b>		
Professional services	34,500	23,351
Depreciation	294,803	585,419
Interest	92,992	92,992
Total expenses	422,295	701,762
<b>Change in net position</b>	(132,295)	(184,176)
Total net position, beginning of period	1,175,446	1,359,622
Total net position, end of period	\$ 1,043,151	\$ 1,175,446

**Assets, liabilities and changes in net position:**

KCK 501's net position ended with a balance of \$1,043,151 for the year ended December 31, 2021. The decrease in net position resulted primarily from depreciation expense exceeding lease and grant revenues received from the Unified Government. See the Financial Highlights on page 3 for additional information.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2021, KCK 501 reported \$7,202,113 invested in capital assets. This consists of land valued at \$54,880, buildings of \$5,409,635 infrastructure improvements of \$859,177 and equipment related to the grocery store of \$878,421. For additional information on capital assets see Note 3 and required supplementary information.

**Debt**

At the end of 2021, KCK 501 had \$6,860,000 of notes payable outstanding. This balance consists of two notes payable and principal repayment is scheduled to begin in fiscal year 2026. For additional information on debt, see Note 4.

**KCK 501 MINNESOTA, INC.  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CONTACTING KCK 501'S FINANCIAL MANAGEMENT**

This financial report is designed to provide stakeholders in KCK 501 with a general overview of the KCK 501's finances and to show KCK 501's accountability for the resources it receives, invests, and expends. If you have questions about this report, or need additional financial information, please contact Ms. Katherine Carttar, President, KCK 501 Minnesota, Inc., 701 North 7<sup>th</sup> Street, Kansas City, Kansas 66101.

## BASIC FINANCIAL STATEMENTS

**KCK 501 MINNESOTA, INC.**  
**(A COMPONENT UNIT OF THE UNIFIED GOVERNMENT OF**  
**WYANDOTTE COUNTY AND KANSAS CITY, KANSAS)**

GOVERNMENTAL FUND BALANCE SHEET AND  
STATEMENT OF NET POSITION

December 31, 2021

	<b>General Fund</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>ASSETS</b>			
Restricted cash	\$ 380,888	\$ --	\$ 380,888
Related party receivable	320,150	--	320,150
Land	--	54,880	54,880
Buildings	--	5,409,635	5,409,635
Infrastructure improvements	--	859,177	859,177
Equipment	--	878,421	878,421
Total assets	\$ 701,038	\$ 7,202,113	\$ 7,903,151
<b>LIABILITIES</b>			
Notes payable – due after one year	--	6,860,000	6,860,000
Total liabilities	--	6,860,000	6,860,000
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	320,150	(320,150)	--
Total deferred inflows of resources	320,150	(320,150)	--
<b>FUND BALANCE / NET POSITION</b>			
Fund balances:			
Restricted	380,888	(380,888)	--
Total fund balances	380,888	(380,888)	--
Total liabilities and fund balances	\$ 701,038		
Net position:			
Net investment in capital assets			342,113
Restricted			701,038
Total net position			1,043,151
Total liabilities and net position			\$ 7,903,151

The accompanying footnotes are an integral  
part of these financial statements.

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GOVERNMENTAL FUND REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES

Year ended December 31, 2021

	<b>General Fund</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
Program revenues	\$ 74,462	\$ 215,538	\$ 290,000
Lease revenue			
	74,462	215,538	290,000
Total revenues			
 Expenses			
Professional fees	34,500	--	34,500
Depreciation expense	--	294,803	294,803
Interest	92,992	--	92,992
Capital outlay	83,750	(83,750)	--
	211,242	211,053	422,295
Total expenditures/expenses			
Excess (deficiency) of revenues over expenditures	(136,780)	136,780	--
Change in net position	--	(132,295)	(132,295)
 Fund balance / net position:			
Beginning of the year	517,668	657,778	1,175,446
End of the year	\$ 380,888	\$ 662,263	\$ 1,043,151

The accompanying footnotes are an integral  
part of these financial statements.

**KCK 501 MINNESOTA, INC.**  
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NOTES TO THE FINANCIAL STATEMENTS

**1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

KCK 501 was created as a public benefit corporation under Kansas Statutes Annotated Section 17-1759 *et seq.* and is intended to be a Type II supporting organization within the meaning of Section 509(a)(3) of the Internal Revenue Code of 1986, as amended, and Treasury Regulations Section 1.509(a)-4(f) that is operated in connection with the Unified Government. KCK 501 was created for the purpose of leasing certain real property and constructing and leasing a grocery store in Kansas City, Kansas to be financed by a New Markets Tax Credit (NMTC) transaction. KCK 501's activity consists of entering into lease agreement, loan agreements and other documents concerning the development, leasing and financing of the grocery store.

Accounting principles generally accepted in the United States of America require that the reporting entity include: (1) the primary government, (2) organizations for which the government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading. KCK 501 has been determined to be a component unit of the Unified Government. KCK 501 is financially accountable to the Unified Government, and the Unified Government exercises oversight responsibility on financial interdependency, selection of governing authority, and has the ability to significantly influence operations and accountability for fiscal matters, scope of public service, and special financing relationships. The Unified Government provides grant funding to facilitate the operation of KCK 501 through an annual grant funding agreement.

KCK 501 is primarily funded through lease revenues from the Unified Government.

KCK 501 has no employees. All activities of KCK 501 are performed by Unified Government employees.

**Basis of Accounting**

For financial reporting purposes, KCK 501 presents combined government-wide and fund financial statements. The government-wide column is prepared using the economic resources measurement focus and the accrual basis of accounting. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred. Expenses are specifically associated with a service or program and are therefore identifiable to a particular function. Program revenues include grants restricted to meeting the requirements of the NMTC transaction; revenues not classified as program revenues are presented as general revenues.

The general fund column is prepared on a flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as they are both measurable and available to finance KCK 501's current operations. "Measurable" means the amount of the transaction that can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, KCK 501 considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded when the related liability is both measurable and incurred.

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NOTES TO THE FINANCIAL STATEMENTS

**1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The reconciliation between the fund and the government-wide columns is included in the adjustments column.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

KCK 501 defines cash and cash equivalents to include all highly liquid investment instruments with original maturities of three months or less.

**Revenue Recognition**

Grant revenue and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

**Capital Assets**

Capital assets, which include property, plant and equipment are defined by KCK 501 as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of KCK 501 are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	20 - 40 years
Infrastructure	30 years
Machinery and Equipment	6 - 10 years

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NOTES TO THE FINANCIAL STATEMENTS

**1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Notes Payable**

In the government-wide column, notes payable are reported as liabilities in the statement of net position. In the general fund column, the face amount of the notes payable is reported as other financing sources.

**Net Position**

On the Statement of Net Position, equity is shown as net position and is classified as follows:

*Net investment in capital assets* - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of notes payable that are attributable to the acquisition, construction or improvement of those assets.

*Restricted* - includes net position restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors or laws or regulations of other governments, or is imposed by law through constitutional provisions or enabling legislation.

In the general fund, equity is shown as fund balance and is classified as follows:

*Restricted* - includes fund balance restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors or laws or regulations of other governments, or is imposed by law through constitutional provisions or enabling legislation.

**2. RESTRICTED CASH**

As of December 31, 2021, KCK 501 had restricted cash balances of \$380,888 for the construction of the grocery store and repayment of principal and interest on the notes payable.

*Deposit and Investment Policies.* KCK 501 has adopted the Unified Government's policies that require its cash and investments be held in interest bearing accounts in Kansas banks.

*Custodial Credit Risk.* Custodial credit risk is the risk that, in the event of the failure of the counterparty, KCK 501 will not be able to recover the value of its deposits that are in the possession of an outside party. At December 31, 2021, KCK 501's deposits exceeded FDIC Coverage by \$130,888 and is subject to custodial credit risk.



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NOTES TO THE FINANCIAL STATEMENTS

**3. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:				
Land	\$ 54,880	\$ --	\$ --	\$ 54,880
Total capital assets, not being depreciated	54,880	--	--	54,880
Capital assets, being depreciated:				
Buildings	5,759,977	83,750	--	5,843,727
Infrastructure improvements	928,840	--	--	928,840
Equipment	1,254,888	--	--	1,254,888
Total capital assets, being depreciated	7,943,705	83,750	--	8,027,455
Less accumulated depreciation for:				
Buildings	287,999	146,093	--	434,092
Infrastructure improvements	46,442	23,221	--	69,663
Equipment	250,978	125,489	--	376,467
Total accumulated depreciation	585,419	294,803	--	880,222
Total capital assets, being depreciated, net	7,358,286	(211,053)	--	7,147,233
Governmental activities capital assets, net	\$ 7,413,166	\$ (211,053)	\$ --	\$ 7,202,113

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NOTES TO THE FINANCIAL STATEMENTS

**4. NOTES PAYABLE**

During 2019, KCK 501 issued Promissory Note A for \$4,998,700 with an interest rate of 1.36% and Promissory Note B for \$1,861,300 with an interest rate of 1.36% to facilitate the NMTC transaction. The proceeds of the notes payable were used to purchase the land and construct the grocery store. As of December 31, 2021, KCK 501 had \$6,860,000 in notes payable outstanding, with the first principal payment due in 2026. Both of these notes were private placement debt instruments, are secured with collateral of the land, building, infrastructure improvements and equipment related to the grocery store. Both notes contain a provision that in the event of default, outstanding amounts become immediately due if KCK 501 is unable to make payment.

The debt service requirements as of December 31, 2021 are as follows:

<u>Year Ending December 31,</u>	<u>Total to be Paid</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 92,992	\$ --	\$ 92,992
2023	92,992	--	92,992
2024	92,992	--	92,992
2025	92,992	--	92,992
2026	279,833	187,566	92,267
2027 – 2031	1,722,856	1,312,359	410,497
2032 – 2036	1,722,856	1,404,232	318,624
2037 – 2041	1,722,856	1,502,536	220,320
2042 – 2046	1,722,856	1,607,722	115,134
2047 – 2051	861,428	845,585	15,843
	<u>\$ 8,404,653</u>	<u>\$ 6,860,000</u>	<u>\$ 1,544,653</u>

**5. OPERATING LEASE**

KCK 501 has entered into an operating lease with the Unified Government for the lease of the land, equipment, buildings and improvements related to the grocery store. The future minimum rental income on these leases is as follows:

2022	\$ 304,500
2023	319,725
2024	335,711
2025	352,497
2026	356,022
Thereafter	<u>3,225,685</u>
Total	<u>\$ 4,894,140</u>

The lease was entered into on July 25, 2019 and lease payments commenced on May 1, 2020. The land, building and improvements have a lease term of 15 years and the equipment has a lease term ranging from one to twelve years depending on the type of equipment leased.

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NOTES TO THE FINANCIAL STATEMENTS

**6. ECONOMIC DEPENDENCY**

KCK 501 received a majority of its revenues from the Unified Government on December 31, 2021.

**7. RISK MANAGEMENT**

KCK 501 is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions and natural disasters.

KCK 501 has adopted the Unified Governments risk management policy and is self-insured for general liability claims. All liability claims are reviewed, challenged if appropriate, and processed for payment at the agreed amount by the Legal Department. Kansas statutes limit the liability in tort cases to \$500,000.

**8. PENDING GOVERNMENTAL ACCOUNTING STANDARDS**

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resource based on the payment provisions of the contract. It establishes a single model for lease accounting based on foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Provisions of this statement are effective for financial statements for KCK 501's fiscal year ending December 31, 2022, which is the extended effective date provided by GASB statement No. 95.