

WINFIELD RECREATION COMMISSION

FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

Edw. B. Stephenson & Co., CPA's Chartered
Certified Public Accountants
Winfield, Kansas

WINFIELD RECREATION COMMISSION

FOR THE YEAR ENDED JUNE 30, 2019

BOARD OF DIRECTORS

Scott Gill – Chair

Jeff Long – Vice-Chair

Robyn Tapia – Secretary

Joe Wood

Dena Youle

EMPLOYEES

Troy Moree – Superintendent

Candi Fox – Assistant Superintendent

Elizabeth Lanier – Administrative Assistant

Wesley Joy - Sport/Special Service Director

Tyler Osborn - Wellness Director I

Kyle Larsen - Recreation Coordinator

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

**EDW. B
STEPHENSON
& CO., CPAs
CHARTERED**

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EDW. B. STEPHENSON  
(1905-1985)

JAMES R. DOBBS  
(1927-1997)

HARRY L. SHETLAR, JR.  
(1931-2000)

MORRIS W. JARVIS  
(1935-1999)

N. DEAN BRADBURY  
(1936-2005)

LOREN L. PONTIOUS  
(Retired)

### SHAREHOLDERS

AARON R. IVERSON, CPA

MAURICE P. ROBERTS, CPA

### ACCOUNTANTS

HEIDI M. HUENEGART, CPA

To the Board of Directors of the  
Winfield Recreation Commission  
Winfield, Kansas 67156

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Winfield Recreation Commission, Winfield, Kansas, a Municipal Financial Reporting Entity, as of and for the year ended June 30, 2019 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 I; 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on this 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 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is 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 auditor's 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 auditor considers 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 Commission'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.

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Winfield, Kansas 67156  
620-221-9320  
FAX 620-221-9325

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

### ***Opinions***

#### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note I to the financial statement, the financial statement is prepared by the Commission on the basis of the financial reporting provision 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 regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" 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 the Winfield Recreation Commission, Winfield, Kansas, as of June 30, 2019, or the changes in financial position and cash flows thereof for the year then ended.

#### ***Unmodified 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 the Winfield Recreation Commission, Winfield, Kansas, as of June 30, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note I.

### ***Other Matters***

#### ***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, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedules of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, 3 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 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 I.

*Prior Year Comparative Analysis*

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Winfield Recreation Commission, Winfield, KS as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated August 20, 2018, which contained an unmodified opinion on the financial statement. The 2018 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2018 actual column (2018 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2018 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2018 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 2018 basic financial statement. The 2018 comparative information was subjected to the auditing procedures applied in the audit of the 2018 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 2018 basic financial statement or to the 2018 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 2018 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2018, on the basis of accounting described in Note 1.

*Edw. B. Stephenson & Co., CPAs Chartered*

Edw. B. Stephenson & Co., CPAs Chartered

**WINFIELD RECREATION COMMISSION**  
**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Statement -1-

| <b>Funds</b>                                               | <b>Beginning<br/>Unencumbered<br/>Cash Balance</b> | <b>Cash<br/>Receipts</b> | <b>Expenditures</b>  | <b>Ending<br/>Unencumbered<br/>Cash Balance</b> | <b>Add<br/>Outstanding<br/>Encumbrances<br/>and Accounts<br/>Payable</b> | <b>Ending<br/>Cash Balance</b> |
|------------------------------------------------------------|----------------------------------------------------|--------------------------|----------------------|-------------------------------------------------|--------------------------------------------------------------------------|--------------------------------|
| <b>Governmental Type Funds:</b>                            |                                                    |                          |                      |                                                 |                                                                          |                                |
| General Fund                                               | \$ 665,496.49                                      | \$ 852,411.13            | \$ 802,675.68        | \$ 715,231.94                                   | \$ 2,700.59                                                              | \$ 717,932.53                  |
| Special Revenue Fund:                                      |                                                    |                          |                      |                                                 |                                                                          |                                |
| Employee Benefits Fund                                     | 73,438.42                                          | 89,426.68                | 93,722.45            | 69,142.65                                       | -                                                                        | 69,142.65                      |
| <b>Fiduciary Type Funds:</b>                               |                                                    |                          |                      |                                                 |                                                                          |                                |
| Expendable Trust Fund:                                     |                                                    |                          |                      |                                                 |                                                                          |                                |
| Joe Thornton Memorial Scholarship Fund                     | -                                                  | -                        | -                    | -                                               | -                                                                        | -                              |
| <b>Total Reporting Entity<br/>(Excluding Agency Funds)</b> | <b>\$ 738,934.91</b>                               | <b>\$ 941,837.81</b>     | <b>\$ 896,398.13</b> | <b>\$ 784,374.59</b>                            | <b>\$ 2,700.59</b>                                                       | <b>\$ 787,075.18</b>           |

Composition of Cash:

|                                            |                      |
|--------------------------------------------|----------------------|
| Petty Cash                                 | \$ 150.00            |
| The Union State Bank:                      |                      |
| Checking Account                           | 219,040.37           |
| Money Market Account                       | 558,800.69           |
| Special Activities Savings Account         | 9,084.12             |
| Scholarship Fund Savings Account           | -                    |
| Scholarship Certificate of Deposit Account | -                    |
| <b>Total Cash</b>                          | <b>\$ 787,075.18</b> |

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



# WINFIELD RECREATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2019

### I. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

#### A. MUNICIPAL FINANCIAL REPORTING ENTITY

The Winfield Recreation Commission (the “Commission”) oversees recreational activities. The Commission operates as a separate governing body, but the Unified School District No. 465, Winfield, Kansas (USD 465) levies the taxes for the Commission and the Commission has only the powers granted by statute K.S.A. 12-1928. The Commission cannot purchase real property but can acquire real property by gift. The Commission is a jointly governed organization of USD 465. Four of the five Board members of the Commission are appointed by USD 465 and the fifth member is appointed by the other Board members.

#### B. BASIS OF PRESENTATION – REGULATORY BASIS FUND TYPES

The financial transactions of the Commission are recorded in individual funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds comprise the financial activities of the Commission for the year ended June 30, 2019:

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 Project and tax levies for long term debt) that are intended for specific purposes.

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity.

#### C. BASIS OF ACCOUNTING

*Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in 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

# **WINFIELD RECREATION COMMISSION**

## **NOTES TO THE FINANCIAL STATEMENT**

### **FOR THE YEAR ENDED JUNE 30, 2019**

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 municipality to use the regulatory basis of accounting.

## **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. BUDGETARY DATA**

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest, and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and time table in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

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 such budget amendments for this year.

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 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.

# WINFIELD RECREATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2019

A legal operating budget is not required for capital project funds, trust funds, and certain special revenue funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

### **B. COMPLIANCE WITH KANSAS STATUTES**

As shown in Schedule -1-, The Commission had no expenditures in excess of the budgeted amounts in the current year. There is no violation of K.S.A. 79-2935.

The Commission's deposits were adequately secured during the year. There is no violation of K.S.A. 9-1402.

### **C. OTHER LEGAL AND COMPLIANCE VIOLATIONS**

The Commission is not aware of any finance-related legal and contractual provision violations.

## **III. DEPOSITS AND INVESTMENTS**

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 to 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 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%. All deposits were legally secured at June 30, 2019.

# WINFIELD RECREATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2019

At June 30, 2019, the Commission's carrying amount of deposits was \$786,925.18 and the bank balance was \$818,992.43. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining \$568,992.43 was collateralized with securities held by the pledging financial institutions' agents in the Commission's name.

*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.

### IV. LONG-TERM DEBT

Winfield Recreation Commission summary of the changes in long-term liabilities for the year ended June 30, 2019, were as follows:

| Issue                               | Interest Rate | Date of Issue | Amount of Issue | Date of Final Maturity | Balance Beginning of Year | Additions   | Reductions/ Payments | Net Change | Balance End of Year | Interest Paid |
|-------------------------------------|---------------|---------------|-----------------|------------------------|---------------------------|-------------|----------------------|------------|---------------------|---------------|
| <b>General Obligation Bonds</b>     |               |               |                 |                        |                           |             |                      |            |                     |               |
| General Obligation Bond Series 2014 | 0.61%         | 07/01/14      | \$ 500,000      | 07/01/24               | \$ 350,000                | \$ -        | \$ 50,000            |            | \$ 300,000          | \$ 985        |
| Compensated Absences                |               |               |                 |                        | \$ 21,220                 |             | 2,852                |            | \$ 18,368           | -             |
| <b>Total Long-Term Debt</b>         |               |               |                 |                        | <u>\$ 371,220</u>         | <u>\$ -</u> | <u>\$ 52,852</u>     |            | <u>\$ 318,368</u>   | <u>\$ 985</u> |

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

|                                          | 2020             | 2021             | 2022             | 2023             | 2024             | 2025-2029        | Total             |
|------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| <b>Principal:</b>                        |                  |                  |                  |                  |                  |                  |                   |
| <b>General Obligation Temporary Note</b> |                  |                  |                  |                  |                  |                  |                   |
| Series 2014                              | \$ 50,000        | \$ 50,000        | \$ 50,000        | \$ 50,000        | \$ 50,000        | \$ 50,000        | \$ 300,000        |
| Total Principal                          | <u>\$ 50,000</u> | <u>\$ 50,000</u> | <u>\$ 50,000</u> | <u>\$ 50,000</u> | <u>\$ 50,000</u> | <u>\$ 50,000</u> | <u>\$ 300,000</u> |
| <b>Interest:</b>                         |                  |                  |                  |                  |                  |                  |                   |
| <b>General Obligation Temporary Note</b> |                  |                  |                  |                  |                  |                  |                   |
| Series 2014                              | \$ 985           | \$ 985           | \$ 985           | \$ 985           | \$ 985           | \$ 985           | \$ 5,910          |
| Total Interest                           | <u>\$ 985</u>    | <u>\$ 985</u>    | <u>\$ 985</u>    | <u>\$ 985</u>    | <u>\$ 985</u>    | <u>\$ 985</u>    | <u>\$ 5,910</u>   |
| <b>Total Principal and Interest</b>      | <u>\$ 50,985</u> | <u>\$ 50,985</u> | <u>\$ 50,985</u> | <u>\$ 50,985</u> | <u>\$ 50,985</u> | <u>\$ 50,985</u> | <u>\$ 305,910</u> |

### OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

#### 1. Compensated Absences

Full-time employees are entitled to paid vacation time after one year of employment with the Recreation Commission as follows:

|                               |                  |
|-------------------------------|------------------|
| 0 through 1 year of service:  | 5 days annually  |
| 1 through 5 years of service: | 10 days annually |
| 6 through 9 years of service: | 15 days annually |

# WINFIELD RECREATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENT

### FOR THE YEAR ENDED JUNE 30, 2019

|                                 |                  |
|---------------------------------|------------------|
| 10 through 15 years of service: | 20 days annually |
| 16 through 20 years of service: | 25 days annually |
| Over 20 years of service:       | 30 days annually |

Employees earn vacation annually upon the completion of each year of service based on the chart above. Accumulated vacation must be used within one year of the anniversary date in which it was accrued. However, if conflicting work schedules or personal circumstances prohibit an employee from taking their fully allowed vacation time, an additional 30 days will be given to use their vacation time or they will lose it. Upon termination of employment, employees will be paid for unused vacation time that has been earned through the last day of work. At June 30, 2019, earned but unused vacation leave amounted to \$18,367.89.

#### 2. Lease Obligations

The Commission leases the "Winfield Fitness Center" building and grounds from the City of Winfield under a ten year operating lease. The Letter of Intent associated with the building and grounds lease stipulates that the Commission will pay \$1 annually to the City. The agreement expires July 31, 2022.

#### V. DEFINED BENEFIT PENSION PLAN

##### General Information about the 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 Report which can be found on the KPERS website at [www.kpers.org](http://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% contribution rate) and the statutory contribution rate was 8.39% for the fiscal year ended December 31, 2018. Contributions to the pension plan from the commission were \$24,896.18 for the year ended June 30, 2019.

# WINFIELD RECREATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2019

### *Net Pension Liability.*

At June 30, 2019, the Commission's proportionate share of the collective net pension liability reported by KPERS was \$193,165. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The Commission's proportion of the net pension liability was based on the ratio of the Commission's contributions to KPERS, relative to the total employer and non-employer 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](http://www.kpers.org) or can be obtained as described above.

### **VI. ACCOUNTS PAYABLE AND ENCUMBRANCES**

As explained previously, the Commission is on the regulatory basis of accounting, which calls for the recognition of encumbrances and accounts payable without distinction. Both are charged to expenses as soon as they are incurred and are shown as liabilities of each fund. The amounts of those debts on June 30, 2019 are as follows:

| <b>Fund</b>   | <b>Amount</b>     |
|---------------|-------------------|
| General       | \$2,700.59        |
| <b>Totals</b> | <b>\$2,700.59</b> |

### **VII. 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 City of Winfield has purchased property insurance for some of these potential risks and bills the Commission for its share. The rest of the insurance is obtained by the Commission. There have been no significant reductions in insurance coverage from 2018 to 2019 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations, the Commission is a party to various claims, legal actions and complaints. It is the opinion of the Commission's management and legal counsel that these matters are not anticipated to have a material financial impact on the Commission.

### **VIII. SUBSEQUENT EVENTS**

The Commission evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition in financial statements. Subsequent events were evaluated through the date of the financial statement, October 2, 2019.

**REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION**

**WINFIELD RECREATION COMMISSION**  
**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Schedule -1-

| <b>Funds</b>                    | <b>Certified<br/>Budget</b> | <b>Adjustment for<br/>Qualifying<br/>Budget Credits</b> | <b>Total<br/>Budget for<br/>Comparison</b> | <b>Expenditures<br/>Chargeable to<br/>Current Year</b> | <b>Variance -<br/>Over<br/>(Under)</b> |
|---------------------------------|-----------------------------|---------------------------------------------------------|--------------------------------------------|--------------------------------------------------------|----------------------------------------|
| <b>Governmental Type Funds:</b> |                             |                                                         |                                            |                                                        |                                        |
| General Fund                    | \$ 871,419.00               | \$ -                                                    | \$ 871,419.00                              | \$ 802,675.68                                          | \$ (68,743.32)                         |
| Special Revenue Fund:           |                             |                                                         |                                            |                                                        |                                        |
| Employee Benefits Fund          | 103,936.00                  | -                                                       | 103,936.00                                 | 93,722.45                                              | (10,213.55)                            |



**WINFIELD RECREATION COMMISSION**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2018)**

Schedule -2-

|                                           | <b>GENERAL FUND</b>              |                      |                      |                                        |
|-------------------------------------------|----------------------------------|----------------------|----------------------|----------------------------------------|
|                                           | <b>Prior<br/>Year<br/>Actual</b> | <b>Current Year</b>  |                      | <b>Variance -<br/>Over<br/>(Under)</b> |
|                                           |                                  | <b>Actual</b>        | <b>Budget</b>        |                                        |
| <b>Cash Receipts</b>                      |                                  |                      |                      |                                        |
| Taxes and Shared Revenue:                 |                                  |                      |                      |                                        |
| Ad Valorem Property                       | \$ 441,828.61                    | \$ 451,716.78        | \$ 449,662.00        | \$ 2,054.78                            |
| Delinquent                                | 9,056.02                         | 8,558.32             | 4,570.00             | 3,988.32                               |
| Motor Vehicle / Truck                     | 59,214.12                        | 59,867.17            | 58,290.00            | 1,577.17                               |
| Recreational Vehicle                      | 1,128.49                         | 1,340.64             | 2,478.00             | (1,137.36)                             |
| In Lieu of Taxes                          | 276.97                           | 308.95               | -                    | 308.95                                 |
| Concessions                               | -                                | -                    | -                    | -                                      |
| Miscellaneous, Reimbursements, Other      | 17,222.65                        | 23,515.84            | -                    | 23,515.84                              |
| Special Activities                        | 3,000.23                         | 1,966.91             | -                    | 1,966.91                               |
| Memberships and Fees                      | 287,090.49                       | 302,666.52           | 280,000.00           | 22,666.52                              |
| Interest                                  | 1,845.35                         | 2,470.00             | 2,000.00             | 470.00                                 |
| <b>Total Cash Receipts</b>                | <u>\$ 820,662.93</u>             | <u>\$ 852,411.13</u> | <u>\$ 797,000.00</u> | <u>\$ 55,411.13</u>                    |
| <b>Expenditures</b>                       |                                  |                      |                      |                                        |
| Personnel Services                        | \$ 374,817.28                    | \$ 387,773.65        | \$ 422,318.00        | \$ (34,544.35)                         |
| Contractual Services                      | 188,164.42                       | 202,310.20           | 226,226.00           | (23,915.80)                            |
| Commodities                               | 39,871.50                        | 46,906.59            | 44,000.00            | 2,906.59                               |
| Special Activities                        | -                                | -                    | -                    | -                                      |
| Special Events                            | 25,090.29                        | 31,976.14            | 29,000.00            | 2,976.14                               |
| Arts                                      | 16,000.00                        | 16,000.00            | -                    | 16,000.00                              |
| Contingency                               | 1,970.96                         | 8,001.50             | 19,000.00            | (10,998.50)                            |
| Capital Outlay                            | 173,729.98                       | 109,707.60           | 130,875.00           | (21,167.40)                            |
| <b>Total Expenditures</b>                 | <u>\$ 819,644.43</u>             | <u>\$ 802,675.68</u> | <u>\$ 871,419.00</u> | <u>\$ (68,743.32)</u>                  |
| <b>Receipts Over (Under) Expenditures</b> | \$ 1,018.50                      | \$ 49,735.45         |                      |                                        |
| Unencumbered Cash, Beginning              | <u>664,477.99</u>                | <u>665,496.49</u>    |                      |                                        |
| <b>Unencumbered Cash, Ending</b>          | <u>\$ 665,496.49</u>             | <u>\$ 715,231.94</u> |                      |                                        |

**WINFIELD RECREATION COMMISSION**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2018)

Schedule -2-

**EMPLOYEE BENEFITS FUND**

|                                           | Prior<br>Year<br>Actual | Current Year        |                      | Variance -<br>Over<br>(Under) |
|-------------------------------------------|-------------------------|---------------------|----------------------|-------------------------------|
|                                           |                         | Actual              | Budget               |                               |
| <b>Cash Receipts</b>                      |                         |                     |                      |                               |
| Taxes and Shared Revenue:                 |                         |                     |                      |                               |
| Ad Valorem Property                       | \$ 73,899.29            | \$ 77,653.79        | \$ 93,108.00         | \$ (15,454.21)                |
| Delinquent                                | 1,623.50                | 1,529.98            | 764.00               | 765.98                        |
| Motor Vehicle / Truck                     | 10,586.03               | 10,004.65           | 9,715.00             | 289.65                        |
| Recreational Vehicle                      | 201.44                  | 185.12              | 413.00               | (227.88)                      |
| In Lieu of Taxes                          | 46.32                   | 53.14               | -                    | 53.14                         |
| <b>Total Cash Receipts</b>                | <u>\$ 86,356.58</u>     | <u>\$ 89,426.68</u> | <u>\$ 104,000.00</u> | <u>\$ (14,573.32)</u>         |
| <b>Expenditures</b>                       |                         |                     |                      |                               |
| Social Security                           | \$ 28,221.88            | \$ 28,823.22        | \$ 35,000.00         | \$ (6,176.78)                 |
| Health Insurance                          | 29,188.77               | 29,681.69           | 32,000.00            | (2,318.31)                    |
| Unemployment Insurance                    | 372.03                  | 385.36              | 1,000.00             | (614.64)                      |
| Workers Compensation                      | 3,446.00                | 2,750.00            | 3,750.00             | (1,000.00)                    |
| Liability Insurance                       | 6,891.00                | 7,186.00            | 7,186.00             | -                             |
| KPERs                                     | 22,793.10               | 24,896.18           | 25,000.00            | (103.82)                      |
| <b>Total Expenditures</b>                 | <u>\$ 90,912.78</u>     | <u>\$ 93,722.45</u> | <u>\$ 103,936.00</u> | <u>\$ (10,213.55)</u>         |
| <b>Receipts Over (Under) Expenditures</b> | \$ (4,556.20)           | \$ (4,295.77)       |                      |                               |
| Unencumbered Cash, Beginning              | <u>77,994.62</u>        | <u>73,438.42</u>    |                      |                               |
| <b>Unencumbered Cash, Ending</b>          | <u>\$ 73,438.42</u>     | <u>\$ 69,142.65</u> |                      |                               |

**WINFIELD RECREATION COMMISSION**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2018)

Schedule -2-

**JOE THORNTON MEMORIAL SCHOLARSHIP FUND**

|                                               | <u>2018</u>         | <u>2019</u>        |
|-----------------------------------------------|---------------------|--------------------|
| <b>Cash Receipts</b>                          |                     |                    |
| Donations/Interest                            | \$ 18,751.21        | \$ -               |
| <b>Total Cash Receipts</b>                    | <u>\$ 18,751.21</u> | <u>\$ -</u>        |
| <br><b>Expenditures</b>                       |                     |                    |
| Scholarships Paid Out                         | \$ 19,822.76        | \$ -               |
| <b>Total Expenditures</b>                     | <u>\$ 19,822.76</u> | <u>\$ -</u>        |
| <br><b>Receipts Over (Under) Expenditures</b> | \$ (1,071.55)       | \$ -               |
| <br>Unencumbered Cash, Beginning              | <u>1,071.55</u>     | <u>-</u>           |
| <br><b>Unencumbered Cash, Ending</b>          | <u><u>\$ -</u></u>  | <u><u>\$ -</u></u> |

**WINFIELD RECREATION COMMISSION  
SUMMARY OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2019**

Schedule-3-

**AGENCY FUND**

| <b>Fund</b>             | <b>Beginning<br/>Cash Balance</b> | <b>Cash<br/>Receipts</b> | <b>Cash<br/>Disbursements</b> | <b>Ending<br/>Cash Balance</b> |
|-------------------------|-----------------------------------|--------------------------|-------------------------------|--------------------------------|
| Special Activities Fund | \$ -                              | \$ 27,943.16             | \$ 27,943.16                  | \$ -                           |
| Total                   | \$ -                              | \$ 27,943.16             | \$ 27,943.16                  | \$ -                           |