USD 353 WELLINGTON RECREATION COMMISSION

WELLINGTON, KANSAS

FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2022

EDW. B. STEPHENSON & CO., CPAs CHARTERED
Certified Public Accountants
Winfield, Kansas

WELLINGTON RECREATION COMMISSION

FOR THE YEAR ENDED JUNE 30, 2022

BOARD OF DIRECTORS

Mary Frances Holefelder – President

Dr. Tamara McCue – Vice-President

Betty Zeka – Secretary

John Brand

Erma Ratliff

Matt Barton resigned in December 2021

EMPLOYEES

Cody White – Superintendent

Marcine Goodrum – Assistant Superintendent

Danae Kendrick – Administrative Assistant

Tanner Ford – Sports / Special Service Director

USD 353 WELLINGTON RECREATION COMMISSION
FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

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FINANCIAL SECTION

EDW. B STEPHENSON & CO., CPAs CHARTERED

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. HUENERGARDT, CPA

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
USD 353 Wellington Recreation Commission
Wellington, Kansas 67152

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the USD 353 Wellington Recreation Commission, Wellington, Kansas, a Municipal Financial Reporting Entity, as of and for the year ended June 30, 2022 and the related notes to the financial statement.

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 Wellington Recreation Commission, Wellington, Kansas, as of June 30, 2022, 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 Wellington Recreation Commission, Wellington, Kansas, as of June 30, 2022, 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.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide.* Our responsibilities under those standards are further described in the Audit of the Financial Statement section of our report. We are required to be independent of the Wellington Recreation Commission, Wellington, KS, 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 adverse and unmodified audit opinions.

Matter Giving Rise to 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 the 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.

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.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission 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.

Auditors' Responsibility for the Audit of the Financial Statement

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

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 material misstatement of the financial statement, 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 statement.
- 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 the Commission's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting polices used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission'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.

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 as listed in the table of contents) are presented for purposes of additional 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, The Wellington Recreation Center, Wellington, KS basic financial statement for the year ended June 30, 2021 (not presented herein) and have issued our report thereon dated December 16, 2021, which contained an unmodified opinion on the basic financial statement. The 2021 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/oar/municipal-services. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2022 (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 2021 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 2021 basic financial statement. The 2021 comparative information was subjected to

the auditing procedures applied in the audit of the 2021 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 2021 basic financial statement or to the 2021 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 2021 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, 2021, on the basis of accounting described in Note I.

Edw. B. Stephenson & Co., CPAs Chartered

Edw. B. Stephenson & Co., CPAs Chartered

USD 353 WELLINGTON RECREATION COMMISSION
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Statement -1-

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:						
General Fund	$ 310,438	$ 924,827	$ 890,655	$ 344,610	$ 42,704	$ 387,314
Special Revenue Fund:						
Employee Benefits Fund	6,310	74,059	77,777	2,592	4,749	7,341
Total Reporting Entity (Excluding Agency Funds)	$ 316,748	$ 998,886	$ 968,432	$ 347,202	$ 47,453	$ 394,655

Composition of Cash:

Petty Cash	$ -
Security State Bank:	
Checking Account	-
Savings Account	53,595
Impact Bank:	
Checking Account	218,095
Savings Account	60,186
Director Account	1,370
Money Market Account	61,409
Total Cash	$ 394,655

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

USD 353 WELLINGTON RECREATION COMMISSION
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

I. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

A. MUNICIPAL FINANCIAL REPORTING ENTITY

The Unified School District No. 353 Wellington Recreation Commission is a municipal corporation governed by a five member board. The purpose of The Unified School District No. 353 Wellington Recreation Commission is to provide recreational activities to the citizens in and around Wellington. The Unified School District No. 353 Wellington Recreation operates as a separate governing body, but the USD levies the taxes for the Recreation Commission and the Recreation Commission has only the powers granted by statute K.S.A. 12-1928. The Unified School District No. 353 Wellington Recreation Commission is a jointly governed organization of Unified School District No. 353. The governing body of the Recreation Commission is appointed by the Unified School District No. 353 school board. These financial statements include all the accounts for which the Wellington Recreation Commission is considered to be primarily financially accountable.

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 Recreation Commission for the year ended June 30, 2022:

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.

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 payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The Wellington Recreation 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 Funds, 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 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

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 Recreation 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.

The Wellington Recreation Commission prepares their budget and submits it to the Wellington Unified School District No. 353. The Wellington Recreation Commission's budget is then included in the District's budget and submitted to the County. Once the District receives the funds allocated to the Wellington Recreation Commission, the funds are remitted to the Wellington Recreation Commission. The Wellington Recreation Commission keeps an internal budget during the year to compare to actual.

B. REIMBURSED EXPENSES

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

C. SWIMMING POOL – CITY OF WELLINGTON REVENUE

The Swimming Pool – City of Wellington Revenue is the amount of reimbursement the Wellington Recreation Commission receives from the City for a portion of the net operation loss of the swimming pool. The Wellington Recreation Commission is responsible for $10,000 of the loss each year, and anything over this amount is reimbursed to the Wellington Recreation Commission by the City.

D. COMPLIANCE WITH KANSAS STATUTES

As shown in Schedule -1-, the Commission had expenditures in excess of the budgeted amounts in the current year in the Employee Benefits Fund. This occurred in the Employee Benefits Fund and is a 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.

E. 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 Recreation Commission. The statute requires banks eligible to hold the Recreation Commission's funds have a main or branch bank in the county in which the Recreation 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 Recreation Commission has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Recreation 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 Recreation 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 Recreation 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 Recreation Commission's deposits may not be returned to it. State statutes require the Recreation 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, 2022.

At June 30, 2021, the Commission's carrying amount of deposits was $394,655.66 and the bank balance was $403,372.90. Of the bank balance, $303,599.26 was covered by federal depository insurance and the remaining $99,777.64 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 Recreation 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. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

1. Compensated Absences

Supervisory and full-time personnel are eligible for sick leave. Supervisory, full-time and permanent part-time personnel are eligible for paid vacation leave. The Superintendent shall be eligible for paid vacation time pursuant to the terms and conditions agreed upon by the Unified School District No. 353 Wellington Recreation Commission. Temporary and seasonal part-time employees are not eligible for paid vacation leave at any time. These benefits are given annually and can accumulate based on the Recreation Commission policies.

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

1 year of service:	5 days annually
2 through 10 years of service:	10 days annually
11 through 20 years of service:	15 days annually
Over 20 years of service:	20 days annually

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

1 through 5 years of service:	2 days annually

Over 5 years of service:	5 days annually

The Superintendent shall have the authority to grant additional vacation days to any year round part time employee who has accumulated 10 years of employment with Unified School District No. 353 Wellington Recreation Commission.

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. A grace period is permitted each year up to the end of February in the next year, during which time employees can roll over and use up excess vacation days earned before they lose them.

Upon separation or retirement from Unified School District No. 353 Wellington Recreation Commission, an employee is entitled to be paid for any unused vacation time that was accrued from the previous calendar year (if applicable), and for any vacation time accrued during the current calendar year, prorated through the last full calendar month of service. At June 30, 2022, earned but unused vacation leave amounted to $8,722.77.

2. Lease Obligations

A. City of Wellington

The Wellington Recreation Commission (subtenant) entered into a ten year sublease agreement with the City of Wellington (tenant) on January 1, 2014; with a ten year option to renew at the end of the original lease. This extends the lease to December 1, 2033. The lease payments will provide funding for the Public Building Commission Revenue Bonds that were issued by the City of Wellington in the amount of $960,000, which funded 52% of the construction of a new facility adjacent to the existing building. The Recreation Commission funded the remaining costs of the facility. Construction began in 2014 and was completed in June 2015 with final payment of $162,031 being made to Caro Construction in October 2015.

The following is a schedule of future minimum lease payments:

Year ended 30-Jun	Lease Payment
2023	71,200
2024	69,625
2025	67,825
2026	70,925
2027	68,925
2028 - 2032	341,338
2033 - 2034	135,850
Total Lease Payments	$ 825,688

B. Pitney Bowes
The Wellington Recreation Commission leases a mailing system from Pitney Bowes. Since the Recreation Commission does not present capital assets in the financial statements, the lease is treated as an operating lease and the quarterly rent payment is shown as an expenditure. It calls for payments of $167.49 quarterly. Payments totaling $669.96 were made to Pitney Bowes Global in fiscal year ending June 30, 2022.

C. Deferred Compensation Plan
The Recreation Commission sponsors a deferred compensation plan under Internal Revenue Code Section 403(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The Recreation Commission contributes 3% for eligible personnel. Total employer contributions to this plan for fiscal year June 30, 2022 was $6,175.52.

D. Other Post Employment Benefits
Under the Consolidated Omnibus Budget Reconciliation Act (Cobra), the Recreation 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. There is no cost to the Recreation Commission under this program.

E. Other Employee Benefit Plan
Christmas Savings Program – Any full-time or year round part-time employee may join the Christmas Savings Program upon hire date or during open enrollment on the second pay period of November each year. A minimum of $10.00 deduction bi-weekly, plus additional amounts in $5.00 increments may be withheld from their paychecks each month and paid to the employee the following year on the 20th of November. The Recreation Commission will contribute $275.00 for the entire year for each employee as well, as long as the employee stays in the program the full 26 pay periods.

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 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 for the Death and Disability Program) and the statutory contribution was 8.87% for the fiscal year ended December 31, 2021. Contributions to the pension plan from the commission were $18,270.20 for the year ended June 30, 2022.

Net Pension Liability.

At June 30, 2022, the Commission proportionate share of the collective net pension liability reported by KPERS was $119,576. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. 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 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, 2022 are as follows:

Fund	Amount
General	$42,704.44
Employee Benefit	4,748.76
Totals	$47,453.20

VII. RISK MANAGEMENT

The Recreation 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 Recreation Commission carries commercial insurance for all risks of loss. Insurance claims for 2022 did not exceed insurance coverage.

VIII. SUBSEQUENT EVENTS

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Commission's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Commission is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2022.

IX. PRIOR YEAR BALANCES

Certain prior year balances are presented for comparison purposes.

X. RELATED PARTY TRANSACTIONS

No related party transactions were identified for the fiscal year 2022.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

USD 353 WELLINGTON RECREATION COMMISSION
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Schedule -1-

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds:					
General Fund	$ 937,227	$ -	$ 937,227	$ 890,655	$ (46,572)
Special Revenue Fund:					
Employee Benefits Fund	72,000	-	72,000	77,777	5,777

USD 353 WELLINGTON RECREATION COMMISSION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2021)

GENERAL FUND

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
Cash Receipts				
Ad Valorem Taxes	$ 398,875	$ 415,852	$ 435,000	$ (19,148)
City of Wellington, Memorial Auditorium	7,500	15,300	10,000	5,300
Swimming Pool - Operating	50,805	52,757	50,000	2,757
Swimming Pool - City of Wellington	31,958	17,353	35,000	(17,647)
Concessions	54,318	63,310	50,000	13,310
Donations - Gifts	3,680	31,655	10,000	21,655
Federal Grants	-	125,000	-	125,000
Program Revenue	197,975	185,462	250,000	(64,538)
Rent, Refunds, Maintenance	25,605	11,316	20,000	(8,684)
Interest	397	549	300	249
Miscellaneous	3,202	6,273	1,500	4,773
Total Cash Receipts	$ 774,315	$ 924,827	$ 861,800	$ 63,027
Expenditures				
Administration	$ 291,807	$ 296,283	$ 325,000	$ (28,717)
Program	351,100	370,059	400,000	(29,941)
Facility Maintenance	27,534	31,026	30,000	1,026
Capital Outlay	69,388	68,287	182,227	(113,940)
Distribution to Foundation	-	125,000	-	125,000
Total Expenditures	$ 739,829	$ 890,655	$ 937,227	$ (46,572)
Receipts Over (Under) Expenditures	$ 34,486	$ 34,172		
Unencumbered Cash, Beginning	275,952	310,438		
Unencumbered Cash, Ending	$ 310,438	$ 344,610		

USD 353 WELLINGTON RECREATION COMMISSION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2021)

Schedule -2-

EMPLOYEE BENEFITS FUND

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Ad Valorem Property	$ 74,625	$ 74,059	$ 72,000	$ 2,059
Transfer From General	-	-	-	-
Total Cash Receipts	$ 74,625	$ 74,059	$ 72,000	$ 2,059
Expenditures				
Retirement	$ 24,735	$ 24,446	$ 25,000	$ (554)
Social Security and Medicare	30,489	35,906	27,000	8,906
Unemployment	-	-	-	-
Health Insurance	20,455	17,425	20,000	(2,575)
Total Expenditures	$ 75,679	$ 77,777	$ 72,000	$ 5,777
Receipts Over (Under) Expenditures	$ (1,054)	$ (3,718)		
Unencumbered Cash, Beginning	7,364	6,310		
Unencumbered Cash, Ending	$ 6,310	$ 2,592		