WINFIELD RECREATION COMMISSION
WINFIELD, KANSAS

FINANCIAL STATEMENT
JUNE 30, 2026

WINFIELD RECREATION COMMISSION
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INDEPENDENT AUDITOR'S REPORT

Winfield Recreation Commission
Winfield, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Winfield Recreation Commission, Winfield, Kansas**, as of and for the year ended **June 30, 2026**, and the related notes to the financial statement.

Adverse and Unmodified Opinions

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying 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 **Winfield Recreation Commission, Winfield, Kansas**, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **Winfield Recreation Commission, Winfield, Kansas**, as of **June 30, 2026**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

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*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of the report. We are required to be independent of **Winfield Recreation Commission, Winfield, Kansas**, 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.

10000 W. 37th St. N. Wichita, Kansas 67205-7700
(316) 945-1500 Fax (316) 945-1505 bfr@bfrcpa.com

Winfield Recreation Commission

Matter Giving Rise to Adverse Opinion on Accounting Principles Generally Accepted in the United State of America
As discussed in Note 1 of the financial statement, the financial statement is prepared by **Winfield Recreation Commission, Winfield, Kansas**, on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; 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 **Winfield Recreation Commission, Winfield, Kansas'** 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 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks 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 **Winfield Recreation Commission, Winfield, Kansas'** 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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Winfield Recreation Commission, Winfield, Kansas'** 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 and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Regulatory-Required Supplementary Information 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 to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

Winfield Recreation Commission

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the **Winfield Recreation Commission, Winfield, Kansas**, as of and for the year ended June 30, 2025, and have issued our report thereon dated August 20, 2025, which contained an unmodified opinion on the basic financial statement.

The 2025 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: https://admin.ks.gov/offices/oar/municipal-services. The 2025 actual column (2025 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2025 (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 2025 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 2025 basic financial statement. The 2025 comparative information was subjected to the auditing procedures applied in the audit of the 2025 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 2025 basic financial statement or to the 2025 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 2025 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, 2025, on the basis of accounting described in Note 1.

BFR CPA, LLC

BFR CPA, LLC
Wichita, Kansas

September 28, 2026

WINFIELD RECREATION COMMISSION
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2026

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	$ 946,129	$ 0	$ 1,292,351	$ 1,359,474	$ 879,006	$ 5,160	$ 884,166
Special Purpose Funds							
Employee Benefit	182,776	0	182,467	142,172	223,071	0	223,071
	$ 1,128,905	$ 0	$ 1,474,818	$ 1,501,646	$ 1,102,077	$ 5,160	$ 1,107,237

Composition of Cash:	Checking and Money Market Accounts	$ 887,363
	Certificate of Deposit	219,874
		$ 1,107,237

WINFIELD RECREATION COMMISSION
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2026

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Winfield Recreation Commission, Winfield, Kansas, is a recreation commission established under State of Kansas statutes designed to provide recreational services in and around Winfield, Kansas. The Commission is governed by an elected five-member Board. The Commission's financial statement includes all funds over which the commission exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

KMAAG Regulatory Basis of Presentation Fund Definitions:

> General Fund-the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.
>
> Special Purpose Funds-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 specified purposes.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The Commission has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the municipality to use the regulatory basis of accounting.

Budget and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds, if applicable. Although directory rather than mandatory, the statutes provide for the following sequence and timetable 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 September 11th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before September 21st, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before October 1st.
5. Adopted budget filed with the county clerk by 5:00 PM on October 1st.

If the municipality is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing.

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 budget amendments for the year ending June 30, 2026.

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

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

Note 2 – Deferred Compensation Plan:

The Recreation Commission has an IRC Section 457 deferred compensation plan. Employees who are eligible under KPERS are eligible to participate. The Commission contributed $7,726 to four employees during year ended June 30, 2026.

Note 3 - Post Employment Benefits:

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the 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.

Note 4 - Other Post Employment Benefits:

Death and Disability Other Post Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2026.

Note 5 - Reimbursed Expenditures:

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

Note 6 - Contingencies:

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

Note 7 - Defined Benefit 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 Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S 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 rate was 9.59% for the period July 1, 2025 through December 31, 2025 and 9.71% for the period January 1, 2026 through the fiscal year ended June 30, 2026. Contributions to the pension plan from the Commission were $39,570 for the year ended June 30, 2026.

Net Pension Liability

At June 30, 2026, the Commission's proportionate share of the collective net pension liability reported by KPERS was $288,050. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2025. 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 State/School subgroup within KPERS for the fiscal year ended June 30, 2025. 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.

Note 8 - Deposits:

K.S.A. 9-1401 establishes the depositories which may be used by the Commission. The statute requires banks eligible to hold the Commission's funds have a main or branch bank in the county in which the Commission is located or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Commission has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Commission's investment of idle funds to time deposits, open accounts and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Commission has no investment policy that would further limit its investment choices.

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may 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, 2026.

At June 30, 2026, the Commission's carrying amount of deposits was $1,107,237 and the bank balance was $1,163,634. The bank balance is held by one bank resulting in a concentration of credit risk. Of the bank balance, $256,186 was covered by federal depository insurance and the remaining $907,448 was collateralized with securities held by the pledging financial institution's agent in the Commission's name.

Note 9 - 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
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

The length of eligible service is calculated on the basis of a "benefit year." This is the 12-month period that begins when the employee starts to earn vacation time. An employee's benefit year may be extended for any significant leave of absence except military leave of absence. Military leave has no effect on this calculation. Once employees enter an eligible employment classification, they will be given 5 vacation days to use in the 1st year of employment and also begin to accrue vacation time in accordance with the Vacation Earnings Schedule above. After the first year of employment, earned vacation time is available for use in the month following its accrual. Vacation hours will be allowed to accumulate until the employee has accrued a total of 320 hours of vacation leave. If the employee's vacation hours reach 320 hours, further accrual of vacation leave will be suspended until the employee has reduced the balance below the 320 hour maximum limit. To take vacation, employees should request advance approval from the Superintendent. Requests will be reviewed based on a number of factors, including business needs and staffing requirements. Vacation time is paid at the employee's base pay rate at the time of vacation. An employee who separates from service through resignation, layoff, retirement, or death shall be compensated at their regular rate of pay at the time of separation for all accumulated, unused vacation leave. Employees terminated for gross misconduct shall not be paid their accrued vacation at time of separation. At June 30, 2026, earned but unused vacation leave amounted to $29,553.

Note 10 - Subsequent Events:

The Commission has evaluated subsequent events through September 28, 2026, the date which the financial statement was available to be issued.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

WINFIELD RECREATION COMMISSION
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2026

Fund	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	$ 1,467,733	$ 0	$ 1,467,733	$ 1,359,474	$ (108,259)
Special Purpose Funds					
Employee Benefit	169,000	0	169,000	142,172	(26,828)
	$ 1,636,733	$ 0	$ 1,636,733	$ 1,501,646	$ (135,087)

WINFIELD RECREATION COMMISSION
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2026
(With Comparative Actual Totals for the Prior Year Ended June 30, 2025)

General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Taxes and Shared Revenue	$ 708,254	$ 719,410	$ 708,254	$ 11,156
Concessions	8,254	10,179	8,200	1,979
Miscellaneous, Reimbursements, Other	23,922	63,440	177,500	(114,060)
Special Events	35,712	36,097	36,000	97
Memberships and Fees	405,347	448,889	275,900	172,989
Interest	18,092	14,336	7,000	7,336
	1,199,581	1,292,351	$ 1,212,854	$ 79,497
Expenditures				
Personnel Services	526,568	536,036	$ 555,400	$ (19,364)
Contractual Services	184,871	198,539	208,358	(9,819)
Commodities	76,000	89,192	83,500	5,692
Special Events	40,414	38,660	65,300	(26,640)
Arts	21,000	21,000	21,000	0
Contingency	7,100	7,996	14,700	(6,704)
Capital Outlay	137,504	335,843	370,000	(34,157)
Outdoor Aquatics Program	70,659	132,208	149,475	(17,267)
	1,064,116	1,359,474	$ 1,467,733	$ (108,259)
Receipts Over (Under) Expenditures	135,465	(67,123)		
Unencumbered Cash, Beginning	810,664	946,129		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 946,129	$ 879,006		

WINFIELD RECREATION COMMISSION
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2026
(With Comparative Actual Totals for the Prior Year Ended June 30, 2025)

Employee Benefit Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Taxes and Shared Revenue	$ 177,804	$ 180,124	$ 177,804	$ 2,320
Refunds	5,008	2,343	0	2,343
	182,812	182,467	$ 177,804	$ 4,663
Expenditures				
Social Security	38,401	39,455	$ 42,000	$ (2,545)
Health Insurance	46,182	49,841	66,000	(16,159)
Unemployment Insurance	502	532	1,000	(468)
Workers Compensation	3,723	5,048	5,000	48
KPERS	46,118	47,296	55,000	(7,704)
	134,926	142,172	$ 169,000	$ (26,828)
Receipts Over (Under) Expenditures	47,886	40,295		
Unencumbered Cash, Beginning	134,890	182,776		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 182,776	$ 223,071		