

USD 353

WELLINGTON RECREATION COMMISSION

FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

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

WELLINGTON RECREATION COMMISSION
FOR THE YEAR ENDED JUNE 30, 2020

BOARD OF DIRECTORS

Mary Frances Holefelder — President

Dr. Tamara McCue — Vice-President

Matt Barton — Secretary

John Brand

Betty Zeka

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, 2020

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FINANCIAL SECTION

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

EDW. B. STEPHENSON
(1905-1935)

JAMES R. DOBB S
(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. HUENEROARDT, CPA

1002 Maio Street
Winfield, Kansas 67156
620-221-9320
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INDEPENDENT AUDITORS' REPORT

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

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, 2020 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; 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

Wellington Recreation Commission November 17, 2020 Independent Auditor's Report

of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

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 Wellington Recreation Commission, Wellington, Kansas, as of June 30, 2020, 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, 2020, 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 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 Wellington Recreation Center, Wellington, KS basic financial statement for the year ended June 30, 2019 (not presented herein) and have issued our report thereon dated October 7, 2019, which contained an unmodified opinion on the basic financial statement. The 2019 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://www.admin.ks.gov/offices/chieffinancial-officer/municipal-services>. The 2019 actual column (2019 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2020 (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 2019 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 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2019 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 2019 basic financial statement or to the 2019 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 2019 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, 2019, on the basis of accounting described in Note I.

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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, 2020

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	\$ 238,238	\$ 725,538	\$ 687,824	\$ 275,952	\$ 24,536	\$ 300,488
Special Revenue Fund:						
Employee Benefits Fund	13,852	70,500	76,988	7,364	1,802	9,166
 Total Reporting Entity (Excluding Agency Funds)	 \$ 252,090	 \$ 796,038	 \$ 764,812	 \$ 283,316	 \$ 26,338	 \$ 309,654

Composition of Cash:

Petty Cash	\$ -
Security State Bank:	
Checking Account	12,453
Savings Account	40,397
Impact Bank:	
Checking Account	178,162
Savings Account	20,064
Director Account	1,154
Money Market Account	57,424
Total Cash	<u>\$ 309,654</u>

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, 2020

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, 2020:

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

USD 353 WELLINGTON RECREATION COMMISSION

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

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, 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 5' 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.

USD 353 WELLINGTON RECREATION COMMISSION

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

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 -I-, 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.

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

USD 353 WELLINGTON RECREATION COMMISSION

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

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, 2020.

At June 30, 2020, the Commission's carrying amount of deposits was \$309,654.31 and the bank balance was \$322,253.40. Of the bank balance, \$250,000.00 was covered by federal depository insurance and the remaining \$72,253.40 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

USD 353 WELLINGTON RECREATION COMMISSION

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

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, 2020, earned but unused vacation leave amounted to \$10,501.45.

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
2021	\$ 68,675
2022	67,475
2023	71,200
2024	69,625
2025	67,825
2026 - 2030	344,088
2031 - 2033	<u>272,950</u>
Total Lease Payments	<u><u>\$ 961,838</u></u>

USD 353 WELLINGTON RECREATION COMMISSION

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

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, 2020.

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, 2020 was \$5,771.76.

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 pay period, or monthly for salaried personnel. Deductions are paid to the employee the following year on the 20th of November. The \$10.00 deduction will be matched by the Recreation Commission, up to \$260 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

USD 353 WELLINGTON RECREATION COMMISSION

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

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 8.89% for the fiscal year ended December 31, 2019. Contributions to the pension plan from the commission were \$19,632.33 for the year ended June 30, 2020.

Net Pension Liability.

At June 30, 2020, the Commission proportionate share of the collective net pension liability reported by KPERS was \$155,304. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. 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, 2020 are as follows:

Fund	Amount
General	\$ 24,536.20
Employee Benefit	1,802.34
Totals	<u>\$ 26,338.54</u>

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 2019 did not exceed insurance coverage,

USD 353 WELLINGTON RECREATION COMMISSION
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020

VIII. SUBSEQUENT EVENTS

In recent months, the coronavirus (COVID-19) outbreak in the United States has resulted in reduced customer traffic and the temporary closure of operating hours for our offices. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Commission as of the date of this report, management believes that a material impact on the Commission's financial position and results of future operations is reasonably possible.

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 2020.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

USD 353 WELLINGTON RECREATION COMMISSION
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020

Schedule -1-

Funds	Certified Budget	Adjustment for Qualifying <u>Budget</u> Credits	Total . Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds:					
General Fund	\$ 1,005,000	\$	\$ 1,005,000	\$ 687,824	\$ (317,176)
Special Revenue Fund:					
Employee Benefits Fund	100,710		100,710	76,988	(23,722)

USD 353 WELLINGTON RECREATION COMMISSION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2019)

Schedule -2-

	GENERAL FUND			
	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Ad Valorem Taxes	\$ 398,550	\$ 398,000	\$ 415,000	\$ (17,000)
City of Wellington, Memorial Auditorium	10,200	10,000	10,000	
Swimming Pool - Operating	59,593	31,807	55,000	(23,193)
Swimming Pool - City of Wellington	20,597	27,006	35,000	(7,994)
Concessions	70,036	35,274	70,000	(34,726)
Donations - Gifts	21,873	3,647	15,000	(11,353)
Program Revenue	261,335	197,194	230,000	(32,806)
Rent, Refunds, Maintenance	18,580	14,295	20,000	(5,705)
Interest	201	556	156	400
Miscellaneous	5,276	7,758	1,000	6,758
Total Cash Receipts	<u>\$ 866,241</u>	<u>\$ 725,538</u>	<u>\$ 851,156</u>	<u>\$ (125,638)</u>
Expenditures				
Administration	299,899	\$ 269,012	\$ 375,000	\$ (105,988)
Program	384,089	319,310	415,000	(95,690)
Facility Maintenance	27,086	27,544	50,000	(22,456)
Capital Outlay	70,775	71,958	165,000	(93,042)
Total Expenditures	<u>781,848</u>	<u>\$ 687,824</u>	<u>\$ 1,005,000</u>	<u>\$ (317,176)</u>
Receipts Over (Under) Expenditures	84,393	\$ 37,714		
Unencumbered Cash, Beginning	<u>153,845</u>	<u>238,238</u>		
Unencumbered Cash, Ending	<u>238,238</u>	<u>275,952</u>		

USD 353 WELLINGTON RECREATION COMMISSION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2019)

Schedule -2-

EMPLOYEE BENEFITS FUND				
	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Act Valorem Property	\$ 72,000	\$ 70,500	\$ 82,000	\$ (11,500)
Transfer From General				
Total Cash Receipts	<u>\$ 72,000</u>	<u>\$ 70,500</u>	<u>\$ 82,000</u>	<u>\$ (11,500)</u>
Expenditures				
Retirement	\$ 25,797	\$ 25,624	\$ 35,000	\$ (9,376)
Social Security and Medicare	31,441	31,063	35,000	(3,937)
Unemployment			710	(710)
Health Insurance	20,475	20,300	30,000	(9,700)
Total Expenditures	<u>\$ 77,713</u>	<u>\$ 76,988</u>	<u>100,710</u>	<u>\$ (23,722)</u>
Receipts Over (Under) Expenditures	\$ (5,713)	\$ (6,488)		
Unencumbered Cash, Beginning	<u>19,565</u>	<u>13,852</u>		
Unencumbered Cash, Ending	<u>\$ 13,852</u>	<u>\$ 7,364</u>		