



The Board of Representatives  
West Shore Recreation Commission  
Lewisberry, Pennsylvania

This letter is to inform the Board of Representatives of West Shore Recreation Commission (the Commission) about significant matters related to the conduct of our audit as of and for the year ended December 31, 2021, so that it can appropriately discharge its oversight responsibility and we comply with our professional responsibilities.

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process:

#### **Our Responsibilities With Regard to the Financial Statement Audit**

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our arrangement letter dated March 26, 2022. The audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

#### **Overview of the Planned Scope and Timing of the Financial Statement Audit**

We have issued a separate communication regarding the planned scope and timing of our audit and identified significant risks.

#### **Significant Accounting Practices, Including Policies, Estimates and Disclosures**

The following identifies the qualitative aspects of significant accounting practices, including accounting policies, accounting estimates and financial statement disclosures which you may wish to monitor as part of your oversight responsibilities of the financial reporting process:

##### *Preferability of Accounting Policies and Practices*

Under the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practices.

## Significant Accounting Practices, Including Policies, Estimates and Disclosures (Continued)

### *Adoption of, or Change in, Accounting Policies*

The Board of Representatives and management have the ultimate responsibility for the appropriateness of the accounting policies used by the Commission.

Following are descriptions of significant accounting policies or their applications that were considered or initially selected during the year ended December 31, 2021:

GASB Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*, establishes the term annual comprehensive financial report and its acronym ACFR.

The following are descriptions of accounting pronouncements which will be considered for implementation during subsequent fiscal years, with modified effective dates as established by GASB Statement No. 95:

GASB Statement No. 91, *Conduit Debt Obligations*, will be effective for the Commission beginning with its year ending December 31, 2022 (periods beginning after December 15, 2021). This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice.

GASB Statement No. 92, *Omnibus 2020*, will be effective for the Commission beginning with its year ending December 31, 2022 (fiscal periods beginning after June 15, 2021). This Statement enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of various GASB standards previously issued.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, will be effective for the Commission beginning with its year ending December 31, 2022 (periods beginning after December 15, 2021). This Statement addresses accounting and financial reporting implications that result from the replacement of an IBOR.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will be effective for the Commission beginning with its year ending December 31, 2023 (fiscal periods beginning after June 15, 2022). This Statement improves financial reporting by addressing issues related to public-private and public-public partnerships.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, will be effective for the Commission beginning with its year ending December 31, 2023 (fiscal periods beginning after June 15, 2022). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users.

## **Significant Accounting Practices, Including Policies, Estimates and Disclosures (Continued)**

### *Adoption of, or Change in, Accounting Policies (Continued)*

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, will be effective in varying stages, with certain requirements that go into effect immediately and all other requirements becoming effective for the Commission beginning with its year ending December 31, 2022 (fiscal periods beginning after June 15, 2021). This Statement (1) increases consistency and comparability related to the reporting of fiduciary component units where a governing board does not exist and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension and OPEB plans and other employee benefit plans as fiduciary component unit and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan.

The Commission's management has not yet determined the effects, if any, that these Statements will have on the Commission's financial statements.

We did not discuss with management any alternative treatments within the modified cash basis of accounting for accounting policies and practices related to material items during the current audit period.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgments. The process used by management encompasses its knowledge and experience about past and current events and certain assumptions about future events. Management has informed us that it used all relevant facts available to it at the time to make the best judgments about accounting estimates, and we considered this information in the scope of our audit.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are objective, consistent and clear.

### *Significant or Unusual Transactions*

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

## **Audit Adjustments**

There were audit adjustments made to the original trial balances that were presented to us to begin our audit. Additionally, adjustments were made for the conversion to full accrual financial reporting. None of these adjustments, in our judgment, either individually or in the aggregate, had significant effects on the Commission's monthly financial reporting process.

## **Uncorrected Misstatements**

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

**Other Information in Documents Containing Audited Financial Statements**

We are not aware of any other documents that contain the audited financial statements. If such documents were to be published, we would have a responsibility to determine that such financial information was not materially inconsistent with the audited statements of the Commission.

**Disagreements with Management**

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

**Consultations with Other Accountants**

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

**Significant Issues Discussed with Management**

No significant issues arising from the audit were discussed with or were the subject of correspondence with management.

**Significant Difficulties Encountered in Performing the Audit**

We did not encounter any difficulties in dealing with management during the audit.

**Significant Written Communication Between Management and Our Firm**

We have requested certain representations from management that are included in the management representation letter dated June 13, 2022.

**Closing**

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to West Shore Recreation Commission.

This report is intended solely for the information and use of the Board of Representatives and management of West Shore Recreation Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

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Camp Hill, Pennsylvania  
June 13, 2022

**WEST SHORE  
RECREATION COMMISSION**

**FINANCIAL REPORT**

**DECEMBER 31, 2021**

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Representatives  
West Shore Recreation Commission  
Lewisberry, Pennsylvania

### **Opinions**

We have audited the modified cash basis financial statements of the governmental activities and the major fund of the West Shore Recreation Commission (the Commission) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and the major fund of the Commission, as of December 31, 2021, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

### **Basis for Opinions**

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

### **Emphasis of Matter - Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

### **Other Matter - Required Supplementary Information**

Management has omitted the Management's Discussion and Analysis which the modified cash basis of accounting requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

A handwritten signature in cursive script that reads "Boyer & Ritter". The signature is written in dark ink and is centered on the page.

Camp Hill, Pennsylvania  
June 13, 2022

**WEST SHORE RECREATION COMMISSION**

**STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS  
December 31, 2021**

	Governmental Activities	<b>Total 2021</b>	(Summarized) Total 2020
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 19,645	\$ 19,645	\$ 33,543
<b>Total assets</b>	\$ 19,645	\$ 19,645	\$ 33,543
<b>LIABILITIES</b>			
Liabilities	\$ -	\$ -	\$ -
<b>NET POSITION</b>			
Unrestricted	19,645	19,645	33,543
<b>Total liabilities and net position</b>	\$ 19,645	\$ 19,645	\$ 33,543

See Notes to Financial Statements.

**WEST SHORE RECREATION COMMISSION**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**Year Ended December 31, 2021**

Function/Programs	Program Revenue		Net Revenue and Changes in Net Position	
	Expenses	Charges For Services	Operating Grants And Contributions	(Summarized) Total 2020
Governmental Activities				
Culture and recreation	\$ 448,936	\$ 318,549	\$ 116,356	\$ (14,031)
Total governmental activities	\$ 448,936	\$ 318,549	\$ 116,356	(14,031)
General Revenues and Transfers				
Investment income				37
Miscellaneous income				96
Total general revenues and transfers				133
<b>Changes in net position</b>				<b>(13,898)</b>
Net Position - January 1, 2021				33,543
Net Position - December 31, 2021				\$ 19,645
				\$ 33,543

See Notes to Financial Statements.

**WEST SHORE RECREATION COMMISSION**

**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -  
MODIFIED CASH BASIS - GOVERNMENTAL FUND  
December 31, 2021**

	General Fund	<b>Total 2021</b>	(Summarized) Total 2020
<b>ASSETS</b>			
Cash and cash equivalents	\$ 19,645	<b>\$ 19,645</b>	\$ 33,543
<b>Total assets</b>	<b>\$ 19,645</b>	<b>\$ 19,645</b>	<b>\$ 33,543</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
	\$ -	\$ -	\$ -
<b>FUND BALANCE</b>			
Unassigned	19,645	<b>19,645</b>	33,543
Total fund balance	19,645	<b>19,645</b>	33,543
<b>Total liabilities and fund balance</b>	<b>\$ 19,645</b>	<b>\$ 19,645</b>	<b>\$ 33,543</b>

See Notes to Financial Statements.

**WEST SHORE RECREATION COMMISSION**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
MODIFIED CASH BASIS - GOVERNMENTAL FUND  
Year Ended December 31, 2021**

	General Fund	Total 2021	(Summarized) Total 2020
<b>REVENUES</b>			
Municipal contributions			
Lower Allen Township	\$ 37,963	\$ 37,963	\$ 45,194
Fairview Township	43,754	43,754	52,088
New Cumberland Borough	19,102	19,102	22,741
Lemoyne Borough	11,952	11,952	14,228
Goldsboro Borough	2,499	2,499	2,975
Lewisberry Borough	1,086	1,086	1,810
Program fees	253,743	253,743	104,759
Trip fees	13,248	13,248	2,849
PRPS tickets	-	-	174
Brochure ads	3,600	3,600	2,875
Pool management	47,958	47,958	-
Miscellaneous	96	96	-
Investment income	37	37	233
<b>Total revenues</b>	<b>435,038</b>	<b>435,038</b>	<b>249,926</b>
<b>EXPENDITURES</b>			
Salaries and wages - staff	146,453	146,453	138,989
Salaries - instruction	91,595	91,595	11,474
Contracted services	72,121	72,121	33,172
Materials and supplies	4,197	4,197	560
Facility fees and rentals	6,990	6,990	1,480
Trip expenses	12,545	12,545	3,517
Insurance - group	20,263	20,263	20,641
Insurance - other	11,550	11,550	15,669
Retirement contribution	6,561	6,561	6,561
Dues and subscriptions	-	-	415
Conferences and workshops	200	200	600
Background checks	261	261	174
Travel	153	153	-
Credit card fees	10,313	10,313	7,782
Office materials and supplies	814	814	504

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**WEST SHORE RECREATION COMMISSION**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 MODIFIED CASH BASIS - GENERAL FUND - (Continued)  
 Year Ended December 31, 2021**

	General Fund	Total 2021	(Summarized) Total 2020
<b>EXPENDITURES (Continued)</b>			
Payroll taxes	18,592	<b>18,592</b>	11,818
Postage	8,501	<b>8,501</b>	6,332
Professional fees	7,059	<b>7,059</b>	6,722
Office rent	1,753	<b>1,753</b>	1,563
Office equipment maintenance	4,200	<b>4,200</b>	8,190
Computer software	4,135	<b>4,135</b>	1,053
Brochures	14,116	<b>14,116</b>	6,867
Vehicle expenses	638	<b>638</b>	335
Internet services	3,587	<b>3,587</b>	4,258
Office equipment	2,339	<b>2,339</b>	2,435
Youth scholarships	-	-	99
<b>Total expenditures</b>	<b>448,936</b>	<b>448,936</b>	291,210
<b>Changes in fund balance</b>	<b>(13,898)</b>	<b>(13,898)</b>	(41,284)
Fund Balance - January 1, 2021	33,543	<b>33,543</b>	74,827
Fund Balance - December 31, 2021	<u>\$ 19,645</u>	<u>\$ 19,645</u>	<u>\$ 33,543</u>

See Notes to Financial Statements.

**WEST SHORE RECREATION COMMISSION**

**STATEMENT OF REVENUES AND EXPENDITURES - MODIFIED CASH BASIS -  
BUDGET TO ACTUAL - GENERAL FUND  
Year Ended December 31, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Municipal contributions				
Lower Allen Township	\$ 36,155	\$ 36,155	\$ 37,963	\$ 1,808
Fairview Township	41,670	41,670	43,754	2,084
New Cumberland Borough	18,193	18,193	19,102	909
Lemoyne Borough	11,383	11,383	11,952	569
Goldsboro Borough	2,380	2,380	2,499	119
Lewisberry Borough	905	905	1,086	181
Program fees	317,900	317,900	253,743	(64,157)
Trip fees	34,000	34,000	13,248	(20,752)
PRPS tickets	7,000	7,000	-	(7,000)
Brochure ads	5,000	5,000	3,600	(1,400)
Pool management	66,225	66,225	47,958	(18,267)
Miscellaneous	100	100	96	(4)
Investment income	150	150	37	(113)
<b>Total revenues</b>	<b>541,061</b>	<b>541,061</b>	<b>435,038</b>	<b>(106,023)</b>
<b>EXPENDITURES</b>				
Salaries and wages - staff	167,842	167,842	146,453	21,389
Salaries - instruction	115,332	115,332	91,595	23,737
Contracted services	65,164	65,164	72,121	(6,957)
Materials and supplies	8,950	8,950	4,197	4,753
Facility fees and rentals	10,800	10,800	6,990	3,810
Trip expenses	30,600	30,600	12,545	18,055
PRPS tickets	6,700	6,700	-	6,700
Insurance - group	22,634	22,634	20,263	2,371
Insurance - other	15,996	15,996	11,550	4,446
Retirement contribution	6,561	6,561	6,561	-
Dues and subscriptions	415	415	-	415
Conferences and workshops	860	860	200	660
Background checks	500	500	261	239
Travel	165	165	153	12
Credit card fees	14,000	14,000	10,313	3,687
Office materials and supplies	900	900	814	86
Payroll taxes	22,176	22,176	18,592	3,584

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**WEST SHORE RECREATION COMMISSION**

**STATEMENT OF REVENUES AND EXPENDITURES - MODIFIED CASH BASIS -  
 BUDGET TO ACTUAL - GENERAL FUND - (Continued)  
 Year Ended December 31, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>EXPENDITURES (Continued)</b>				
Postage	8,500	8,500	8,501	(1)
Professional fees	7,210	7,210	7,059	151
Office rent	1,836	1,836	1,753	83
Office equipment maintenance	9,190	9,190	4,200	4,990
Computer software	3,600	3,600	4,135	(535)
Brochures	12,750	12,750	14,116	(1,366)
Vehicle expense	1,000	1,000	638	362
Internet services	4,407	4,407	3,587	820
Office equipment	2,450	2,450	2,339	111
<b>Total expenditures</b>	<b>540,538</b>	<b>540,538</b>	<b>448,936</b>	<b>91,602</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 523</b>	<b>\$ 523</b>	<b>\$ (13,898)</b>	<b>\$ (14,421)</b>

See Notes to Financial Statements.

## WEST SHORE RECREATION COMMISSION

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 1. Summary of Significant Accounting Policies**

The financial statements of the West Shore Recreation Commission (Commission) have been prepared in conformity with the modified cash basis of accounting as applied to governmental units, as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Commission's accounting policies are described below.

The Reporting Entity: West Shore Recreation Commission was formed in 1968, to jointly administer recreation and leisure service programs for the participating member municipalities of the West Shore School District. During 2021, the Board included a representative from Fairview Township, Goldsboro Borough, Lemoyne Borough, Lewisberry Borough, Lower Allen Township and New Cumberland Borough. The Commission, based on an agreement of intergovernmental cooperation, utilizes a combination of public and private resources to promote and provide organized recreation and leisure-time opportunities for all residents of the participating member municipalities of the West Shore School District.

Basis of Accounting: The Commission prepares its financial statements on the modified cash basis of accounting, which means that revenues are recorded when cash is received, and expenditures are recorded when cash is disbursed; except for payroll liabilities, which are recorded when incurred.

Basis of Presentation: The Commission's financial statements consist of government-wide statements, including a Statement of Assets, Liabilities and Net Position, a Statement of Activities and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements: The Statement of Assets, Liabilities and Net Position and the Statement of Activities display information about the Commission as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Commission that are governmental and those that are considered business-type activities, if any.

The statement of assets, liabilities and net position presents the financial condition of the governmental activities of the Commission at year end. Net position is segregated between restricted and unrestricted amounts. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Commission's governmental activities. Direct expenses are those that are specifically associated with a service, program or department, and therefore, clearly identifiable to a particular function. Program revenues include contributions that are restricted to meeting the operational or capital requirements of a particular program and investment income, earned on grants that is required to be used to support a particular program.

## WEST SHORE RECREATION COMMISSION

### NOTES TO FINANCIAL STATEMENTS

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#### Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements (Continued): Revenues which are not classified as program revenues are presented as general revenues of the Commission with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Commission.

Fund Financial Statements: During the year, the Commission segregates transactions related to certain Commission functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Commission at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The Commission had one major fund and no non-major funds.

Fund Accounting: The fund balances of the governmental funds are classified as follows:

- Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.
- Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Representatives, the highest level of decision making authority for the Commission. Commitments may be established, modified or rescinded only through ordinances or resolutions approved by the Board.
- Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board of Representatives may assign amounts for specific purposes.
- Unassigned - all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Commission considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally, unassigned funds as needed, unless the Board of Representatives has provided otherwise in its commitment or assignment actions.

## WEST SHORE RECREATION COMMISSION

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

Comparative Data: Comparative total data from the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Commission's financial position and results of operations. This prior year summarized, comparative information is not presented in the level of detail required for presentation in conformity with the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Commission's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Budgets and Budgetary Accounting: The Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

Budgetary integration is employed as a management control device during the year. Annually, a budget is adopted on a cash basis, consistent with the Commission's method of accounting.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Cash and Cash Equivalents: At December 31, 2021, cash includes all demand deposits and certificates of deposit with Members 1<sup>st</sup> Federal Credit Union.

Subsequent Events: In preparing these financial statements, the Commission has evaluated events and transactions for potential recognition or disclosure through June 13, 2022, the date the financial statements were available to be issued.

#### **Note 2. Deposits**

Pennsylvania statutes provide for investment of governmental funds into certain authorized types including U.S. Treasury Bills, other short-term U.S. and Pennsylvania government obligations and insured or collateralized time deposits and Certificates of Deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes.

Deposits: The deposit and investment policy of the Commission adheres to the state statutes and prudent business practice.

Custodial Credit Risk: All of the Commission's cash deposits are either insured or collateralized. Custodial credit risk is the risk that the Commission's deposits may not be recoverable in the event of a depository institution failure. The Commission does not have a formal policy regarding custodial credit risk for deposits. However, it requires that all deposits in excess of FDIC insurance coverage be collateralized by the depository institution with approved collateral as provided by law. At December 31, 2021, the Commission had deposit balances totaling \$47,650, all of which was insured.

**WEST SHORE RECREATION COMMISSION**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 3. Leases**

As of December 11, 2013, the Commission moved its operations to space donated by the West Shore School District located in the West Shore School District Administrative Building. On July 1, 2017, the Commission entered into a two-year lease agreement with the West Shore School District. The lease shall automatically renew for successive periods of one year. The Commission estimates that the fair market value of the office space is \$30,000, annually. Monthly rent as of December 31, 2021, was \$-0-.

Effective December 10, 2013, the Commission agreed to lease a storage space from Susquehanna Valley Self Storage under a month-to-month lease agreement. Monthly rent as of June 30, 2021 was \$153, at which point monthly rent increased to \$167 through December 31, 2021.

Effective January 18, 2017, the Commission agreed to lease a copier from Phillips Capital under a five-year lease which expires on January 17, 2022. Monthly rent as of December 31, 2021, was \$194.

Minimum future annual rentals at December 31, 2021, are as follows:

Year	Amount
2022	\$2,004

**Note 4. Retirement Plan**

West Shore Recreation Commission has established a retirement plan under Section 401 of the Internal Revenue Code for all full-time employees. The plan is funded at the discretion of the Board of Representatives. Additionally, the plan provides for an election by employees to defer part of their compensation. Employees are eligible for entry into the plan after they have attained the age of 21 and completed one year of service. Employer contributions, as well as any plan forfeitures, are distributed to participants' accounts based on the percentage of the participants' compensation for the given year to the total of all participants' compensation. Employees are 100% vested in the plan after three years of service. Employees are eligible for benefits upon normal retirement (attainment of age 65), early retirement (attainment of the later of age 55 or completion of five years of vested service), death or disability. Terminated employees who are vested in the plan are also eligible for benefits.

The payroll for employees eligible for participation in the plan for the year ended December 31, 2021, was \$109,342, and the total payroll was \$238,048. At December 31, 2021, there were two employees participating in the plan. The contribution for 2021 was \$6,561.

## WEST SHORE RECREATION COMMISSION

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 5. Related-Party Facility Fees and Management Income**

The Commission has an agreement with West Shore School District which obligates the Commission to pay 7.00% of participants' aquatic fees to the School District for use of the District's natatorium. Included in 2021 facility fees and rentals is payment of \$0 of 2021 participants' aquatic fees. The 2021 fee was paid during 2022.

Effective January 2012, the West Shore School District required the Commission to pay fees for all adult programs held at the District's facilities. Participants' rates have increased to reflect these additional fees. Included in 2021 facility fees and rentals is payment of \$2,450 of these 2021 fees.

Effective April 20, 2011, the commission entered into an agreement to manage the pool for Lemoyne Borough. The agreement is renewed annually. During 2021, the Commission received \$47,958, associated with managing the Lemoyne pool. 2021 payroll and supplies expenditures related to management of Lemoyne's pool totaled \$35,997.

#### **Note 6. Required Individual-Fund Disclosures**

The 2021 expenditures were less than the 2021 appropriations by \$91,602. In addition, the 2021 revenues were less than the budgeted amounts by \$106,023.

#### **Note 7. Risk Management**

Developments arising from the coronavirus pandemic and efforts to mitigate the disease's domestic and global impacts have impacted the operations and finances of municipal authorities. Changes in service approach, labor and personnel changes, facility closings, contracted service disruptions, personal protective equipment purchases and technological equipment acquisitions have affected all municipal authorities. Unstable conditions enhance municipalities' risk factors as they have significant reliance on revenues from charges for services and governmental agencies to fund their operations. These factors impact revenue recognition, cash flows and liquidity, and contingencies. Presently, the ultimate, effects of this crisis on financial position, results of operations and cash flows are indeterminable because the duration of the crisis is also indeterminable; however, management continues to monitor developments.