WEST SHORE RECREATION COMMISSION

FINANCIAL REPORT

DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Representatives
West Shore Recreation Commission
Lewisberry, Pennsylvania

We have audited the accompanying modified cash basis financial statements of the governmental activities and the major fund of the West Shore Recreation Commission as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements; 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 statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial positions of the governmental activities and the major fund of the West Shore Recreation Commission as of December 31, 2019, and the respective changes in modified cash basis financial positions, and the budgetary comparison for the General Fund for the years then ended in accordance with the modified cash basis of accounting described in Note 1.

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 opinion is not modified with respect to this matter.

Other Matters – Required Supplementary Information

Management has omitted Management's Discussion and Analysis that 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.

Boyer & Ritter

Camp Hill, Pennsylvania
July 22, 2020

WEST SHORE RECREATION COMMISSION

STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS
December 31, 2019

	Governmental Activities	**Total 2019**	(Summarized) Total 2018
ASSETS			
Current Assets			
Cash and cash equivalents	$ 74,827	**$ 74,827**	$ 84,791
Total assets	$ 74,827	**$ 74,827**	$ 84,791
LIABILITIES			
Liabilities	$ -	**$ -**	$ -
NET POSITION			
Unrestricted	74,827	**74,827**	84,791
Total liabilities and net position	$ 74,827	**$ 74,827**	$ 84,791

See Notes to Financial Statements.

WEST SHORE RECREATION COMMISSION

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
Year Ended December 31, 2019

Function/Programs	Expenses	Program Revenue: Charges For Services	Program Revenue: Operating Grants And Contributions	Net Revenue and Changes in Net Position: Governmental Activities	Net Revenue and Changes in Net Position: **Total 2019**	Net Revenue and Changes in Net Position: (Summarized) Total 2018
Governmental Activities						
Culture and recreation	$ 547,460	$ 426,396	$ 110,686	$ (10,378)	**$ (10,378)**	$ (19,501)
Total governmental activities	$ 547,460	$ 426,396	$ 110,686	(10,378)	**(10,378)**	(19,501)
General Revenues and Transfers						
Investment income				414	**414**	120
Miscellaneous income				-	**-**	5
Total general revenues and transfers				414	**414**	125
Change in net position				(9,964)	**(9,964)**	(19,376)
Net Position - January 1, 2019				84,791	**84,791**	104,167
Net Position - December 31, 2019				$ 74,827	**$ 74,827**	$ 84,791

See Notes to Financial Statements.

WEST SHORE RECREATION COMMISSION

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - MODIFIED CASH BASIS - GOVERNMENTAL FUND
December 31, 2019

	General Fund	**Total 2019**	(Summarized) Total 2018
ASSETS			
Cash and cash equivalents	$ 74,827	**$ 74,827**	$ 84,791
Total assets	$ 74,827	**$ 74,827**	$ 84,791
LIABILITIES AND FUND BALANCE			
LIABILITIES	$ -	**$ -**	$ -
FUND BALANCE			
Unassigned	74,827	**74,827**	84,791
Total fund balance	74,827	**74,827**	84,791
Total liabilities and fund balance	$ 74,827	**$ 74,827**	$ 84,791

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, 2019

	General Fund	**Total 2019**	(Summarized) Total 2018
REVENUES			
Municipal contributions			
Lower Allen Township	$ 36,155	**$ 36,155**	$ 36,155
Fairview Township	41,670	**41,670**	41,670
New Cumberland Borough	18,193	**18,193**	18,193
Lemoyne Borough	11,383	**11,383**	11,383
Goldsboro Borough	2,380	**2,380**	2,380
Lewisberry Borough	905	**905**	905
Program fees	306,631	**306,631**	332,545
Trip fees	41,447	**41,447**	29,845
PRPS tickets	6,313	**6,313**	7,760
Brochure ads	6,125	**6,125**	4,325
Pool management	65,880	**65,880**	64,681
Miscellaneous	-	-	5
Investment income	414	**414**	120
Total revenues	537,496	**537,496**	549,967
EXPENDITURES			
Salaries and wages - staff	159,402	**159,402**	153,468
Salaries - instruction	118,945	**118,945**	124,273
Contracted services	71,770	**71,770**	87,569
Materials and supplies	8,634	**8,634**	7,535
Facility fees and rentals	11,701	**11,701**	9,704
Trip expenses	36,708	**36,708**	27,115
PRPS tickets	6,124	**6,124**	7,576
Insurance - group	20,313	**20,313**	18,146
Insurance - other	15,446	**15,446**	18,100
Retirement contribution	6,401	**6,401**	6,244
Dues and subscriptions	415	**415**	370
Conferences and workshops	876	**876**	1,353
Background checks	475	**475**	472
Travel	172	**172**	156
Credit card fees	15,920	**15,920**	15,711
Office materials and supplies	1,001	**1,001**	1,463

(Continued)

WEST SHORE RECREATION COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - GENERAL FUND - (Continued)
Year Ended December 31, 2019

	General Fund	**Total 2019**	(Summarized) Total 2018
EXPENDITURES (Continued)			
Payroll taxes	21,904	**21,904**	21,738
Postage	8,308	**8,308**	8,078
Professional fees	7,106	**7,106**	6,910
Office rent	1,428	**1,428**	1,372
Office equipment maintenance	4,426	**4,426**	3,422
Computer software	5,993	**5,993**	1,872
Brochures	12,667	**12,667**	12,573
Vehicle expenses	2,406	**2,406**	25,457
Internet services	4,004	**4,004**	3,660
Office equipment	3,820	**3,820**	4,228
Youth scholarships	1,095	**1,095**	778
Total expenditures	547,460	**547,460**	569,343
Changes in fund balance	(9,964)	**(9,964)**	(19,376)
Fund Balance - January 1, 2019	84,791	**84,791**	104,167
Fund Balance - December 31, 2019	$ 74,827	**$ 74,827**	$ 84,791

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, 2019

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Municipal contributions				
Lower Allen Township	$ 36,155	$ 36,155	$ 36,155	$ -
Fairview Township	41,670	41,670	41,670	-
New Cumberland Borough	18,193	18,193	18,193	-
Lemoyne Borough	11,383	11,383	11,383	-
Goldsboro Borough	2,380	2,380	2,380	-
Lewisberry Borough	905	905	905	-
Program fees	325,700	325,700	306,631	(19,069)
Trip fees	30,000	30,000	41,447	11,447
PRPS tickets	7,200	7,200	6,313	(887)
Brochure ads	5,000	5,000	6,125	1,125
Pool management	65,500	65,500	65,880	380
Miscellaneous	100	100	-	(100)
Investment income	150	150	414	264
Total revenues	544,336	544,336	537,496	(6,840)
EXPENDITURES				
Salaries and wages - staff	161,114	161,114	159,402	1,712
Salaries - instruction	128,175	128,175	118,945	9,230
Contracted services	74,750	74,750	71,770	2,980
Materials and supplies	8,300	8,300	8,634	(334)
Facility fees and rentals	8,800	8,800	11,701	(2,901)
Trip expenses	27,000	27,000	36,708	(9,708)
PRPS tickets	6,950	6,950	6,124	826
Insurance - group	18,300	18,300	20,313	(2,013)
Insurance - other	18,750	18,750	15,446	3,304
Retirement contribution	6,400	6,400	6,401	(1)
Dues and subscriptions	370	370	415	(45)
Conferences and workshops	1,450	1,450	876	574
Background checks	350	350	475	(125)
Travel	165	165	172	(7)
Credit card fees	16,000	16,000	15,920	80
Office materials and supplies	1,300	1,300	1,001	299
Payroll taxes	22,830	22,830	21,904	926

(Continued)

WEST SHORE RECREATION COMMISSION

STATEMENT OF REVENUES AND EXPENDITURES - MODIFIED CASH BASIS - BUDGET TO ACTUAL - GENERAL FUND - (Continued)
Year Ended December 31, 2019

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
EXPENDITURES (Continued)				
Postage	8,250	8,250	8,308	(58)
Professional fees	6,884	6,884	7,106	(222)
Office rent	1,476	1,476	1,428	48
Office equipment maintenance	3,500	3,500	4,426	(926)
Computer software	1,650	1,650	5,993	(4,343)
Brochures	13,000	13,000	12,667	333
Vehicle expense	1,500	1,500	2,406	(906)
Internet services	3,650	3,650	4,004	(354)
Office equipment	3,400	3,400	3,820	(420)
Youth scholarships	-	-	1,095	(1,095)
Total expenditures	544,314	544,314	547,460	(3,146)
Excess (deficiency) of revenues over (under) expenditures	$ 22	$ 22	$ (9,964)	$ (9,986)

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

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 2019, 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.

Note 1. Summary of Significant Accounting Polices (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.

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, 2018, 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, 2019, cash includes all demand deposits and certificates of deposit with Members 1st Federal Credit Union.

Subsequent Events: In preparing these financial statements, the Commission has evaluated events and transactions for potential recognition or disclosure through July 22, 2020, 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, 2019, the Commission had deposit balances totaling $94,543, all of which was insured.

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, 2019, 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 December 31, 2019, was $123.

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, 2019, was $181.

Minimum future annual rentals at December 31, 2019, are as follows:

Year	Amount
2020	$ 2,172
2021	2,172
2022	181
	$ 4,525

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, 2019, was $107,046, and the total payroll was $278,347. At December 31, 2019, there were two employees participating in the plan. The contribution for 2019 was $6,401.

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 2019 facility fees and rentals is payment of $3,838 of 2019 participants' aquatic fees.

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 2019 facility fees and rentals is payment of $700 of these 2019 fees.

Effective April 20, 2011, the commission entered into an agreement to manage the pool for Lemoyne Borough. The agreement is renewed annually. During 2019, the Commission received $65,880, associated with managing the Lemoyne pool. 2019 payroll and supplies expenditures related to management of Lemoyne's pool totaled $53,443.

Note 6. Required Individual-Fund Disclosures

2019 expenditures exceeded 2019 appropriations by $3,146. Also, 2019 revenues fell short of the budgeted amounts by $6,840.

Note 7. Subsequent Events

Recent developments arising from the coronavirus pandemic and efforts to mitigate the disease's domestic and global impacts have disrupted operations of companies in many industries. Facility closings, labor and personnel layoffs, curtailments of supply lines and increased materials costs, contracted production, dislocations of product-delivery methods, and reduced markets enhance local government's risk factors as they have significant reliance on revenues from citizens and taxpayers to fund portions of their operations. These factors adversely impact revenue recognition, cash flows and liquidity, contingencies, and in some instances, the going-concern assumption. 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.