

**WEST SHORE RECREATION COMMISSION**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2016**

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Representatives  
West Shore Recreation Commission  
Camp Hill, 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, 2016, 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 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 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 that 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, 2016, and the respective changes in modified-cash-basis financial positions, and the budgetary comparison for the General Fund for the year 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.

**Other Information**

The prior year's summarized, comparative information has been derived from the Commission's December 31, 2015, financial statements that were audited by other auditors who have ceased operations and whose report dated July 29, 2016, expressed an unqualified opinion on those statements.

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

Camp Hill, Pennsylvania  
August 16, 2017

**WEST SHORE RECREATION COMMISSION**

**STATEMENT OF ASSETS, LIABILITIES AND NET POSITION - MODIFIED CASH BASIS**  
**December 31, 2016**

	Governmental Activities	<b>Total 2016</b>	(Summarized) Total 2015
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 96,780	\$ <b>96,780</b>	\$ 82,769
<b>Total assets</b>	\$ 96,780	\$ <b>96,780</b>	\$ 82,769
<b>LIABILITIES</b>			
Liabilities	\$ -	\$ -	\$ -
<b>NET POSITION</b>			
Unrestricted	96,780	<b>96,780</b>	82,769
<b>Total liabilities and net position</b>	\$ 96,780	\$ <b>96,780</b>	\$ 82,769

See Notes to Financial Statements.

**WEST SHORE RECREATION COMMISSION**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**Year Ended December 31, 2016**

Function/Programs	Expenses	Program Revenue		Net Revenue and Changes in Net Position		
		Charges For Services	Operating Grants And Contributions	Governmental Activities	Total 2016	Total 2015 (Summarized)
Governmental activities						
Culture and recreation	\$ 525,777	\$ 428,985	\$ 110,686	\$ 13,894	\$ 13,894	\$ 16,297
Total governmental activities	\$ 525,777	\$ 428,985	\$ 110,686	13,894	13,894	16,297
General revenues and transfers						
Investment income				98	98	248
Miscellaneous income				19	19	-
Total general revenues and transfers				117	117	248
<b>Change in net position</b>				14,011	14,011	16,545
Net position - January 1, 2016				82,769	82,769	66,224
Net position - December 31, 2016				\$ 96,780	\$ 96,780	\$ 82,769

See Notes to Financial Statements.

**WEST SHORE RECREATION COMMISSION**

**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -  
 MODIFIED CASH BASIS - GOVERNMENTAL FUND  
 December 31, 2016**

	General Fund	<b>Total 2016</b>	(Summarized) Total 2015
<b>ASSETS</b>			
Cash and cash equivalents	\$ 96,780	\$ <b>96,780</b>	\$ 82,769
<b>Total assets</b>	<u>\$ 96,780</u>	<u>\$ <b>96,780</b></u>	<u>\$ 82,769</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
	\$ -	\$ -	\$ -
<b>FUND BALANCE</b>			
Unassigned	96,780	<b>96,780</b>	82,769
Total fund balance	<u>96,780</u>	<u><b>96,780</b></u>	<u>82,769</u>
<b>Total liabilities and fund balance</b>	<u>\$ 96,780</u>	<u>\$ <b>96,780</b></u>	<u>\$ 82,769</u>

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, 2016**

	General Fund	Total 2016	(Summarized) Total 2015
<b>REVENUES</b>			
Municipal contributions			
Lower Allen Township	\$ 36,155	\$ <b>36,155</b>	\$ 36,155
Fairview Township	41,670	<b>41,670</b>	41,670
New Cumberland Borough	18,193	<b>18,193</b>	18,193
Lemoyne Borough	11,383	<b>11,383</b>	11,383
Goldsboro Borough	2,380	<b>2,380</b>	2,380
Lewisberry Borough	905	<b>905</b>	905
Contributions received from the public	-	-	3,430
Program fees	302,709	<b>302,709</b>	288,218
Trip fees	41,583	<b>41,583</b>	46,739
PRPS tickets	9,848	<b>9,848</b>	13,631
Brochure ads	6,300	<b>6,300</b>	6,275
Pool management	68,545	<b>68,545</b>	65,998
Miscellaneous	19	<b>19</b>	-
Investment income	98	<b>98</b>	248
Total revenues	539,788	<b>539,788</b>	535,225
<b>EXPENDITURES</b>			
Salaries and wages - staff	141,341	<b>141,341</b>	135,929
Salaries - instruction	120,874	<b>120,874</b>	119,701
Contracted services	73,801	<b>73,801</b>	62,534
Materials and supplies	8,337	<b>8,337</b>	8,401
Facility fees and rentals	8,887	<b>8,887</b>	9,070
Trip expenses	37,518	<b>37,518</b>	42,022
PRPS tickets	9,534	<b>9,534</b>	13,270
Insurance - group	15,884	<b>15,884</b>	13,714
Insurance - other	18,681	<b>18,681</b>	22,634
Retirement contribution	5,943	<b>5,943</b>	5,799
Dues and subscriptions	365	<b>365</b>	325
Conferences and workshops	497	<b>497</b>	1,034
Background checks	107	<b>107</b>	689
Travel	93	<b>93</b>	190
Credit card fees	14,829	<b>14,829</b>	14,279
Office materials and supplies	1,352	<b>1,352</b>	1,574
Payroll taxes	20,667	<b>20,667</b>	20,354
Postage	8,633	<b>8,633</b>	8,924
Professional fees	6,755	<b>6,755</b>	6,702
Office rent	1,200	<b>1,200</b>	1,200
Office equipment maintenance	4,922	<b>4,922</b>	4,952

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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, 2016**

	General Fund	<b>Total 2016</b>	(Summarized) Total 2015
<b>EXPENDITURES (Continued)</b>			
Computer software	1,392	<b>1,392</b>	1,502
Brochures	13,668	<b>13,668</b>	13,648
Vehicle operating expenses	2,791	<b>2,791</b>	2,075
Internet services	3,615	<b>3,615</b>	2,840
Office equipment	3,496	<b>3,496</b>	4,985
Youth scholarships	595	<b>595</b>	333
Total expenditures	<u>525,777</u>	<u><b>525,777</b></u>	518,680
<b>Excess of revenues over expenditures</b>	14,011	<b>14,011</b>	16,545
Fund Balance - January 1, 2016	82,769	<b>82,769</b>	66,224
Fund Balance - December 31, 2016	<u>\$ 96,780</u>	<u><b>\$ 96,780</b></u>	<u>\$ 82,769</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, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
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	289,325	289,325	302,709	13,384
Trip fees	35,000	35,000	41,583	6,583
PRPS tickets	11,000	11,000	9,848	(1,152)
Brochure ads	6,000	6,000	6,300	300
Pool management	63,000	63,000	68,545	5,545
Miscellaneous	100	100	19	(81)
Investment income	150	150	98	(52)
Total revenues	515,261	515,261	539,788	24,527
<b>EXPENDITURES</b>				
Salaries and wages - staff	148,661	148,661	141,341	7,320
Salaries - instruction	120,000	120,000	120,874	(874)
Contracted services	59,500	59,500	73,801	(14,301)
Materials and supplies	9,000	9,000	8,337	663
Facility fees and rentals	8,800	8,800	8,887	(87)
Trip expenses	31,500	31,500	37,518	(6,018)
PRPS tickets	10,500	10,500	9,534	966
Insurance - group	15,970	15,970	15,884	86
Insurance - other	19,800	19,800	18,681	1,119
Retirement contribution	6,147	6,147	5,943	204
Dues and subscriptions	365	365	365	-
Conferences and workshops	1,500	1,500	497	1,003
Background checks	250	250	107	143
Travel	200	200	93	107
Credit card fees	15,000	15,000	14,829	171
Office materials and supplies	1,300	1,300	1,352	(52)
Payroll taxes	21,500	21,500	20,667	833

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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, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>EXPENDITURES (CONTINUED)</b>				
Postage	8,750	8,750	8,633	117
Professional fees	6,000	6,000	6,755	(755)
Office rent	1,200	1,200	1,200	-
Office equipment maintenance	3,700	3,700	4,922	(1,222)
Computer software	1,400	1,400	1,392	8
Brochures	13,800	13,800	13,668	132
Vehicle operating expense	3,300	3,300	2,791	509
Internet services	3,700	3,700	3,615	85
Office equipment	3,100	3,100	3,496	(396)
Youth scholarships	300	300	595	(295)
<b>Total expenditures</b>	<b>515,243</b>	<b>515,243</b>	<b>525,777</b>	<b>(10,534)</b>
<b>Excess of revenues over expenditures</b>	<b>\$ 18</b>	<b>\$ 18</b>	<b>\$ 14,011</b>	<b>\$ 13,993</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 2016, 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, 2015, 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, 2016, cash includes all demand deposits and certificates of deposit with First National Bank.

Subsequent Events: In preparing these financial statements, the Commission has evaluated events and transactions for potential recognition or disclosure through August 16, 2017, 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, 2016, the Commission had deposit balances totaling \$108,013, 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. The Commission estimates that the fair market value of the office space is \$30,000 annually.

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, 2016, was \$100.

Effective January 18, 2012, the Commission agreed to lease a copier from Phillips Capital under a five-year lease which expires on January 17, 2017. Monthly rent as of December 31, 2016, was \$166.

#### **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, 2016 was \$99,058, and the total payroll was \$262,215. At December 31, 2016, there were two employees participating in the plan. The contribution for 2016 was \$5,943.

#### **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 2016 facility fees and rentals is payment of \$4,091 of 2016 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 2016 facility fees and rentals is payment of \$1,400 of these 2016 fees.

## WEST SHORE RECREATION COMMISSION

### NOTES TO FINANCIAL STATEMENTS

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

Effective April 20, 2011, the commission entered into an agreement to manage the pool for Lemoyne Borough. The agreement is renewed annually. During 2016, the Commission received \$68,545 associated with managing the Lemoyne pool. 2016 payroll and supplies expenditures related to management of Lemoyne's pool totaled \$322,593.

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

2016 expenditures exceeded 2016 appropriations by \$10,534. This deficiency was offset by 2016 revenues in excess of those budgeted.