

WILSON RECREATION BOARD

(AN AGENCY OF THE BOROUGH OF WILSON)

ANNUAL FINANCIAL STATEMENTS

DECEMBER 31, 2016

WILSON RECREATION BOARD

ANNUAL FINANCIAL STATEMENTS – CASH BASIS

DECEMBER 31, 2016

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THE DAVID KUNSMAN CORPORATION, INC.

MEMBER OF AMERICAN AND PENNSYLVANIA INSTITUTES OF CPA'S
A CERTIFIED PUBLIC ACCOUNTING PRACTICE

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Wilson Recreation Board

We were engaged to audit the accompanying financial statements of WILSON RECREATION BOARD, which comprise the statements of financial position – cash basis as of December 31, 2016, and the related statement of activities – cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in the notes to the financial statements; this includes determining the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with standards generally accepted in the United States of America. Because of the matters described in the basis for disclaimer of opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

We were not able to obtain sufficient appropriate evidence due to not being provided with meeting minutes for all Board meetings held during the year 2016, as well as a lack of recordkeeping for a quarter of the year being audited.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have been unable to obtain sufficient appropriate evidence to provide the basis for an audit opinion, and accordingly does not express an opinion on the financial statements.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

David L. Kunsman, Sr., CPA
David L. Kunsman, Sr., CPA
The David Kunsman Corporation, Inc.

Wilson Borough, PA
December 10, 2018

WILSON RECREATION BOARD
STATEMENTS OF FINANCIAL POSITION – CASH BASIS
DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ <u>43,863</u>	\$ <u>51,763</u>
TOTAL ASSETS	<u>\$ 43,863</u>	<u>\$ 51,763</u>
 LIABILITIES		
Accounts Payable	\$ <u>- 0 -</u>	\$ <u>- 0 -</u>
TOTAL LIABILITIES	- 0 -	- 0 -
 NET ASSETS		
Without donor restrictions	43,863	51,763
With donor restrictions	<u>- 0 -</u>	<u>- 0 -</u>
TOTAL NET ASSETS	<u>43,863</u>	<u>51,763</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 43,863</u>	<u>\$ 51,763</u>

See accompanying notes.

WILSON RECREATION BOARD
STATEMENTS OF ACTIVITIES – CASH BASIS
YEARS ENDED DECEMBER 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenues		
Contributions	\$ 13,800	\$ 25,706
Interest Income	<u>15</u>	<u>15</u>
TOTAL REVENUES WITHOUT DONOR RESTRICTIONS	13,815	25,721
Net assets released from restrictions:		
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>- 0 -</u>	<u>- 0 -</u>
TOTAL REVENUES AND SUPPORT W/O DONOR RESTRICTIONS	13,815	25,721
Expenses		
Programs	10,771	18,854
Management and General	10,944	10,995
Fundraising	<u>- 0 -</u>	<u>- 0 -</u>
TOTAL EXPENSES	<u>21,715</u>	<u>29,849</u>
DECREASE IN NET ASSETS W/O DONOR RESTRICTIONS	(7,900)	(4,128)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	<u>- 0 -</u>	<u>- 0 -</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS	- 0 -	- 0 -
DECREASE IN NET ASSETS	(7,900)	(4,128)
NET ASSETS AT BEGINNING OF YEAR	<u>51,763</u>	<u>55,891</u>
NET ASSETS AT END OF YEAR	<u>\$ 43,863</u>	<u>\$ 51,763</u>

See accompanying notes.

WILSON RECREATION BOARD
NOTES TO FINANCIAL STATEMENTS

For Year Ended December 31, 2016

1. DESCRIPTION OF ORGANIZATION

The Wilson Recreation Board is responsible for organizing and making decisions for the sports teams of the Borough of Wilson.

2. SIGNIFICANT ACCOUNTING POLICIES

The organization prepares its financial statements in accordance with a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) for not-for-profit entities. These cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements.

- *Basis of Accounting*

The organization prepares its financial statements using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) for not-for-profit entities.

- *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances; however, the actual results could differ from those estimates.

- *Net Assets*

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- a. *Unrestricted Net Assets*

Unrestricted net assets are resources available to support operations. The only limits on the use of restricted net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

- b. *Temporarily Restricted Net Assets*

Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The organization's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the

NOTES TO FINANCIAL STATEMENTS

For Year Ended December 31, 2016

passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as temporarily restricted until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

c. Permanently Restricted Net Assets

Permanently restricted net assets are resources whose use by the organization is limited by donor-imposed restrictions that neither expire by being used in accordance with the donor's restriction nor the passage of time. The portion of the organization's donor-restricted endowment funds that must be maintained in perpetuity are classified in this net asset class, as is the organization's beneficial interest in a perpetual charitable trust held by a bank trustee.

- *Classification of Transactions*

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses are reported as decreases in unrestricted net assets.

- *Cash & Cash Equivalents*

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature. The Organization maintains cash balances at several financial institutions located throughout the United States of America. Deposit accounts at each bank are insured by the Federal Deposit Insurance Company (FDIC) up to \$250,000 per account.

Accounting for Contributions

Contributions are recognized when received. All contributions are reported as increases in unrestricted net assets unless the use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction.

- *Expense Recognition & Allocation*

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited on the basis of usage studies. General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Additionally, advertising costs are expensed as incurred.

NOTES TO FINANCIAL STATEMENTS

For Year Ended December 31, 2016

3. COMMITMENTS & CONTINGENCIES

There are not any commitments or contingencies at this time.

4. CONCENTRATIONS OF RISK

A significant portion of the organization's annual funding comes from the Borough of Wilson. The year 2015 was the last year the Wilson Area School District sent a contribution to the Wilson Recreation Board, which resulted in about a 50% decrease in funding for the year 2016. As such, the organization's ability to generate resources via contributions is dependent upon the economic health of the borough funding the donations are received from.

5. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year ended December 31, 2016.

6. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 10, 2018, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.