

ABINGTON AREA JOINT RECREATION BOARD

CLARKS SUMMIT, PENNSYLVANA

DECEMBER 31, 2010

ABINGTON AREA JOINT RECREATION BOARD
CLARKS SUMMIT, PENNSYLVANIA

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May 13, 2011

To the Board of Directors
Abington Area Joint Recreation Board
Clarks Summit, PA 18411

RE: INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of financial position - modified cash basis of

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as of December 31, 2010, and the related statements of activity - modified cash basis, and cash flows - modified cash basis for the year then ended. These financial statements are the responsibility of the management of Abington Area Joint Recreation Board of Directors. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which in a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Abington Area Joint Recreation Board of Directors as of December 31, 2010, and its activity and changes in net assets and its cash flows for the year then ended, on the basis of accounting described in Note 1.

Very truly yours,

ECKERSLEY AND OSTROWSKI, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS


Thomas J. Ostrowski, CPA

ABINGTON AREA JOINT RECREATION BOARD
CLARKS SUMMIT, PENNSYLVANIA

EXHIBIT I

STATEMENT OF FINANCIAL POSITION
MODIFIED CASH BASIS
December 31, 2010

ASSETS

Current Assets:

Cash on Deposit -		
Checking	\$ 12,315	
Payroll	1,228	
Money Market	10,579	
Summer Program	6,595	
Community Garden	11,150	
Dog Park	7,442	
Community Classroom	2,796	
Leadership Lackawanna	9,490	
Fishing Derby	796	\$ 62,391
Total Current Assets		

Plant Property & Equipment:

Equipment, Pavilion and Improvements	\$ 85,768	
Accumulated Depreciation	7,093	78,675

TOTAL ASSETS \$ 141,066

LIABILITIES AND NET ASSETS

Current Liabilities:

 Note payable - PNC Bank (current portion) \$ 2,638

Long Term Liabilities:

 Note payable - PNC Bank (long-term portion) -0-

TOTAL LIABILITIES \$ 2,638

Net Assets (Exhibit II):

 Unrestricted 138,428

TOTAL LIABILITIES AND NET ASSETS \$ 141,066

The report and notes accompanying these financial statements
are to be considered integral parts of such statements.

ABINGTON AREA JOINT RECREATION BOARD
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EXHIBIT II

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
UNRESTRICTED
YEAR END DECEMBER 31, 2010

Revenues:

Grant Revenues		\$	27,600
Member Contribution:			
Clarks Green Borough	\$		4,674
Clarks Summit Borough			14,708
Glenburn Township			3,478
South Abington Township			24,786
			47,646
Donations:			
General	\$		24,994
Summer Program			7,940
Community Garden			5,234
Community Classroom			7,897
Leadership Lackawanna			17,240
Dog Park			5,900
			69,205
Other Revenue			387
			387
 Total Revenues			 \$ 144,838

Expenditures:

Operating Expenses		\$	70,303
Administrative Expenses			3,250
Summer Program Expenses			23,180
Community Garden Expenses			3,333
Community Classroom Expenses			5,287
Dog Park Expenses			6,036
			111,389

Net Increase in Net Assets \$ 33,449

Net Assets - January 1, 2010 104,979

NET ASSETS - DECEMBER 31, 2010 \$ 138,428

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EXHIBIT III

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2010

Cash Flow from Operating Activities:

Increase in Net Assets - Exhibit II \$ 33,449

Plus: Expenses Not Requiring the use of Cash -

Depreciation 4,291

Total Cash Provided from Operating Activities \$ 37,740

Cash Flow from Financing Activities:

Loan Payments - Principal (2,702)

Cash Flow from Investing Activities:

Pavilion Costs \$ (35,163)
Handicap Bathroom Improvements (37,530) (72,693)

Net Increase (Decrease) in Cash \$ (37,655)

Cash Balance - January 1, 2010 100,046

CASH BALANCE - DECEMBER 31, 2010 \$ 62,391

Supplemental Information

Interest Paid \$ 271

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ABINGTON AREA JOINT RECREATION BOARD
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NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations - The Abington Area Joint Recreation Board was established by the governing bodies of Clarks Summit Borough, South Abington Township, Clarks Green Borough, Glenburn Township and Abington Township on January 1, 1972 and set to end on December 31, 1976. This board was created by Section 2711 Et. Seq. of the Borough Code of 1966 and Article XIX of the Second Class Township Code by Supplement Number One. The term of the Board was extended to December 31, 2027 by a second Supplement dated August 22, 1978, Abington Township withdrew from participation.

Each participating municipality shall be entitled to appoint one member of the Joint Board. All members are to serve without compensation. In addition to these appointed members, two residents from each municipality are selected to run the daily affairs of the Board. These members also serve without compensation.

Officers are elected annually. Chairman, Vice-Chairman and Secretary/Treasurer serve for one-year terms. Meetings shall be monthly.

Current member municipalities are Clarks Summit Borough, Glenburn Township, Clarks Green Borough and South Abington Township.

The purpose of the Board is to develop a plan for acquisition, development and operation of regional recreation areas and facilities; review the nature and scope of existing recreational facilities and activities in the Abington area; and assemble detailed information relative to available sites, etc. The Joint Board shall also be authorized to undertake specific projects including acquisition of site, construction and financing of necessary facilities and the operation when specifically authorized to do so by the joint consent and approval of the participating municipalities.

Each member municipality contributes to the operating cost of the Board based upon a factor derived from population and holds an undivided share of all property and assets in a proportion that is the average of its percentage of the total population.

Liability insurance is in place with a rider naming each member municipality as co-insured.

-continued-

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NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

Basis of Accounting - The accompanying financial statements have been prepared on the modified cash basis of accounting (modified cash basis), which is a comprehensive basis of accounting other than generally accepted accounting principles. The modified cash basis differs from generally accepted accounting principals because the organization does recognize balances, and the related effects on the changes in net assets, of contributions receivable and of accounts payable to vendors.

Cash and Cash Equivalents - Cash and cash equivalents are considered to be cash and cash invested with a maturity of three (3) months or less.

Use of Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly actual results could differ from those estimates.

Property and Equipment - Property and equipment are valued at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

NOTE 2 - GRANTS RECEIVED

Grants awarded by various private and public funding agencies are recorded as revenue when received. Operating Grants received for the year ended December 31, 2010 totaled \$27,600 (as shown on Exhibit II)

All contributions received are considered to be available for unrestricted use unless specifically restricted by the Donor.

NOTE 3 - NOTES PAYABLE

The Organization borrowed \$8,075 from PNC Bank in November 2008 to purchase a New Holland tractor with mower and loader capabilities. The term of the loan provides for repayment over a three-year period in monthly installments of \$247.80 computed at an interest rate of 6.5%. The balance of the Note Payable at December 31, 2010 was \$2,638. The anticipated payments (principal and interest) over the next five years are as follows:

	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
Year 2011	<u>\$2,726</u>	<u>\$2,638</u>	<u>\$ 88</u>

The report and notes accompanying these financial statements are to be considered integral parts of such statements.