

**WESTERN PENNSYLVANIA COALITION
FOR ABANDONED MINE RECLAMATION
FINANCIAL STATEMENTS
December 31, 2008**

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To the Board of Directors Western Pennsylvania Coalition for Abandoned Mine Reclamation

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of financial position of the **Western Pennsylvania Coalition for Abandoned Mine Reclamation** (a nonprofit organization) as of **December 31, 2008**, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U. S. generally accepted auditing standards. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Western Pennsylvania Coalition for Abandoned Mine Reclamation as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with U. S. generally accepted accounting principles.

William T. Grimm & Associates, P.C.

William T. Grimm & Associates, P.C.

May 21, 2009

**WESTERN PENNSYLVANIA COALITION FOR
 ABANDONED MINE RECLAMATION
 STATEMENT OF FINANCIAL POSITION
 December 31, 2008**

ASSETS

Current Assets

Cash and cash equivalents	\$79,357.13
Grant receivable (Note B)	370,267.41

TOTAL CURRENT ASSETS	449,624.54
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TOTAL ASSETS	\$449,624.54
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LIABILITIES AND FUND BALANCE

Current Liabilities

Accounts payable	\$ 224,109.92
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TOTAL CURRENT LIABILITIES	224,109.92
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Fund Balance

Unrestricted	172,800.27
Temporarily restricted	52,714.35

TOTAL FUND BALANCE	225,514.62
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TOTAL LIABILITIES AND FUND BALANCE	\$449,624.54
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**WESTERN PENNSYLVANIA COALITION FOR
ABANDONED MINE RECLAMATION
STATEMENT OF ACTIVITY
For the year ended December 31, 2008**

<u>Revenue</u>	<u>General Operating (Unrestricted)</u>	<u>Special Projects (Temporarily)</u>
PA Department of Environmental Protection:		
South Sandy Creek Watershed Association		\$1,174.57
OSM PA (AMD-04) Activated Iron Solids		73,065.46
Growing Greener - Quick Response		172,778.89
Growing Greener - Monitoring Support for Passive Treatment		54,584.43
OSM PA (AMD-06) Iron Removal		111,429.70
OSM PA (AMD-04) SR Bacteria		37,772.49
LC20D Passive Mine Drainage Treatment System		27,369.05
OSM PA (AMD-04) Limestone Upflow Pond Optimization		117,300.99
Conference		10,472.50
319 Funds	\$93,190.36	
Membership dues	2,010.00	
Miscellaneous income	34.29	
Donations	14,500.00	
Reimbursed expenses	1,141.58	
Interest income	69.14	
Net assets released from restriction	13,569.92	(13,569.92)
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TOTAL REVENUE	124,515.29	592,378.16
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<u>Expenditures</u>		
Auditing	2,250.00	
Special project costs	1,106.25	556,297.57
Computer supplies	1,093.12	
Dues	50.00	
Education	379.22	
Employee benefits	6,325.18	
Insurance	1,100.24	
Meeting supplies	1,680.29	
Office rent	4,908.00	
Office supplies and postage	3,559.14	
Payroll service fee	1,243.14	
Taxes - payroll	7,471.53	
Travel	17,221.97	
Utilities	1,801.54	
Vehicle	9,172.18	
Wages	92,794.74	
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TOTAL EXPENDITURES	152,156.54	556,297.57
EXCESS REVENUE OVER EXPENDITURES	(27,641.25)	36,080.59
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FUND BALANCE - JANUARY 1, 2008	<u>200,441.52</u>	<u>16,633.76</u>
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FUND BALANCE - DECEMBER 31, 2008	<u><u>\$172,800.27</u></u>	<u><u>\$52,714.35</u></u>

**WESTERN PENNSYLVANIA COALITION FOR
ABANDONED MINE RECLAMATION
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2008**

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from general public	\$17,685.87
Cash received from the Dept. of Environmental Protection	542,430.44
Cash paid to suppliers and employees	(152,156.81)
Cash paid to contractors - Special Project costs	(510,618.79)
Interest received	69.14

NET CASH PROVIDED BY OPERATING ACTIVITIES (102,590.15)

NET INCREASE IN CASH AND CASH EQUIVALENTS (102,590.15)

CASH AND CASH EQUIVALENTS AT JANUARY 1, 2008 181,947.28

**CASH AND CASH EQUIVALENTS AT
DECEMBER 31, 2008** \$79,357.13

**RECONCILIATION OF NET INCOME TO
NET CASH PROVIDED BY OPERATING ACTIVITIES**

NET INCOME (LOSS)	\$8,439.34
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Net changes in accounts receivable	(156,708.27)
Net changes in accounts payable	45,678.78

TOTAL ADJUSTMENTS	(111,029.49)

NET CASH PROVIDED BY OPERATING ACTIVITIES	(\$102,590.15)
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**WESTERN PENNSYLVANIA COALITION FOR
ABANDONED MINE RECLAMATION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2008**

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of accounting policies of Western Pennsylvania Coalition for Abandoned Mine Reclamation (the Coalition) is presented to assist in understanding the Coalition's financial statements. The financial statements and notes are representations of the Coalition's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Business Activity

The Coalition is committed to encourage and implement the reclamation of abandoned mine lands and degraded waters of Western Pennsylvania. This includes returning abandoned mine lands to productive use, improving water quality, and reducing hazards to health and safety, thereby improving the local economy and enhancing the quality of life. The Coalition will work in alliance with individuals or organizations, public or private.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Coalition considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Income Taxes

The Coalition has been granted tax exempt status as provided by Section 501 (c) (3) of the Internal Revenue Code.

Temporarily Restricted Fund Balance

The Coalition temporarily restricts the use of special project funds received as reimbursement for expenditures and administrative costs. Administrative costs received are unrestricted at the project closing and transferred to the operating account.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation

As of December 31, 1996, the Coalition adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Coalition is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the

Coalition is required to present a statement of cash flows. As permitted by the statements, the Coalition has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required.

Concentration of Risk Factors

The Coalition's main source of revenue is earned through various contracts with the Commonwealth of Pennsylvania, acting through the Department of Environmental Protection. In addition, its employees, subrecipients and vendors primarily reside in the W. Pennsylvania area. Thus, economic and demographic influences on the W. Pennsylvania area and the Pennsylvania budget have a substantial impact on the Coalitions's operations.

NOTE B GRANT RECEIVABLE

The Coalition receives several reimbursement grants from the PA Department of Environmental Protection for wages and related employee expenses of the Coalition Manager and Technicians. The grant receivable represents the fourth quarter reimbursement allocation due to be received in the following year.

319 Funding	\$64,066.11
Monitoring Support	54,680.59
OSM PA Activated Iron	46,803.13
Sample Analysis	58,853.61
OSM PA SRB	37,772.49
OSM PA LUP	40,568.93
OSM PA Iron removal	63,427.46
LC 20D Farmington Township	<u>4,095.09</u>
Total	<u>\$370,267.41</u>

NOTE C NET ASSETS RELEASED FROM RESTRICTION

The Coalition has several programs that are funded by restrictive grants. When funds are expended for the purpose of those programs, those funds are then released from their restriction due to satisfaction of purpose of restriction.