

**Westmoreland Cleanways  
Financial Statements  
Years Ended September 30, 2019 and 2018**

**WESTMORELAND CLEANWAYS  
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YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Westmoreland Cleanways

We have audited the accompanying financial statements of Westmoreland Cleanways (a nonprofit organization), which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years 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 accounting principles generally accepted in the United States of America; this includes 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 fraud or error.

### **Auditor's Responsibility**

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 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.

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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Westmoreland Cleanways as of September 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Singer Accounting, PC*

Ligonier, Pennsylvania  
April 27, 2020

**WESTMORELAND CLEANWAYS  
STATEMENTS OF FINANCIAL POSITION  
YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 552	\$ -
Investments	384,935	324,972
Grants Receivable	29,585	48,228
Other Receivable	1,294	395
Prepaid Expenses	<u>10,163</u>	<u>8,641</u>
<b>Total Current Assets</b>	<u>426,529</u>	<u>382,236</u>
<b>Property and Equipment</b>		
Net of Accumulated Depreciation	<u>23,028</u>	<u>31,744</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>449,557</u></b>	<b>\$ <u>413,980</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Cash Overdraft	\$ -	\$ 12,929
Accounts Payable and Accrued Liabilities	16,378	13,589
Current Portion of Lease Obligations	<u>3,486</u>	<u>3,164</u>
<b>Total Current Liabilities</b>	<u>19,864</u>	<u>29,682</u>
<b>Long-term Liabilities</b>		
Lease Obligations Payable, Less Current Portion	<u>6,564</u>	<u>10,052</u>
<b>Total Long-term Liabilities</b>	<u>6,564</u>	<u>10,052</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>26,428</u></b>	<b>\$ <u>39,734</u></b>
<b>NET ASSETS</b>		
Without Donor Restrictions	\$ 423,129	\$ 364,246
With Donor Restrictions	<u>-</u>	<u>10,000</u>
<b>TOTAL NET ASSETS</b>	<b>\$ <u>423,129</u></b>	<b>\$ <u>374,246</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>449,557</u></b>	<b>\$ <u>413,980</u></b>

. The accompanying notes are an integral part of these financial statements.

**WESTMORELAND CLEANWAYS  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE &amp; SUPPORT</b>			
Program Grants	\$ 202,516	\$ -	\$ 202,516
Project Income	84,117	-	84,117
County Support	52,135	-	52,135
Recycling Service Fees	33,600	-	33,600
Membership Dues	9,205	-	9,205
Contributions	11,980	-	11,980
Other Income	916	-	916
Fundraising	58	-	58
Interest Income	4,025	-	4,025
Net Assets Released from Purpose Restrictions	<u>10,000</u>	<u>(10,000)</u>	<u>-</u>
<b>TOTAL REVENUE &amp; SUPPORT</b>	<b>408,552</b>	<b>(10,000)</b>	<b>398,552</b>
<b>EXPENSES</b>			
<b>Program Expenses</b>			
Program Services - Indirect Cost	231,108	-	231,108
Recycling - Direct Program Cost	98,296	-	98,296
Educational - Direct Program Cost	460	-	460
Roadway Cleanups - Direct Program Cost	<u>3,281</u>	<u>-</u>	<u>3,281</u>
Total Program Expenses	333,145	-	333,145
Management and General	16,524	-	16,524
Fundraising	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENSES</b>	<b><u>349,669</u></b>	<b><u>-</u></b>	<b><u>349,669</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>58,883</b>	<b>(10,000)</b>	<b>48,883</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b><u>364,246</u></b>	<b><u>10,000</u></b>	<b><u>374,246</u></b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ <u>423,129</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>423,129</u></b>

The accompanying notes are an integral part of these financial statements.

**WESTMORELAND CLEANWAYS  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE &amp; SUPPORT</b>			
Program Grants	\$ 152,682	\$ 10,000	\$ 162,682
Project Income	64,336	-	64,336
County Support	52,135	-	52,135
Recycling Service Fees	28,000	-	28,000
Membership Dues	7,390	-	7,390
Contributions	10,435	-	10,435
Other Income	7,888	-	7,888
Fundraising	280	-	280
Interest Income	2,305	-	2,305
Net Assets Released from Purpose Restrictions	-	-	-
<b>TOTAL REVENUE &amp; SUPPORT</b>	<u>325,451</u>	<u>10,000</u>	<u>335,451</u>
<b>EXPENSES</b>			
Program Expenses			
Program Services - Indirect Cost	218,515	-	218,515
Recycling - Direct Program Cost	98,784	-	98,784
Educational - Direct Program Cost	1,777	-	1,777
Roadway Cleanups - Direct Program Cost	4,553	-	4,553
Total Program Expenses	<u>323,629</u>	<u>-</u>	<u>323,629</u>
Management and General	16,129	-	16,129
Fundraising	-	-	-
<b>TOTAL EXPENSES</b>	<u>339,758</u>	<u>-</u>	<u>339,758</u>
<b>CHANGE IN NET ASSETS</b>	(14,307)	10,000	(4,307)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>378,553</u>	<u>-</u>	<u>378,553</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 364,246</u>	<u>\$ 10,000</u>	<u>\$ 374,246</u>

The accompanying notes are an integral part of these financial statements.

**WESTMORELAND CLEANWAYS  
STATEMENTS OF CASH FLOWS  
YEARS ENDED SEPTEMBER 30, 2019 AND 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 48,883	\$ (4,307)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation	8,716	8,716
(Increase) decrease in grants receivable	18,643	10,761
(Increase) decrease in other receivable	(899)	870
(Increase) decrease in prepaid expenses	(1,522)	-
Increase (decrease) in accounts payable and accrued liabilities	2,789	7,557
Net Cash Provided by (Used in) Operating Activities	76,610	23,597
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Income from Certificates of Deposit	(158)	-
Purchase of Investments	(357,542)	(295,554)
Proceeds from Sale of Investments	297,737	267,285
Net Cash Provided by (Used in) Investing Activities	(59,963)	(28,269)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments Under Capital Lease Obligations	(3,166)	(2,874)
Net Cash Provided by (Used in) Financing Activities	(3,166)	(2,874)
Net Increase (Decrease) in Cash and Cash Equivalents	13,481	(7,546)
Cash (Cash Overdraft) and Cash Equivalents, Beginning of Year	(12,929)	(5,383)
Cash (Cash Overdraft) and Cash Equivalents, End of Year	\$ 552	\$ (12,929)
<b>Supplemental Cash Flow Disclosure</b>		
Interest Paid	\$ 1,171	\$ 1,440
Income Taxes Paid	\$ -	\$ -
Noncash Transactions	\$ -	\$ -
Fair Value of Capital Lease Obligation Entered into during the Year	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.



**WESTMORELAND CLEANWAYS  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED SEPTEMBER 30, 2019**

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 143,366	\$ 4,532	\$ -	\$ 147,898
Recycling Program	98,296	-	-	98,296
Occupancy	11,862	1,031	-	12,893
Payroll Taxes	13,712	433	-	14,145
Educational Program	460	-	-	460
Depreciation	8,019	697	-	8,716
Workers' Compensation	5,416	471	-	5,887
Travel	5,875	511	-	6,386
Insurance	5,954	518	-	6,472
Parking	5,727	498	-	6,225
Equipment and Maintenance	7,017	610	-	7,627
Telephone	2,517	219	-	2,736
Roadway Cleanups	3,281	-	-	3,281
Office Expenses	12,327	1,072	-	13,399
Pension	1,550	135	-	1,685
Postage	670	58	-	728
Membership Cost	800	70	-	870
Payroll Fees	755	66	-	821
Staff Development	2,201	191	-	2,392
Miscellaneous	51	4	-	55
Advertising	3,099	270	-	3,369
Volunteer Cost	190	17	-	207
Professional Fees	-	3,950	-	3,950
Interest	-	1,171	-	1,171
<b>Total Expenses</b>	<b>\$ <u>333,145</u></b>	<b>\$ <u>16,524</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>349,669</u></b>

**WESTMORELAND CLEANWAYS  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED SEPTEMBER 30, 2018**

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 141,097	\$ 4,461	\$ -	\$ 145,558
Recycling Program	98,784	-	-	98,784
Occupancy	15,818	1,376	-	17,194
Payroll Taxes	12,713	402	-	13,115
Educational Program	1,777	-	-	1,777
Depreciation	8,019	697	-	8,716
Workers' Compensation	12,007	1,044	-	13,051
Travel	4,560	397	-	4,957
Insurance	6,177	537	-	6,714
Parking	5,520	480	-	6,000
Equipment and Maintenance	2,910	253	-	3,163
Telephone	2,515	219	-	2,734
Roadway Cleanups	4,553	-	-	4,553
Office Expenses	438	38	-	476
Pension	1,557	135	-	1,692
Postage	526	46	-	572
Membership Cost	757	66	-	823
Payroll Fees	684	60	-	744
Staff Development	1,283	112	-	1,395
Miscellaneous	25	2	-	27
Advertising	1,755	153	-	1,908
Volunteer Cost	154	13	-	167
Professional Fees	-	4,198	-	4,198
Interest	-	1,440	-	1,440
<b>Total Expenses</b>	<b>\$ <u>323,629</u></b>	<b>\$ <u>16,129</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>339,758</u></b>

**WESTMORELAND CLEANWAYS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019 AND 2018**

**NOTE 1 – NATURE OF OPERATIONS**

Nature of Operations

Westmoreland Cleanways (the “Organization”), is a nonprofit organization located in Latrobe, Pennsylvania. The Organization was incorporated on May 19, 2005 as a successor organization of PA Cleanways of Westmoreland County. The Organization’s mission is to protect, restore, and maintain the environmental qualities of Westmoreland County for the benefit of all who live, work, and visit therein. The Organization accomplishes its mission by sponsoring and promoting programs that address the proper disposal of solid waste through recycling, special collections, and the cleanup of illegal dumpsites and littered areas. The Organization also educates the public through presentations, print media, and the web. The Organization is an affiliate of Keep America Beautiful.

Westmoreland Cleanways signed a Letter of Understanding with Westmoreland County, Pennsylvania, which designates the Organization as the County’s recycling coordinators. The current agreement, which is effective through December 31, 2021, allows the Organization to represent the County in matters pertaining to recycling, PA Department of Environmental Protection Act 101 requirements, and the promotion of recycling to all Westmoreland County residents, municipalities, and businesses.

The Organization is primarily funded by Westmoreland County, member fees, private donations, sponsorships, grants, and recycling fees.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Income Taxes

Provision for federal taxes on income has not been made in the accompanying financial statements since the Internal Revenue Service (IRS) has determined that the Organization is exempt from federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code. The Organization is classified as an entity other than a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

The Organization’s Form 990, *Return of Organization Exempt from Income Tax*, is generally subject to review and examination for three years after filing. The Organization is not aware of any activities that would jeopardize its tax-exempt status.

Basis of Accounting

The accrual method of accounting is used for financial statement presentation. Under this method, revenues are recorded when earned and expenses are recorded when incurred, without regard to the time of cash receipt or disbursement.

**WESTMORELAND CLEANWAYS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019 AND 2018**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of Presentation**

The financial statements of Westmoreland Cleanways have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Westmoreland Cleanways or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Westmoreland Cleanways' management and the board of directors.

Revenues are reported as increases in net assets without donor restrictions unless use of the related amount is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and changes in other assets or liabilities are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions, that is the donor-imposed stipulated purpose has been accomplished and/or stipulated time period has elapsed, are reported as reclassification between applicable classes of net assets. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents

**Investments**

As of September 30, 2019, and 2018, the Organization's investments consisted of certificates of deposit recorded at cost, plus accrued interest and a money market mutual fund valued at the net asset value of the fund. The balances of the certificates of deposit were \$125,838 and \$125,573, respectively. The balances of the money market funds were \$259,097 and \$199,399, respectively. Both categories of investments are considered level 1 within the fair value hierarchy.

**WESTMORELAND CLEANWAYS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Grants Receivable

Represent grant amounts pledged to the Organization, but not received as of the fiscal year-end. An allowance for doubtful accounts has not been established since management is of the opinion that all accounts receivable at year end are fully collectible. All receivables are expected to be collected in less than one year.

Property and Equipment

Fixed assets that are purchased are recorded at cost. Expenditures for improvements that extend the life of the assets are capitalized. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. The Organization capitalizes all new assets with a cost of \$5,000 or more. All other maintenance and repairs are charged to expense as incurred. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Amortization for capital leases is included in depreciation expense.

Compensated Absences

Vacation time that employees earn and utilize is tracked by the Organization on a benefit year basis. A liability has been recorded by the Organization and is included in accounts payable and accrued liabilities on the statements of financial position. As of September 30, 2019, and 2018, the liability totaled \$11,861 and \$8,267, respectively.

Advertising Expense

Advertising costs are expensed as incurred. Advertising expense for the years ended September 30, 2019 and 2018 was \$3,369 and \$1,908, respectively.

Donated Services

No amounts have been included in the financial statements for donated services. While many individuals volunteer their time and perform a variety of tasks that assist the Organization, these services do not meet the criteria for recognition in the financial statements.

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.

**WESTMORELAND CLEANWAYS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019 AND 2018**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Functional Allocation of Expenses

The cost of providing various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services. Portions of various expenditures are allocated between the related program services, management and general, and fundraising. The method of allocation varies according to the nature of the expense. Wages, payroll taxes, and pension expense are allocated by the estimated percentage of time spent by the applicable employee. Other expenses are allocated by a ratio of a function's direct cost to the initial total cost prior to allocation.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). Westmoreland Cleanways groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2: Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3: Unobservable inputs that cannot be corroborated by observable market data.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (topic 958) – *Presentation of Financial Statements of Not-For Profit Entities*. The update addresses the complexity and understandability of new asset classification, deficiencies in information about liquidity of availability of resources, and the lack of consistency in the type of information about expenses and investment return. Westmoreland Cleanways has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

**WESTMORELAND CLEANWAYS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019 AND 2018**

**NOTE 3 – PROPERTY AND EQUIPMENT**

The Organization’s property and equipment consists of the following at September 30:

	<u>2019</u>	<u>2018</u>
Leased Equipment Under Capital Leases	\$ 14,969	\$ 14,969
Equipment	41,633	41,633
Leasehold Improvements	5,999	5,999
Less: Accumulated Depreciation	<u>(39,573)</u>	<u>(30,857)</u>
Total Net Property and Equipment	<u>\$ 23,028</u>	<u>\$ 31,744</u>

Depreciation expense for the years ended September 30, 2019 and 2018 was \$8,716 and \$8,716, respectively.

**NOTE 4 – RETIREMENT PLANS**

The Organization sponsors a savings incentive match plan for all eligible employees. Contributions to the plan are withheld from the employee’s compensation. The Organization then matches amounts contributed by employees, limited to 3% of compensation for the year. The employer contributions to the plan totaled \$1,685 and \$1,692 for the years ended September 30, 2019 and 2018, respectively.

**NOTE 5 – CONCENTRATIONS OF REVENUE SOURCES/RECEIVABLES**

The Organization receives a substantial portion of its revenues from Westmoreland County and the Commonwealth of Pennsylvania. For the year ended September 30, 2019, approximately 59% of total revenues were received from these governments. Additionally, 100% of the grants receivable balance is due from these sources. For the year ended September 30, 2018, approximately 55% of total revenues were received from these governments. Additionally, 100% of the grants receivable balance is due from these sources.

A reduction in the level of this support may have a significant effect on the Organization’s program and activities.

**NOTE 6 – LEASE OBLIGATIONS PAYABLE**

During the year ended September 30, 2014, the Organization signed a capital lease agreement for the existing copier. The agreement requires monthly payments in the amount of \$628, which includes the monthly lease payment for the copier plus the monthly service and maintenance fees. The fee for monthly service and maintenance fees may be adjusted annually. The monthly lease payment equals \$452, including principal and interest, starting January 2, 2014 through October 2018. In May 2017, the Organization traded the existing copier for a new copier. The new agreement requires monthly payments of \$490, which includes the monthly lease payment for the copier plus the monthly service and maintenance fees. An interest rate of 9.701 percent is used for present value calculations.

**WESTMORELAND CLEANWAYS  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019 AND 2018**

**NOTE 6 – LEASE OBLIGATIONS PAYABLE (continued)**

The monthly lease payment equals \$359, including principal and interest, starting July 2017 through June 2022. The following schedule details the future minimum lease payments under capital leases by year and the present value of minimum lease payments as of September 30, 2019.

Year Ending September 30, 2019:	
2020	\$ 4,314
2021	4,314
2022	2,876
Thereafter	<u>-</u>
Total Minimum Lease Payments	11,504
Less Amounts Representing Interest	<u>(1,454)</u>
Present Values of Minimum Lease Payments	<u>\$ 10,050</u>

**NOTE 7 – OPERATING LEASES**

On January 6, 2014, the Organization signed lease agreements for the use of office space and warehouse space. During the year ended September 30, 2018, these leases were renewed/revised. Under the revised lease agreements, the Organization would rent office space at a monthly rent of \$800, plus \$60 common area maintenance fees, parking at \$500 monthly, and warehouse space at a monthly rent of \$1,250. The term of the office lease was from February 1, 2014 through January 31, 2019. The terms of the warehouse and parking leases are from February 1, 2018 through January 31, 2019. As of February 1, 2019, all leases are month-to-month resulting into no required minimum lease payments at September 30, 2019.

**NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following represents the Organizations financial assets at September 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Financial Assets at Year End:		
Cash and Cash Equivalents	\$ 552	\$ -
Investments	384,935	324,972
Grants Receivable	29,585	48,228
Other Receivable	<u>1,294</u>	<u>395</u>
Total Financial Assets	416,366	373,595
Less Amounts not available to be used within one year:		
Net Assets with Donor Restrictions	<u>-</u>	<u>10,000</u>
Financial Assets available to meet general expenditures over the next twelve months	<u>\$ 416,366</u>	<u>\$ 363,595</u>



**WESTMORELAND CLEANWAYS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

**NOTE 9– DONOR RESTRICTED NET ASSETS**

There were no donor restricted net assets as of September 30, 2019. As of September 30, 2018, the organization had \$10,000 of donor restricted net assets that were related to the development of a strategic plan for the design and construction of a recycling center. All of the restrictions were met as of September 30, 2019 and the funds were released.

**NOTE 10 – PRIOR PERIOD RESTATEMENT**

The accompanying financial statements have been restated to adjust donor restricted grants that were recorded as deferred revenue at September 30, 2018. The adjustment relates to an understatement of donor restricted program grants revenue and an overstatement of deferred revenue.

Westmoreland Cleanways received a grant from the Mellon Foundation for \$10,000 for the year ended September 30, 2018. The grant was for the development of a strategic plan for the design and construction of a recycling center. The expenses related to the strategic plan did not occur until the next year, therefore the grant was recorded to deferred revenue.

A new accounting pronouncement went into effect in the year ended September 30, 2019 and it was discovered the grant should have been recorded as donor restricted revenue. A restatement of \$10,000 was recorded to increase donor restricted revenue and to decrease deferred revenue as of September 30, 2018.

**NOTE 11 – RECLASSIFICATION**

Certain prior year amounts have been reclassified to conform to the current year presentation.

**NOTE 12 – EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through April 27, 2020, the date which the financial statements were available to be issued and have noted the following subsequent event:

On January 17, 2020 the recycling center closed in preparation for the move to a new facility. The new facility will be purchased by JVS Environmental and leased to Westmoreland Cleanways. The new location is along Pleasant Unity-Mutual Road and will increase indoor storage space. The Organization will resume operations in February 2020. An estimate cannot be made on the financial effect of this move.