

**CITIZENS FOR PENNSYLVANIA'S FUTURE**

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**FINANCIAL STATEMENTS**

**DECEMBER 2, 1998 (Inception Date) TO  
JUNE 30, 1999**

# CITIZENS FOR PENNSYLVANIA'S FUTURE

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-8

425 Commerce Drive • Suite 150  
Fort Washington, Pennsylvania 19034-2796  
(215) 641-8300 • Fax (215) 641-8335  
E-mail: rkgcpa@erols.com

2727 West Chester Pike  
Broomall, Pennsylvania 19008-1889  
(610) 325-0635



**Robin Kramer & Green, LLP**  
Certified Public Accountants

Steven M. Green, C.P.A.  
David J. Kramer, Esq., C.P.A.  
Murray N. Greenberg, C.P.A., C.V.A.

## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
CITIZENS FOR PENNSYLVANIA'S FUTURE  
Philadelphia, Pennsylvania

We have audited the accompanying statement of financial position of CITIZENS FOR PENNSYLVANIA'S FUTURE (a nonprofit organization) as of June 30, 1999, and the related statements of activities, functional expenses, and cash flows from December 2, 1998 (inception date) to June 30, 1999. 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 audits in accordance with 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 CITIZENS FOR PENNSYLVANIA'S FUTURE as of June 30, 1999, and the changes in its net assets, functional expenses, and its cash flows from December 2, 1998 (inception date) to June 30, 1999 in conformity with generally accepted accounting principles.

A handwritten signature in cursive script that reads "Robin Kramer &amp; Green, LLP".

October 5, 1999

**CITIZENS FOR PENNSYLVANIA'S FUTURE**  
**STATEMENT OF FINANCIAL POSITION**  
June 30, 1999

**ASSETS**

**CURRENT ASSETS**

Cash (Note 3)	\$ 399,320
Accounts Receivable	73,749
Prepaid expenses and other current assets	<u>63,127</u>
 Total Current Assets	 <u>536,196</u>

**EQUIPMENT (Note 2)**

Furniture and fixtures	18,247
Computer equipment	30,820
Telephone system	<u>11,925</u>
	60,992
Less: Accumulated depreciation	<u>5,578</u>
	<u>55,414</u>

**OTHER ASSETS**

Deposits	<u>5,956</u>
	<u><u>\$ 597,566</u></u>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 40,032
Accrued expenses	70,765
Withheld payroll taxes	<u>540</u>
 Total Current Liabilities	 <u>111,337</u>

**NET ASSETS - UNRESTRICTED (Note 2)**

	<u>486,229</u>
	<u><u>\$ 597,566</u></u>

See Accompanying Notes to Financial Statements

**CITIZENS FOR PENNSYLVANIA'S FUTURE**  
STATEMENT OF ACTIVITIES  
December 2, 1998 (Inception Date) to June 30, 1999

**PUBLIC SUPPORT AND REVENUE**

Grants	\$ 745,000
Technical assistance	79,825
Investment and other income	<u>13,216</u>

**TOTAL PUBLIC SUPPORT AND REVENUE** 838,041

**EXPENSES**

Program services (Note 2)	34,270
Support services - Management and general	<u>317,542</u>

**TOTAL EXPENSES** 351,812

**INCREASE IN NET ASSETS/NET ASSETS - UNRESTRICTED** \$ 486,229

**CITIZENS FOR PENNSYLVANIA'S FUTURE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
December 2, 1998 (Inception Date) to June 30, 1999

	Program Services	Management and General	Total
Payroll	\$ 12,654	\$ 211,405	\$ 224,059
Payroll taxes and other fringe benefits	968	35,103	36,071
	13,622	246,508	260,130
Advertising	311	2,655	2,966
Awards and sub-grants	13,863	-	13,863
Computer expenses	150	-	150
Consultants and contract labor	-	6,344	6,344
Conferences and meetings	-	598	598
Depreciation (Note 2)	-	5,578	5,578
Dues, subscriptions, and membership fees	-	320	320
Education fees	-	540	540
Insurance	-	1,532	1,532
Internet expenses	-	1,912	1,912
Office equipment leases and maintenance (Note 4)	-	614	614
Postage	19	677	696
Printing and publications	284	1,228	1,512
Professional fees	-	4,938	4,938
Rent (Note 4)	-	18,720	18,720
Research and other	-	1,256	1,256
Supplies	378	9,368	9,746
Telephone	262	7,079	7,341
Travel	5,381	7,675	13,056
	5,381	7,675	13,056
<b>TOTAL EXPENSES</b>	<b>\$ 34,270</b>	<b>\$ 317,542</b>	<b>\$ 351,812</b>

See Accompanying Notes to Financial Statements

**CITIZENS FOR PENNSYLVANIA'S FUTURE**  
STATEMENT OF CASH FLOWS  
December 2, 1998 (Inception Date) to June 30, 1999

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase in net assets	\$ 486,229
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation	5,578
(Increase) in assets	
Accounts receivable	(73,749)
Prepaid expenses and other current assets	(63,127)
Increase in liabilities	
Accounts payable	40,032
Accrued expenses	70,765
Withheld payroll taxes	540
	<hr/>
Net cash provided by operating activities	466,268

**CASH FLOWS FROM INVESTING ACTIVITIES**

Acquisition of equipment	(60,992)
Increase in deposits	(5,956)
	<hr/>
Net cash used by investing activities	(66,948)

**NET INCREASE IN CASH/CASH - JUNE 30, 1999**

\$ 399,320

**CITIZENS FOR PENNSYLVANIA'S FUTURE**  
**NOTES TO FINANCIAL STATEMENTS**

**1. ORGANIZATION**

CITIZENS FOR PENNSYLVANIA'S FUTURE, (PennFuture) is a non-profit organization. PennFuture was incorporated as a Pennsylvania non-profit corporation. PennFuture engages in multi-faceted activities designed to help Pennsylvanians protect their natural resources while preserving their economic security. PennFuture will also provide citizens, organizations and members with education, technical assistance and legal representation. PennFuture will provide leadership, information and technical assistance to enable government, businesses, nonprofit organizations, community groups, and individuals to develop an environmentally sensitive and prosperous economy,

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Financial Statements of PennFuture have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**Financial Statement Presentation**

The Organization has adopted the Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization reported 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.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of public support and revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Equipment and Depreciation**

Equipment with a cost in excess of \$500 is recorded at cost and depreciated by use of the straight-line method over the estimated useful lives of the related assets.

**Contributions**

The Organization has adopted the Statement of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence of and/or nature of donor restrictions, if any. Under SFAS No. 116, contributions with donor restrictions other than permanent restriction are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction.

**CITIZENS FOR PENNSYLVANIA'S FUTURE**  
**NOTES TO FINANCIAL STATEMENTS**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Con't)**

**Program Services**

Expenses are allocated to the various programs based upon direct charges for those items specifically identified with the respective programs. Other charges are allocated in accordance with an institute developed cost allocation plan.

The cost of operating the various programs and other activities has been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**3. CREDIT RISK ARISING FROM CASH DEPOSITS**

The Organization maintains their cash balances in a Harrisburg, Pennsylvania financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. At certain times, the Organization's cash deposits exceed the insured amount.

**4. COMMITMENTS**

The Organization leases its Harrisburg, Philadelphia, and Pittsburgh facilities and office equipment under non-cancelable operating leases expiring between January 2001 and July 2004.

Total rent expense exclusive of operating costs of facilities and office equipment was approximately \$18,800 from December 2, 1998 (inception date) to June 30, 1999.

Scheduled future minimum rentals under non-cancelable leases with a term in excess of one year are as follows:

<u>Years Ending June 30,</u>	
2000	\$ 56,200
2001	42,200
2002	18,500
2003	16,400
2004	16,700
Thereafter	<u>1,400</u>
	<u>\$ 151,400</u>

**CITIZENS FOR PENNSYLVANIA'S FUTURE**  
NOTES TO FINANCIAL STATEMENTS

**5. FEDERAL TAX STATUS**

The Internal Revenue Service has classified the Organization as exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code; as an organization, contributions to which are deductible under Section 170(c) of the Code; and as an organization that is not a private foundation as defined in Section 509(a) of the Code.

**6. ECONOMIC DEPENDENCY**

PennFuture is dependent upon grants from both the various foundations to fund 90% of program expenses. Therefore, the discontinuation of such grants would force the curtailment of many program services.

**Robin Kramer & Green, LLP**

425 Commerce Drive, Suite 150  
Fort Washington, PA 19034-2796  
(215) 641-8300

January 30, 2000

CITIZENS FOR PENNSYLVANIA'S FUTURE  
212 LOCUST STREET 410  
HARRISBURG, PA 17101

Dear Client,

Enclosed is the 1998 U.S. Form 990, Return of Organization Exempt from Income Tax, for CITIZENS FOR PENNSYLVANIA'S FUTURE. The return should be signed and dated by an authorized officer or fiduciary and mailed on or before February 15, 2000 to:

Internal Revenue Service Center  
Ogden, UT 84201-0027

We very much appreciate the opportunity to serve you. If you have any questions regarding this return, please do not hesitate to call.

Sincerely,

  
Steven M. Green