



pennsylvania

DEPARTMENT OF ENVIRONMENTAL
PROTECTION

July 13, 2016

Christina Cursley
New Hope Crushed Stone & Lime Co., Inc.
P.O. Box 248
New Hope, PA 18938-0248

RE: Payment in Lieu of Bond
New Hope Crushed Stone & Lime Co., Inc.
Permit No. 7974SM3

Dear Ms. Cursley:

We are in receipt of a CPA response from Mercadien, P.C., Certified Public Accountants in regards to New Hope Crushed Stone financial statement of income for December 31, 2015 (see enclosure). It appears that this financial statement meets the requirements of Section 77.227 (b)(1) in regards to a financial test prepared in conformance with generally accepted accounting principles (GAAP) for a payment in lieu of bond.

We will need you to submit, within 10 business days, additional information in order to continue our review of a payment in lieu of bond request for permit No. 7974SM3. This information includes:

- 1) The total amount of the bond required for the permit for which payment in lieu of bond is requested. Generally, this is the amount of bond required as evidenced on the bond submittal form.
- 2) Three (3) letters of rejection from three (3) surety companies licensed to do business in Pennsylvania; or, one (1) letter from a broker who writes for three (3) sureties authorized to do business in Pennsylvania, stating that a surety bond is not obtainable for the applicant.
- 3) A report, prepared by an independent certified public accountant in conformity with GAAP, containing the accountant's audit or review opinion on the financial statement for the latest completed fiscal year.

Sincerely,

Bruce Carl
Chief
Compliance Section
Division of Permitting and Compliance

Enclosure

Christina Cursley

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July 13, 2016

bcc: Mike Menghini, Pottsville DMO
Nels Taber, SCRO Counsel
Bruce Carl
30-day file

BC:srp:jg

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Attachment A
CPA Response

Pursuant to your request for signature regarding New Hope Crushed Stone (the "Company") and its financial test for payment in lieu of bond, please be advised that our services with respect to the Company are limited to reviewing the Company's financial statements, which comprise the balance sheet as of December 31, 2015, and the related statements of income, stockholders' equity, and cash flows for the year then ended. Our review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we did not express such an opinion.

Our responsibility was to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards required us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provided a reasonable basis for our conclusion.

Based on our review, we are not aware of any material modifications that should be made to the financial statements referenced above in order for them to be in accordance with accounting principles generally accepted in the United States of America. While our procedures were conducted on the financial statements as a whole, we have also reconciled items 1 through 9 on the financial test for payment in lieu of bond to the Company's December 31, 2015 statement of income as detailed below noting no discrepancies.

1. Revenues (Net Sales)	\$ 10,338,668
2. Less: Cost of Goods Sold	<u>(4,728,750)</u>
3. Gross Profit	5,609,918
4. Less: Operating Expense	<u>(4,596,610)</u>
5. Operating Profit	1,013,308
6. Less: All Other Expenses	<u>(230,166)</u>
7. Earnings Before Taxes	783,142
8. Taxes	<u>(4,642)</u>
9. Earnings After Taxes	<u>\$ 778,500</u>

Please contact us directly if you have any questions regarding this correspondence.

Sincerely yours,



Richard S. Willinger, CPA, MST
Principal
Mercadien, P.C., Certified Public Accountants
3625 Quakerbridge Road
Hamilton, NJ 08619