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National Energy and Utility
Affordability Coalition

FINANCIAL STATEMENTS

December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The National Energy and Utility Affordability Coalition
Washington, D.C.

Opinion

We have audited the financial statements of The National Energy and Utility Affordability Coalition, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The National Energy and Utility Affordability Coalition as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The National Energy and Utility Affordability Coalition and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The National Energy and Utility Affordability Coalition's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 National Energy and Utility Affordability Coalition's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The National Energy and Utility Affordability Coalition's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Wegner CPAs LLP

Wegner CPAs, LLP
Alexandria, Virginia
August 22, 2022

THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 903,491	\$ 808,255
Unconditional promises to give	154,000	161,500
Prepaid expenses	<u>18,000</u>	<u>16,542</u>
Total assets	<u>\$ 1,075,491</u>	<u>\$ 986,297</u>
LIABILITIES		
Accounts payable	5,218	\$ 2,353
Accrued vacation	6,604	7,973
Deferred membership revenue	38,600	48,850
Deferred conference revenue	<u>-</u>	<u>1,500</u>
Total liabilities	50,422	60,676
NET ASSETS		
Without donor restrictions	731,069	665,621
With donor restrictions		
Subsequent year operations	<u>294,000</u>	<u>260,000</u>
Total net assets	<u>1,025,069</u>	<u>925,621</u>
Total liabilities and net assets	<u>\$ 1,075,491</u>	<u>\$ 986,297</u>

See accompanying notes.

THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2021 and 2020

	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
Program service revenue		
Conference revenue	\$ 101,053	\$ 55,942
Membership dues	120,600	110,050
Contributions and grants	78,404	159,732
Miscellaneous	97	811
	<u>300,154</u>	<u>326,535</u>
EXPENSES		
Conferences and meetings	42,583	72,621
Personnel	245,085	261,986
Professional fees	160,910	159,101
Grants	500	7,780
Occupancy	12,994	17,964
Travel	5,407	5,560
Credit card processing fees	2,858	4,235
Information technology	13,902	11,602
Office expenses	5,561	2,273
Insurance	4,428	4,543
Miscellaneous	478	1,829
	<u>494,706</u>	<u>549,494</u>
NET ASSETS RELEASED FROM RESTRICTIONS		
Expiration of time restrictions	260,000	258,000
	<u>260,000</u>	<u>258,000</u>
Change in net assets without donor restrictions	65,448	35,041
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions and grants	294,000	260,000
Expiration of time restrictions	(260,000)	(258,000)
	<u>34,000</u>	<u>2,000</u>
Change in net assets with donor restrictions	34,000	2,000
Change in net assets	99,448	37,041
Net assets at beginning of year	925,621	888,580
Net assets at end of year	<u>\$ 1,025,069</u>	<u>\$ 925,621</u>

See accompanying notes.

THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2021 and 2020

	Program Services					
	Annual Conference	Research and Advocacy	Total	Management and General	Fundraising	Total
<u>2021</u>						
Conferences and meetings	\$ 42,518	\$ 65	\$ 42,583	\$ -	\$ -	\$ 42,583
Personnel	98,034	49,017	147,051	49,017	49,017	245,085
Professional fees	88,822	22,314	111,136	29,177	20,597	160,910
Grants	-	500	500	-	-	500
Occupancy	5,197	2,599	7,796	2,599	2,599	12,994
Travel	2,164	1,081	3,245	1,081	1,081	5,407
Credit card processing fees	-	-	-	2,858	-	2,858
Information technology	5,562	2,780	8,342	2,780	2,780	13,902
Office expenses	-	-	-	5,561	-	5,561
Insurance	-	-	-	4,428	-	4,428
Miscellaneous	430	48	478	-	-	478
Total expenses	\$ 242,727	\$ 78,404	\$ 321,131	\$ 97,501	\$ 76,074	\$ 494,706
	Program Services					
	Annual Conference	Research and Advocacy	Total	Management and General	Fundraising	Total
<u>2020</u>						
Conferences and meetings	\$ 55,625	\$ 15,962	\$ 71,587	\$ 1,034	\$ -	\$ 72,621
Personnel	104,795	52,397	157,192	52,397	52,397	261,986
Professional fees	90,030	19,026	109,056	27,329	22,716	159,101
Grants	-	7,780	7,780	-	-	7,780
Occupancy	7,185	3,593	10,778	3,593	3,593	17,964
Travel	2,224	1,112	3,336	1,112	1,112	5,560
Credit card processing fees	-	-	-	4,235	-	4,235
Information technology	4,642	2,320	6,962	2,320	2,320	11,602
Office expenses	-	-	-	2,273	-	2,273
Insurance	-	-	-	4,543	-	4,543
Miscellaneous	1,646	183	1,829	-	-	1,829
Total expenses	\$ 266,147	\$ 102,373	\$ 368,520	\$ 98,836	\$ 82,138	\$ 549,494

See accompanying notes.

THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 99,448	\$ 37,041
Adjustments to reconcile change in net assets to change in cash		
(Increase) decrease in assets		
Unconditional promises to give	7,500	(48,500)
Prepaid expenses	(1,458)	6,215
Increase (decrease) in liabilities		
Accounts payable	2,865	(21,562)
Accrued vacation	(1,369)	1,104
Deferred membership revenue	(10,250)	(13,350)
Deferred conference revenue	(1,500)	(4,875)
Change in cash	<u>95,236</u>	<u>(43,927)</u>
Cash at beginning of year	<u>808,255</u>	<u>852,182</u>
Cash at end of year	<u><u>\$ 903,491</u></u>	<u><u>\$ 808,255</u></u>

See accompanying notes.

THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The National Energy and Utility Affordability Coalition (Coalition), a 501(c)(3) nonprofit organization, is a broad-based coalition of diverse member organizations and individuals dedicated to heightening awareness of the utility needs of low-income utility consumers, fostering public-private partnerships and engaging in other activities to help address these needs. The Coalition is primarily funded by membership dues, conference fees, and contributions and grants.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

All promises to give are expected to be collected within one year of the statements of financial position date.

Contributions and Grants

Contributions and grants received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions depending on the existence of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Program Service Revenue

The Coalition's earned revenue consists of membership dues and conference revenue.

The Coalition recognizes revenue from membership dues ratably over the applicable membership period, which is on a calendar year basis. The Coalition generally bills members in the fourth quarter of the fiscal year preceding the applicable membership period. Membership dues received in advance of the applicable membership period are deferred and recognized as revenue in that future period. Membership dues are nonrefundable.

Revenue from conferences (for example, registrations and exhibit booth space) is recognized at a point in time or over the period of the conference.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, professional fees, occupancy, travel, information technology, and miscellaneous, which are allocated based on time, effort, and resources devoted to each function.

Income Tax Status

The Coalition is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Coalition qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Date of Management’s Review

Management has evaluated subsequent events through August 22, 2022, the date which the financial statements were available to be issued.

NOTE 2 – OPERATING LEASE

The Coalition leased office space in Washington, D.C., on a month to month basis which required monthly rent payments of \$1,497. In February 2021, the lease was terminated. One of the Coalition board members also serves on the executive team of the organization from which the Coalition leased office space.

Effective March 1, 2021, the Coalition entered into a lease for office space in Washington, D.C., which requires monthly rent payments of \$1,000 with 3% annual increases beginning every March 1 through the lease term ending February 28, 2026. Rent expense for the years ended December 31, 2021 and 2020 was \$12,994 and \$17,964, respectively.

Future minimum lease payments for the years ending December 31 are as follows:

2022	\$ 12,300
2023	12,669
2024	13,049
2025	13,441
2026	2,251
	<hr/>
	\$ 53,710

THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 3 – CONCENTRATIONS OF CREDIT RISK

The Coalition maintains its cash balance at multiple financial institutions located in Virginia. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times during the year, the Coalition's cash balances exceed FDIC Insurance amount. Management deems risk of loss in these situations to be minimal.

NOTE 4 – COMMITMENTS

The Coalition has entered into agreements with hotels for its future conferences and meetings. These agreements indicate that the Coalition would be liable for certain fees and liquidated damages in the event of cancellation. These expenses are recorded at the time there is a decision to cancel. As of December 31, 2021, cancellations could cause the Coalition to be liable up to approximately \$538,000.

NOTE 5 – LIQUIDITY AND AVAILABILITY

At December 31, 2021 and 2020, the Coalition has \$1,057,491 and \$969,755, respectively, of financial assets available within one year of the statements of financial position date to meet cash needs for general expenditures consisting of cash and unconditional promises to give. None of these financial assets are subject to donor or other contractual restrictions that would make them unavailable for general expenditure within one year of the statements of financial position date. The Coalition is substantially supported by contributions and grants, including contributions with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or time period, the Coalition must maintain sufficient resources to meet those responsibilities to its donors. The Coalition has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.