

# neuac

National Energy and Utility  
Affordability Coalition

FINANCIAL STATEMENTS

December 31, 2022 and 2021

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying financial statements of The National Energy and Utility Affordability Coalition, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity 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 do not express such an opinion.

### ***Management's Responsibilities 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.

### ***Accountant's Responsibility***

Our responsibility is 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 AICPA. Those standards require 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 provide a reasonable basis for our conclusion.

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 related to our review.

### ***Accountant's Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### ***Report on 2021 Financial Statements***

The 2021 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated August 22, 2022. We have not performed any auditing procedures since that date.



Wegner CPAs, LLP  
Alexandria, Virginia  
August 10, 2023

**THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2022 (Reviewed) and 2021 (Audited)

	2022	2021
<b>ASSETS</b>		
Cash	\$ 980,053	\$ 903,491
Unconditional promises to give	153,500	154,000
Prepaid expenses	16,638	18,000
Operating lease right-of-use asset	39,945	-
<b>Total assets</b>	<b>\$ 1,190,136</b>	<b>\$ 1,075,491</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 9,833	\$ 5,218
Accrued vacation	6,829	6,604
Deferred membership revenue	59,100	38,600
Deferred conference revenue	506	-
Operating lease liability	40,535	-
<b>Total liabilities</b>	<b>116,803</b>	<b>50,422</b>
<b>NET ASSETS</b>		
Without donor restrictions	719,833	731,069
With donor restrictions		
Subsequent year operations	353,500	294,000
<b>Total net assets</b>	<b>1,073,333</b>	<b>1,025,069</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,190,136</b>	<b>\$ 1,075,491</b>

See accompanying notes and independent accountant's review report.

**THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2022 (Reviewed) and 2021 (Audited)

	2022	2021
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>SUPPORT AND REVENUE</b>		
Program service revenue		
Conference revenue	\$ 434,525	\$ 101,053
Membership dues	131,650	120,600
Contributions and grants	132,575	78,404
Miscellaneous	17,004	97
<b>Total support and revenue</b>	<b>715,754</b>	<b>300,154</b>
<b>EXPENSES</b>		
Conferences and meetings	537,300	42,583
Personnel	287,200	245,085
Professional fees	140,315	160,910
Grants	-	500
Occupancy	12,890	12,994
Travel	12,650	5,407
Credit card processing fees	14,626	2,858
Information technology	6,735	13,902
Office expenses	1,400	5,561
Insurance	5,738	4,428
Miscellaneous	2,136	478
<b>Total expenses</b>	<b>1,020,990</b>	<b>494,706</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>		
Expiration of time restrictions	294,000	260,000
<b>Change in net assets without donor restrictions</b>	<b>(11,236)</b>	<b>65,448</b>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions and grants	353,500	294,000
Expiration of time restrictions	(294,000)	(260,000)
<b>Change in net assets with donor restrictions</b>	<b>59,500</b>	<b>34,000</b>
<b>Change in net assets</b>	<b>48,264</b>	<b>99,448</b>
Net assets at beginning of year	1,025,069	925,621
<b>Net assets at end of year</b>	<b>\$ 1,073,333</b>	<b>\$ 1,025,069</b>

See accompanying notes and independent accountant's review report.

**THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended December 31, 2022 (Reviewed) and 2021 (Audited)

	Program Services			Management and General	Fundraising	Total
	Annual Conference	Research and Advocacy	Total			
<u>2022</u>						
Conferences and meetings	\$ 501,768	\$ 25,400	\$ 527,168	\$ 10,132	\$ -	\$ 537,300
Personnel	129,240	86,160	215,400	43,080	28,720	287,200
Professional fees	94,444	19,969	114,413	25,902	-	140,315
Occupancy	5,801	3,867	9,668	1,934	1,288	12,890
Travel	5,693	3,795	9,488	1,898	1,264	12,650
Credit card processing fees	-	-	-	14,626	-	14,626
Information technology	3,031	2,021	5,052	1,010	673	6,735
Office expenses	-	-	-	1,400	-	1,400
Insurance	-	-	-	5,738	-	5,738
Miscellaneous	1,068	534	1,602	534	-	2,136
<b>Total expenses</b>	<b>\$ 741,045</b>	<b>\$ 141,746</b>	<b>\$ 882,791</b>	<b>\$ 106,254</b>	<b>\$ 31,945</b>	<b>\$ 1,020,990</b>
	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
<b>Total expenses</b>	<b>\$ 242,727</b>	<b>\$ 78,404</b>	<b>\$ 321,131</b>	<b>\$ 97,501</b>	<b>\$ 76,074</b>	<b>\$ 494,706</b>

See accompanying notes and independent accountant's review report.

**THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2022 (Reviewed) and 2021 (Audited)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 48,264	\$ 99,448
Adjustments to reconcile change in net assets to change in cash		
Amortization of operating lease right-of-use asset	12,890	-
(Increase) decrease in assets		
Unconditional promises to give	500	7,500
Prepaid expenses	1,362	(1,458)
Increase (decrease) in liabilities		
Accounts payable	4,615	2,865
Accrued vacation	225	(1,369)
Deferred membership revenue	20,500	(10,250)
Deferred conference revenue	506	(1,500)
Operating lease liability	(12,300)	-
<b>Change in cash</b>	<b>76,562</b>	<b>95,236</b>
Cash at beginning of year	903,491	808,255
<b>Cash at end of year</b>	<b>\$ 980,053</b>	<b>\$ 903,491</b>

See accompanying notes and independent accountant's review report.

**THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022 (Reviewed) and 2021 (Audited)

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**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, 2022 (Reviewed) and 2021 (Audited)

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Leases**

The Coalition does not recognize short-term leases in the statement of financial position. For these leases, the Coalition recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. The Coalition also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, the Coalition uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

**Adoption of New Accounting Guidance**

On February 25, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. The guidance in this Update and all subsequently issued clarifying Updates supersede the guidance in FASB Accounting Standards Codification (ASC) Topic 840, *Leases*, and creates FASB ASC Topic 842, *Leases*. The main difference between previous guidance and Topic 842 is the recognition of assets and liabilities by lessees for those leases classified as operating leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. Also, under Topic 842, disclosures are required by lessees and lessors to report useful information to users of financial statements about the amount, timing, and uncertainty of cash flows arising from leases.

The Coalition adopted the requirements of Topic 842 as of January 1, 2022, using the optional transition method that allows the Coalition to initially apply the new guidance at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. The Coalition's reporting for the year ended December 31, 2021, is in accordance with previous guidance in Topic 840.

The Coalition elected the package of practical expedients permitted under the transition guidance within Topic 842. This package allowed the Coalition to account for its leases that commenced before the adoption date without reassessing whether any expired or existing contracts are or contain leases, the lease classification for any expired or existing leases, and initial direct costs for any existing leases.

The adoption of Topic 842 resulted in the recognition of operating lease right-of-use assets of \$52,207 and operating lease liabilities of \$52,207 as of January 1, 2022. The adoption of Topic 842 did not have a material effect on the Coalition's change in net assets or cash flows.

**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).

**THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022 (Reviewed) and 2021 (Audited)

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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.

**Date of Management’s Review**

Management has evaluated subsequent events through August 10, 2023, the date which the financial statements were available to be issued.

NOTE 2 – OPERATING LEASE

The Coalition has an operating lease for office space in Washington, D.C., which expires in February 2026. Total operating lease expense for the years ended December 31, 2022 and 2021 was \$12,890 and \$12,994, respectively. There are no variable lease components associated with the Coalition’s lease.

Other informational related to leases are as follows:

Cash payments classified as part of operating cash flows for amounts included in the measurement of operating lease liability	
Operating cash flows from operating leases	\$ 12,300
Right-of-use assets obtained in exchange for new operating lease liability	52,207
Weighted average remaining lease term	
Operating lease	3.17 years
Weighted average discount rate	
Operating lease	1.37%

The maturities of operating lease liabilities as of December 31, 2022 are as follows:

Year ending December 31:	
2023	\$ 12,669
2024	13,049
2025	13,441
2026	2,251
	<hr/>
Total minimum lease payments	41,410
Imputed interest	(875)
	<hr/>
Total lease liability	<u>\$ 40,535</u>

**THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022 (Reviewed) and 2021 (Audited)

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**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 the FDIC Insurance amount. At December 31, 2022 and 2021, the Coalition's uninsured cash balances totaled approximately \$518,000 and \$441,000, respectively.

**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, 2022, cancellations could cause the Coalition to be liable up to approximately \$653,000.

**NOTE 5 – RETIREMENT PLAN**

In 2022, the Coalition established a 401(k) profit sharing plan covering all of its full-time employees immediately upon hire. Participants under the 401(k) plan may contribute any amount within statutory limits. The Coalition makes elective contributions annually at its discretion. For the year ended December 31, 2022, retirement plan expense was \$7,625.

**NOTE 6 – LIQUIDITY AND AVAILABILITY**

At December 31, 2022 and 2021, the Coalition has \$1,133,553 and \$1,057,491, 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.