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National Energy and Utility  
Affordability Coalition

FINANCIAL STATEMENTS

December 31, 2023 and 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The National Energy and Utility Affordability Coalition  
Arlington, Virginia

### ***Opinion***

We have audited the financial statements of The National Energy and Utility Affordability Coalition, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Prior Period Financial Statements***

The 2022 financial statements were reviewed by us, and our report thereon, dated August 10, 2023, stated we were not aware of any material modifications that should be made to those financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

### ***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  
Alexandria, Virginia  
September 9, 2024

**THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2023 (Audited) and 2022 (Reviewed)

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash	\$ 1,260,113	\$ 980,053
Unconditional promises to give	156,500	153,500
Prepaid expenses	25,829	16,638
Operating lease right-of-use asset	<u>27,519</u>	<u>39,945</u>
<b>Total assets</b>	<u><u>\$ 1,469,961</u></u>	<u><u>\$ 1,190,136</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 8,379	\$ 9,833
Accrued vacation	9,604	6,829
Deferred membership revenue	63,550	59,100
Deferred conference revenue	1,291	506
Operating lease liability	<u>28,109</u>	<u>40,535</u>
<b>Total liabilities</b>	110,933	116,803
<b>NET ASSETS</b>		
Without donor restrictions	938,528	719,833
With donor restrictions		
Subsequent year operations	<u>420,500</u>	<u>353,500</u>
<b>Total net assets</b>	<u><u>1,359,028</u></u>	<u><u>1,073,333</u></u>
<b>Total liabilities and net assets</b>	<u><u>\$ 1,469,961</u></u>	<u><u>\$ 1,190,136</u></u>

See accompanying notes.

**THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2023 (Audited) and 2022 (Reviewed)

	<u>2023</u>	<u>2022</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>SUPPORT AND REVENUE</b>		
Program service revenue		
Conference revenue	\$ 623,139	\$ 434,525
Membership dues	152,550	131,650
Contributions and grants	135,410	132,575
Miscellaneous	41,999	17,004
	<u>953,098</u>	<u>715,754</u>
<b>EXPENSES</b>		
Conferences and meetings	562,568	537,300
Personnel	308,623	287,200
Professional fees	158,795	140,315
Occupancy	12,669	12,890
Travel	8,597	12,650
Credit card processing fees	21,716	14,626
Information technology	7,861	6,735
Office expenses	1,432	1,400
Insurance	5,594	5,738
Miscellaneous	48	2,136
	<u>1,087,903</u>	<u>1,020,990</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>		
Expiration of time restrictions	353,500	294,000
	<u>353,500</u>	<u>294,000</u>
Change in net assets without donor restrictions	218,695	(11,236)
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions and grants	420,500	353,500
Expiration of time restrictions	(353,500)	(294,000)
	<u>67,000</u>	<u>59,500</u>
Change in net assets with donor restrictions	67,000	59,500
<b>Change in net assets</b>	285,695	48,264
Net assets at beginning of year	<u>1,073,333</u>	<u>1,025,069</u>
<b>Net assets at end of year</b>	<u>\$ 1,359,028</u>	<u>\$ 1,073,333</u>

See accompanying notes.

**THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION**

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2023 (Audited) and 2022 (Reviewed)

	Program Services					
	Annual Conference	Research and Advocacy	Total	Management and General	Fundraising	Total
<u>2023</u>						
Conferences and meetings	\$ 535,098	\$ 20,943	\$ 556,041	\$ 6,527	\$ -	\$ 562,568
Personnel	138,880	92,587	231,467	46,294	30,862	308,623
Professional fees	109,417	19,840	129,257	29,538	-	158,795
Occupancy	5,701	3,801	9,502	1,900	1,267	12,669
Travel	3,869	2,579	6,448	1,289	860	8,597
Credit card processing fees	-	-	-	21,716	-	21,716
Information technology	3,537	2,358	5,895	1,180	786	7,861
Office expenses	-	-	-	1,432	-	1,432
Insurance	-	-	-	5,594	-	5,594
Miscellaneous	24	12	36	12	-	48
<b>Total expenses</b>	<b>\$ 796,526</b>	<b>\$ 142,120</b>	<b>\$ 938,646</b>	<b>\$ 115,482</b>	<b>\$ 33,775</b>	<b>\$ 1,087,903</b>
	Program Services					
<u>2022</u>	Annual Conference	Research and Advocacy	Total	Management and General	Fundraising	Total
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>

See accompanying notes.

**THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2023 (Audited) and 2022 (Reviewed)

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 285,695	\$ 48,264
Adjustments to reconcile change in net assets to change in cash		
Amortization of operating lease right-of-use asset	12,426	12,890
(Increase) decrease in assets		
Unconditional promises to give	(3,000)	500
Prepaid expenses	(9,191)	1,362
Increase (decrease) in liabilities		
Accounts payable	(1,454)	4,615
Accrued vacation	2,775	225
Deferred membership revenue	4,450	20,500
Deferred conference revenue	785	506
Operating lease liability	(12,426)	(12,300)
<b>Change in cash</b>	<b>280,060</b>	<b>76,562</b>
Cash at beginning of year	<u>980,053</u>	<u>903,491</u>
<b>Cash at end of year</b>	<b><u>\$ 1,260,113</u></b>	<b><u>\$ 980,053</u></b>

See accompanying notes.

**THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023 (Audited) and 2022 (Reviewed)

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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.

The Coalition’s deferred revenue from contracts with customers are as follows:

	2023	2022
Deferred revenue at beginning of year	\$ 59,606	\$ 38,600
Deferred revenue at end of year	64,841	59,606

**THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023 (Audited) and 2022 (Reviewed)

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**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.

**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.

**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).

**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 September 9, 2024, the date which the financial statements were available to be issued.

**THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023 (Audited) and 2022 (Reviewed)

**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, 2023 and 2022 was \$12,890 each year. There are no variable lease components associated with the Coalition's lease.

Other informational related to leases are as follows:

	<u>2023</u>	<u>2022</u>
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	\$ 12,890	\$ 12,890
Right-of-use assets obtained in exchange for new operating lease liability	-	52,207
Weighted average remaining lease term		
Operating lease	2.17 years	3.17 years
Weighted average discount rate		
Operating lease	1.37%	1.37%

The maturities of operating lease liabilities as of December 31, 2023 are as follows:

Year ending December 31:		
2024		\$ 13,049
2025		13,441
2026		<u>2,029</u>
Total minimum lease payments		28,519
Imputed interest		<u>(410)</u>
Total lease liability		<u>\$ 28,109</u>

**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 December 31, 2023, the Coalition's cash balances are fully insured by the FDIC as the Coalition's cash is held in a sweep account, fully insuring the cash balance. At December 31, 2022 the Coalition's uninsured cash balances totaled approximately \$518,000.

**THE NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023 (Audited) and 2022 (Reviewed)

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**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, 2023, cancellations could cause the Coalition to be liable up to approximately \$814,000.

**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 years ended December 31, 2023 and 2022, retirement plan expense was \$9,750 and \$7,625, respectively.

**NOTE 6 – LIQUIDITY AND AVAILABILITY**

At December 31, 2023 and 2022, the Coalition has \$1,416,613 and \$1,133,553, 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.