



FINANCIAL STATEMENTS

December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of National Energy and Utility Affordability Coalition, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Energy and Utility Affordability Coalition as of December 31, 2018, 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.

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Change in Basis of Accounting

As described in Note 1 to the financial statements, the Coalition has adopted accounting principles generally accepted in the United States of America as of and for the year ended December 31, 2018. The Coalition previously maintained its records and prepared its financial statements on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The opening balance of net assets presented on the statement of activities has been restated to reflect the change in basis of accounting. Our opinion is not modified with respect to this matter.

Wegner CPAs LLP

Wegner CPAs, LLP
Alexandria, Virginia
April 26, 2019

NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION
STATEMENT OF FINANCIAL POSITION
December 31, 2018

ASSETS

Cash	\$ 702,207
Promises to give	<u>88,000</u>

Total assets

\$ 790,207

LIABILITIES

Accounts payable	\$ 6,038
Grant payable	9,000
Accrued vacation	15,183
Deferred membership revenue	27,700
Deferred conference revenue	<u>2,750</u>

Total liabilities 60,671

NET ASSETS

Without donor restrictions	584,934
With donor restrictions	<u>144,602</u>

Total net assets 729,536

Total liabilities and net assets

\$ 790,207

See accompanying notes.

NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

REVENUE

Conference	\$ 389,422
Membership dues	86,700
Contributions and grants	346,100
Miscellaneous	<u>1,226</u>

Total revenue 823,448

EXPENSES

Conferences and meetings	325,011
Personnel	223,063
Professional fees	168,198
Grants	87,000
Occupancy	21,200
Travel	17,160
Credit card processing fees	12,874
Information technology	6,441
Office expenses	2,007
Insurance	1,643
Miscellaneous	<u>1,924</u>

Total expenses 866,521

NET ASSETS RELEASED FROM RESTRICTIONS

Satisfaction of time restrictions 74,500

Change in net assets without donor restrictions 31,427

CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS

Contributions and grants	144,602
Satisfaction of time restrictions	<u>(74,500)</u>

Change in net assets with donor restrictions 70,102

Change in net assets 101,529

Net assets at beginning of year, previously stated 655,701

Adjustment for change in basis of accounting (see Note 1) (27,694)

Net assets at beginning of year, restated 628,007

Net assets at end of year \$ 729,536

See accompanying notes.

NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2018

	Program Services					
	Annual Conference	Research and Advocacy	Total	Management and General	Fundraising	Total
Conferences and meetings	\$ 291,899	\$ 22,093	\$ 313,992	\$ 11,019	\$ -	\$ 325,011
Personnel	89,224	44,613	133,837	44,613	44,613	223,063
Professional fees	100,784	21,909	122,693	23,421	22,084	168,198
Grants	-	87,000	87,000	-	-	87,000
Occupancy	8,480	4,240	12,720	4,240	4,240	21,200
Travel	6,864	3,432	10,296	3,432	3,432	17,160
Credit card processing fees	-	-	-	12,874	-	12,874
Information technology	2,577	1,288	3,865	1,288	1,288	6,441
Office expenses	-	-	-	2,007	-	2,007
Insurance	-	-	-	1,643	-	1,643
Miscellaneous	1,732	192	1,924	-	-	1,924
Total expenses	\$ 501,560	\$ 184,767	\$ 686,327	\$ 104,537	\$ 75,657	\$ 866,521

See accompanying notes.

NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION
STATEMENT OF CASH FLOWS
Year Ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 101,529
Adjustments to reconcile change in net assets to net cash flows from operating activities	
(Increase) decrease in assets	
Promises to give	(70,500)
Security deposits	4,258
Increase (decrease) in liabilities	
Accounts payable	6,038
Grant payable	9,000
Accrued vacation	7,081
Deferred membership revenue	(13,650)
Deferred conference revenue	2,750
	<hr/>
Net cash flows from operating activities	46,506
Cash at beginning of year	<hr/> 655,701
Cash at end of year	<hr/> \$ 702,207 <hr/>

See accompanying notes.

NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Coalition has adopted accounting principles generally accepted in the United States of America as of and for the year ended December 31, 2018. The Coalition previously maintained its records and prepared its financial statements on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The opening balance of net assets presented on the statement of activities has been restated to reflect the change in basis of accounting.

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 considered to be fully collectible. Accordingly, no allowance for doubtful amounts has been developed. If amounts become uncollectible, they will be charged to operations when that determination is made. All promises to give are expected to be collected within one year of the statement of financial position date.

Contributions and grants

Contributions and grants that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions and grants are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation

The costs of providing programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Costs are allocated on the basis of estimates of time, effort, and resources devoted to each function. The expenses that are allocated include personnel, professional fees, occupancy, travel, information technology, and miscellaneous.

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).

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through April 26, 2019, the date which the financial statements were available to be issued.

NOTE 2 – 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. As of December 31, 2018, the Coalition's uninsured cash balance was approximately \$202,000.

NOTE 3 – NET ASSETS

Net assets with donor restrictions as of December 31, 2018 are available for general expenditure beginning January 1, 2019.

NATIONAL ENERGY AND UTILITY AFFORDABILITY COALITION
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 4 – OPERATING LEASES

The Coalition was obligated under a lease for office space in Arlington, Virginia, which required monthly rent payments of \$2,129 through the lease term ended July 30, 2018.

Effective July 1, 2018, the Coalition entered into a lease for office space in Washington, D.C., which requires monthly rent payments of \$1,000 through the lease term ending June 30, 2020. One of the Coalition board members also serves on the executive team of the organization from which the Coalition leases office space.

Rent expense for the year ended December 31, 2018 was \$21,200.

Future minimum lease payments for the years ending December 31, 2019 and 2020 are \$12,000, and \$6,000, respectively.

NOTE 5 – 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, 2018, cancellations could cause the Coalition to be liable up to approximately \$270,000. Management does not expect any hotel agreement cancellations.

NOTE 6 – LIQUIDITY AND AVAILABILITY

The Coalition has \$790,207 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, including cash of \$702,207 and promises to give of \$88,000. 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 statement 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.