

Northeast Sustainable Energy Association, Inc.

Independent Auditor's Report

June 30, 2024



Bernice F. Lord
CERTIFIED PUBLIC ACCOUNTANT

Northeast Sustainable Energy Association, Inc.

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INDEPENDENT AUDITOR'S REPORT

TO THE OFFICERS AND DIRECTORS
NORTHEAST SUSTAINABLE ENERGY ASSOCIATION, INC.
GREENFIELD, MASSACHUSETTS

I have audited the accompanying financial statements of Northeast Sustainable Energy Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I express no such opinion. And 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northeast Sustainable Energy Association, Inc. as of June 30, 2024, 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.

Report on Summarized Comparative Information

I have previously audited Northeast Sustainable Energy Association, Inc.'s 2023 financial statements, and I expressed an unmodified audit opinion on those audited statements in my report dated May 15, 2024. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Easthampton, Massachusetts
August 20, 2025

Northeast Sustainable Energy Association, Inc.
Statement of Financial Position
As of June 30, 2024
With Summary Totals for 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	June 30, 2024 Total	June 30, 2023 Total
ASSETS				
Current Assets				
Cash	\$ 810,701	\$ 74,676	\$ 885,377	\$ 528,852
Accounts Receivable	173,094		173,094	215,323
Short Term Investments	85,164	24,573	109,737	100,478
Prepaid Expenses	<u>46,688</u>	<u> </u>	<u>46,688</u>	<u>43,453</u>
Total Current Assets	<u>1,115,647</u>	<u>99,249</u>	<u>1,214,896</u>	<u>888,106</u>
Property and Equipment				
Furniture and Fixtures	20,369		20,369	20,369
Equipment	64,696		64,696	64,696
Website	<u>180,508</u>		<u>180,508</u>	<u>180,508</u>
	265,573		265,573	265,573
Less-Accumulated Depreciation	<u>256,826</u>		<u>256,826</u>	<u>254,710</u>
Total Property and Equipment	<u>8,747</u>		<u>8,747</u>	<u>10,863</u>
Total Assets	<u>\$1,124,394</u>	<u>\$ 99,249</u>	<u>\$ 1,223,643</u>	<u>\$ 898,969</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts Payable	\$ 25,834		\$ 25,834	\$ 42,423
Credit Cards Payable	2,676		2,676	4,543
Accrued Expenses	40,828		40,828	59,746
Deferred Revenue	<u>107,118</u>		<u>107,118</u>	<u>107,749</u>
Total Current Liabilities	<u>176,456</u>		<u>176,456</u>	<u>214,461</u>
Net Assets				
Net Assets Without Donor Restrictions	947,938		947,938	589,659
Net Assets With Donor Restrictions	<u> </u>	<u>\$ 99,249</u>	<u>99,249</u>	<u>94,849</u>
Total Net Assets	<u>947,938</u>	<u>99,249</u>	<u>1,047,187</u>	<u>684,508</u>
Total Liabilities and Net Assets	<u>\$ 1,124,394</u>	<u>\$ 99,249</u>	<u>\$ 1,223,643</u>	<u>\$ 898,969</u>

The accompanying notes are an integral part of these financial statements.

Northeast Sustainable Energy Association, Inc.
Statement of Activities
For the Year Ended June 30, 2024
With Summary Totals for 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	June 30, 2024 Total	June 30, 2023 Total
SUPPORT AND REVENUE				
Contributions	\$ 390,631	\$ 4,400	\$ 395,031	\$ 104,270
Program Fees	509,606		509,606	418,589
Member Dues	340,557		340,557	318,028
Sponsorships	511,821		511,821	432,708
Grants	279,151		279,151	422,410
Rental Income	4,200		4,200	4,200
Investment Income	3,661		3,661	2,666
Other Revenue	45,013		45,013	29,195
Unrealized Gains on Investments	8,354		8,354	5,171
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Support and Revenue	<u>2,092,994</u>	<u>4,400</u>	<u>2,097,394</u>	<u>1,737,237</u>
EXPENSES				
Program Services				
Conferences and Tours	973,344		973,344	772,690
Member Services	197,712		197,712	180,874
Support Services				
Administration	483,622		483,622	473,157
Fundraising	<u>80,037</u>	<u> </u>	<u>80,037</u>	<u>47,786</u>
Total Expense	<u>1,734,715</u>	<u> </u>	<u>1,734,715</u>	<u>1,474,507</u>
Change in Net Assets	358,279	4,400	362,679	262,730
Net Assets at Beginning of Year	<u>589,659</u>	<u>94,849</u>	<u>684,508</u>	<u>421,778</u>
Net Assets at End of Year	<u>\$ 947,938</u>	<u>\$ 99,249</u>	<u>\$1,047,187</u>	<u>\$ 684,508</u>

The accompanying notes are an integral part of these financial statements.

Northeast Sustainable Energy Association, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2024
With Summary Totals for 2023

		Program Services	
	Conferences and Tours	Member Services	Total Program Services
Salaries and Wages	\$ 250,389	\$ 58,602	\$ 308,991
Payroll Taxes	20,053	4,692	24,745
Employee Benefits	<u>18,816</u>	<u>4,403</u>	<u>23,219</u>
Total Compensation Related	289,258	67,697	356,955
Advertising	525	123	648
Bank and Credit Card Fees	22,285	5,215	27,500
Communications	1,553	363	1,916
Consultants	178,620	11,492	190,112
Depreciation	995	232	1,227
Dues and Fees	11,666	2,737	14,403
Equipment Expense	1,155	271	1,426
Food and Beverages	256,730	60,221	316,951
Insurance	4,939	1,156	6,095
Investment Fees			
Occupancy	24,106	5,641	29,747
Office Expense	3,276	767	4,043
Postage	20	5	25
Printing	4,406	1,031	5,437
Professional Fees			
Program Expenses	154,246	36,181	190,427
Scholarships and Awards	1,397	328	1,725
Staff Training	75	18	93
Travel	13,077	3,061	16,138
Website/Technology	<u>5,015</u>	<u>1,173</u>	<u>6,188</u>
Total Expenses	<u>\$ 973,344</u>	<u>\$ 197,712</u>	<u>\$1,171,056</u>

The accompanying notes are an integral part of these financial statements.

Northeast Sustainable Energy Association, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2024
With Summary Totals for 2023

	<u>Administrative</u>	<u>Fundraising</u>	<u>Total Support Services</u>	<u>June 30, 2024 Total Expenses</u>	<u>June 30, 2023 Total Expenses</u>
Salaries & Wages	\$ 202,442	\$ 21,310	\$ 223,752	\$ 532,743	\$ 526,499
Payroll Taxes	16,213	1,707	17,920	42,665	43,450
Employee Benefits	<u>15,213</u>	<u>1,601</u>	<u>16,814</u>	<u>40,033</u>	<u>37,011</u>
Total Compensation Related	233,868	24,618	258,486	615,441	606,960
Advertising	425	45	470	1,118	1,641
Bank and Credit Card Fees	18,017	1,897	19,914	47,414	36,378
Communications	1,256	132	1,388	3,304	3,006
Consultants	144,416	45,515	189,931	380,043	186,590
Depreciation	804	85	889	2,116	2,116
Dues and Fees	27,430	2,713	30,143	44,546	18,797
Equipment Expense	934	98	1,032	2,458	2,624
Food and Beverages	2,629	260	2,889	319,840	232,068
Insurance	3,993	420	4,413	10,508	11,241
Investment Fees	695		695	695	805
Occupancy	19,490	2,052	21,542	51,289	45,683
Office Expense	2,649	279	2,928	6,971	27,818
Postage	16	2	18	43	548
Printing	3,562	375	3,937	9,374	6,153
Professional Fees	8,750		8,750	8,750	8,858
Program Expenses				190,427	242,924
Scholarships and Awards				1,725	2,205
Staff Training	60	6	66	159	762
Travel	10,573	1,113	11,686	27,824	27,528
Website/Technology	<u>4,055</u>	<u>427</u>	<u>4,482</u>	<u>10,670</u>	<u>9,802</u>
Total Expenses	<u>\$ 483,622</u>	<u>\$ 80,037</u>	<u>\$ 563,659</u>	<u>\$1,734,715</u>	<u>\$1,474,507</u>

The accompanying notes are an integral part of these financial statements.

Northeast Sustainable Energy Association, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2024
With Summary Totals for 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Cash Flows from Operating Activities		
Changes in net assets	\$ 362,679	\$ 262,730
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	2,116	2,116
Unrealized (gains) losses	(8,354)	(5,171)
(Increase) decrease in operating assets		
Receivables	42,229	(59,114)
Prepaid Expenses	(3,235)	(1,167)
Increase (decrease) in operating liabilities		
Accounts Payable	(16,589)	(4,771)
Accrued Expenses	(18,918)	23,395
Credit Cards Payable	(1,867)	(21,131)
Deferred Revenue	<u>(631)</u>	<u>(48,419)</u>
Net Cash Provided (Used) by Operating Activities	357,430	148,468
Cash Flows from Investing Activities		
Investment income reinvested, net	<u>(905)</u>	<u>(3,476)</u>
Net Cash Provided (Used) by Investing Activities	<u>(905)</u>	<u>(3,476)</u>
Cash Flows from Financing Activities		
Net Cash Provided/(Used) by Financing activities	<u>0</u>	<u>0</u>
Net Increase (Decrease) in Cash	356,525	144,992
Cash at Beginning of the Year	<u>528,852</u>	<u>383,860</u>
Cash at End of the Year	<u>\$ 885,377</u>	<u>\$ 528,852</u>

The accompanying notes are an integral part of these financial statements.

Northeast Sustainable Energy Association, Inc.
Notes to Financial Statements
June 30, 2024

1. Summary of Significant Accounting Policies

A. Basis of Presentation:

The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restriction – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

B. Property and Equipment:

Property and equipment are recorded at cost. The cost of maintenance and repairs is charged to income as incurred. Major improvements are capitalized. Depreciation is computed using the straight-line method over the estimated life of the asset. Property and equipment purchased with a cost of \$750 or more is capitalized.

C. Cash and Cash Equivalents:

For the purpose of the statement of cash flows, the Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

D. Contributions:

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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.

Northeast Sustainable Energy Association, Inc.
Notes to Financial Statements
June 30, 2024

E. Comparative Financial Information:

The financial statements include certain prior-year summarized comparative information. With respect to the statement of functional expenses, the prior-year expenses are presented by expense classification in total rather than functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

F. Advertising Costs:

The Organization expenses the cost of advertising as incurred. Advertising costs of \$1,118 and \$1,641 were expensed in 2024 and 2023, respectively.

G. Income Tax Status:

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization did not engage in any unrelated business activities during the fiscal year. Management believes more likely than not, that its tax-exempt status position will be sustained if examined by Authorities.

2. Nature of Activities and Organization

Northeast Sustainable Energy Association, Inc. (NESEA) is a non-profit corporation incorporated on March 27, 1975. The purpose of the Organization is to promote alternative sources of energy and energy conservation through publications, demonstrations, conferences, and seminars. The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and has been determined to not be a private foundation by the Internal Revenue Service. The corporation is also exempt from Vermont income tax.

3. Net Assets with Donor Restrictions

Net Assets With Donor Restrictions consisted of the following:

Kate Goldstein Fund	\$49,249
Payroll Loan Fund	<u>50,000</u>
	<u>\$99,249</u>

Northeast Sustainable Energy Association, Inc.
Notes to Financial Statements
June 30, 2024

4. Use of 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.

5. Fair Value of Financial Instruments

The Organization's financial instruments include cash and cash equivalents and accounts receivable, short term investments and accounts payable. The Organization estimates that the fair value of these financial instruments at year end does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

The estimated fair value has been determined using available market information and appropriate valuation methods. The carrying amounts of cash and cash equivalents and short term investments and accounts payable reported in the statement of financial position approximate fair value because of the short maturities of those instruments, except as otherwise noted in footnote 9.

6. Fair Value of Assets and Liabilities

FASB ASC No. 820, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets, which have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets. Level 3 inputs, which have the lowest priority, use primarily unobservable inputs. The organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

7. Subsequent Events

Management performed an evaluation of subsequent events through August 20, 2025 the date these financial statements were issued.

Northeast Sustainable Energy Association, Inc.

Notes to Financial Statements

June 30, 2024

8. Lines of Credit

Northeast Sustainable Energy Association, Inc. has two lines of credit at Greenfield Savings Bank.

The lines of credit are for amounts up to \$250,000 and are secured by all of the assets of the organization. As of June 30, 2024, there was no balance on these lines of credit. The lines of credit are due on demand and the interest on any outstanding balance is charged at the bank's base rate, which is currently 5.00%.

9. Short Term Investments

Investments consist of money market investments and common stock. They are stated at their fair market value which, as of June 30, 2024, was \$109,737. Earnings for the period amounted to \$3,483. Investment expenses totaled \$695 for the year.

10. Property and Equipment

<u>Description</u>	<u>Balance Beginning of Period</u>	<u>Additions at Cost</u>	<u>Retirements</u>	<u>Balance End of Period</u>
Computer Equipment	\$ 64,696	\$		\$ 64,696
Furniture and Fixtures	20,369			20,369
Websites	<u>180,508</u>	<u> </u>	<u> </u>	<u>180,508</u>
Total	<u>\$ 265,573</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 265,573</u>

Accumulated Depreciation

<u>Description</u>	<u>Balance Beginning of Period</u>	<u>Expense This Year</u>	<u>Other Changes</u>	<u>Balance End of Period</u>
Computer Equipment	\$ 62,776	\$ 537		\$ 63,313
Furniture and Fixtures	17,826	779		18,605
Websites	<u>174,108</u>	<u>800</u>	<u> </u>	<u>174,908</u>
Total	<u>\$ 254,710</u>	<u>\$ 2,116</u>	<u>\$ 0</u>	<u>\$ 256,826</u>

Northeast Sustainable Energy Association, Inc.
Notes to Financial Statements
June 30, 2024

11. Asset Liquidity and Availability

As of June 30, 2024, The Organization has \$1,058,471 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash of \$885,377 and accounts receivable of \$173,094 and reduced by financial assets subject to donor purpose restrictions of \$99,249. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.