

NEW ENGLAND WATER WORKS ASSOCIATION, INC

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

JUNE 30, 2025

AND

JUNE 30, 2024

NEW ENGLAND WATER WORKS ASSOCIATION, INC.

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O'BRIEN, FITZGERALD, TAYLOR & KEAVENEY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors
New England Water Works Association, Inc.
Holliston, Massachusetts

Opinion

We have audited the accompanying financial statements of New England Water Works Association, Inc. (a Non-Profit Association), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New England Water Works Association, Inc. as of June 30, 2025 and 2024, 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. 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 New England Water Works Association, Inc. 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 these 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 New England Water Works Association, Inc.'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 generally accepted auditing standards 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.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with generally accepted auditing standards, 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 New England Water Works Association, Inc.'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 New England Water Works Association, Inc.'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 audits.

O'Brien, FitzGerald, Taylor & Keaveney, P.C.

Waltham, Massachusetts

August 26, 2025

NEW ENGLAND WATER WORKS ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30,

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
<u>Current Assets:</u>		
Cash & Cash Equivalents	\$ 969,774	\$ 1,364,337
Investments	3,296,884	2,354,556
Accounts Receivable – Operations	142,970	105,053
Inventories	8,536	7,488
Prepaid Expenses	<u>189,880</u>	<u>135,650</u>
Total Current Assets	\$ 4,608,044	\$ 3,967,084
<u>Non-Current Assets:</u>		
Awards	6,776	6,946
Property and Equipment - Net	1,669,658	1,769,782
Operating Lease Right-of-Use Assets	<u>41,277</u>	<u>61,916</u>
<u>Total Assets</u>	<u>\$ 6,325,755</u>	<u>\$ 5,805,728</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Current Maturities of Bond Payable	\$ 85,540	\$ 80,698
Operating Lease Liability	21,655	20,585
Accounts Payable	62,783	75,039
Accrued Expenses	147,829	125,469
Deferred Revenue	<u>338,454</u>	<u>222,474</u>
Total Current Liabilities	\$ 656,261	\$ 524,265
<u>Non-Current Liabilities:</u>		
Bond Payable	198,221	242,237
Operating Lease Liability	<u>22,813</u>	<u>44,468</u>
Total Liabilities	<u>\$ 877,295</u>	<u>\$ 810,970</u>
<u>Net Assets:</u>		
Without Donor Restrictions:		
Undesignated	\$ 3,829,993	\$ 3,531,858
Board Designated	<u>1,618,467</u>	<u>1,462,900</u>
Total Without Donor Restrictions	\$ 5,448,460	\$ 4,994,758
With Donor Restrictions	<u>—</u>	<u>—</u>
Total Net Assets	<u>\$ 5,448,460</u>	<u>\$ 4,994,758</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 6,325,755</u>	<u>\$ 5,805,728</u>

SEE ACCOMPANYING NOTES AND INDEPENDENT AUDITOR'S REPORT

NEW ENGLAND WATER WORKS ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30,

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2025 Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2024 Total</u>
<u>Support and Revenue:</u>						
Training Programs	\$ 1,449,623	\$ —	\$ 1,449,623	\$ 1,282,781	\$ —	\$ 1,282,781
Membership Dues	204,915	—	204,915	233,828	—	233,828
Conferences	853,963	—	853,963	869,020	—	869,020
Fundraising	153,297	—	153,297	146,035	—	146,035
Publications	77,912	—	77,912	68,900	—	68,900
Monthly Meetings	102,246	—	102,246	73,695	—	73,695
Contributions	47,064	—	47,064	17,464	—	17,464
Miscellaneous	35,560	—	35,560	39,083	—	39,083
Net Assets Released from Restrictions Satisfied by Technology Expenditures	<u>—</u>	<u>—</u>	<u>—</u>	<u>49,040</u>	<u>(49,040)</u>	<u>—</u>
Total Support and Revenue	<u>\$ 2,924,580</u>	<u>\$ —</u>	<u>\$ 2,924,580</u>	<u>\$ 2,779,846</u>	<u>\$ (49,040)</u>	<u>\$ 2,730,806</u>
<u>Operating Expenses:</u>						
Program Services	\$ 1,991,880	—	\$ 1,991,880	\$ 2,021,255	\$ —	\$ 2,021,255
General and Administrative	584,063	—	584,063	477,529	—	477,529
Fundraising	91,204	—	91,204	88,116	—	88,116
Interest and Fees	21,538	—	21,538	19,589	—	19,589
Scholarships and Donations	<u>48,324</u>	<u>—</u>	<u>48,324</u>	<u>43,553</u>	<u>—</u>	<u>43,553</u>
Total Operating Expenses	<u>\$ 2,737,009</u>	<u>—</u>	<u>\$ 2,737,009</u>	<u>\$ 2,650,042</u>	<u>\$ —</u>	<u>\$ 2,650,042</u>
<u>Operating Income(Loss)</u>	<u>\$ 187,571</u>	<u>\$ —</u>	<u>\$ 187,571</u>	<u>\$ 129,804</u>	<u>\$ (49,040)</u>	<u>\$ 80,764</u>
<u>Non-Operating Gains(Losses):</u>						
Interest and Dividend Income	\$ 113,982	\$ —	\$ 113,982	\$ 108,908	\$ —	\$ 108,908
Net Realized Gain on Investments	17,051	—	17,051	1,534	—	1,534
Net Unrealized Gain on Investments	155,688	—	155,688	208,225	—	208,225
Brokerage Fees	<u>(20,590)</u>	<u>—</u>	<u>(20,590)</u>	<u>(18,552)</u>	<u>—</u>	<u>(18,552)</u>
Net Non-Operating Gain	<u>\$ 266,131</u>	<u>\$ —</u>	<u>\$ 266,131</u>	<u>\$ 300,115</u>	<u>\$ —</u>	<u>\$ 300,115</u>
<u>Increase in Net Assets</u>	<u>\$ 453,702</u>	<u>\$ —</u>	<u>\$ 453,702</u>	<u>\$ 429,919</u>	<u>\$ (49,040)</u>	<u>\$ 380,879</u>

SEE ACCOMPANYING NOTES AND INDEPENDENT AUDITOR'S REPORT

NEW ENGLAND WATER WORKS ASSOCIATION, INC.

STATEMENTS OF CHANGES IN NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<u>Net Assets, June 30, 2023</u>	\$ 4,564,839	\$ 49,040	\$ 4,613,879
Increase in Net Assets	<u>429,919</u>	<u>(49,040)</u>	<u>380,879</u>
<u>Net Assets, June 30, 2024</u>	\$ 4,994,758	\$ —	\$ 4,994,758
Increase in Net Assets	<u>453,702</u>	<u>—</u>	<u>453,702</u>
<u>Net Assets, June 30, 2025</u>	<u>\$ 5,448,460</u>	<u>\$ —</u>	<u>\$ 5,448,460</u>

SEE ACCOMPANYING NOTES AND INDEPENDENT AUDITOR'S REPORT

NEW ENGLAND WATER WORKS ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30,

	<u>2025</u>	<u>2024</u>
<u>Cash Provided By(Used In) Operating Activities:</u>		
Increase in Net Assets	\$ 453,702	\$ 380,879
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By(Used In) Operating Activities:		
Net Realized Gain on Investments	(17,051)	(1,534)
Net Unrealized Gain on Investments	(155,688)	(208,225)
Depreciation	168,283	144,477
Amortization of Operating Right-of-Use Assets	20,639	20,639
(Increase)Decrease in Operating Assets:		
Accounts Receivable – Operations	(37,917)	2,213
Inventories	(1,048)	4,253
Prepaid Expenses	(54,230)	(34,871)
Increase(Decrease) in Operating Liabilities:		
Accounts Payable	(12,256)	59,011
Accrued Expenses	22,360	(19,042)
Deferred Revenue	115,980	19,300
Operating Lease Liability	<u>(20,584)</u>	<u>(19,558)</u>
Net Cash Provided By Operating Activities	<u>\$ 482,190</u>	<u>\$ 347,542</u>
<u>Cash Provided By(Used In) Investing Activities:</u>		
Proceeds from Sale of Investments	\$ 170,286	\$ 634,132
Purchase of Investments	(939,876)	(680,675)
Purchase of Property and Equipment	(68,159)	(134,532)
Decrease in Awards	<u>170</u>	<u>169</u>
Net Cash Used In Investing Activities	<u>\$ (837,579)</u>	<u>\$ (180,906)</u>
<u>Cash Provided By(Used In) Financing Activities:</u>		
Principal Payments on Bond Payable	<u>\$ (39,174)</u>	<u>\$ (36,956)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (394,563)	\$ 129,680
Cash and Cash Equivalents, Beginning of Year	<u>1,364,337</u>	<u>1,234,657</u>
<u>Cash and Cash Equivalents, End of Year</u>	<u>\$ 969,774</u>	<u>\$ 1,364,337</u>

SEE ACCOMPANYING NOTES AND INDEPENDENT AUDITOR'S REPORT

NEW ENGLAND WATER WORKS ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS - CONTINUED

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

Supplemental Information

Accounting Policies Note

For purposes of the statements of cash flows, the Association considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Interest and Loan Fees Paid

The Association paid interest and loan fees of \$15,840 and \$19,589 during the years ended June 30, 2025 and 2024, respectively.

Income Taxes Paid

The Association paid no income taxes during the years ended June 30, 2025 and 2024. See Note A.

SEE ACCOMPANYING NOTES AND INDEPENDENT AUDITOR'S REPORT

NEW ENGLAND WATER WORKS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

(A) Summary of Significant Accounting Policies

Nature of Association

Established in 1882, the New England Water Works Association, Inc. (“NEWWA” or the “Association”) is an independent, member-driven Association dedicated to serving water works professionals and the public interest, primarily in New England. The Association was incorporated under the laws of the Commonwealth of Massachusetts on February 25, 1981 and is recognized as a 501(c)(3) non-profit educational, research, and philanthropic Association.

The primary purpose of the Association is to promote public health, safety and welfare through the advancement and dissemination of knowledge for improvement of the planning, protection, design, construction, operation, management, and regulation of public drinking water supplies.

From its headquarters and training center in Holliston, Massachusetts, and from affiliated training centers in New Hampshire, Vermont, and Maine, the Association provides and supports education, training, research, technical conferences, utility and community outreach programs, legislative and regulatory issues, scholarship programs, and professional networking programs to improve and sustain public water supplies, protect public health and safety, and advance the water supply profession.

The Association serves as a key resource for 1,600 members, including water utility managers, operators, consulting engineers, manufacturing representatives, suppliers, educators, regulators, interested citizens, and related companies and Associations, primarily from the Northeast.

NEWWA is a fully independent organization as it has been for 105 years.

Basis of Accounting

The Association prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America; accordingly, all significant receivables, payables and other liabilities have been recorded.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, and disclosures. Although these estimates are based upon the best judgment of, and information available to management, actual results could differ from those estimates.

Financial Statement Presentation

The Association is required to report information regarding its financial position and activities according to two classes of net assets – with donor restrictions and without donor restrictions, based on the existence or absence of donor – imposed restrictions, if any.

The Association is required to report contributions and gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, 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 statements of activities as net assets released from restrictions.

(A) Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation (Continued)

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-For-Profit Entities (Topic 958) – Presentation of Financial statements of Not-For Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency and the type of information provided about expenses and investment return. The Association has previously implemented ASU 2016-14.

Adoption of Revenue Recognition Standard

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09 Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Association adopted the new standard effective July 1, 2019, using the modified retrospective method.

The revenue recognition guidance requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Association expects to be entitled in exchange for those goods or services. A practical expedient was applied for revenue contracts that began and ended in the same year.

The adoption of this ASU did not have a significant impact on the Association’s financial statements. The majority of the Association’s revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. Based on the Association’s evaluation process and review of contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. See “Revenue from Contracts with Customers” footnote.

Adoption of Lease Standard

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02 Leases (Topic 842). The Association adopted the new standard effective July 1, 2022.

The Association has a lease agreement for office equipment expiring in 2027. The Association determines if a contract contains a lease when the contract conveys the right to control the use of equipment for a period of time in exchange for consideration. Upon such identification and commencement of a lease, the Association establishes a right-of-use (“ROU”) asset and lease liability in the statements of financial position.

A lease component is defined as an asset within the lease contract that a lessee can benefit from the use of and is not highly dependent or interrelated with other assets in the arrangement. A lease contract may contain multiple lease components. A non-lease component is defined as a component of the lease that transfers a good or service for the underlying asset, such as maintenance services. The association has determined that its lease contains one lease component. The lease liability represents future lease payments discounted for present value. Lease payments that may be included in the lease liability include fixed payments, variable lease payments that are based on an index or rate and payments for penalties for terminating the lease if the lessee is reasonably certain to use a termination option, among others.

The ROU asset consists of the amount of the initial measurement of the lease liability and adjusted for any lease incentives, including rent abatements and tenant improvement allowances, and any initial direct costs incurred by the lessee. The ROU asset is amortized over the remaining lease term on a straight-line basis.

The lease term is determined by taking into account the initial period as stated in the lease contract and adjusted for any renewal options that the Association is reasonably certain to exercise as well as any period of time that the lessee has control of the equipment before the stated initial term of the lease.

The Association uses discount rates to determine the net present value of gross lease obligations when calculating the lease liability and related ROU Asset. In cases in which the rate implicit in the lease is readily determinable, that discount rate is used for the purposes of the net present value calculation. In most cases, lease agreements do not have a discount rate that is readily

(A) Summary of Significant Accounting Policies (Continued)

Adoption of Lease Standard (Continued)

determinable and therefore an estimate of the Association's incremental borrowing rate is used. The incremental borrowing rate is determined at lease commencement or lease modification and represents the rate of interest the Association would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment.

Investments and Investment Income

Investments in marketable equity securities and mutual funds are carried at quoted market values for the investments at the statements of financial position date. Investments in government and corporate obligations are carried at amortized cost, which approximates market value.

Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) are reported as non-operating gains(losses) in the statements of activities.

Investments are subject to the normal market fluctuations of publicly traded securities. Credit risk with respect to its investments in these securities is limited due to the Securities Investors Protection Corporation program and the diverse portfolio of quality investments maintained by the Association. The Association annually reviews its investments, if the market value is substantially below cost and the decline is considered to be "other than temporary," an adjustment is recorded as a realized loss.

Fair Value Measurements

The Association adopted the methods of calculating fair value of its financial assets and liabilities, when applicable. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, which are described below:

Accounting standards establish a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs that are based on inputs not quoted in active markets but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Association utilizes valuation techniques that maximize the use of observable inputs and minimizes the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value. Financial assets and liabilities carried at fair value as of June 30, 2025 and 2024 are classified in the table below in one of three categories described above:

<u>June 30, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
Investments	\$ 2,354,556	\$ —	\$ —	\$ 2,354,556
<u>Total Assets at Fair Value</u>	<u>\$ 2,354,556</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,354,556</u>
<u>June 30, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
Investments	\$ 3,296,884	\$ —	\$ —	\$ 3,296,884
<u>Total Assets at Fair Value</u>	<u>\$ 3,296,884</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,296,884</u>

(A) Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

The following is a description of the Association's valuation methodologies for assets measured at fair value. Fair value for Level 1 is based upon quoted market prices. Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Level 3 inputs are alternative investments. The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Accounts Receivable – Operations

Accounts receivable from operations, consisting primarily of amounts due from members, are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances deemed uncollectible by the time the financial statements are issued. Based on management's assessment of the credit history with its members having outstanding balances, and current relationships with them, it has concluded that realization losses on balances outstanding at year end will be trivial. Accordingly, no allowance for doubtful accounts has been recorded. Future balances deemed uncollectible, if any, will be expensed as that determination is made.

Inventories

Inventories consist of textbooks primarily sold to participants in training seminars sponsored by the Association. Inventory is stated at the lower of cost or market determined by the first-in, first-out method.

Property and Equipment – Net

The Association capitalizes all expenditures for property and equipment in excess of \$2,500. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Expenditures for repairs and maintenance are charged against operations. Renewals and betterments that materially extend the lives of the assets are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Estimated lives, ranging from three (3) to forty (40) years, will vary by asset category. See Note E.

Deferred Revenue

Revenues from membership dues, publications advertising, and sponsorships are recognized over the periods to which they relate. Revenue from training registration fees and conference fees are recognized in the fiscal year the event is held. Accordingly, revenue from these sources received in advance of the applicable period(s) is recorded as deferred revenue in the statements of financial position.

Income Taxes

The Association qualifies as a tax-exempt Association under Section 501(c)(3) of the Internal Revenue Code and therefore, has no provision for federal or state income taxes. In addition, the Association is classified as an Association that is not a private foundation under Section 509(a)(2); and qualifies for the charitable contribution deduction under Section 170(b)(1)(A).

Net income from certain activities not directly related to the Association's tax-exempt purpose is subject to federal taxation as unrelated trade or business income. There was no unrelated business tax for the years ended June 30, 2025 and 2024.

In evaluating the Association's tax positions and accruals, we consider their tax-exempt status, unrelated business taxable income, interpretations of prevailing tax laws and tax planning strategies. The Association believes their estimates and assumptions are accurate and justified based on current facts and circumstances.

The Association's federal and state tax returns are subject to possible examination by taxing authorities until the expiration of the related statutes of limitations on those returns. In general, the federal and state tax returns have a three-year statute of limitations from the date the tax returns were due or filed, whichever is later. The Association has no open examinations as of the date of these financial statements.

(A) Summary of Significant Accounting Policies (Continued)

Net Assets

The Association is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Net assets, and related revenues, expenses, gains, and losses, are classified based upon the existence of donor-imposed restrictions, if any. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

Without Donor Restrictions - Undesignated - Net assets that are not subject to donor-imposed stipulations.

These assets represent the resources over which the Board of Directors has discretionary control to use in carrying on the operations of the Association.

Without Donor Restrictions - Board Designated – The Board of Directors review the plans and objectives of the Association and from time-to-time designate appropriate sums of unrestricted net assets to assure their plans and objectives are met. See Note J.

With Donor Restrictions - Net assets that are subject to donor-imposed stipulations that may, or will, be met, either by actions of the Association and/or the passage of time. When a restriction expires (monies are used for their restricted purpose) they are reported in the statement of activities as net assets released from restrictions. See Note K.

The Board of Directors and management employees of the Association acknowledge that, to the best of their ability, all assets received have been used for the purpose for which they were contributed or have been accumulated to allow management to conduct the operations of the Association as effectively and efficiently as possible.

Donated Services

Donated services have not been recognized in the accompanying financial statements because the criteria for recognition of such services in accordance with accounting pronouncements have not been met. Primarily, an objective measurement or valuation of these contributed services is not determinable. The Association generally pays for services requiring specific expertise. However, numerous volunteers have donated significant amounts of time, performing a variety of tasks, that assist the Association in their program services and fundraising. The Association receives more than 30,000 volunteer hours per year.

Revenue from Contracts with Customers

Revenue is recognized when control of the promised services is transferred to the Association's members and customers in an amount that reflects the consideration they expect to be entitled to in exchange for those services. Prices are specific to distinct performance obligations and do not consist of multiple transactions. As the Association completes its performance obligations it has an unconditional right to consideration outlined in the Association's contracts.

Revenue from contracts with customers is recorded on the accrual basis of accounting and includes membership dues, training programs, conferences, publications, and revenue from meetings. Contract revenue amounted to \$2,688,659 and \$2,528,224 for the years ended June 30, 2025 and 2024, respectively. Contract revenue is primarily from the Association's membership. Collection is dependent upon the geographic and economic factors affecting the membership. Impairment losses of \$0 were recognized for the years ended June 30, 2025 and 2024. See detail of contract revenue, under "support and revenue," in the Association's Statements of Activities on page 4.

The Association recognizes contract revenue over time for financial reporting purposes for certain contract revenue and at a specific point in time for other contract revenue. The timing of revenue recognition, billings, and cash collections results in contract assets (reported as Accounts Receivable and Prepaid Expenses) and contract liabilities (reported as Deferred Revenue) on the Association's statements of financial position. When the Association receives consideration from a customer prior to providing services to the customer it records deferred revenue. The performance obligation is considered complete upon the Association providing the service contracted for and the expiration of time. Deferred revenue is normally recognized over a twelve-month period or less.

(A) Summary of Significant Accounting Policies (Continued)

Revenue from Contracts with Customers (Continued)

Membership Dues

Membership dues are recognized ratably over the period of membership, which varies based on when members join or leave the Association. Unearned membership revenue is reflected as deferred revenue on the statements of financial position. Members are provided with monthly access to the Association and a variety of program services. Revenue is recognized monthly as the services are provided. Management has adopted the practical expedient whereby costs to obtain membership contracts are not capitalized as the average length of a membership contract is one year or less. Dues revenue is recognized when each of the performance obligations are satisfied, as follows:

Monthly access to the Association and program services included in the monthly membership dues is recognized monthly as the service is provided.

Training Programs

Training program fees are reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing services to their program participants. Training programs include education for water professionals conducted in-house, on-line and contracted at customer/member site locations, certifications and renewals, and various other programs. Performance obligations are determined based on the nature of the service provided. Performance obligations are generally providing a service at a point in time. Revenue is recognized at the time the program is held. Unearned program fees are reflected as deferred revenue on the statements of financial position.

Conferences

Conference revenues are reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing services to their conference participants. There are two conferences each year, an annual conference, and a spring conference. Performance obligations are determined based on the nature of the service provided. Performance obligations are generally providing a service at a point in time. Revenue is recognized at the time the conference is held. Unearned program fees are reflected as deferred revenue on the statements of financial position.

Publications

Publication revenues consist of advertising revenue and subscriptions for a newsletter (The Source) published four times a year, a journal (Currents) published seven times a year and an on-line newsletter (E-Source) published six times a year. Revenue is recognized over a period of subscription, while advertising revenue is recognized when the publication is issued or monthly as received.

Monthly Meetings

Monthly meetings and special symposia revenue are reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing services to their meeting participants. Performance obligations are determined based on the nature of the services provided and are generally providing a service at a point in time. Revenue is recognized at the time the program is held.

Support

Contributions

Contributions are recognized as revenue in the period received or unconditionally promised, whichever is earlier. Conditional promises to give are not recognized until they become unconditional, that is when the condition on which they depend are substantially met.

(A) Summary of Significant Accounting Policies (Continued)

Support (Continued)

Fundraising

Fundraising revenues are recognized as revenue in the period received. They come from such sources as corporate member fundraising, various social activities such as a ski outing, fun run, silent auctions, a golf outing and various other events.

A fundraising virtual technology campaign was commenced in fiscal year 2022 to provide funding for the purchase of a learning management system to provide support for on-line learning and training. It includes a software application, classroom hardware enhancements and video conferencing. All funds were expended for their restricted purpose by the year ended June 30, 2024. See Note K.

Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services, on a monthly basis, based upon direct labor hours from time reports prepared by the Association's employees. Management and general expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Association.

Operating Income

Transactions deemed by management to be ongoing, major, or central to carrying on the educational and research activities of the Association's tax-exempt purpose are reported as operating revenue and expenses. Peripheral or incidental transactions, which include investment income and realized and unrealized gains and losses on investments, are reported as non-operating gains and losses.

Subsequent Events

Management has evaluated subsequent events through August 26, 2025, the date the financial statements were available to be issued.

(B) Concentrations of Credit Risk

Financial instruments that potentially subject the Association to concentrations of credit risk consist principally of temporary cash balances and accounts receivable. The Association places its temporary cash balances with a financial institution located in Massachusetts. Accounts at this financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Association routinely invests its surplus operating funds in money market mutual funds. These funds, although uninsured, generally invest in highly liquid obligations to maintain a constant net asset value. The Association had uninsured cash balances of \$719,674 and \$1,114,337 as of June 30, 2025 and 2024, respectively.

Concentrations of credit risk with respect to accounts receivable are limited due to the large number of members and customer base, which management closely monitors. Historically, credit losses have not been significant. At June 30, 2025 and 2024 the Association had no significant concentrations of credit risk with regards to accounts receivable.

(C) Investments

Investments in publicly traded securities are held in three accounts by one investment bank located in Massachusetts. Investments are stated at fair value and consist of the following:

<u>June 30,2025</u>	<u>Cost</u>	<u>Fair Value</u>
Equity Mutual Funds	\$ 885,196	\$ 1,417,227
Fixed Income Mutual Funds	1,097,050	1,080,589
U.S. Treasuries	743,937	749,169
Reserve Fund – Bond Payable	<u>49,899</u>	<u>49,899</u>
<u>Totals</u>	<u>\$ 2,776,082</u>	<u>\$ 3,296,884</u>
<u>June 30,2024</u>	<u>Cost</u>	<u>Fair Value</u>
Equity Mutual Funds	\$ 857,796	\$ 1,269,871
Fixed Income Mutual Funds	1,084,023	1,037,062
Reserve Fund – Bond Payable	<u>47,623</u>	<u>47,623</u>
<u>Totals</u>	<u>\$ 1,989,442</u>	<u>\$ 2,354,556</u>

The following schedule summarizes the investment return, all considered non-operating in the statements of activities, for the year ended June 30:

	<u>2025</u>	<u>2024</u>
Interest and Dividend Income	\$ 113,982	\$ 108,908
Net Realized Gain on Investments	17,051	1,534
Net Unrealized Gain on Investments	155,688	208,225
Brokerage Fees	<u>(20,590)</u>	<u>(18,552)</u>
<u>Totals</u>	<u>\$ 266,131</u>	<u>\$ 300,115</u>

(D) Awards

In 2015 the Association purchased 50 bronze medals for the Dexter Brackett Award to be presented each year at the annual meeting for the best paper published in the Association's journal during the previous year. The medals are recorded at cost. There were 40 and 41 medals on hand at June 30, 2025 and 2024, respectively. The balance amounted to \$6,776 and \$6,946 for the fiscal years ended June 30, 2025 and 2024, respectively.

(E) Property and Equipment – Net

Property and equipment-net consist of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Land	\$ 129,820	\$ 129,820
Land Improvements	55,021	55,021
Building	829,221	829,221
Building Improvements	1,980,134	1,980,134
Equipment, Furniture & Vehicle	<u>1,146,651</u>	<u>1,078,492</u>
Total Property and Equipment	<u>\$ 4,140,847</u>	<u>\$ 4,072,688</u>
Deduct – Accumulated Depreciation:		
Building and Improvements	\$ 1,555,125	\$ 1,475,622
Equipment, Furniture & Vehicle	<u>916,064</u>	<u>827,284</u>
Total Accumulated Depreciation	<u>\$ 2,471,189</u>	<u>\$ 2,302,906</u>
<u>Property and Equipment – Net</u>	<u>\$ 1,669,658</u>	<u>\$ 1,769,782</u>

Depreciation expense amounted to \$168,283 and \$144,477 for the years ended June 30, 2025 and 2024, respectively.

(F) Operating Lease Liability

During 2022, the Association entered into a lease for office equipment with fixed payments of \$2,000 to be made for 63 months through 2027. Fixed lease expenses are recorded in operating expenses within the training expenses lines in the training column on the statements of functional expenses. Fixed lease expenses are recorded on a straight-line basis over the lease term and therefore are not necessarily representative of cash payments during the same period.

Supplemental statements of financial position information related to leases at June 30, 2025 was as follows:

Weighted-average remaining lease term (in months): 24

Weighted-average discount rate: 5.25%

Minimum rental commitments, discounted for present value, for office equipment under lease in effect as of June 30, 2024, are as follows:

June 30, 2026	\$ 24,000
June 30, 2027	<u>24,000</u>
Total Minimum Lease Payments	\$ 48,000
Less Imputed Interest	<u>(3,532)</u>
<u>Present Value of Future Minimum Lease Payments</u>	<u>\$ 44,468</u>

The operating lease liability will currently be paid \$21,655 in 2026 and \$22,813 in 2027.

(G) Bond Payable

On September 5, 2005, the Association refinanced existing mortgages with a Massachusetts Health and Educational Facilities Authority (MHEFA) Revenue Bond Capital Asset Program Issue Series M-1A, Pool 1 issued bond. The original loan amount of \$950,000 was to be repaid in increasing annual principal payments, with a final payment due June 15, 2033. On August 1, 2009, the Association amended this agreement. The existing debt was paid-off with "Refunding Bonds." New debt was issued, with People's United Bank as Institutional Trustee, with a Massachusetts Health and Educational Facilities Authority Capital Asset Program Issue, Series O-1. Interest, using a variable rate established annually, and fees are charged monthly. The interest rate was 2.762% and 3.777%, at June 30, 2025 and 2024, and the fee rate was 2.591% and 2.556% at June 30, 2025 and 2024, respectively. Loan interest and fees amounted to \$21,538 and \$19,589 (reported as general and administrative expenses) for the years ended June 30, 2025 and 2024, respectively. The loan is secured by the Association's land and buildings located in Holliston, Massachusetts. The loan contains restrictive covenants which the Association was in compliance with. The unpaid mortgage loan balance amounted to \$283,761 and \$322,935 at June 30, 2025 and 2024.

Future principal repayments are scheduled as follows as of June 30, 2025:

June 15, 2026	\$ 85,540
June 15, 2027	46,657
June 15, 2028	49,456
June 15, 2029	52,423
Thereafter	<u>49,685</u>
<u>Total Future Principal Repayments</u>	<u>\$ 283,761</u>

The loan required 1% of the bond issue (\$9,500) be invested in a reserve fund to secure the loan. A portion of the investment income is used to repay the principal on an annual basis. The reserve fund balance, included in investments, amounted to \$49,899 and \$47,623 at June 30, 2025 and 2024, respectively. This includes the principal payment of \$39,174 for fiscal 2024 was not made until July 1, 2024, and the principal payment of \$41,524 for fiscal 2025 which was not made until July 1, 2025.

In order to enhance the marketability of the Bonds, the Bank, at the request of the Issuer, has issued an irrevocable direct-pay letter of credit to the Association, "the Refunding Letter of Credit (RLC)." The RLC will support the purchase price of and payment of principal of the Refunding Bonds and up to 45 days accrued interest at an assumed rate of 12% per annum. The RLC carries a 2% annual fee paid monthly.

(H) Deferred Revenue

Deferred revenue consists of the following at June 30:

	<u>2025</u>	<u>2024</u>
Training Registration Fees	\$ 143,600	\$ 130,130
Membership Dues	150,724	86,802
Conference Fees	40,630	1,455
Publications Advertising	<u>3,500</u>	<u>4,087</u>
<u>Total Deferred Revenue</u>	<u>\$ 338,454</u>	<u>\$ 222,474</u>

(I) Retirement Plans

The Association has established the New England Water Works Association, Inc. Tax Sheltered Annuity Plan (also known as a 403(b) plan). Any employee who is regularly scheduled to work twenty (20) or more hours per week, has completed six months of service, and attained the age of twenty-one (21), is eligible to participate in the plan. An eligible employee becomes a participant on the date on which plan contributions are first made under a written salary deferral agreement. Separate accounts are established for each participant. Plan contributions are to be fully funded through one or more funding vehicles, selected by the participant, available under the plan. The plan allows a participant to defer a portion of their compensation as allowed under the tax code. The Association will match 100% of the employee contributions up to 6%. A participant is immediately and fully vested in contributions made under the plan. The Association made contributions, on behalf of its employees, to the tax-sheltered annuity plan amounting to \$48,945 and \$46,045, included in the operating expense salaries and benefits, for the years ended June 30, 2025 and 2024, respectively.

While the Association expects to continue the plan indefinitely, it has reserved the right to modify, amend, or terminate the plan. In the event of termination, the entire amount contributed under the plan must be applied to the payment of benefits to the participants or their beneficiaries.

(J) Net Assets Without Donor Restrictions – Board Designated

In the normal course of managing the Association, the Board of Directors (“Board”) will periodically designate certain assets for specific purposes. Income earned from investments, although available for current operating expenses, is allocated to these designated accounts by the Association. The Association maintains the following net assets without donor restrictions – board designated accounts:

Building and Expansion – The Board has set aside monies to provide for repairs and improvements to the Association’s headquarters or training centers.

Scholarship – Over the years, the Association has received contributions in memory of former employees and members to create scholarship funds. The Board has continued the scholarship programs, in their honor, with Association net assets.

Drinking Water Week – The Board sets asides monies to promote drinking water week held in May of each year. The Association sponsors theater groups, to perform at schools and other venues throughout New England, to educate the public to drinking water issues. The account also includes MADWEP monies for similar education purposes.

Social Functions – The Social Function Committee heads the fundraising efforts of the Association. Net fundraising income is used to support designated projects of the Association and to provide donations to affiliated non-profit Associations.

Water For People – The Association holds fundraising events, and donates the net income from these events, to support this non-profit Association.

The balance of net assets without donor restrictions - board designated consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Building and Expansion	\$ 1,109,677	\$ 993,647
Scholarship	441,941	396,497
Drinking Water Week	(1,727)	(410)
Social Functions	62,908	66,859
Water for People	<u>5,668</u>	<u>6,307</u>
<u>Total</u>	<u>\$ 1,618,467</u>	<u>\$ 1,462,900</u>

(J) Net Assets Without Donor Restrictions – Board Designated (Continued)

The following is a summary of the activity in the Association's net assets without donor restrictions - board designated accounts:

	<u>2025</u>	<u>2024</u>
Balance, Beginning of Year	\$ 1,462,900	\$ 1,415,551
Support and Revenue	116,872	81,865
Investment Return	87,023	94,090
Expenditures	(109,278)	(101,596)
Transfers	<u>60,950</u>	<u>(27,010)</u>
<u>Balance, End of Year</u>	<u>\$ 1,618,467</u>	<u>\$ 1,462,900</u>

(K) Net Assets With Donor Restrictions

Certain contributions are received with donor-imposed restrictions that the funds be used for a specific purpose or a specific program of the Association. Certain grants provide for reimbursement of expenses used to create or promote the specific project or program imposed by the contractor. These assets are temporarily restricted until they are expended for the purpose for which they were intended.

At June 30, 2025 and 2024 the Association had no net assets with donor restrictions from its virtual technology campaign. The Association made technology expenditures of \$0 and \$49,040, recorded as net assets released from restrictions in the Statements of Activities for the years ended June 30, 2025 and 2024, respectively.

(L) Fundraising

The Association holds fund-raising events to support certain projects designated by the Board of Directors, to provide scholarships, and to make donations to affiliated non-profit associations. The Association had fundraising revenue of \$153,297 and \$146,035, fundraising expenses of \$91,204 and \$88,116, and made scholarships and donations of \$48,324 and \$43,553 during the years ended June 30, 2025 and 2024, respectively. Scholarships and donations are allocated to program services and supporting services.

(M) Functional Classification of Expenses

Operating expenses by function were as follows for the years ended June 30:

	<u>2025</u>	<u>2024</u>
<u>Program Services:</u>		
Training	\$ 1,425,939	\$ 1,473,420
Conferences	412,590	405,279
Monthly Meetings	77,076	55,549
Publications	56,697	53,723
Member Services	<u>31,578</u>	<u>45,284</u>
Total Program Services	<u>\$ 2,003,880</u>	<u>\$ 2,033,255</u>
<u>Supporting Services:</u>		
General and Administrative	\$ 631,101	\$ 519,668
Fundraising	<u>102,028</u>	<u>97,119</u>
Total Supporting Services	<u>\$ 733,129</u>	<u>\$ 616,787</u>
<u>Total Operating Expenses</u>	<u>\$ 2,737,009</u>	<u>\$ 2,650,042</u>

(N) Contingencies and Commitments

Jesse Watters Trust

The Association was notified by the trustees of the Jesse Watters Trust (“the Trust”) that as the contingent trust beneficiary, the Association would be eligible to use the investment income of the Trust to award scholarships to civil engineering students. The NEWWA Scholarship program can award scholarships based on the investment return of the Trust. The principal of the Trust remains under the control of the trustee, Bank of America. This element of the Trust was established in the memory of George E. Watters, a past member of the Association and City Engineer of New London, Connecticut.

The Association has been informed there was \$11,564 available for scholarships to be awarded as of June 30, 2025 and 2024.

Information Technology Leases

Subsequent to June 30, 2023, the Association entered into a five-year agreement with a programming group to integrate the Learning Management System with the Association Management System. The proposal called for software coding of approximately \$16,000 plus an annual fee of \$3,500 with annual inflation increases.

Reimbursement Agreement

In August 2013, the Association amended its Reimbursement Agreement (“the Agreement”) with RBS Citizens, N.A. bank. The Agreement provides a letter of credit to support payments due on the Association’s bond payable. The new Agreement lowered the fee from 1.85% to 1.80% and extended the termination date to September 5, 2015. In September 2015, the Association extended the termination date to September 5, 2020, and has since been extended to September 5, 2025.

Publishing Agreement

The Association entered into an agreement with a third party to publish a quarterly journal and sell advertising on the website. The Association will receive 50% of all collected revenue from website sales as well as a guaranteed revenue of \$1,400 per issue plus \$250 per ad page sold over 26 ad pages. The term of the agreement is from January 1, 2022 through December 31, 2022. The agreement was extended on March 6, 2022 to publish an annual membership directory for five years from 2022 through 2026, to publish a quarterly journal for five years from 2024 through 2026, and to sell advertising on their website sales from January 1, 2024 and expire on December 31, 2026. The third party paid a \$2,500 signing bonus upon execution of the agreement.

Management Services Agreement

The Association entered into a management services contract with Green Mountain Water Environment Association (GMWEA) on December 3, 2022. The Association provides operations management of GMWEA for a fee of \$85 per hour exclusive of travel and other costs. The agreement commenced January 1, 2024 and was renewed for 2025.

Other

The Association may at times be subject to litigation, claims and assessments, and unasserted claims and assessments related to matters arising in the ordinary course of its business activities. The amount of any liability, or asset, if any, from such matters cannot be determined with certainty; however, management believes any such matters will not have a material adverse impact on the financial statements.

(O) Liquidity and Availability of Resources

The Association's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and Cash Equivalents	\$ 969,774
Investments	3,296,884
Accounts Receivable - Operations	142,970
Less those unavailable for general expenditures within one year, due to:	
Board Designations:	
Capital and Building	(1,109,677)
Scholarships	(441,941)
Drinking Water Week	1,727
Social Functions	(62,908)
Water for People	<u>(5,668)</u>
<u>Financial Assets, at June 30, 2025</u>	<u>\$ 2,791,161</u>

As part of the Association'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. In addition, the Association invests cash in excess of daily requirements in four investment accounts, all of which are without donor restrictions. Two of the investment accounts are board designated for certain purposes, which are more fully described in Note J. Although the Association does not intend to spend from its board designated investments other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board designated investments could be made available if necessary. The four investment accounts each have established investment policies and guidelines. (See Note C for disclosures about investments.)

(P) Covid-19

The World Health Organization (WHO) announced the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Association's financial condition, liquidity, and future results of operations. Management is actively monitoring this global situation and the effects it may have on their financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Association is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2026. Management believes they are taking the appropriate actions to mitigate the negative impact.

O'BRIEN, FITZGERALD, TAYLOR & KEAVENEY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Additional Information

To the Board of Directors
New England Water Works Association, Inc.
Holliston, Massachusetts

Our report on our audits of the basic financial statements of New England Water Works Association, Inc. for the years ended June 30, 2025 and 2024, appears on pages one and two. Those audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such additional information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional information is fairly stated, in all material respects in relation to the financial statements as a whole.

O'Brien, Fitzgerald, Taylor & Keaveney, P.C.

Waltham, Massachusetts

August 26, 2025

NEW ENGLAND WATER WORKS ASSOCIATION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2025

PROGRAM SERVICES

<u>Operating Expenses:</u>	<u>Member Services</u>	<u>Conferences</u>	<u>Monthly Meetings</u>	<u>Publications</u>	<u>Training</u>
Salaries and Benefits	\$ —	\$ 58,480	\$ 14,871	\$ 12,623	\$ 593,294
Administrative Overhead	—	23,897	4,987	4,467	265,355
Membership Committee	17,632	—	—	—	—
Printing	—	7,662	—	—	—
Postage	—	2,313	997	3,265	(2,374)
Supplies	—	29,208	—	—	17,680
Conference Expenses	—	265,609	—	—	—
Meeting Expenses	—	—	33,669	—	—
Symposia Expenses	—	—	17,806	—	—
Publication Expenses	—	—	—	32,849	—
Travel	—	—	—	—	33,039
Instructor Fees	—	—	—	—	325,193
Training Expenses	—	—	—	—	106,656
Subcontractors	—	—	—	—	—
Fundraising Expenses	—	—	—	—	—
Professional Services	—	—	—	—	—
Equipment Maintenance	—	—	—	—	—
Utilities	—	—	—	—	—
Building Maintenance	—	—	—	—	—
Insurance	—	—	—	—	—
Credit Card Fees	—	—	—	—	—
Dues and Subscriptions	—	—	—	—	—
Telephone	—	—	—	—	—
Executive Director	—	—	—	—	—
Depreciation	1,946	25,421	4,746	3,493	87,096
Interest and Fees	—	—	—	—	—
Scholarships and Donations	<u>12,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>Totals</u>	<u>\$ 31,578</u>	<u>\$ 412,590</u>	<u>\$ 77,076</u>	<u>\$ 56,697</u>	<u>\$ 1,425,939</u>

SEE INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

NEW ENGLAND WATER WORKS ASSOCIATION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES (Continued)

FOR THE YEAR ENDED JUNE 30, 2025

<u>Operating Expenses:</u>	<u>Total</u> <u>Program Services</u>	<u>General and</u> <u>Administrative</u>	<u>Fundraising</u>	<u>Totals</u>
Salaries and Benefits	\$ 679,268	\$ 502,299	\$ 1,513	\$ 1,183,080
Administrative Overhead	298,706	(299,203)	497	—
Membership Committee	17,632	—	—	17,632
Printing	7,662	900	—	8,562
Postage	4,201	5,650	—	9,851
Supplies	46,888	9,885	—	56,773
Conference Expenses	265,609	—	—	265,609
Meeting Expenses	33,669	—	—	33,669
Symposia Expenses	17,806	—	—	17,806
Publication Expenses	32,849	—	—	32,849
Travel	33,039	1,172	—	34,211
Instructor Fees	325,193	—	—	325,193
Training Expenses	106,656	—	—	106,656
Subcontractors	—	10,164	—	10,164
Fundraising Expenses	—	—	81,337	81,337
Professional Services	—	30,970	—	30,970
Equipment Maintenance	—	106,416	—	106,416
Utilities	—	31,128	—	31,128
Building Maintenance	—	53,802	—	53,802
Insurance	—	18,897	—	18,897
Credit Card Fees	—	52,134	—	52,134
Dues and Subscriptions	—	7,355	—	7,355
Telephone	—	8,954	—	8,954
Executive Director	—	5,816	—	5,816
Depreciation	122,702	37,724	7,857	168,283
Interest and Fees	—	21,538	—	21,538
Scholarships and Donations	<u>12,000</u>	<u>25,500</u>	<u>10,824</u>	<u>48,324</u>
<u>Totals</u>	<u>\$ 2,003,880</u>	<u>\$ 631,101</u>	<u>\$ 102,028</u>	<u>\$ 2,737,009</u>

SEE INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

NEW ENGLAND WATER WORKS ASSOCIATION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2024

PROGRAM SERVICES

<u>Operating Expenses:</u>	<u>Member</u>	<u>Conferences</u>	<u>Monthly</u>	<u>Publications</u>	<u>Training</u>
	<u>Services</u>		<u>Meetings</u>		
Salaries and Benefits	\$ —	\$ 39,516	\$ 11,940	\$ 14,015	\$ 610,251
Administrative Overhead	—	44,857	4,152	5,337	291,128
Membership Committee	30,813	—	—	—	—
Printing	—	8,806	—	—	—
Postage	—	1,598	669	3,538	3,427
Supplies	—	29,482	—	—	14,550
Conference Expenses	—	258,987	—	—	—
Meeting Expenses	—	—	26,865	—	—
Symposia Expenses	—	—	8,903	—	—
Publication Expenses	—	—	—	27,915	—
Travel	—	—	—	—	25,327
Instructor Fees	—	—	—	—	334,736
Training Expenses	—	—	—	—	113,340
Subcontractors	—	—	—	—	—
Fundraising Expenses	—	—	—	—	—
Professional Services	—	—	—	—	—
Equipment Maintenance	—	—	—	—	—
Utilities	—	—	—	—	—
Building Maintenance	—	—	—	—	—
Insurance	—	—	—	—	—
Credit Card Fees	—	—	—	—	—
Dues and Subscriptions	—	—	—	—	—
Telephone	—	—	—	—	—
Executive Director	—	—	—	—	—
Depreciation	2,471	22,033	3,020	2,918	80,661
Amortization	—	—	—	—	—
Interest and Fees	—	—	—	—	—
Scholarships and Donations	12,000	—	—	—	—
<u>Totals</u>	<u>\$ 45,284</u>	<u>\$ 405,279</u>	<u>\$ 55,549</u>	<u>\$ 53,723</u>	<u>\$ 1,473,420</u>

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NEW ENGLAND WATER WORKS ASSOCIATION, INC.

SCHEDULE OF FUNCTIONAL EXPENSES (Continued)

FOR THE YEAR ENDED JUNE 30, 2024

	Total Program Services	General and Administrative	Fundraising	Totals
<u>Operating Expenses:</u>				
Salaries and Benefits	\$ 675,722	\$ 464,091	\$ 1,485	\$ 1,141,298
Administrative Overhead	345,474	(346,062)	588	—
Membership Committee	30,813	—	—	30,813
Printing	8,806	1,000	—	9,806
Postage	9,232	3,408	—	12,640
Supplies	44,032	13,978	—	58,010
Conference Expenses	258,987	—	—	258,987
Meeting Expenses	26,865	—	—	26,865
Symposia Expenses	8,903	—	—	8,903
Publication Expenses	27,915	—	—	27,915
Travel	25,327	2,700	—	28,027
Instructor Fees	334,736	—	—	334,736
Training Expenses	113,340	—	—	113,340
Subcontractors	—	10,472	—	10,472
Fundraising Expenses	—	—	79,542	79,542
Professional Services	—	38,200	—	38,200
Equipment Maintenance	—	84,139	—	84,139
Utilities	—	24,018	—	24,018
Building Maintenance	—	66,361	—	66,361
Insurance	—	19,304	—	19,304
Credit Card Fees	—	51,802	—	51,802
Dues and Subscriptions	—	4,744	—	4,744
Telephone	—	7,207	—	7,207
Executive Director	—	5,294	—	5,294
Depreciation	111,103	26,873	6,501	144,477
Amortization	—	—	—	—
Interest and Fees	—	19,589	—	19,589
Scholarships and Donations	12,000	22,550	9,003	43,553
<u>Totals</u>	<u>\$ 2,033,255</u>	<u>\$ 519,668</u>	<u>\$ 97,119</u>	<u>\$ 2,650,042</u>

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