ACADIA CENTER

Statements of Financial Position

December 31, 2023 and 2022

ASSETS

	2023	2022
Current assets		
Cash and cash equivalents	**$ 2,302,518**	$ 3,249,241
Contributions and grants receivable	**976,165**	97,403
Prepaid expenses	**25,189**	14,414
Total current assets	**3,303,872**	3,361,058
Furniture and equipment		
Furniture and equipment	**145,002**	145,002
Less accumulated depreciation	**(143,398)**	(121,819)
Total furniture and equipment	**1,604**	23,183
Other assets		
Right-of-use operating lease asset	**16,239**	25,105
Deposits	**2,915**	2,915
Investments	**1,886,854**	366,050
Total other assets	**1,906,008**	394,070
Total assets	**$ 5,211,484**	$ 3,778,311

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

LIABILITIES AND NET ASSETS

	2023	2022
Current liabilities		
Accounts payable	**$ 10,105**	$ 4,788
Current portion of operating lease liability	**16,239**	21,451
Accrued payroll and benefits	**55,006**	48,998
Total current liabilities	**81,350**	75,237
Long-term liabilities		
Long-term liability	**98,584**	63,245
Operating lease liability, net of current portion	**-**	3,654
Total long-term liabilities	**98,584**	66,899
Total liabilities	**179,934**	142,136
Net assets		
Without donor restrictions		
Undesignated	**3,404,962**	3,090,158
Board designated	**58,000**	499,500
Investment in furniture and equipment	**1,604**	23,183
Total net assets without donor restrictions	**3,464,566**	3,612,841
With donor restrictions	**1,566,984**	23,334
Total net assets	**5,031,550**	3,636,175
Total liabilities and net assets	**$ 5,211,484**	$ 3,778,311

ACADIA CENTER

Statement of Activities

Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support			
Contributions	$ 550,862	$ -	$ 550,862
Foundations and grants	159,641	2,360,000	2,519,641
Loss on currency exchange	(751)	-	(751)
Interest income	60,421	-	60,421
Net appreciation in fair value of investments	57,914	-	57,914
Employee Retention Tax Credit (ERTC), net of $77,875 consulting fee	233,624	-	233,624
Revenue and other support—before net assets released from restrictions	1,061,711	2,360,000	3,421,711
Net assets released from restrictions			
Satisfaction of time and purpose restrictions	816,350	(816,350)	-
Total revenue and other support	1,878,061	1,543,650	3,421,711
Expenses			
Program services	1,755,794	-	1,755,794
Management and general	156,939	-	156,939
Fundraising and development	113,603	-	113,603
Total expenses	2,026,336	-	2,026,336
Change in net assets	(148,275)	1,543,650	1,395,375
Net assets, beginning of year	3,612,841	23,334	3,636,175
Net assets, end of year	$ 3,464,566	$ 1,566,984	$ 5,031,550

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

ACADIA CENTER

Statement of Activities

Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support			
Contributions	$ 1,239,595	$ -	$ 1,239,595
Foundations and grants	191,056	144,500	335,556
Loss on currency exchange	(15,446)	-	(15,446)
Interest income	8,942	-	8,942
Net appreciation in fair value of investments	5,113	-	5,113
Revenue and other —before net assets released from restrictions	1,429,260	144,500	1,573,760
Net assets released from restrictions			
Satisfaction of time and purpose restrictions	897,166	(897,166)	-
Total revenue and other support	2,326,426	(752,666)	1,573,760
Expenses			
Program services	1,771,561	-	1,771,561
Management and general	115,488	-	115,488
Fundraising and development	84,484	-	84,484
Total expenses	1,971,533	-	1,971,533
Change in net assets	354,893	(752,666)	(397,773)
Net assets, beginning of year	3,257,948	776,000	4,033,948
Net assets, end of year	$ 3,612,841	$ 23,334	$ 3,636,175

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

ACADIA CENTER

Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services	Management and General	Fundraising and Development	Total Expenses
Salaries and wages	$ 1,130,486	$ 57,363	$ 65,374	$ 1,253,223
Payroll taxes and fringe benefits	220,411	15,901	13,895	250,207
Consultants	277,628	3,280	2,884	283,792
Occupancy	49,977	2,173	2,173	54,323
Travel	2,985	97	240	3,322
Technology	16,479	925	697	18,101
Communications	8,692	1,739	221	10,652
Meetings and conferences	6,066	65	72	6,203
Website	7,996	323	11,885	20,204
Depreciation	19,853	863	863	21,579
Accounting	-	66,693	-	66,693
Insurance	2,864	4,698	124	7,686
Miscellaneous	2,334	188	73	2,595
Books and subscriptions	3,107	16	1,249	4,372
Office supplies	539	314	374	1,227
Bank fees	10	710	1,319	2,039
Printing	3,051	22	2,581	5,654
Professional fees	326	273	26	625
Lobbying fees	819	4	-	823
Postage	2,105	527	809	3,441
Taxes and registration fees	66	765	8,744	9,575
Total expenses	$ 1,755,794	$ 156,939	$ 113,603	$ 2,026,336

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

ACADIA CENTER

Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services	Management and General	Fundraising and Development	Total Expenses
Salaries and wages	$ 1,212,596	$ 40,128	$ 40,602	$ 1,293,326
Payroll taxes and fringe benefits	259,729	15,312	11,668	286,709
Consultants	137,203	4,501	4,105	145,809
Occupancy	48,256	2,098	2,098	52,452
Travel	3,605	7	7	3,619
Technology	20,065	997	910	21,972
Communications	11,639	303	303	12,245
Meetings and conferences	12,198	34	34	12,266
Website	24,800	1,057	1,057	26,914
Depreciation	21,025	914	914	22,853
Accounting	-	42,842	-	42,842
Insurance	2,615	4,215	112	6,942
Miscellaneous	6,314	535	133	6,982
Books and subscriptions	1,835	144	1,427	3,406
Office supplies	1,156	163	342	1,661
Bank fees	-	603	1,580	2,183
Printing	1,655	-	8,111	9,766
Professional fees	5,395	-	-	5,395
Lobbying fees	377	-	-	377
Postage	1,098	340	1,344	2,782
Taxes and registration fees	-	1,295	9,737	11,032
Total expenses	$ 1,771,561	$ 115,488	$ 84,484	$ 1,971,533

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

ACADIA CENTER

Statements of Cash Flows

Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	**$ 1,395,375**	$ (397,773)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	**21,579**	22,853
Net appreciation in fair value of investments	**(57,914)**	(5,113)
Decrease (increase) in operating assets:		
Contributions and grants receivable	**(878,762)**	(55,777)
Prepaid expenses	**(10,775)**	(875)
Increase (decrease) in operating liabilities:		
Accounts payable	**5,317**	(11,269)
Accrued payroll and benefits	**6,008**	11,632
Net cash provided (used) by operating activities	**480,828**	(436,322)
Cash flows from investing activities:		
Purchase of furniture and equipment	**-**	(2,070)
Proceeds from sale of investments	**700,000**	-
Purchase of investments	**(2,127,551)**	(157,325)
Net cash flows used by investing activities	**(1,427,551)**	(159,395)
Net change in cash and cash equivalents	**(946,723)**	(595,717)
Cash and cash equivalents, beginning of year	**3,249,241**	3,844,958
Cash and cash equivalents, end of year	**$ 2,302,518**	$ 3,249,241

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

1. Summary of Significant Accounting Policies

Organization

Acadia Center (the Organization) is a non-profit, research, and advocacy organization committed to advancing the clean energy future. The Organization is at the forefront of efforts to build clean, low carbon, and consumer friendly economies. The Organization's approach is characterized by reliable information, comprehensive advocacy, and problem solving through innovation and collaboration.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which involves the application of accrual accounting.

Revenue Recognition

Contributions and grants, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both the following are present:

- An explicit barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.

- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions and grants that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Grant Revenue

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant awards that are contributions—Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received.

Grant awards that are exchange transactions—Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to the entitles in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Net Assets

Net assets and revenues, expenses, gains, and losses are classified as follows, based on the existence or absence of donor imposed restrictions as indicated below:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expenses for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor-imposed restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

For financial statement purposes, the Organization considered all depository accounts with financial institutions, including certificates of deposit with original maturities of less than 90 days, to be cash and cash equivalents.

Contributions and Grants Receivable

Unconditional contributions and grants receivable are reported at net realizable value. Management individually reviews all past due receivable balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of contributions and grants receivable are reduced by allowances that reflect management's estimate of uncollectible amounts. Management has deemed all contributions and grants receivable to be fully collectible; therefore, no allowance for uncollectible accounts has been recorded.

Investments

Investments are carried at estimated fair value based on quoted market prices. Interest and dividend income, net of fees, as well as realized and unrealized gains and losses, are included in the change in net assets.

Fair Value Measurement

Financial Accounts Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement* (ASC Topic 820), defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

> Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
>
> Level 2: Significant observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.
>
> Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities. At each reporting period, if applicable, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the years ended December 31, 2023 and 2022, the valuation methodologies used for instruments measured at fair value consisted of equity securities, which are valued at the closing price reported on the active market on which the individual securities are traded. Fixed income investments are valued based on quoted market prices of similar instruments.

Furniture and Equipment

Significant items of furniture and equipment with estimated useful lives of more than one year and with a cost of $2,500 or more are capitalized at cost if purchased, or at fair market value if donated. The Organization depreciates furniture and equipment using the straight-line method. Estimated useful lives of the respective assets range from two to three years.

Functional Expenses

The costs of the program and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs are allocated based on time and effort reporting. Other operating costs are allocated based on utilization.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined not to be a private foundation within the meaning of Section 509(a) of the Code. The Organization is required to assess whether it is more likely than not a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. The Organization has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recently Adopted Accounting Pronouncement

FASB issued Accounting Standards Update No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and related guidance as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor in accordance with Topic 842 on leases. The adoption of Topic 326 during the year ended December 31, 2023 did not have a material impact on the financial statements of the Organization since.

2. Liquidity and Availability

The Organization strives to maintain liquid financial assets sufficient to cover approximately eight months of general expenditures. The following table reflects the Organization's financial assets as of December 31, 2023 and 2022, reduced by amounts that are not available to meet general expenditures beyond one year of the statement of financial position date because of donor restrictions or internal board designations.

	2023	2022
Cash and cash equivalents	**$ 2,302,518**	$ 3,249,241
Contributions and grants receivable	**976,165**	97,403
Investments	**1,788,355**	302,890
	5,067,038	3,649,534
Less: board designated net assets to cover future operating budget deficit	**58,000**	499,500
Less: net assets with donor restrictions	**1,566,984**	23,334
	$ 3,442,054	$ 3,126,700

3. Concentrations

Concentration of Credit Risk

The Organization maintains cash balances at various financial institutions in the United States. As of December 31, 2023 and 2022, deposits in the U.S. were insured by Federal Deposit Insurance Corporation (FDIC) up to a maximum amount of $250,000 per institution. Additionally, the Organization holds a repurchase agreement with a local bank providing federally-backed collateralization for certain cash balances. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant risk with respect to these accounts

Concentration of Revenue

Of the revenue received by the Organization for the year ended December 31, 2023 and 2022, approximately 64% and 50% were from its three and two largest contributors, respectively. Changes in or elimination of these revenue sources could adversely affect operations of the Organization if other revenue sources are not readily available.

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with investments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amount reported in the statement of financial position.

The reported values of assets measured at fair value on a recurring basis are classified as follows at December 31, 2023 and 2022:

	2023			
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Money Market	**$ 541,485**	**$ 541,485**	**$ -**	**$ -**
Fixed income	**971,257**	**-**	**971,257**	**-**
Equity securities	**374,112**	**374,112**	**-**	**-**
Investments	**$ 1,886,854**	**$ 915,597**	**$ 971,257**	**$ -**

	2022			
	Fair Value	Level 1	Level 2	Level 3
Equity securities	$ 366,050	$ 366,050	$ -	$ -

4. Net Assets

At December 31, 2023 and 2022, the board designated funds included in net assets without donor restrictions are designated to cover future fiscal year's operating budget deficit in the amount of $58,000 and $499,500, respectively.

The Organization has received multiple grants with primary purpose restrictions to expend funds on clean energy. Net assets with donor restrictions were $1,566,984 and $23,334 at December 31, 2023 and 2022, respectively. Net assets were released from donor restrictions as the stipulated purposes for which the resources were restricted were met in the amounts of $816,350 and $897,166 for the year ended December 31, 2023 and 2022, respectively.

5. Operating Leases

During the year ended December 31, 2008, the Organization entered into an operating lease for office space located in Hartford, Connecticut under the terms of a non-cancelable lease. The original term of this lease agreement was three years, with an additional three-year renewal options available thereafter. In January of 2024, the lease terms were amended to extend until December 31, 2024. The lease calls for monthly rent payments ranging from $1,200 to $1,880 per month during the term of the lease.

Operating lease weighted average remaining lease term	1.0 year
Operating lease weighted average discount rate	5.06%

Estimated future minimum payments under this lease is as follows, for the years ending December 31:

2024	$ 16,441
Total future minimum lease payments	16,441
Less amount of imputed interested	(202)
Present value of future minimum lease payments	$ 16,239

During the year ended December 31, 2022, the Organization entered into an operating lease for nonexclusive use of shared office space located in Boston, Massachusetts under the terms of a non-cancelable agreement. This agreement does not meet the terms for capitalization under Topic 842 and is, therefore, expense is incurred monthly as payments are made. The lease calls for monthly rent payments of $1,800 per month and expires April 30, 2024.

In addition, the Organization leases office space in Rockport, Maine from a related party on a month-to-month basis. Rent expense is $500 per month.

During the year ended December 31, 2023 and 2022, the Organization incurred base rent and other rental costs in relation to these leases amounting to $54,173 and $50,858, respectively, which are included in occupancy expense on the statement of functional expenses.

6. Benefit Plans

The Organization has a 401(k) plan through which eligible employees may make pre-tax elective deferrals up to limits set by law. The plan provides for an employer match of 100% of employee contributions up to a deferral of 6% of pay, as well as non-elective employer contributions which may be made at the discretion of the Organization. Total expense relating to pension plan contributions for the year ended December 31, 2023 and 2022 amounted to $70,713 and $76,203, respectively.

The Organization sponsors a 457 deferred compensation retirement plan for the Executive Director. The plan assets and related plan liability are included in the statement of financial position as part of investments and long-term liability in the amount of $98,499 and $98,584 at December 31, 2023 and 2022, respectively.

7. Relief Funding

During the year ended December 31, 2021, the Organization received forgiveness and recorded corresponding revenue of the Small Business Administration (SBA) Paycheck Protection Program funding in the amount of $299,100. Loan forgiveness is subject to audit by the SBA for six years after the date of forgiveness.

During the year ended December 31, 2022, the Organization applied for the Employee Retention Tax Credit (ERTC). The ERTC is a refundable tax credit created by the CARES Act for eligible employers. During the year ended December 31, 2023, the Organization recognized $233,624 of revenue in the statement of activities related to this credit, net of $77,875 in credit consulting costs. The ERTC is subject to audit by the Internal Revenue Service (IRS) for up to three years for up to five years from the filing date of the relevant tax return. Due to the complexity of the reporting requirements, there is at least a reasonable possibility the amount of income recognized may change by a material amount. Any difference between amounts previously estimated and amounts subsequently determined to be recoverable or payable will be included in income in the year that such amounts become known.

8. Subsequent Event

Management has made an evaluation of subsequent events to and including May 30, 2024, which was the date the financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.