

New England Water Environment  
Association, Inc.  
Financial Statements  
and  
Independent Auditor's Report  
September 30, 2009 and 2008

New England Water Environment Association, Inc.

Financial Statements  
June 30, 2009 and 2008

Table of Contents

	<u>page</u>
Independent auditor's report	1
Financial Statements	
Statements of financial position	2
Statements of activities	3
Statements of cash flows	4
Notes to financial statements	5
Schedule of programs and management & general revenues and expenses	9

*Independent Auditor's Report*

The Board of Directors  
New England Water Environment Association, Inc.  
Woburn, Massachusetts

We have audited the accompanying statements of financial position of New England Water Environment Association, Inc. (a nonprofit organization) as of September 30, 2009 and 2008 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New England Water Environment Association, Inc. as of September 30, 2009 and 2008 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in the schedules of programs and management and general revenues and expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sambo Okolo  
2,  
Company, LLC

May 18, 2010

New England Water Environment Association, Inc.  
Statements of Financial Position  
September 30, 2009 and 2008

<i>Assets</i>		
<i>Current Assets</i>	2009	2008
Cash and cash equivalents	\$ 401,930	\$ 399,796
Temporary Cash Investments	40,357	39,892
Marketable securities	193,586	180,393
Accounts receivable less allowance for doubtful accounts	52,716	58,111
Security deposit	8,700	7,418
Prepaid expenses	5,700	5,700
Total current assets	<u>702,989</u>	<u>691,310</u>
<i>Fixed Assets</i>		
Property, plant and equipment	89,182	74,854
Less: Accumulated depreciation	<u>(61,334)</u>	<u>(55,395)</u>
Net fixed assets	<u>27,848</u>	<u>19,459</u>
Total assets	<u>\$ 730,837</u>	<u>\$ 710,769</u>
<i>Liabilities and Net Assets</i>		
<i>Current Liabilities</i>		
Accounts payable and accrued expenses	\$ 72,834	\$ 70,530
Deferred revenue	<u>82,653</u>	<u>100,410</u>
Total current liabilities	<u>155,487</u>	<u>170,940</u>
Total liabilities	<u>155,487</u>	<u>170,940</u>
<i>Net Assets</i>		
Unrestricted	423,037	403,293
Permanently Restricted Scholarship and Stevens Endowment	<u>152,313</u>	<u>136,536</u>
Total net assets	<u>575,350</u>	<u>539,829</u>
Total liabilities and net assets	<u>\$ 730,837</u>	<u>\$ 710,769</u>

*See accompanying notes to financial statements.*

New England Water Environment Association, Inc.  
Statements of Activities  
For the Years Ended September 30, 2009 and 2008

	2009	2008
<i>Changes in unrestricted net assets:</i>		
Revenues and gains:		
Registration Fees	\$ 349,128	\$ 414,316
Exhibitor Fees	189,165	181,527
Membership Dues	59,662	65,860
Advertising and Subscriptions	61,944	68,135
Sponsorships	41,275	47,405
Certification Fees	10,592	10,420
NEBRA Management revenue	48,348	41,280
Other income	32,176	21,818
Total unrestricted revenues and gains	<u>792,290</u>	<u>850,761</u>
Net assets released from restriction:		
Expiration of time and program restrictions	<u>2,000</u>	<u>2,000</u>
Total unrestricted revenues, gains and other support	<u>794,290</u>	<u>852,761</u>
<i>Expenses</i>		
Program services	550,332	534,120
Management and general	176,316	180,123
NEBRA Management expense	47,898	40,319
Total expenses	<u>774,546</u>	<u>754,562</u>
Increase in unrestricted net assets	<u>19,744</u>	<u>98,199</u>
<i>Changes in permanently restricted net assets:</i>		
Endowment income	17,777	7,963
Net assets released from restrictions	<u>(2,000)</u>	<u>(2,000)</u>
Total permanently restricted contributions	<u>15,777</u>	<u>5,963</u>
Increase in permanently restricted net assets	<u>15,777</u>	<u>5,963</u>
Increase in net assets	<u>35,521</u>	<u>104,162</u>
Net assets, beginning of year	<u>539,829</u>	<u>435,667</u>
Net assets, end of year	<u>\$ 575,350</u>	<u>\$ 539,829</u>

See accompanying notes to financial statements.

**New England Water Environment Association, Inc.**

Statements of Cash Flows

For the Years Ended September 30, 2009 and 2008

	2009	2008
<i>Cash flows from operating activities:</i>		
Change in net assets	\$ 35,521	\$ 104,162
Adjustment to reconcile change in net assets to net cash used in operating activities:		
Depreciation	5,940	3,866
(Increase) decrease in accounts receivable	5,394	9,794
(Increase) decrease in prepaid expense	-	6,588
(Increase) decrease in security deposit	(1,282)	(3,118)
(Increase) decrease in temporary cash investments	(465)	(1,351)
(Increase) decrease in marketable securities	(13,193)	(5,923)
Increase (decrease) in deferred revenue	(17,757)	15,892
Increase (decrease) in accounts payable	2,304	32,942
Net cash provided by operating activities	<u>16,463</u>	<u>162,852</u>
<i>Cash flows from investing activities:</i>		
Acquisition of equipment	<u>(14,328)</u>	<u>(12,130)</u>
Net cash used in investing activities	<u>(14,328)</u>	<u>(12,130)</u>
Net increase (decrease) in cash and cash equivalents	2,135	150,722
Cash and cash equivalents at beginning of year	<u>399,795</u>	<u>249,073</u>
Cash and cash equivalents at end of year	<u><u>\$ 401,930</u></u>	<u><u>\$ 399,795</u></u>
 <i>Supplemental disclosures:</i>		
Interest paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

*See accompanying notes to financial statements.*

New England Water Environment Association, Inc.  
Notes to Financial Statements  
September 30, 2009 and 2008

1. *Type of Organization*

New England Water Environment Association, Inc. (NEWEA) was incorporated in October 1929 under the laws of the Commonwealth of Massachusetts as a nonprofit, trade organization. Its goals are: to provide a forum for the advancement of knowledge of the design, construction, operation and management of waste treatment works and water pollution control activities; and to provide an opportunity for the encouragement of friendly exchange of information experience. Activities and programs organized and promoted by New England Environment Association include seminars, annual conferences meeting forums and journal publication.

*Summary of Significant Accounting Policies*

*Basis of Presentation* - Financial statements presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, New England Water Environment Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

*Revenue and Expenses* - Contributions received or receivable are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

*Fixed Assets and Depreciation* - Fixed assets are stated at cost when purchased, or at fair value at date of receipt when received as a donation. Donations of fixed assets are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, NEWEA reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

New England Water Environment Association, Inc.  
Notes to Financial Statements - *Continued*  
September 30, 2009 and 2008

1. *Type of Organization - Continued*

*Fixed Assets and Depreciation - Continued*

Depreciation is calculated by straight line method over the estimated useful life of the asset ranging from five to seven years for both income tax and financial reporting purposes. Maintenance and repairs are charged to operations when incurred. Significant betterments and renewals are capitalized. It is New England Water Environment Association policy to capitalize all furniture and equipment purchases, property betterments and property renewals valued over \$500.

*Cash and Cash Equivalents* - For the purposes of financial statement presentation, New England Water Environment Association considers all highly liquid investments with maturity of three months or less to be cash equivalents.

*Functional Expenses* - Expenses by function have been allocated among program and supporting services based on direct charge, analysis of personnel time and space utilized for the related activities.

*Income Taxes* - New England Water Environment Association is exempt from income taxes under Section 501(c)(3) of the United States Internal Revenue Code; the Organization has been determined to be an organization which is not a private foundation.

*Concentration of Credit* - Financial instruments which potentially subject New England Water Environment Association to concentration of credit risk consist principally of marketable securities. As of September 30, 2009 and 2008, New England Water Environment Association had marketable securities of \$193,586 and \$180,393 respectively.

*Estimates and Assumptions* - The presentation 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.

*Bad Debts* - Bad debts is recorded using the allowance method for accounts deemed doubtful or uncollectible. For the years ended September 2009 and 2008, there were no accounts receivable deemed uncollectible.

New England Water Environment Association, Inc.  
Notes to Financial Statements - *Continued*  
September 30, 2009 and 2008

2. *Property, Plant and Equipment*

As of September 30, 2008 and 2006, property, plant and equipment consist of the following:

	<u>2009</u>	<u>2008</u>
Equipment	57,615	44,813
Furniture and fixtures	<u>31,566</u>	<u>30,041</u>
	89,181	74,854
Less: Accumulated depreciation	<u>(61,334)</u>	<u>(55,395)</u>
Net property and equipment	<u><u>27,847</u></u>	<u><u>19,459</u></u>

Depreciation expense for the years ended September 30, 2009 and 2008 were \$5,940 and \$3,866 respectively.

3. *Investments*

The following schedules summarize investments for the years ended September 30, 2009 and 2008.

	<u>2009</u>	<u>2008</u>
<u>Temporary Cash Investments</u>		
Fidelity Cash Reserve Fund	\$ 40,357	\$ 39,892
<u>Marketable Securities</u>		
Fidelity Investment Grade Bond Fund	84,115	77,681
Fidelity Spartan Limited Maturity Gov't Fund	<u>109,471</u>	<u>102,712</u>
Total	<u><u>\$ 233,943</u></u>	<u><u>\$ 220,285</u></u>

4. *Lease Agreement*

New England Water Environment Association, Inc. entered into a second commercial lease extension with Cummings Property Management, Inc. for the office space located at 10 Tower Office Park, Suite 601, Woburn, Massachusetts. This second lease extension with annual rent of \$34,542 was executed on July 09, 2009 for an additional five years ending July 30, 2013. Rent expense on leased premises for the years ended September 30, 2009 and 2008 were \$34,987 and \$36,225 respectively. The schedule of base rent payments is as follows:

New England Water Environment Association, Inc.  
Notes to Financial Statements - *Continued*  
September 30, 2009 and 2008

4. *Lease Agreement - Continued*

The schedule of base rent payments is as follows:

Year Ended	Base Amount
September 30,	
2010	\$34,542
2011	34,542
2012	34,542
2013	<u>28,785</u>
Total	<u>\$132,411</u>

5. *Deferred Revenues*

Deferred revenues represent fees paid by corporations and individuals to rent exhibition space at New England Water Environment Association's annual conference. The registration applications are mailed in the current period for the following year's conference.

6. *Accrued Compensated Absences*

New England Water Environment Association, Inc. has not accrued compensated absences because the amounts cannot be reasonably estimated.

7. *Pension Plan*

The organization has a defined contribution retirement plan under section 403 (b) of the Internal Revenue Code. The company provides for 5.3% of the employee's salary. For the years ended September 30, 2009 and 2008, the amounts of pension expense were \$7,324 and \$6,904 respectively.

8. *Cash Deposits*

New England Water Environment Association maintains an operating checking account at Citizen's Bank. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in 2009 and \$100,000 in 2008. As of September 30, 2009 and 2008, account balances at Citizen's Bank were \$0 and \$50,403 respectively in excess of FDIC coverage limit.

Schedules of Programs and Management and General  
Revenues and Expenses  
For the Years ended September 30, 2009 and 2008

New England Water Environment Association, Inc.  
Schedule of Programs and Management and General Revenues and Expenses  
For the Years Ended September 30, 2009 and 2008

	P R O G R A M S				SUPPORTING SERVICES			
	Meetings	Publications	Certification	Total Programs	NEBRA Management	Management & General	Total	Total
							2009	2008
<b>Revenues:</b>								
Registration Fees								
Unrestricted	\$ 349,128	\$ -	\$ -	\$ 349,128	\$ -	\$ -	\$ 349,128	\$ 414,316
Temporarily restricted	-	-	-	-	-	-	-	-
Total Registration Fees	349,128	-	-	\$ 349,128	\$ -	\$ -	\$ 349,128	\$ 414,316
Exhibitor Fees:								
Unrestricted	189,165	-	-	189,165	-	-	\$ 189,165	181,527
Temporarily restricted	-	-	-	-	-	-	-	-
Total Exhibitor Fees	189,165	-	-	\$ 189,165	-	-	189,165	181,527
Membership Dues	-	-	-	-	-	59,662	59,662	65,860
Interest and Dividends:								
Unrestricted	-	-	-	-	-	-	-	-
Permanently restricted	-	-	-	-	-	17,777	17,777	7,963
Total Int. and Dividends	-	-	-	\$ -	-	17,777	17,777	7,963
Advertising and Subscription	-	61,944	-	61,944	-	-	61,944	68,135
Sponsorships	41,275	-	-	41,275	-	-	41,275	47,405
Certification Fees	-	-	10,592	10,592	-	-	10,592	10,420
Other income	32,176	-	-	32,176	48,348	-	80,524	63,098
<b>Total revenues</b>	<b>\$ 611,744</b>	<b>\$ 61,944</b>	<b>\$ 10,592</b>	<b>\$ 684,280</b>	<b>\$ 48,348</b>	<b>\$ 77,439</b>	<b>\$ 810,067</b>	<b>\$ 858,724</b>
<b>Expenses:</b>								
Salaries and wages	-	-	-	-	-	139,096	139,096	154,589
Employee benefits	-	-	-	-	-	21,394	21,394	21,865
Payroll taxes	-	-	-	-	-	11,106	11,106	13,153
Annual conference	177,584	-	-	177,584	-	-	177,584	172,225
Spring meeting	76,611	-	-	76,611	-	-	76,611	45,741
Operations challenge	18,778	-	-	18,778	-	-	18,778	23,944
Seminars	27,952	-	-	27,952	-	-	27,952	54,906
Community appreciation event	1,267	-	-	1,267	-	-	1,267	2,788
Journal printing	-	58,381	-	58,381	-	-	58,381	62,177
WEF luncheon	5,947	-	-	5,947	-	-	5,947	-
WEF contribution	500	-	-	500	-	-	500	1,000
Small communities outreach	189	-	-	189	-	-	189	195
Committees	34,059	-	-	34,059	-	-	34,059	23,061
Public education expense	4,875	-	-	4,875	-	-	4,875	1,371
NEBRA Management	-	-	-	-	47,898	-	47,898	40,319
WEF Dues expense	9,886	-	-	9,886	-	-	9,886	15,115
SJWP expense	7,573	-	-	7,573	-	-	7,573	3,752
MWPCA expense	7,667	-	-	7,667	-	-	7,667	7,176
Executive committee	2,743	-	-	2,743	-	-	2,743	2,186
WPF Golf Tournament	505	-	-	505	-	-	505	1,472
Office expense	-	-	-	-	-	21,887	21,887	24,848
Accounting fees	-	-	-	-	-	7,500	7,500	7,000
Telephone	-	-	-	-	-	7,603	7,603	3,440
Postage	-	-	-	-	-	4,886	4,886	5,907
Rent	-	-	-	-	-	35,027	35,027	36,225
Bank charges	-	-	-	-	-	10,847	10,847	15,032
Depreciation	-	-	-	-	-	5,940	5,940	3,866
Dues and subscriptions	-	-	-	-	-	940	940	996
Travel	-	-	-	-	-	13,460	13,460	6,053
Water for People donation	-	-	-	-	-	3,705	3,705	1,630
Other expenses	-	-	-	-	-	8,741	8,741	2,530
Total expenses before allocation	376,136	58,381	-	434,517	47,898	292,131	774,546	754,562
Allocation of General & Administrative	115,815	-	-	115,815	-	(115,815)	-	-
<b>Total expenses</b>	<b>491,951</b>	<b>58,381</b>	<b>-</b>	<b>550,332</b>	<b>47,898</b>	<b>176,316</b>	<b>774,546</b>	<b>754,562</b>
Changes in net assets	119,793	3,563	10,592	133,948	450	(98,877)	35,521	104,162