

CENTER FOR ECOTECHNOLOGY, INC.
FINANCIAL STATEMENTS
YEARS ENDED OCTOBER 31, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Center for EcoTechnology, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Center for EcoTechnology, Inc. (a Massachusetts nonprofit organization), which comprise the statements of financial position as of October 31, 2024 and 2023 and the related statements of activities, functional expenses 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 the Center for EcoTechnology, Inc., as of October 31, 2024 and 2023 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The financial statements for the year ended October 31, 2023 were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center for EcoTechnology, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Center for EcoTechnology, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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 auditors' 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 and *Government 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.

In performing an audit in accordance with generally accepted auditing standards and *Government 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 the Center for EcoTechnology, 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 Center for EcoTechnology, 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 audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such 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 audit 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole for the year ended October 31, 2024.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2025 on our consideration of the Center for EcoTechnology, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center for EcoTechnology, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center for EcoTechnology, Inc.'s internal control over financial reporting and compliance.



February 3, 2025

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Center for EcoTechnology, Inc.

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Center for EcoTechnology, Inc. which comprise the statement of financial position as of October 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 3, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Center for EcoTechnology, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Center for EcoTechnology, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Center for EcoTechnology, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Center for EcoTechnology, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



February 3, 2025

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Center for EcoTechnology, Inc.

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Center for EcoTechnology, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Center for EcoTechnology, Inc.'s major federal program for the year ended October 31, 2024. Center for EcoTechnology, Inc.'s major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Center for EcoTechnology, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended October 31, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America: the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Center for EcoTechnology, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Center for EcoTechnology, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Center for EcoTechnology, Inc.'s federal programs.

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Center for EcoTechnology, Inc.'s compliance based on our audit.

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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Center for EcoTechnology, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Center for EcoTechnology, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Center for EcoTechnology, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Center for EcoTechnology, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

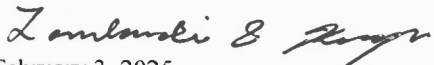
Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


February 3, 2025

**CENTER FOR ECOTECHNOLOGY, INC.
STATEMENTS OF FINANCIAL POSITION**

ASSETS

	October 31,	
	2024	2023
CURRENT ASSETS		
Cash and cash equivalents - restricted	\$ 59,859	\$ 52,107
Cash and cash equivalents - designated	258,353	257,315
	<hr/>	<hr/>
Total cash, cash equivalents and restricted cash	318,212	309,422
Accounts receivable - net	3,163,866	3,456,784
Pledges receivable - net	-	12,500
Inventory	60,437	51,148
Prepaid rent	6,718	6,974
Prepaid insurance	72,402	9,045
Prepaid expenses	130,017	129,228
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TOTAL CURRENT ASSETS	3,751,652	3,975,101
	<hr/>	<hr/>
PROPERTY AND EQUIPMENT		
Land	110,000	110,000
Building	3,337,984	3,337,984
Building improvements	16,708	16,708
Leasehold improvements	-	6,480
Motor vehicles	43,897	46,447
Equipment	232,026	415,933
Computer software	579,677	579,677
	<hr/>	<hr/>
Total cost	4,320,292	4,513,229
Less: accumulated depreciation and amortization	2,024,127	1,977,118
	<hr/>	<hr/>
NET PROPERTY AND EQUIPMENT	2,296,165	2,536,111
	<hr/>	<hr/>
OTHER ASSETS		
Right-of-use asset	81,643	92,308
Deposits	3,707	2,707
	<hr/>	<hr/>
TOTAL OTHER ASSETS	85,350	95,015
	<hr/>	<hr/>
TOTAL ASSETS	\$ 6,133,167	\$ 6,606,227
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See accompanying notes and auditors' report.

**CENTER FOR ECOTECHNOLOGY, INC.
STATEMENTS OF FINANCIAL POSITION**

LIABILITIES AND NET ASSETS

	October 31,	
	2024	2023
CURRENT LIABILITIES		
Cash overdraft	\$ 186,234	\$ -
Notes payable - lines of credit	1,087,753	967,631
Operating lease payable - current portion	34,984	74,912
Note payable - current portion	42,357	42,931
Accounts payable	430,408	483,032
Accrued expenses	17,958	11,893
Accrued payroll	142,967	325,713
Accrued vacation	278,673	231,378
Gift certificates and customer credits	-	74,911
Deferred revenue	265,605	565,941
	<u>2,486,939</u>	<u>2,778,342</u>
TOTAL CURRENT LIABILITIES		
 LONG-TERM LIABILITIES		
Operating lease payable, net of current portion	46,659	17,396
Note payable, net of current portion	603,886	645,186
	<u>650,545</u>	<u>662,582</u>
TOTAL LONG-TERM LIABILITIES		
 TOTAL LIABILITIES		
	<u>3,137,484</u>	<u>3,440,924</u>
 NET ASSETS		
Without donor restrictions		
Undesignated	2,520,766	2,895,096
Board designated for future repairs and replacement	258,353	257,315
	<u>2,779,119</u>	<u>3,152,411</u>
Total without donor restrictions		
With donor restrictions	216,564	12,892
	<u>2,995,683</u>	<u>3,165,303</u>
TOTAL NET ASSETS		
 TOTAL LIABILITIES AND NET ASSETS		
	<u>\$ 6,133,167</u>	<u>\$ 6,606,227</u>

See accompanying notes and auditors' report.

CENTER FOR ECOTECHNOLOGY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED OCTOBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and service fees	\$ 10,375,745	\$ -	\$ 10,375,745
Sales of material	1,145,972	-	1,145,972
Contributions	42,904	305,000	347,904
Interest income	16,503	-	16,503
Gain on sale of property and equipment	14,264	-	14,264
Miscellaneous income	89,748	-	89,748
Net assets released from restrictions	101,328	(101,328)	-
	<u>11,786,464</u>	<u>203,672</u>	<u>11,990,136</u>
TOTAL REVENUE AND SUPPORT			
EXPENSES			
Program services	10,424,941	-	10,424,941
General and administrative	1,640,839	-	1,640,839
Fundraising	93,976	-	93,976
	<u>12,159,756</u>	<u>-</u>	<u>12,159,756</u>
TOTAL EXPENSES			
CHANGE IN NET ASSETS	(373,292)	203,672	(169,620)
NET ASSETS - BEGINNING	<u>3,152,411</u>	<u>12,892</u>	<u>3,165,303</u>
NET ASSETS - ENDING	<u>\$ 2,779,119</u>	<u>\$ 216,564</u>	<u>\$ 2,995,683</u>

See accompanying notes and auditors' report.

CENTER FOR ECOTECHNOLOGY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED OCTOBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and service fees	\$ 8,646,134	\$ -	\$ 8,646,134
Sales of material	1,156,040	-	1,156,040
Contributions	51,922	115,000	166,922
Interest income	28,806	-	28,806
Employee Retention Tax Credit	847,979	-	847,979
Miscellaneous income	120,020	-	120,020
Net assets released from restrictions	175,863	(175,863)	-
	<u>11,026,764</u>	<u>(60,863)</u>	<u>10,965,901</u>
TOTAL REVENUE AND SUPPORT			
EXPENSES			
Program services	10,025,342	-	10,025,342
General and administrative	1,320,359	-	1,320,359
Fundraising	31,713	-	31,713
	<u>11,377,414</u>	<u>-</u>	<u>11,377,414</u>
TOTAL EXPENSES			
CHANGE IN NET ASSETS	(350,650)	(60,863)	(411,513)
NET ASSETS - BEGINNING	<u>3,503,061</u>	<u>73,755</u>	<u>3,576,816</u>
NET ASSETS - ENDING	<u>\$ 3,152,411</u>	<u>\$ 12,892</u>	<u>\$ 3,165,303</u>

See accompanying notes and auditors' report.

CENTER FOR ECOTECHNOLOGY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED OCTOBER 31, 2024

	Program Services	General and Administrative	Fundraising	Total
Auto expense	\$ 24,952	\$ 29	\$ -	\$ 24,981
Bad debts	6,798	-	-	6,798
Bank service charges	27,046	204	-	27,250
Computer expense	222,735	33,256	5,599	261,590
Consulting	88,896	5,465	146	94,507
Cost of materials used and sold	281,600	-	-	281,600
Depreciation and amortization	236,548	19,047	-	255,595
Dues and subscriptions	7,236	605	180	8,021
E-commerce	4,004	79	-	4,083
Employees' insurance	438,615	61,764	1,589	501,968
Employees' retirement plan	104,371	17,075	408	121,854
Energy installation subcontractors	1,781,067	-	-	1,781,067
Equipment rental	746	-	-	746
General insurance	151,549	15,240	373	167,162
Heat and utilities	17,852	-	-	17,852
Interest	83,265	8,108	-	91,373
Lease expenses	70,305	12,047	-	82,352
Marketing	115,835	10,732	13,047	139,614
Miscellaneous	3,828	119	63	4,010
Office supplies	11,136	983	41	12,160
Payroll taxes	498,446	102,977	1,600	603,023
Professional fees	19,938	23,061	-	42,999
Real estate taxes	12,000	-	-	12,000
Repairs and maintenance	41,166	1,224	-	42,390
Salaries and wages	5,790,557	1,287,613	70,053	7,148,223
Seminars and education	40,679	6,980	144	47,803
Supplies	14,524	922	-	15,446
Telephone	57,648	4,781	128	62,557
Travel expense	271,599	28,528	605	300,732
TOTAL EXPENSES	<u>\$ 10,424,941</u>	<u>\$ 1,640,839</u>	<u>\$ 93,976</u>	<u>\$ 12,159,756</u>

See accompanying notes and auditors' report.

CENTER FOR ECOTECHNOLOGY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED OCTOBER 31, 2023

	Program Services	General and Administrative	Fundraising	Total
Auto expense	\$ 33,491	\$ -	\$ -	\$ 33,491
Bank service charges	34,120	104	-	34,224
Computer expense	214,552	25,962	3,397	243,911
Consulting	251,954	29,563	526	282,043
Cost of materials used and sold	105,549	-	-	105,549
Depreciation and amortization	237,003	18,110	-	255,113
Dues and subscriptions	14,182	724	-	14,906
E-commerce	5,946	-	-	5,946
Employees' insurance	392,426	52,856	940	446,222
Employees' retirement plan	97,267	17,205	249	114,721
Energy installation subcontractors	1,829,645	-	-	1,829,645
Equipment rental	273	-	-	273
General insurance	114,126	10,481	177	124,784
Heat and utilities	18,790	-	-	18,790
Interest	46,552	2,178	-	48,730
Lease expense	73,445	14,269	-	87,714
Marketing	115,110	9,827	2,393	127,330
Miscellaneous	447	48	18	513
Office supplies	10,683	539	15	11,237
Payroll taxes	467,461	81,184	1,058	549,703
Professional fees	44,591	62,647	-	107,238
Real estate taxes	5,644	-	-	5,644
Repairs and maintenance	38,469	1,211	-	39,680
Salaries and wages	5,473,421	966,793	22,504	6,462,718
Seminars and education	38,774	5,330	44	44,148
Supplies	27,575	239	-	27,814
Telephone	61,010	4,083	70	65,163
Travel expense	272,836	17,006	322	290,164
TOTAL EXPENSES	<u>\$ 10,025,342</u>	<u>\$ 1,320,359</u>	<u>\$ 31,713</u>	<u>\$ 11,377,414</u>

See accompanying notes and auditors' report.

**CENTER FOR ECOTECHNOLOGY, INC.
STATEMENTS OF CASH FLOWS**

	Years Ended October 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (169,620)	\$ (411,513)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	255,595	255,113
Bad debts	6,798	-
Gain on sale of property and equipment	(14,264)	-
Reduction in the carrying amount of right-of-use asset	75,009	71,980
Change in operating lease payable	(75,009)	(71,980)
(Increase) decrease in:		
Accounts receivable	286,120	(2,438,088)
Pledges receivable	12,500	(12,500)
Inventory	(9,289)	(7,340)
Prepaid rent	256	2,313
Prepaid insurance	(63,357)	16,052
Prepaid expenses	(789)	(37,263)
Deposits	(1,000)	-
Increase (decrease) in:		
Accounts payable	(52,624)	143,225
Accrued expenses	6,065	(15,724)
Accrued payroll	(182,746)	54,659
Accrued vacation	47,295	51,476
Gift certificates and customer credits	(74,911)	9,195
Deferred revenue	(300,336)	476,579
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(254,307)	(1,913,816)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(21,561)	(10,694)
Proceeds from sale of property and equipment	20,176	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(1,385)	(10,694)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (payments on) note payable - line of credit	120,122	967,631
Payments on note payable	(41,874)	(41,251)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	78,248	926,380
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(177,444)	(998,130)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING	309,422	1,307,552
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - ENDING	\$ 131,978	\$ 309,422
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	\$ 91,373	\$ 48,730
Income taxes	\$ -	\$ -
Non-cash investing and financing activities:		
Acquisition of right-of-use asset with operating lease payable	\$ 64,344	\$ 164,288

See accompanying notes and auditors' report.

CENTER FOR ECOTECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED OCTOBER 31, 2024 AND 2023

Note 1 - Operations and Significant Accounting Policies

Nature of Activities

Center for EcoTechnology, Inc. (the Organization) was incorporated in Massachusetts on October 4, 1976, and provides services throughout Western Massachusetts and New England through various projects regarding energy and resource conservation, solid waste management and sustainable development. Funding is primarily provided by contracts with utility companies, Federal and state contracts, revenues from materials sales, services provided and private foundations.

Income Taxes

The Organization is a nonprofit corporation, exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is presently considered as "other than a private foundation".

The Organization may recognize the tax benefit from a tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The Organization has analyzed its tax positions taken for filings with the Internal revenue Service and the Commonwealth of Massachusetts. The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations, or cash flows.

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America (US GAAP).

Basis of Presentation

US GAAP requires the Organization to report information regarding its financial position and activities according to the following net asset classification:

Net assets without donor restrictions - net assets that are not subject to donor-imposed restrictions and may be expended 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 of directors.

Net assets with donor restrictions - net assets subject to stipulations imposed by donors and grantors. The donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time.

Cash, Cash Equivalents and Restricted Cash

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable - net

The Organization grants payment terms to its customers of thirty days from the date of the invoice and does not charge interest on its outstanding receivables. Customers are considered delinquent for amounts outstanding after thirty days.

Allowance for Credit Losses

Effective November 1, 2023, the Organization adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments.

CENTER FOR ECOTECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED OCTOBER 31, 2024 AND 2023

Note 1- The Organization adopted this new guidance utilizing the modified retrospective transition method. Topic 326 requires measurement and recognition of expected versus incurred losses for financial assets held.

The only financial assets held by the Organization that are subject to ASU 2016-13 are accounts receivable. The adoption of this ASU did not have a material impact on the Organization's financial statements. The Organization uses the allowance method to determine uncollectible accounts receivable; the allowance is based on prior years' experience and management's expected collection rate and a review of the current status of accounts receivable. The allowance for credit losses was \$6,226 at October 31, 2024 and 2023.

Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions 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. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. No allowance was deemed necessary at October 31, 2024 or 2023.

Inventory

Inventory is stated at lower of cost or market using the first-in, first-out method. Donated goods and materials are carried at no cost. Donated inventory for sale is valued at net realizable value. Management estimates that the future cost of sorting and disposing of the inventory approximately equals its sale price.

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 and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Property and equipment are recorded at cost. Property and equipment in excess of \$1,000 are capitalized. Routine expenditures for repairs and maintenance are charged to expense as incurred.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions 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, the Organization reports expirations of donor restrictions when the donated or purchased assets are acquired as instructed by the donor. The Organization reclassifies net assets with donor restrictions at that time. Property and equipment are depreciated using the straight-line method over the following estimated useful lives:

Building	30 years
Building improvements	5 - 10 years
Leasehold improvements	5 years
Motor vehicles	5 years
Equipment	3 - 10 years

The Organization was the recipient of a \$1,159,570 grant under the American Recovery and Reinvestment Act to be used towards a Deep Energy Retrofit of a Springfield warehouse via extensive upgrades to the thermal performance of the building envelope and a combination of space conditioning technologies including air-to-air heat pumps and smaller target high-efficiency systems.

CENTER FOR ECOTECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED OCTOBER 31, 2024 AND 2023

Note 1 - continued

The Organization also received significant contributions for this project. This project was completed during the year ended October 31, 2012 and is being depreciated over 30 years. Depreciation is approximately \$112,000 per year through the year ending October 31, 2041. As of October 31, 2024, this property was being held for sale (see Note 18). Total costs of the property were \$3,464,692 and accumulated depreciation was \$1,449,742 resulting in a net book value of \$2,014,950.

Amortization

Computer software is amortized over a period of five years.

Impairment of Long-Lived Assets

The Organization's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that such assets may be impaired. An evaluation is performed by measuring the estimated future undiscounted cash flows (without interest charges) associated with the asset against the asset's carrying amount to determine if a write-down to fair value is required. If impairment is present, the assets are reported at the lower of carrying value or fair value. There was no impairment loss recognized during the years ended October 31, 2024 or 2023.

Revenue Recognition

The Organization has program service fee revenue derived from unit rate state, local and private pay contracts, which are conditioned upon certain performance requirements. The performance period under these contracts is generally one year or less. Amounts received under these contracts are recognized as revenue at the time the services are provided, up to the contract maximum. Contract rates are set by state, local and private grantors. Accordingly, the performance obligation for unit rate contracts is satisfied at a point in time.

The Organization also operates a retail store and has e-commerce revenue recognized from product sales at a point in time when control over the goods has been transferred to the customer. The Organization recognizes revenue upon satisfaction of the performance obligation and transfers control upon delivery and acceptance by the customer.

Marketing

Marketing costs are charged to operations when incurred. Such costs for the years ended October 31, 2024 and 2023 amounted to \$139,614 and \$127,330, respectively.

Shipping and Handling

The Organization accounts for shipping and handling costs (freight) as a component of cost of materials used.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and wages, payroll taxes and employees' insurance and retirement plans which are allocated on the basis of estimates of time and effort, as well as occupancy related expenses, which are allocated on usage of the buildings.

Contributed Services

Services are performed on the Organization's behalf by its Board of Directors who receive no compensation for their efforts. The value of these donated services is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for accounting recognition.

CENTER FOR ECOTECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED OCTOBER 31, 2024 AND 2023

Note 1 - continued

Leases

The Organization determines if an arrangement contains an operating or finance lease at its inception and recognizes right-of-use assets and an operating lease payable at the commencement date based on the present value of lease payments over the lease terms.

The discount rate for a lease is the rate implicit in the lease or, if that rate cannot be readily determined, the risk-free rate of return. The Organization does not combine lease and non-lease components to determine lease payments for its leases. The Organization does not record leases with terms of 12 months or less on the statements of financial position but instead recognizes the lease payments as an expense on a straight-line basis over the term of the lease.

For finance leases, lease expenses are the sum of interest on the lease obligations and amortization of the right-of-use assets. Finance lease right-of-use assets are amortized based on the lesser of the lease term and the useful life of the leased asset according to the capital asset accounting policy. If ownership of the right-of-use assets transfers to the Organization at the end of the lease term or if the Organization is reasonably certain to exercise a purchase option, amortization is calculated using the estimated useful life of the leased asset.

For operating leases, the expenses are generally recognized on a straight-line basis over the lease term. The Organization recognizes variable lease payments as expenses when incurred.

Note 2 - **Recently Adopted Accounting Standard**

Effective November 1, 2022, the Organization adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases (Topic 842) (ASC 842)*, which supersedes the guidance in *ASC 840, Leases*, and generally requires companies to recognize operating and financing lease liabilities and corresponding right-of-use assets on the statements of financial position. The Organization used the modified retrospective transition method and elected to recognize the cumulative-effect adjustments as of November 1, 2022, the beginning of the adoption period.

The Organization elected the following transition practical expedients: (a) no reassessment of whether contractual arrangements that expired prior to the adoption date are, or contain leases, (b) the classification of existing capital leases as finance leases and existing operating leases as operating leases, (c) no redetermination of initial direct costs for leases that existed as of the adoption date, (d) application of hindsight in determining the lease term and impairment of right-of-use assets, and (e) no reassessment of whether existing or expired land easements not previously accounted for as leases were or contained leases.

As a result of adoption of the new lease accounting guidance, the Organization recognized on November 1, 2022: (a) an operating lease liability of \$164,288 which represents the present value of the remaining lease payments of \$171,026, discounted using the Organization's risk-free rate of return of 4.0% and (b) an operating right-of-use asset of \$164,288.

Note 3 - **Cash and Cash Equivalents - Restricted and Designated**

Cash and cash equivalents - restricted consists of amounts received with donor restrictions that have not been expended for their intended purpose as of year-end (see Note 10) as well as amount received in advance from funding sources and not earned as of year-end that are reflected as deferred revenue at year-end. At October 31, 2024 and 2023, the Organization had expended \$422,310 and \$514,226, respectively of cash received in advance from funding sources and, as a result, restricted cash in the statements of financial position was less than it should have been by these amounts. Cash and cash equivalents - designated consists of amounts designated by the Board of Directors for a building stabilization fund (see Note 9).

CENTER FOR ECOTECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED OCTOBER 31, 2024 AND 2023

Note 4 - Liquidity and Availability

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization anticipates generating sufficient revenue to cover general expenditures.

The following shows the total financial assets to meet general expenditures over the next twelve months as of October 31:

	2024	2023
Cash, cash equivalents and restricted cash	\$ 59,859	\$ 52,107
Accounts receivable - net	3,163,866	3,456,784
Pledges receivable	<u>-</u>	<u>12,500</u>
Total	<u>\$ 3,223,725</u>	<u>\$ 3,521,391</u>

In addition, the Organization has line of credit agreements as outlined in Note 7.

Note 5 - Pledges Receivable

Pledges receivable consist of outstanding pledges which are expected to be collected in the next fiscal year.

Note 6 - Investments

A donor advised fund named the Center for EcoTechnology Fund is maintained with the Community Foundation of Western Massachusetts (CFWM). The Organization may request funds from the CFWM at any time. While the CFWM is not prohibited from returning the entire balance in this fund should that be recommended, title to the assets in the funds is with the CFWM and recommendations for subsequent distributions will not be binding instructions. CFWM may modify the restrictions on its funds should they become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of Western Massachusetts. Income from this fund will be recognized when received from the CFWM.

Note 7 - Line of Credit Agreements

The Organization maintains a \$500,000 revolving line of credit agreement with Westfield Bank. Borrowings bear interest at the bank's prime rate plus 1% (9.0% and 9.5% at October 31, 2024 and 2023, respectively) and is secured by a first security interest in all business assets and cross collateralized by the real estate located at 83-95 Warwick Street, Springfield, Massachusetts. There was \$375,000 and \$250,000 outstanding under this agreement at October 31, 2024 and 2023, respectively.

The Organization also maintains a \$800,000 revolving line of credit agreement with Westfield Bank. Borrowings bear interest at the bank's prime rate plus 1% (9.0% and 9.5% at October 31, 2024 and 2023, respectively) and is secured by a first security interest in all business assets and cross collateralized by the real estate located at 83-95 Warwick Street, Springfield, Massachusetts. There was \$590,834 and \$443,098 outstanding under this agreement at October 31, 2024 and 2023, respectively.

In addition, the Organization also maintains a \$300,000 revolving line of credit agreement with Westfield Bank. Borrowings bear interest at the bank's prime rate plus 1% (9.0% and 9.5% at October 31, 2024 and 2023, respectively) and is secured by a first security interest in all business assets and cross collateralized by the real estate located at 83-95 Warwick Street, Springfield, Massachusetts. There was \$121,919 and \$274,533 outstanding under this agreement at October 31, 2024 and 2023, respectively.

**CENTER FOR ECOTECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED OCTOBER 31, 2024 AND 2023**

Note 8 - Note Payable

The Organization's note payable consisted of the following at October 31:

	2024	2023
Westfield Bank, a mortgage loan for 83-95 Warwick Street, Springfield, Massachusetts. The note requires payments of principal and interest over a twenty-five-year term through May 2036. Interest is 4.96% and revised every seven years based upon the Federal Home Land Bank – Boston Classic Advance Rate plus ten basis points. The next review date is May 2031. The note is secured by a first mortgage on the real estate (with a carrying value of \$2,014,950 and \$2,127,887, at October 31, 2024 and 2023, respectively) and an assignment of rents.	\$ 646,243	\$ 688,117
Less: Current portion	42,357	42,931
Net long-term portion of note payable	\$ 603,886	\$ 645,186

Maturities of the note payable are as follows:

Year ending October 31,	
2025	\$ 42,357
2026	44,506
2027	46,764
2028	49,137
2029	51,631
Thereafter	411,848
Total	\$ 646,243

Total interest expense amounted to \$91,373 and \$48,730 for the years ended October 31, 2024 and 2023, respectively.

Note 9 - Board Designated Net Assets

During the year ended October 31, 2020, the Board of Directors established a building stabilization fund to hold liquid assets that can be accessed by a simple board vote if required for any reason. As of October 31, 2024 and 2023, there was \$258,353 and \$257,315, respectively in cash and cash equivalents and net assets in this fund.

Note 10 - Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of amounts that were received with stipulations from the donors that the funds be used for the following at October 31:

	2024	2023
Technical assistance to restaurants	\$ 205,789	\$ -
Outreach and Ecofellows	10,775	392
Decarbonization and strategic planning initiatives	-	12,500
Total	\$ 216,564	\$ 12,892

Note 11 - Retirement Plan

The Organization maintains a tax deferred 403(b) retirement plan for all eligible employees. Employees may elect to make pre-tax or post-tax contributions to the plan. All employees who have six months of service are eligible for the match of 50% of their salary deferrals on up to 6% of compensation. For the years ended October 31, 2024 and 2023, the Organization's matching contributions amounted to \$121,854 and \$114,721, respectively.

CENTER FOR ECOTECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED OCTOBER 31, 2024 AND 2023

Note 12 - Lease Agreements

The Organization leased space in Florence, Massachusetts under a four-year lease agreement which expired in December 2024. The lease required monthly payments of \$6,400. During the years ended October 31, 2024 and 2023, rent expense under this lease was \$76,800 and \$81,426 respectively.

In September 2024, the Organization entered into a three-year lease agreement for new space in Northampton, Massachusetts to replace the above lease. This lease requires monthly payments of \$1,724 beginning January 1, 2025 and increasing \$100 per month in each succeeding year. In addition, the Organization will be responsible for its share of operating expenses and real estate taxes.

The Organization also rented office space in Dalton Massachusetts under a tenant-at-will arrangement. Total rent expense for this location including the office space, storage space and internet access was \$524 per month. Effective October 1, 2024, the Organization entered into a two-year lease agreement for this space at a monthly rental of \$106. Total rent expense for this location was \$5,552 and \$6,288 for the years ended October 31, 2024 and 2023, respectively.

The minimum aggregate annual rental commitment through the expiration of all leases is as follows:

Year ending October 31,		
2025	\$	34,984
2026		22,854
2027		22,888
2028		<u>3,848</u>
Total		84,574
Less: discount to present value		<u>(2,931)</u>
Net present value of lease obligation		81,643
Less: current portion		<u>34,984</u>
Long-term portion	\$	<u>46,659</u>

Quantitative lease information is as follows:

	Year ended October 31,	
	2024	2023
Lease costs:		
Operating lease costs	\$ 76,906	\$ 81,426
Variable lease costs	<u>5,446</u>	<u>6,288</u>
Total lease costs	<u>\$ 82,352</u>	<u>\$ 87,714</u>
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	<u>\$ (82,352)</u>	<u>\$ (87,714)</u>
Right-of-use asset obtained in exchange for new operating lease liabilities	<u>\$ 64,344</u>	<u>\$ 164,288</u>
Weighted average remaining lease term – operating leases	3 years	1.2 years
Weighted average discount rate – operating leases	4.0%	4.0%

CENTER FOR ECOTECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED OCTOBER 31, 2024 AND 2023

Note 13 - Contingent Liabilities

The Organization received support under various government contracts which are subject to audit by the respective agencies. In management's opinion, the liability, if any, resulting from such audits will not have a material adverse effect on the Organization's financial condition.

Note 14 - Concentrations

The Organization has contracts with utility companies which provide income for its home energy services program. Sales to two and three companies totaled approximately 28% and 36% of revenue for the years ended October 31, 2024 and 2023, respectively.

Note 15 - Deposits Held in Financial Institutions

The Organization maintains deposits in commercial banks which at times exceeded the amount covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). These balances fluctuate during the year and the uninsured portion can vary greatly. Management monitors the financial condition of the banking institution and believes there is no significant risk with respect to these deposits. The amount of the uninsured deposits totaled \$8,353 and \$7,315 at October 31, 2024 and 2023.

Note 16 - Cash, Cash Equivalents, and Restricted Cash

The following is a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows as of October 31:

	2024	2023
Cash overdraft	\$ (186,234)	\$ -
Cash and cash equivalents - restricted	59,859	52,107
Cash and cash equivalents - designated	<u>258,353</u>	<u>257,315</u>
Total	<u>\$ 131,978</u>	<u>\$ 309,422</u>

Note 17 - Employee Retention Tax Credit

During the year ended October 31, 2023, the Organization applied for funds available under the Employee Retention Tax Credit (ERTC) program. Total eligible funds under this program amounted to \$847,979 and are a result of expenses incurred in prior fiscal years. This income has been included in the Statement of Activities for the year ended October 31, 2023 since the related costs were incurred in prior fiscal years. The credits have not yet been received and are included in accounts receivable-net in the Statement of Financial Position at October 31 2024 and 2023. The issuing of refunds under this program was put on hold by the Internal Revenue Service in September 2023. The IRS has started processing claims again and the Organization still expects to receive the entire amount.

Note 18 - Subsequent Events

On January 3, 2025, the Organization entered into a purchase and sale agreement to sell its property located at 83-95 Warwick Street in Springfield, Massachusetts. The sales price is \$1,675,000 and the sale will result in a loss of approximately \$340,000 plus expenses. The sale is expected to close on March 1, 2025 and the related note payable (see Note 8) will be repaid at that time.

Management has evaluated subsequent events through February 3, 2025, the date which the financial statements were available to be issued.

CENTER FOR ECOTECHNOLOGY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED OCTOBER 31, 2024

Federal Agency	Pass Through Grantor	Pass-through Entity Identifying Number	Federal Program Title	Federal ALN #	Federal Expenditures
Environmental Protection Agency	N/A	N/A	Solid Waste Management Assistance Grants	66.808	\$ 1,922
Environmental Protection Agency	City of Denver, CO	Unknown	Solid Waste Management Assistance Grants	66.808	<u>1,199</u>
			Total - Solid Waste Management Assistance Grants		3,121
Environmental Protection Agency	City of Providence, RI	Z31CNH822HN1	Healthy Communities Grant Program	66.110	39,880
Environmental Protection Agency	City of Providence, RI	Z31CNH822HN1	Solid Waste Infrastructure for Recycling Infrastructure Grants	66.920	<u>14,536</u>
Total Environmental Protection Agency					<u>57,537</u>
Department of Energy	Emerald Cities Collaborative	Unknown	Weatherization Assistance for Low-Income Persons	81.042	70,594
Department of Energy	State of Connecticut, Department of Energy and Environmental Protection	Unknown	Weatherization Assistance for Low-Income Persons	81.042	<u>435,296</u>
Total Department of Energy					<u>505,890</u>
Department of Agriculture	City of Providence, RI	Z31CNH822HN1	Urban Agriculture and Innovative Production	10.935	4,384
Department of Agriculture	N/A	N/A	Urban Agriculture and Innovative Production	10.935	<u>24,408</u>
Total - Urban Agriculture and Innovative Production					28,792
Department of Agriculture	N/A	N/A	Rural Business Development Grant	10.351	21,479
Department of Agriculture	N/A	N/A	Solid Waste Management Grants	10.762	212,892
Department of Agriculture	N/A	N/A	Rural Energy for America Program	10.868	<u>253,850</u>
Total Department of Agriculture					<u>517,013</u>
Department of the Treasury	City of Cambridge, MA	Unknown	COVID 19- Coronavirus State and Local Fiscal Recovery Funds	21.027	53,909
Department of the Treasury	Town of Amherst, MA	Unknown	COVID 19- Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>8,366</u>
Total Department of the Treasury					<u>62,275</u>
Total Federal Expenditures					<u><u>\$ 1,142,715</u></u>

(See accompanying notes to the Schedule of Expenditures of Federal Awards)

CENTER FOR ECOTECHNOLOGY, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED OCTOBER 31, 2024

Note A – Basis of Presentation

The schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Center for EcoTechnology, Inc. under programs of the federal government for the year ended October 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200 (CFR), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Center for EcoTechnology, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Center for EcoTechnology, Inc.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Indirect Cost Rate

Center for EcoTechnology, Inc. has elected not to use the 10% de minimis cost rate allowed under the Uniform Guidance.

Note D – Subrecipients

Center for EcoTechnology, Inc. did not pass any funds through to subrecipients.

**CENTER FOR ECOTECHNOLOGY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED OCTOBER 31, 2024**

SUMMARY AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Center for EcoTechnology, Inc. were prepared in accordance with generally accepted accounting principles.
2. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements and reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Center for EcoTechnology, Inc. which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal award programs were disclosed during the audit and reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance required under the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for Center for EcoTechnology, Inc. expresses an unmodified opinion on all major Federal programs.
6. There were no audit findings that were required to be reported in accordance with 2 CFR Section 200.516(a).
7. The programs tested as major programs include:

<u>Name</u>	<u>Federal ALN#</u>
Weatherization Assistance for Low-Income Persons	81.042
8. The threshold for distinguishing type A and B programs was \$750,000.
9. Center for EcoTechnology, Inc. was determined not to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

**CENTER FOR ECOTECHNOLOGY, INC.
STATUS OF PRIOR FINDINGS
YEAR ENDED OCTOBER 31, 2024**

The Organization did not have a Uniform Guidance audit for the year ended October 31, 2023.