

**Home Performance Coalition, Inc.**

**FINANCIAL STATEMENTS, INDEPENDENT  
AUDITORS' REPORT AND NOTES TO THE  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2024 and 2023**

**O'Connor, Pagano and Associates, LLC**

Business Advisors and Certified Public Accountants

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## Home Performance Coalition, Inc.

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Business Advisors and Certified Public Accountants

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## **Independent Auditors' Report**

Board of Directors  
Home Performance Coalition, Inc.  
Pittsburgh, Pennsylvania

### **Opinion**

We have audited the accompanying financial statements of Home Performance Coalition, Inc. (HPC)(a not-for-profit organization), which comprise the statements of financial position as of December 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 HPC as of December 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 HPC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 HPC's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether 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 GAAS 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 GAAS, 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 HPC'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 HPC'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

*D. Conners, Payano and Associates*

Pittsburgh, Pennsylvania  
June 10, 2025

**HOME PERFORMANCE COALITION, INC.**

## Statements of Financial Position

December 31, 2024 and 2023

	<b>Assets</b>		
		<b>2024</b>	<b>2023</b>
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$	738,996	\$ 27,803
Accounts Receivable, net		196,591	76,912
Inventory		-	-
Prepaid Expenses		27,189	22,415
Total Current Assets		<u>962,776</u>	<u>127,130</u>
<b>Long-Term Related Party Receivable</b>		208,755	378,040
<b>Other Assets</b>		-	-
<b>Total Assets</b>		<u>\$ 1,171,531</u>	<u>\$ 505,170</u>
<b>Liabilities and Net Assets (Deficiency)</b>			
<b>Liabilities</b>			
Current Liabilities:			
Current Portion of SBA Loan	\$	5,439	\$ 5,278
Accounts Payable		83,342	52,711
Accrued Expenses		37,612	26,349
Deferred Revenue		720,075	333,190
Total Current Liabilities		<u>846,468</u>	<u>417,528</u>
Long Term Liabilities			
SBA Loan		187,173	192,614
Total Long Term Liabilities		<u>187,173</u>	<u>192,614</u>
<b>Total Liabilities</b>		<u>1,033,641</u>	<u>610,142</u>
<b>Net Assets (Deficiency)</b>			
Without Donor Restrictions		129,147	(110,487)
With Donor Restrictions		8,743	5,514
Total Net Assets (Deficiency)		<u>137,890</u>	<u>(104,973)</u>
<b>Total Liabilities and Net Assets</b>		<u>\$ 1,171,531</u>	<u>\$ 505,170</u>

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

**HOME PERFORMANCE COALITION, INC.**

## Statement of Activities

For the Year Ended December 31, 2024

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2024 Total</b>
<b>Operating Revenue</b>			
Contracting Fees	\$ 376,854	\$ -	\$ 376,854
Grant Revenue	-	100,000	100,000
Sponsorships	320,425	-	320,425
Conference Registration Fees	2,172,253	-	2,172,253
Exhibitor Fees	190,070	-	190,070
Other Revenue	482	4,500	4,982
<b>Total Operating Revenue</b>	<b>3,060,084</b>	<b>104,500</b>	<b>3,164,584</b>
Net Assets Released from Restriction	100,000	(100,000)	-
<b>Total Revenue</b>	<b>3,160,084</b>	<b>4,500</b>	<b>3,164,584</b>
<b>Expenses</b>			
Programs	2,212,582	1,271	2,213,853
Administrative	782,184	-	782,184
Fundraising	110,957	-	110,957
<b>Total Operating Expenses</b>	<b>3,105,723</b>	<b>1,271</b>	<b>3,106,994</b>
<b>Net Operating Income</b>	<b>54,361</b>	<b>3,229</b>	<b>57,590</b>
<b>Other Income</b>			
Interest Income	34,267	-	34,267
ERTC Refund	151,005	-	151,005
<b>Total Other Income</b>	<b>185,272</b>	<b>-</b>	<b>185,272</b>
<b>Change in Net Assets</b>	<b>239,633</b>	<b>3,229</b>	<b>242,862</b>
Net Assets (Deficiency) at Beginning of Year	(110,487)	5,514	(104,973)
<b>Net Assets at End of Year</b>	<b>\$ 129,147</b>	<b>\$ 8,743</b>	<b>\$ 137,890</b>

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

**HOME PERFORMANCE COALITION, INC.**

## Statement of Activities

For the Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>
<b>Operating Revenue</b>			
Contracting Fees	\$ 23,908	\$ -	\$ 23,908
Grant Revenue	-	165,000	165,000
Magazine Publishing Revenue	9,100	-	9,100
Sponsorships	319,240	-	319,240
Conference Registration Fees	2,198,965	-	2,198,965
Exhibitor Fees	188,359	-	188,359
Other Revenue	1,566	1,860	3,426
<b>Total Operating Revenue</b>	<u>2,741,138</u>	<u>166,860</u>	<u>2,907,998</u>
Net Assets Released from Restriction	165,000	(165,000)	-
<b>Total Revenue</b>	<u>2,906,138</u>	<u>1,860</u>	<u>2,907,998</u>
<b>Expenses</b>			
Programs	2,235,182	1,832	2,237,014
Administrative	642,232	-	642,232
Fundraising	80,154	-	80,154
<b>Total Operating Expenses</b>	<u>2,957,568</u>	<u>1,832</u>	<u>2,959,400</u>
<b>Net Operating(Loss) Income</b>	(51,430)	28	(51,402)
<b>Other Income</b>			
ERTC Refund	58,904	-	58,904
<b>Total Other Income</b>	<u>58,904</u>	<u>-</u>	<u>58,904</u>
<b>Change in Net Assets</b>	<u>7,475</u>	<u>28</u>	<u>7,503</u>
Net Assets (Deficiency) at Beginning of Year	<u>(117,961)</u>	<u>5,486</u>	<u>(112,475)</u>
<b>Net Assets (Deficiency) at End of Year</b>	<u><u>\$ (110,487)</u></u>	<u><u>\$ 5,514</u></u>	<u><u>\$ (104,972)</u></u>

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

**HOME PERFORMANCE COALITION, INC.**Statement of Functional Expenses  
For the Year Ended December 31, 2024

	<u>Programs</u>	<u>Administrative</u>	<u>Fundraising</u>	<b>2024</b> <u>Total</u>
Contract services	\$ 369,074	\$ 22,796	\$ 5,435	\$ 397,305
Payroll and benefits	417,823	545,986	80,985	1,044,794
Legal	-	16,955	-	16,955
Audit and accounting	-	70,342	-	70,342
Rent	-	4,003	-	4,003
Travel	44,953	27,045	18,727	90,725
Administrative	94,934	29,033	5,810	129,777
Information, technology and website	63,697	31,398	-	95,095
Conferences, conventions and meetings	1,069,950	1,626	-	1,071,576
Marketing and development	134,012	16,039	-	150,051
Supplies	2,386	9,468	-	11,854
Printing and copying	512	11	-	523
Insurance	13,643	5,206	-	18,849
Postage and mailing	2,869	777	-	3,646
Telephone	-	1,499	-	1,499
<b>Total Expenses</b>	<u>\$ 2,213,853</u>	<u>\$ 782,184</u>	<u>\$ 110,957</u>	<u>\$ 3,106,994</u>

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

**HOME PERFORMANCE COALITION, INC.**Statement of Functional Expenses  
For the Year Ended December 31, 2023

	<b>Programs</b>	<b>Administrative</b>	<b>Fundraising</b>	<b>2023 Total</b>
Contract services	\$ 96,108	\$ 16,615	\$ 10,228	\$ 122,951
Payroll and benefits	406,320	412,232	58,821	877,373
Legal	-	6,349	-	6,349
Audit and accounting	-	58,820	-	58,820
Rent	-	28,214	-	28,214
Travel	78,936	28,415	7,335	114,686
Administrative	81,409	26,792	3,770	111,971
Information, technology and website	89,307	30,907	-	120,214
Conferences, conventions and meetings	1,366,478	494	-	1,366,972
Marketing and development	110,282	9,804	-	120,086
Supplies	1,132	11,245	-	12,377
Printing and copying	329	902	-	1,231
Insurance	2,536	5,111	-	7,647
Postage and mailing	4,177	961	-	5,138
Telephone	-	5,371	-	5,371
<b>Total Expenses</b>	<u>\$ 2,237,014</u>	<u>\$ 642,232</u>	<u>\$ 80,154</u>	<u>\$ 2,959,400</u>

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

**HOME PERFORMANCE COALITION, INC.**  
Statements of Cash Flows  
For the Years Ended December 31, 2024 and 2023

	<b>2024</b>	<b>2023</b>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 242,862	\$ 7,503
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net Change in Assets and Liabilities		
Decrease (increase) in assets:		
Accounts receivable	(119,679)	36,925
Prepaid expenses	(4,774)	(3,456)
Related party receivable	169,285	163,890
Other assets	-	5,900
Increase (decrease) in liabilities:		
Accounts payable	30,631	(239,044)
Accrued expenses	11,263	4,656
Deferred revenue	386,885	74,179
Net Cash Provided by Operating Activities	716,473	50,553
<b>Cash Flows from Financing Activities</b>		
Net Borrowings (Payments) on Line of Credit	-	(50,000)
Payments on SBA Loan	(5,280)	(6,613)
Net Cash Used in Financing Activities	(5,280)	(56,613)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	711,193	(6,060)
<b>Cash and Cash Equivalents, Beginning of Year</b>	27,803	33,863
<b>Cash and Cash Equivalents, End of Year</b>	\$ 738,996	\$ 27,803
<b><u>Supplementary Information</u></b>		
Interest Expense	\$ 5,390	\$ 2,046

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

**Home Performance Coalition, Inc.**  
Notes to the Financial Statements  
December 31, 2024 and 2023

**Note 1. Nature of Activities**

Home Performance Coalition Inc. (HPC), is a not-for-profit organization which through education, training, advocacy and outreach, seeks to create energy-efficient, healthy, sustainable homes. HPC unites the many voices of the home performance and weatherization industry, analyzes industry trends and issues, provides education to advance the standard and practices of the industry, and supports collaboration and business development throughout all sectors. Sponsored by an array of industry leaders, HPC is committed to a robust industry that makes all of America's homes more resource efficient, healthy, durable, resilient, and affordable.

**Note 2. Summary of Significant Accounting Policies**

Basis of Accounting: The accompanying financial statements are presented on the accrual basis of accounting as applicable to not-for-profit organizations in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues and support are recorded when earned and expenses are recognized when the liabilities are incurred.

Financial Statement Presentation: In August, 2016, The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-14, Presentation of Financial Statements for Not-For-Profit Entities, which is intended to improve how a not-for-profit entity classifies its net assets, as well as the information it presents in its financial statements about its liquidity and availability of resources, expenses and investment returns, and cash flows. The guidance replaces the three classes of net assets previously presented on the statement of financial position with two classes of net assets, which are based on the existence or absence of donor-imposed restrictions. ASU No. 2016-14 includes specific disclosure requirements intended to improve a financial statement user's ability to assess an entity's available financial resources, along with its management of liquidity and risk. HPC has adopted this ASU in preparing these accompanying financial statements.

Estimates and Uncertainties: 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 effect reported amounts and disclosures. Actual results may differ from these estimates.

Net Assets: Net assets, revenue, and support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Home Performance Coalition, Inc.**  
Notes to the Financial Statements  
December 31, 2024 and 2023

**Note 2. Summary of Significant Accounting Policies (continued)**

Net Assets Without Donor Restrictions: Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions: Net assets subject to donor-imposed restrictions. The donor-imposed restrictions of HPC are temporary in nature, and as such will be met by the passage of time or other events specified by the donor. HPC does not have donor-imposed restrictions that are perpetual in nature.

Cash and Cash Equivalents: For the purposes of the financial statements, HPC considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Allowance for Credit Losses: The Company records accounts receivable at their face amounts less an allowance for credit losses. The allowance represents an estimate of expected credit losses based upon a specific review of all significant outstanding invoices. For those invoices not specifically reviewed, provisions are provided at differing rates, based upon the age of the receivable, historical experience and current and expected future economic conditions. The Company writes-off a receivable and charges it against its recorded allowance when management have exhausted collection efforts without success. As of December 31, 2024 and 2023, management recorded an allowance for credit losses of \$5,000.

Property and Equipment: HPC's policy is to capitalize all major additions and improvements in excess of \$2,500. Repairs and maintenance which do not significantly add to the value of assets are expensed as incurred. Additions are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	<u>HPC</u>
Furniture and Fixtures	5 years
Office Equipment and Software	5 years
New Computers	3 years

Compensated Absences: Employees are entitled to paid vacation depending on the length of service. They are entitled to be compensated for up to eighty (80) hours of accumulated vacation. Any hours accumulated over eighty (80) must be approved by management to be compensated.

**Home Performance Coalition, Inc.**  
Notes to the Financial Statements  
December 31, 2024 and 2023

**Note 2. Summary of Significant Accounting Policies (continued)**

Deferred Revenue and Deferred Costs: Amounts represent revenues received or costs incurred for events that have not yet taken place and are required to be refunded/repaid should the event be cancelled.

Revenue Recognition:

1. Contracting Fees: HPC's contracting fees are recognized as revenue in the period in which services are provided.
2. Contributions and Grants: Unrestricted contributions and grants are recognized and reported as increases to net assets "without donor restrictions" in the statement of activities in the fiscal year in which the donor makes the unconditional promise to give to HPC. Contributions and grants that are restricted by the donor as to their specified purpose or time period for use are recognized and reported as increases to net asset "with donor restrictions" in the statement of activities in the fiscal year in which the donor makes the promise to give to HPC. When a donor restriction expires or is satisfied, the related assets are reclassified from net assets "with donor restrictions" to net assets "without donor restrictions" in the statement of activities.
3. Sponsorships, Conference Registration and Exhibitor Fees: Revenue received for a future event is deferred if it is required to be refunded should the event be cancelled. Revenue received for future events is recognized when the event occurs.

Functional Allocation of Expenses: The costs of providing the various programs and other activities of HPC have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated to program, general and administrative, and fundraising services, based primarily upon direct charges and on estimates made by management.

Tax Exempt Status: HPC is exempt from federal tax as an organization described in Section 501(c) (3) of the Internal Revenue Code. HPC is not a private foundation. Further, HPC annually files a Form 990 with the Internal Revenue Service. This form is subject to examination by the IRS, generally for three years after it is filed.

New Pronouncements: The Financial Accounting Standards Board ("FASB") issued new Accounting Standards Updates ("ASU") addressing various accounting and

**Home Performance Coalition, Inc.**  
Notes to the Financial Statements  
December 31, 2024 and 2023

**Note 2. Summary of Significant Accounting Policies (continued)**

reporting standards. Management has determined based on their review that there are no recently issued ASUs that were applicable to HPC. As new ASUs are released, management will assess if they are applicable and if they are applicable, their effect will be included in the financial statements.

Adoption of New Accounting Standards: In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, Leases (ASC 842). The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

HPC has no leases that qualified under the lease standard. The adoption of the lease standard did not have a material impact on the statements of financial position, the statements of activities, statements of functional expenses, nor statements of cash flows.

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, Measurement of Credit Losses on Financial Instruments, which amends the FASB's guidance on the impairment of financial instruments. The pronouncement adds to GAAP an impairment model that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses, which the FASB believes will result in more timely recognition of such losses. The pronouncement is also intended to reduce the complexity of GAAP by decreasing the number of credit impairment models that entities use to account for debt instruments. The pronouncement is effective for fiscal years, beginning after December 15, 2022. Earlier adoption is permitted subject to certain limitations. The adoption of the pronouncement did not have a material impact on the Company.

**Note 3. Cash and Cash Equivalents**

At December 31, 2024 and 2023, HPC had \$738,996 and \$27,803 respectively, in cash and cash equivalents. HPC maintains cash balances with various financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000

**Home Performance Coalition, Inc.**  
Notes to the Financial Statements  
December 31, 2024 and 2023

**Note 3. Cash and Cash Equivalents (continued)**

per financial institution. Management believes HPC is not exposed to any significant credit risk related to cash.

The following cash balances were on hand as of December 31, 2024 and 2023:

	2024	2023
First National Bank Checking	\$ 730,253	\$ 22,289
Citizens Bank Scholarship Account	8,743	5,514
Total	\$ 738,996	\$ 27,803

On December 31, 2024 and 2023, respectively, the above cash balances include \$8,743 and \$5,514 of donor restricted funds, respectively.

**Note 4. Accounts Receivable**

Accounts receivable consists of the following at December 31, 2024 and 2023:

	2024	2023
Contracting Fees	\$ 110,096	\$ 17,818
Other/Conference Related Fees	91,495	64,094
Less: Allowance for Doubtful Accounts	(5,000)	(5,000)
Total	\$ 196,591	\$ 76,912

**Note 5. Liquidity and Availability**

Financial assets consist of HPC's cash and cash equivalents and current receivables. The following represents HPC's financial assets as of December 31, 2024 and 2023, reduced by amounts not available for general use within one year of December 31 because of contractual or donor-imposed restrictions:

**Home Performance Coalition, Inc.**  
Notes to the Financial Statements  
December 31, 2024 and 2023

**Note 5. Liquidity and Availability (continued)**

	2024	2023
Total Assets	\$ 1,171,531	\$ 505,170
Less: Prepaid Expenses	27,189	22,415
Financial assets as of December 31	1,144,342	482,755
Less those unavailable for general expenditures within one year, due to contractual, board or donor-imposed restrictions: Restricted by donors with purpose restrictions.	8,743	5,514
Financial assets available to meet cash needs for general expenditures within one year.	\$ 1,135,599	\$ 477,241

**Note 6. Property and Equipment (at Cost)**

Property and equipment consists of the following:

	Balance 12/31/23	Increases (Decreases) In Assets	(Increases) Decreases Accumulated Depreciation	Balance 12/31/24
Cost:				
Furniture and Fixtures	\$ 28,821	\$ -	\$ -	\$ 28,821
Office Equipment/Computer Software	97,477	-	-	97,477
Fixed Assets - Other	2,737	-	-	2,737
Total Cost	129,035	-	-	129,035
Less: Accumulated Depreciation:				
Furniture and Fixtures	(28,821)	-	-	(28,821)
Office Equipment /Computer Software	(97,477)	-	-	(97,477)
Fixed Assets - Other	(2,737)	-	-	(2,737)
Total Accumulated Depreciation	(129,035)	-	-	(129,035)
Net Fixed Assets	\$ -	\$ -	\$ -	\$ -

All property and equipment was fully depreciated at December 31, 2024 and 2023.

**Home Performance Coalition, Inc.**  
Notes to the Financial Statements  
December 31, 2024 and 2023

**Note 7. Line of Credit**

On July 2, 2020, HPC entered into a revolving credit facility with First National Bank of Pennsylvania. Under the terms of the revolving credit facility, HPC has access to \$50,000. The revolving credit facility is due on demand and bears interest at prime plus 4.50%. At December 31, 2024 and 2023, there were no outstanding balance.

**Note 8. EIDL Loan**

On November 18, 2020, HPC executed the standard loan documents required for securing a loan (the "EIDL Loan") from the United States Small Business Administration (the "SBA") under its Economic Injury Disaster Loan assistance program in light of the impact of the COVID-19 pandemic on HPC's business. The principal amount of the EIDL Loan is \$25,000 with proceeds to be used for working capital purposes. Interest on the EIDL Loan accrues at the rate of 2.75% per annum and installment payments, including principal and interest, are due monthly beginning twenty-four months from the date of the EIDL Loan in the amount of \$107 dollars.

The balance of principal and interest is payable thirty years from the date of the promissory note. Each payment will be applied first to interest accrued to the date of receipt of each payment, and the balance, if any, will be applied to the principal. Interest on the loan was not material.

On August 20, 2021, HPC received an additional \$175,000 from its initial EIDL loan referred to above. The terms and conditions for the additional \$175,000 are the same as the initial \$25,000 loan amount except the monthly installment payments increase from \$107 to \$889 in August 2023.

As of December 31, 2024, maturities of long-term debt as follows:

Year	Amount
2025	5,439
2026	5,591
2027	5,747
2028	5,894
2029	6,071
Thereafter	163,870
	<u>\$ 192,612</u>

**Home Performance Coalition, Inc.**  
Notes to the Financial Statements  
December 31, 2024 and 2023

**Note 9. Employee Retention Credit Income**

The Employee Retention Tax Credit (ERTC) was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020. The credit provides a stimulus to employers continuing to pay wages during operational and economic difficulties caused by Covid-19. The credit is based on qualified employee wages and health plan expenses paid after March 12, 2020 and before October 1, 2021.

The credits related to the ERTC program are included in other income and expense in the accompanying statement of activities. The Company recognized \$151,005 and \$59,486 of employee retention credit income, related to performance requirements being met and costs being incurred in compliance with the program during the years ended December 31, 2024 and 2023, respectively.

**Note 10. Compensated Absences**

Employees are entitled to paid vacation depending on the length of service. Amounts earned, but not yet used, totaled \$27,563 and \$25,352 at December 31, 2024 and 2023, respectively. This amount is included in accrued expenses on the Statements of Financial Position.

**Note 11. Deferred Revenue**

Deferred revenue consists of the amount of deferred revenue incurred for events that have not yet taken place. These amounts would be required to be refunded or repaid should the event be cancelled. As of December 31, 2024, and 2023, the amount of deferred revenue was \$720,075 and \$333,190, respectively. All amounts are for conferences planned in 2025 and 2024.

**Note 12. Donor Restricted Net Assets**

Donor restricted net assets consist of Contributions and Grants restricted for programs for which the expenditures have not yet been incurred, or the time to which the contributions relate has not yet elapsed. At December 31, 2024 and 2023, donor restricted net assets of \$8,743 and \$5,514, respectively, were available for the Memorial Scholarship.

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**Note 13. Net Assets Released from Restrictions**

Net assets were released from donor restrictions after expenses were incurred which satisfied restrictions imposed by the grant. Expenditures of \$100,000 and \$165,000 were incurred during the years ended December 31, 2024 and 2023, respectively, from the E4The Future, Inc. grant.

**Note 14. Concentration of Revenue**

HPC had the following revenues and percentages of total revenues for the years ended December 31, 2024 and 2023 respectively:

	2024 Amount	2024 Percentage of Total	2023 Amount	2023 Percentage of Total
Contract Revenue	\$ 376,854	11.9%	\$ 23,908	.8%
Grants	100,000	3.2%	165,000	5.7%
Conference Revenue	2,492,679	78.8%	2,518,205	86.6%
Publishing Revenue	-	0.0%	9,100	.3%
Exhibitor Fees	190,070	6.0%	188,359	6.5%
Other	4,982	0.1%	3,426	0.1%
<b>Total</b>	<b>\$3,164,585</b>	<b>100%</b>	<b>\$2,907,998</b>	<b>100%</b>

**Note 15. Tax Status**

Management asserts that they have no uncertain tax positions. ASC 740 clarifies the accounting for uncertainty in tax positions and requires that an entity recognize in its financial statements the impact of a tax position, only if it is more likely than not of being sustained upon examination, based on the technical merits of the position.

HPC is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. HPC believes it is no longer subject to income tax examinations for years up to and including the year ended December 31, 2022.

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**Note 16. Related Parties**

During 2018, HPC, Efficiency First, Inc. (EF) and Building Performance Institute (BPI) collaborated on the creation of a national trade association representing the home performance industry. The association, approved by the IRS as a 501(C)(6) organization, was initially named US Building Performance Association, Inc. (USBPA). The name of USBPA was changed to Building Performance Association, Inc. (BPA) in March of 2019. HPC, EF, and BPI each appointed four (4) interim board members to the new organization. The mission of BPA is to improve the health, safety, comfort, durability, and energy efficiency of all residential buildings through retrofit or home improvement services. This will be done by supporting member businesses in the development and delivery of products and services that improve the health, comfort and durability of homes and makes them more energy efficient and affordable for the homeowners.

During 2024 and 2023, HPC provided management and accounting services to BPA. At December 31, 2024 and 2023, HPC recorded a related party receivable of \$208,755 and \$378,040, respectively for these services. During 2024 and 2023, BPA reimbursed HPC \$535,453 and \$716,500, respectively. As funds become available from grants and additional revenues, BPA will continue to reimburse HPC.

Beginning on December 11, 2018, both HPC and BPA have shared a common board of directors.

**Note 19. Subsequent Events**

HPC has evaluated subsequent events in accordance with ASC Topic 855, Subsequent Events, through June 10, 2025, which is the date the financial statements were available to be issued. Based on their review, no events were identified.