NHDES

The State of New Hampshire
Department of Environmental Services

Robert R. Scott, Commissioner

July 28, 2026

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Environmental Services (NHDES) to amend a **SOLE SOURCE** contract (PO# 1097314) with Northeast States for Coordinated Air Use Management (NESCAUM) (VC# 161746-B001), Boston, Massachusetts for services related to the analysis and reporting of economic impacts for the Environmental Protection Agency (EPA) "Climate Pollution Reduction Grant" program by (1) increasing the contract amount by \$70,290 to \$325,790 from \$255,500, and (2) revising the Scope of Services to include additional tasks, effective upon Governor and Council approval through August 31, 2027. The original agreement was approved by Governor & Council on December 20, 2023, Item #114 and amended on June 26, 2024, Item #5I, on December 18, 2024, Item 90 and on September 17, 2025, Item 79A. 100% Federal Funds.

Funding is available in the following account with the authority to adjust encumbrances in each of the State fiscal years through the Budget office, if needed and justified.

	FY 2027
03-44-44-443010-5639-102-500731	\$70,290

Dept. of Environmental Services, AIR IRA Grant – Pollution Reduc, Contracts for Program Services

EXPLANATION

NHDES requests approval of this amendment to provide additional funding to complete existing and supplemental tasks to the agreed upon scope of services. A copy of the amended original agreement is attached. This amendment is **SOLE SOURCE** because NESCAUM is uniquely qualified and experienced to perform the analysis and reporting necessary for this comprehensive work. NESCAUM's continued support will most efficiently allow for ongoing delivery of services for this grant. NHDES needs to perform the additional tasks proposed in this amendment in order to meet the deliverables in the CPRG Planning Grant program, which is the submission of the Comprehensive Climate Action Plan (CCAP) by January 15, 2027, and the Status Report by August 15, 2027.

The purpose of the original agreement was for NESCAUM to assist NHDES with the required economic analysis aspects of the federally funded \$3 million CPRG Planning Grant. The subsequent amendments have kept the work progressing forward by providing for continuity with existing partners. This amendment is necessary to provide additional funding and adjust the scope of services as needed for NHDES to meet the deliverable deadline for the CCAP, as well as assist NHDES with completing the Status Report as the third and final deliverable for the program.

NHDES successfully submitted the first of three deliverables to the EPA on March 1, 2024. Its successful completion and NHDES's commitment to submit a subsequent comprehensive plan as the second deliverable enabled NHDES to participate in a multistate (ME, NH, MA, RI, CT) application for $450 million in CPRG implementation funding to accelerate adoption of heat pumps across the region. NHDES would not have received funding through the New England Heat Pump Accelerator (NEHPA) program if it was not for its timely submission of the first deliverable to the EPA for the CPRG Planning Grant.

The purpose of submitting the CCAP as the second deliverable and the Status Report as the third and final deliverable to the EPA is so that NHDES can help New Hampshire communities adopt these practices on a voluntary basis. The plan does not mandate any actions but rather highlights other state plans and programs so that New Hampshire communities can have the choice to benefit from this plan's adoption. By submitting this plan and status report to EPA, NHDES will be best positioned to offer technical assistance and outreach to New Hampshire's communities by providing sound and accurate data with the support from NESCAUM and other partners.

To date, $165,683 of the agreement amount of $255,500 has been spent. Total amended project costs are $70,290. NHDES will provide 100% of the project costs through the federal grant.

This amendment has been approved as to form, substance, and execution by the Office of Attorney General. In the event that Federal funds become no longer available, general funds will not be requested to support this program.

We respectfully request your approval.

Robert R. Scott
Commissioner

AMENDMENT #4
TO CONTRACT
BETWEEN
STATE OF NEW HAMPSHIRE
DEPARTMENT OF ENVIRONMENTAL SERVICES
AND
NORTHEAST STATES FOR COORDINATED AIR USE MANAGEMENT (NESCAUM)

ECONOMIC IMPACT AND BENEFIT ANALYSIS FOR THE NH COMPREHENSIVE CLIMATE ACTION PLAN AND STATUS REPORT

WHEREAS in 2023, NHDES has entered into a Sole Source Agreement with the Northeast States for Coordinated Air Use Management (NESCAUM) in the amount of $60,000 for provision of an economic analysis on the benefits of reducing air emissions along with other air pollutants in low income and disadvantaged communities which was approved by Governor and Council on December 20, 2023, as Item 114.

WHEREAS in 2024, NHDES executed a Sole Source Amendment 1 to the Agreement to extend the agreement completion date from June 30, 2024, to June 30, 2025, which was approved by Governor and Council on June 26, 2024, as Item 5I.

WHEREAS in 2024, NHDES executed a Sole Source Amendment 2 to the Agreement by (1) extending the project completion date to January 31, 2026, from June 30, 2025, (2) increasing the contract amount by $83,000 to $143,000 from $60,000, and (3) revising Exhibit B Scope of Services to include additional tasks. All of which was approved by Governor and Council on December 18, 2024, as Item 90.

WHEREAS in 2025, NHDES executed a Sole Source Amendment 3 to the Agreement by (1) extending the project completion date to August 31, 2027, from January 31, 2026, (2) increasing the contract amount by $112,500 to $255,500 from $143,000, and (3) revising Exhibit B Scope of Services to include additional tasks. All of which was approved by Governor and Council on September 17, 2025, as Item 79A.

NOW THEREFORE, amend the original agreement between NHDES and NESCAUM as approved by Governor and Council on December 20, 2023, as Item #114, amended on June 26, 2024, as Item 5I, amended on December 18, 2024, as Item 90 and on September 17, 2025, Item 79A in the following manner to provide an additional $70,290 to continue ongoing work and to assist with the additional analyses needed for NHDES to submit the Comprehensive Climate Action Plan (CCAP) and Status Report as the final two deliverables of the U.S. Environmental Protection Agency (EPA) federal grant program.

Change section 1.8 (Price Limitation) in the General Provision of the Agreement to read: $325,790.

Replace Exhibit B.2 Dated: August 22, 2025, Scope of Services with Exhibit B.3 Dated: July 20, 2026, Scope of Servies, which is incorporated herein by reference.

Revise Exhibit C METHOD OF PAYMENT first sentence to read: 1) Payments under this contract are not to exceed $325,790 for the services provided by the contractor pursuant to Exhibit B.3 **Dated: July 20, 2026**, Scope of Services.

All other conditions outlined in the contract shall remain in effect.

THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF ENVIRONMENTAL SERVICES

By: ______________________
Robert R. Scott, Commissioner
Department of Environmental Services

NORTHEAST STATES
FOR COORDINATED AIR USE
MANAGEMENT (NESCAUM)

By: ______________________
Name: Katharine Deuel
NESCAUM

Approval by OFFICE OF THE ATTORNEY GENERAL:
As to form, substance, and execution

Date: 8/12/2026 By: Keely Lovato-Latham
Keely Lovato-Latham AAG

Approval by Governor and executive council:

Date: ______________ By: ______________________

EXHIBIT B.3.

Dated: July 20, 2026

SCOPE OF SERVICES

Project Title: Economic Impact Analysis for the New Hampshire Climate Pollution Reduction Grants

Federal Award Identification Number (FAIN): 00AD1353

(Awarded August 18, 2023)

CFDA Number and Name: 66.046, Climate Pollution Reduction Grants

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This Scope of Services describes activities that have been agreed to between the New Hampshire Department of Environmental Services (NHDES) and Northeast States for Coordinated Air Use Management (NESCAUM) for analysis of economic benefits associated with the implementation of recommended actions of a Comprehensive Climate Action Plan (CCAP) along with an update to that analysis through the creation of a Status Report at the summary of the project.

This Contract will become effective upon approval by the Governor and Council through August 31, 2027.

For the purposes of this Contract, NHDES and NESCAUM agree to the following:

1. NHDES shall assign the appropriate staff to coordinate this project with NESCAUM.
2. NESCAUM shall provide a state-wide benefit analyses, low-income and disadvantaged communities (LIDAC) benefit analyses, and workforce planning analysis from emission reduction measures developed in response to the United States Environmental Protection Agency (EPA) Climate Pollution Reduction Grants No. 00A01353. Such analyses shall meet the requirements of the Federal program.
3. NESCAUM shall, using a methodological approach, identify and develop key economic performance indicators to be used in economic impact analyses of the CCAP and document all assumptions, methodology and data sources utilized.
4. NESCAUM shall provide analyses of the economic impacts on the whole state of New Hampshire, LIDACs, and others as identified by NHDES, that would occur should actions developed for the CCAP be implemented. Such analysis shall include, but not be limited to:
    a. Analysis of the projected economic impacts on various communities from implementation of measures identified in the CCAP.
    b. Analysis of anticipated workforce shortages that could prevent NHDES from achieving the goals described in the CCAP and identify potential solutions and partners at the state, regional, and/or local level that are equipped to help address those challenges.
5. NESCAUM shall provide GHG emissions projection analyses on both a near-term (2026-2030) and long term (2026-2050) implementation scenario, through NHDES approved modeling applications for the CCAP's GHG emission reduction measures along with a business as usual scenario for each sector.

Initials: KD
Date: 7/22/26

6. NESCAUM shall assist NHDES in providing final editing of the CCAP, ensuring the CCAP complies with EPA report requirements and NHDES publication guidelines, consistency of data and language throughout the entire document, and contribute graphics to stylize brand aesthetics and illustration of data throughout the final version of the CCAP.
7. For the CCAP, NESCAUM shall provide quantified emissions reductions and cumulative emissions reductions to 2030 and 2050 for an Electrical Generation and Use measure addressing demand response.
8. For the CCAP, NESCAUM shall provide quality assurance and quality control on the final data analysis for the CCAP's GHG emission reduction measures, including consistency of near-term (2026-2030) and long term (2026-2050) targets and timelines according to EPA program guidance.
9. For the Status Report, NESCAUM shall provide a review and update for the following elements, in alignment with EPA requirements as laid out in the CPRG Status Report Primer dated February 2026 and any subsequent revisions:
    a. GHG emissions projection analyses on both a near-term (2026-2030) and long term (2026-2050) implementation scenarios, through NHDES approved modeling applications, for any new CCAP measures or existing measures that have had notable implementation changes (e.g., fully implemented).
    b. State-wide benefit analyses and workforce planning analyses from emission reduction measures developed which have had notable implementation changes;
    c. Authority to implement and intersection with other available funding.
    d. Quality assurance and quality control on the final data analysis for the Status Report GHG emission reduction measures, including consistency of near-term (2026-2030) and long term (2026-2050) targets and timelines according to EPA program guidance for any new CCAP measures or existing measures that have had notable implementation changes.

Timeline for deliverables *(Updated July 20, 2026)*:

CPRG Grant Element	Due to NHDES	Due to EPA
CCAP *(Items 7 and 8)*	November 1, 2026	January 15, 2027
Status Report *(Item 9)*	April 1, 2027	August 15, 2027

Initials: KD
Date: 7/22/2026

NESCAUM
www.nescaum.org

Northeast States for Coordinated Air Use Management
89 South Street, Suite 602 Boston, MA 02111
Phone 617-259-2000 Fax 617-742-9162
Michelle Manion, Executive Director

July 13, 2026

To Whom it May Concern:

I, Glenn Keith, hereby verify as the NESCAUM Treasurer that the NESCAUM Board approved by motion on September 19, 2012 that the NESCAUM Executive Director and Deputy Director are authorized to sign binding contracts on behalf of NESCAUM.

Sincerely,

Glenn Keith

Glenn Keith
Director Air and Climate Programs
Massachusetts Department of Environmental Protection
Treasurer, NESCAUM

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 8/6/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Arthur J. Gallagher Risk Management Services, LLC
1 Research Dr Ste 300B
Westborough MA 01581

CONTACT NAME: Manuela Fernandes
PHONE (A/C, No, Ext): 800-333-7234 FAX (A/C, No): 617-328-8282
E-MAIL ADDRESS: manuela_fernandes@ajg.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Arbella Protection Insurance Company	41360
INSURER B : Twin City Fire Insurance Company	29459
INSURER C : Hanover Insurance Company	22292
INSURER D :	
INSURER E :	
INSURER F :	

INSURED NORTSTA-91
North East States Coordinated Air Use Management (NESCAUM)
(NESCAUM)
89 South Street, Suite 602
Boston MA 02111

COVERAGES **CERTIFICATE NUMBER:** 710280528 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC OTHER:			852014376402	10/4/2025	10/4/2026	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
							PRODUCTS - COMP/OP AGG	$ Included
								$
A	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY / SCHEDULED AUTOS X HIRED AUTOS ONLY / X NON-OWNED AUTOS ONLY			852014376402	10/4/2025	10/4/2026	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
A	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED X RETENTION $ 10,000			462008737607	10/3/2025	10/3/2026	EACH OCCURRENCE	$ 1,000,000
							AGGREGATE	$ 1,000,000
								$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBEREXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		41WECKM9168	1/11/2026	1/11/2027	X PER STATUTE OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
C C	Professional Liability Directors & Officers			LHN J918179 01 LHNA72297012	1/1/2026 8/31/2026	1/1/2027 8/31/2027	Limit/Aggregate Retention Limit	$1,000,000 10,000 $1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

NEW HAMPSHIRE DEPARTMENT OF ENVIRONMENTAL SERVICES
AIR RESOURCES DIVISION, TECHNICAL SERVICES BUREAU
C/O MICHAEL FITZGERALD
29 HAZAN DRIVE, PO BOX 95
CONCORD NH 03302

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Arthur J. Gallagher Risk Management Services, LLC

NONPROFIT COVER SHEET

A. Entity Name: Northeast States for Coordinated Air Use Management (NESCAUM)

B. Entity's Contact Information:

For Records Requests (e.g., resumes of key personnel; audited financial statements):

Name / Phone / Email: Katharine Deuel, 617-259-2024, kdeuel@nescaum.org

Person responsible for Accuracy and Completeness of information provided:

Name: Katharine Deuel Title: Deputy Director

Signature:

C. List Board of Directors and Affiliations

Name (Identify any additional role(s) in parentheses)	Affiliations
See attachment	

D. List Key Personnel (Resumes must be available upon request to the person(s) listed in section B or may be attached):

Name	Role	Annual Salary	Amount Paid From This Contract
Katharine Deuel	Deputy Director	$164,200	$6,390

DISCLOSURE OF LEGAL ACTIVITIES INVOLVING THE STATE OF NEW HAMPSHIRE OR ANOTHER GOVERNMENT ENTITY

E. Check one of the following:

[X] The entity is **not currently or has not been** party to any legal proceeding involving the State of New Hampshire (or any agency or subdivision thereof) or any other state/federal government entity before any adjudicative body in any jurisdiction **OR**

[ ] The entity is or has been party to one or more legal proceedings as set forth above. Identify the jurisdiction, court or other adjudicative body, case number, and briefly describe the nature of the proceeding. (Attached extra sheet if necessary.)

____

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CHARITABLE TRUSTS UNIT COMPLIANCE CERTIFICATION

F. Check one of the following:

[X] is registered and in good standing with the New Hampshire Department of Justice Charitable Trusts Unit (** see note below) **or** has submitted a complete application for registration to the Charitable Trusts Unit and is awaiting a registration determination **OR**

[ ] is not required to register with the Charitable Trusts Unit because it is neither tax-exempt under section 501(c)(3) of the Internal Revenue Code nor engages in charitable solicitations in the State of New Hampshire **OR**

[ ] is exempt from registration with the Charitable Trusts Unit because it is a federal or state government, agency, or subdivision or is a religious organization, an integrated auxiliary of a religious organization, or is a convention or association of churches.

** Note: Attached screenshot from the DOJ Registered Charities List found online:

FINANCIAL DISCLOSURES

G. Check one the following:

[X] The organization hired an outside firm to audit its financial statements or to prepare GAAP-compliant financial statements for its most recently completed fiscal year. If so, please ensure that the financial statements and audit results are available to be requested from the contact listed on Page 1 (audited financials may be attached) **OR**

[ ] The above does not apply, but the organization filed an IRS Form 990 or Form 990-EZ for its most recently completed fiscal year. Please attach that IRS Form 990 or Form 990-EZ to the submission. (Form 990 Schedule B is not required) **OR**

[ ] ***If neither of the above apply***, complete the Income Statement and Balance Sheet below with the following basic financial information from the organization's most recently completed fiscal year:

1. INCOME STATEMENT

Revenue		Expenses	
Grants	$	*Compensation of officers, directors, and key personnel*	$
Donations	$		
Program Services Revenue	$	*Other salaries & wages*	$
Interest & Dividends	$	*Payroll taxes & employee benefits*	$
All other Revenue	$	*Occupancy, rent, utilities, and insurance*	$
Total Revenue	$	*Printing, publications, postage, office supplies, and IT*	$
		All other expenses	$
		Total Expenses	$

2. BALANCE SHEET

Assets	
Cash & Equivalents	$
Investments	$
Real Estate (less any depreciation)	$
Other Property & Equipment (less any depreciation)	$
Pledges, grants, accounts receivable	$
All other assets	$
Total Assets	$

Liabilities	
Accounts Payable	$
Loans Payable	$
All other liabilities	$
Total Liabilities	$

Northeast States for Coordinated Air Use Management, Inc.

Financial Statements

September 30, 2025 and 2024

Northeast States for Coordinated Air Use Management, Inc.
Financial Statements
September 30, 2025 and 2024

Contents

GRASSI

Independent Auditor's Report

To the Board of Directors of
Northeast States for Coordinated Air Use Management, Inc.
Boston, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities of Northeast States for Coordinated Air Use Management, Inc. ("NESCAUM"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise NESCAUM's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of NESCAUM as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NESCAUM, 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 opinion.

Prior Period Financial Statement

The financial statements of Northeast States for Coordinated Air Use Management, Inc. as of September 30, 2024 were audited by Anstiss & Co., P.C., who merged with Grassi & Co., CPAs, P.C. as of January 1, 2025, and whose report dated April 9, 2025, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about NESCAUM's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 NESCAUM'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 NESCAUM'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of budgetary comparison information on pages 4-6 and 26-27, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise NESCAUM's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the schedules of personnel, program, and overhead expenses, and indirect costs and indirect cost rate on pages 28-31 are presented for purposes of additional analysis and are 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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, the schedules of personnel, program, and overhead expenses, and indirect costs and indirect costs rates are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2026, on our consideration of NESCAUM'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 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 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 effectiveness of NESCAUM's internal control over financial reporting and compliance.

Grassi & Co., CPAs, P.C.

GRASSI & CO., CPAs, P.C.

Chelmsford, Massachusetts
June 29, 2026

Northeast States for Coordinated Air Use Management
Required Supplementary Information
Management's Discussion and Analysis

The following is offered to the readers of the Northeast States for Coordinated Air Use Management (hereinafter "NESCAUM") financial statements. It is a narrative overview and analysis of the financial performance of NESCAUM during the fiscal year ended September 30, 2025 . Please read this discussion and analysis in conjunction with NESCAUM's basic financial statements, which begin on page 7. This financial report is designed to provide a general overview of NESCAUM's finances for all those with an interest in NESCAUM's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Debjani Brahmachari, NESCAUM Director of Finance, 89 South St., Suite 602, Boston, MA 02111.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to NESCAUM's basic financial statements. NESCAUM is a non-profit organization engaged in only business type activities. As such, its financial statements consist of only those financial statements required for proprietary funds and the related notes.

The statements of net position present information on the assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of NESCAUM is improving or deteriorating.

The statements of revenues, expenses and changes in net position report the operating revenues and expenses for the fiscal year used to determine the net change in position. That change combined with the previous year's end net position total reconciles to the net position total at the end of this fiscal year.

The statements of cash flows report cash and investment activities for the fiscal year resulting from operating activities, capital and related financing activities, and investing activities. The net result of these activities added to the beginning of the year cash and investment balance reconciles to the cash and investment balance at the end of the current fiscal year.

The notes to the financial statements provide additional information that is essential to the understanding of the data provided in the basic financial statements. The notes to the financial statements can be found beginning on page 7 of the report. The following is a summary of condensed financial data for the current and prior fiscal years.

Northeast States for Coordinated Air Use Management
Required Supplementary Information
Management's Discussion and Analysis

Financial Highlights and Economic Factors
The NESCAUM assets exceeded the liabilities at the close of the most recent fiscal year by $2,066,704. The total net position increased $341,204 for the fiscal year ending September 2025. Expenses, except for depreciation, are funded annually through a combination of federal, state, and foundation grants and contracts. NESCAUM's net position consists primarily of cash, accounts receivable, and investments.

NESCAUM continues to receive a sizable portion of its funding from the United States Environmental Protection Agency (EPA) in the form of grants and cooperative agreements. From its member states, NESCAUM receives direct financial support in the form of annual dues as well as substantial additional federal funding for projects pertaining to clean transportation programs, regional haze planning, and air quality forecasting support. NESCAUM also receives a grant directly from EPA to manage the Ozone Transport Commission.

During fiscal year 2025, NESCAUM received new funding from the EPA totaling $1,564,087 and federal passthrough funds from multiple projects totaling $1,015,590. NESCAUM also received $299,655 in new funding from the New York State Energy Research and Development Authority. Project period end dates for the new funding vary, ranging from September 30, 2025 through September 30, 2027.

Northeast States for Coordinated Air Use Management
Required Supplementary Information
Management's Discussion and Analysis

The following is a summary of condensed financial data for the current fiscal year.

	FY 2025	FY 2024
Assets:		
Current and other assets	13,513,592	13,308,818
Capital assets, net	-	-
Non-current assets	1,083,013	236,339
Total assets	14,596,605	13,545,157
Liabilities:		
Current liabilities - Unexpended grant authorizations	11,084,870	11,032,284
Current liabilities - other	695,356	787,373
Non-current liabilities	749,675	-
Total liabilities	12,529,901	11,819,657
Net position:		
Net position - general reserve	1,386,556	1,063,877
Net position - restricted	680,148	661,623
Total net position	2,066,704	1,725,500

	FY 2025	FY 2024
Program revenues:		
Operating grants and contributions	5,673,944	5,007,900
Other program revenue	-	5,801
Total program revenues	5,673,944	5,013,701
General revenues:		
Rental income	2,403	12,055
Unrestricted investment income	129,720	83,034
Total general revenues	132,123	95,089
Expenses:		
Program services	4,488,781	4,512,190
Management and general	976,082	800,405
Operating expenses	5,464,863	5,312,595
Loss due to theft	-	106,099
Other expenses	-	106,099
Change in net position	341,204	(309,904)
Net position – beginning of year	1,725,500	2,035,404
Net position – end of year	2,066,704	1,725,500

Northeast States for Coordinated Air Use Management, Inc.
Statement of Financial Position
September 30, 2025 and 2024

	2025	2024
Assets		
Current assets		
Cash and cash equivalents	$ 2,453,179	$ 1,852,917
Federal grants receivable	9,132,644	9,145,243
Other grants receivable	1,548,154	1,967,398
Investments	356,933	306,800
Due from Ozone Transport Commission	12,014	27,197
Prepaid expenses	10,668	9,263
Total current assets	13,513,592	13,308,818
Non-current assets		
Property and equipment, net	-	-
Right-of-use asset, net of accumulated amortization	879,956	34,769
Other assets	203,057	201,570
Total non-current assets	1,083,013	236,339
Total assets	$ 14,596,605	$ 13,545,157
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	$ 251,599	$ 475,469
Accrued payroll liabilities	175,014	163,775
Due to U.S. Environmental Protection Agency	7,916	-
Current portion of lease liability	150,827	38,129
Deferred revenue	110,000	110,000
Federal unexpended authorizations	8,947,564	8,944,679
Other unexpended authorizations	2,137,306	2,087,605
Total current liabilities	11,780,226	11,819,657
Non-current liabilities		
Lease liability, net of current portion	749,675	-
Total non-current liabilties	749,675	-
Total liabilities	12,529,901	11,819,657
Net Assets		
Without donor restrictions	1,386,556	1,063,877
With donor restrictions	680,148	661,623
Total net assets	2,066,704	1,725,500
Total liabilities and net assets	$ 14,596,605	$ 13,545,157

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

Northeast States for Coordinated Air Use Management, Inc.
Statement of Activities and Changes in Net Assets
For the Years Ended September 30, 2025 and 2024

	2025			
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Dono Restrictions**
Revenue				
Federal grants	$ 3,074,089	$ -	$ 3,074,089	$ 2,170,928
Other grants	1,392,411	1,150,000	2,542,411	2,055,487
State paid dues	57,444	-	57,444	131,485
Realized gain on investments	-	-	-	7,053
Unrealized gain on investments	45,360	-	45,360	70,088
Interest and dividend income	84,360	-	84,360	5,893
Rental income	2,403	-	2,403	12,055
Other income	-	-	-	5,801
Net assets released from restriction	1,131,475	(1,131,475)	-	1,147,782
Total revenue	5,787,542	18,525	5,806,067	5,606,572
Expenses				
Personnel	3,060,707	-	3,060,707	2,792,882
Program	1,982,385	-	1,982,385	2,212,598
Overhead	421,771	-	421,771	307,115
Total expenses	5,464,863	-	5,464,863	5,312,595
Other expenses				
Loss due to theft	-	-	-	106,099
Total other expenses	-	-	-	106,099
Change in net assets	322,679	18,525	341,204	187,878
Net assets, beginning of period	1,063,877	661,623	1,725,500	875,999
Net assets, end of year	$ 1,386,556	$ 680,148	$ 2,066,704	$ 1,063,877

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

Northeast States for Coordinated Air Use Management, Inc.
Statement of Cash Flows - Direct Method
For the Years Ended September 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Grants	$ 6,100,929	$ 5,272,482
Other income	59,847	149,341
Receipt of interest income	79,587	691
Payments for personnel costs	(3,050,955)	(2,769,302)
Payments to vendors for program costs	(2,183,156)	(2,143,772)
Other operating payments	(405,990)	(413,885)
Loss due to theft	-	(106,099)
Net cash provided by operating activities	600,262	(10,544)
Cash Flows from Investing Activites		
Proceeds from sale of investments	-	30,851
Net cash used for investment activities activities	-	30,851
Cash Flows from Capital and Related Financing Activities		
Repayment of obligation under capital lease	-	(717)
Net cash used for capital and related financing activities	-	(717)
Net Increase in Cash and Cash Equivalents	600,262	19,590
Cash and Cash Equivalents at Beginning of Year	1,852,917	1,833,327
Cash and Cash Equivalents at End of Year	$ 2,453,179	$ 1,852,917

Reconciliation of changes in net assets to net cash provided by operating activities

	2025	2024
Changes in net assets	$ 341,204	$ (309,904)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	-	10,245
Amortization of right-of-use asset	176,697	106,823
Repayment of lease liability	(159,511)	(222,891)
Dividends reinvested	(4,773)	(5,202)
Net realized and unrealized gain on investment	(45,360)	(77,141)
Changes in assets/liabilities:		
Federal grant receivable	12,599	(7,859,622)
Other grant receivable	419,244	996,934
Due from Ozone Transport Commission	15,183	(22,570)
Prepaid expenses	(1,405)	422
Other assets	(1,487)	-
Accounts payable and accrued expenses	(223,870)	91,263
Accrued payroll and related taxes	11,239	22,344
Due to U.S. Environmental Protection Agency	7,916	-
Federal and other unexpended authorizations	52,586	7,258,755
Net cash provided by operating activities	$ 600,262	$ (10,544)

Note 1 – Reporting Entity

Northeast States for Coordinated Air Use Management, Inc. (NESCAUM) was originally formed by the Conference of State Public Health Officials, following the recommendations of the New England Governors' Conference. Subsequently, NESCAUM was designated by the Governors of the six New England states as the official Regional Interstate Planning Agency under the terms of Public Law 90-148 for the purpose of recommending standards of air quality and implementation thereof within New England. At the same time, the State of New York was admitted to NESCAUM, and NESCAUM was designated as the official Interstate Air Quality Planning Agency under the Federal Air Quality Act of 1967 for New York's boundaries with Massachusetts, Vermont, and Connecticut, exclusive of the New York-Metropolitan area. The State of New Jersey joined NESCAUM in 1977.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

NESCAUM's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial principles. NESCAUM applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions (when applicable) unless those pronouncements conflict with or contradict GASB pronouncements.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Under GAAP, financial information is classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of NESCAUM and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions
Net assets without donor restrictions comprise those assets upon which donors have placed no restrictions on the expenditure of the principal or income.

Net Assets with Donor Restrictions
Net assets subject to donor-imposed stipulations that may or will be met, either by actions of NESCAUM and/or the passage of time are classified as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

Income Taxes and Uncertain Tax Positions

NESCAUM has been granted tax-exempt status under Internal Revenue Code Section 501(c)(3) and is, therefore, generally exempt from federal and state income taxes. Accordingly, no provision for income taxes has been provided for in the accompanying financial statements. ASC 740-10, "Income Taxes" requires NESCAUM to evaluate and disclose tax positions that could have an effect on NESCAUM's financial statements. NESCAUM reports its activities to the Internal Revenue Service and to the Commonwealth of Massachusetts on an annual basis. These informational returns are generally subject to audit and review by the governmental agencies for a period of three years after filing.

Substantially all NESCAUM's income, expenditures and activities relate to its exempt purpose, therefore, management has determined that NESCAUM is not subject to unrelated business income taxes and will continue to qualify as a tax-exempt not-for-profit entity.

Fair Value of Financial Instruments

NESCAUM currently follows the provisions of ASC 820-10, "*Fair Value Measurements and Disclosures.*" ASC 820-10 applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. ASC 820-10 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy.

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that NESCAUM has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

For instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

ASC 825-10, "*Financial Instruments,*" permits an entity to measure many financial instruments and certain other assets and liabilities at fair value on an instrument-by-instrument basis.

Concentrations of Credit Risk

Financial instruments which potentially subject NESCAUM to concentrations of credit risk consist principally of cash and cash equivalents and grants receivable. The grants are due from Federal and state agencies, private institutions or from other charitable foundations. The loss of these funding sources would have an adverse impact on NESCAUM's operations.

Note 2 - Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

NESCAUM considers highly liquid investments, with an original maturity of three months or less to be cash equivalents. The carrying amount of cash equivalents is fair value. NESCAUM maintains its cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured (FDIC) limits. NESCAUM does not believe that it is subject to unusual credit risk beyond the normal risk associated with commercial banking relationships.

Grants Receivable

Receivables are periodically evaluated for collectability based on historical experience. An allowance for doubtful accounts is provided when grants and contracts receivable are considered uncollectible. No such allowance has been provided as management is of the opinion that all receivables as of September 30, 2025 and 2024 are collectible.

Investments

Investments held in equity securities with readily determinable fair value and all investments in debt securities are measured at fair value in the statements of financial position. Unrealized gains or losses are included in the changes in net assets. Investment income is reported net of brokerage fees and commissions. Investment transactions are recorded on a trade date basis.

Property and Equipment

Expenditures for routine repairs and maintenance are charged to operations as they are incurred, while those which significantly improve or extend the lives of existing assets are capitalized. Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets as follows:

Description	Years
Furniture, fixtures and Equipment	5-7

Deferred Revenue

Deferred revenue represents stated dues received relating to the following fiscal year. Deferred revenue was $110,000 for each of the years ended September 30, 2025 and 2024.

Revenue Recognition

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Federal grants are awarded to NESCAUM by the Environmental Protection Agency (EPA), state agencies, foundations, private institutions. The grants are deemed to be earned and recognized as revenues when expenditures are incurred in compliance with the specific grant restrictions. Amounts awarded but not yet earned are reported as federal and other unexpended authorizations.

Note 2 - Summary of Significant Accounting Policies (continued)

Leases

NESCAUM follows GASB Statement No. 87, "*Leases*" which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The new standard establishes the right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for all leases with a term of more than twelve months. Leases with terms of twelve months or less are exempt from being capitalized.

NESCAUM has measured and recorded its lease obligations at the present value of future lease payments using a discount rate of 3.91% based on its incremental borrowing rate as of the effective date of the lease.

Expense Allocation and Indirect Costs

Expenses are allocated to programs directly or based on time records and utilization estimates made by management. Certain expenditures, such as rent, telephone, supplies and administrative support that are not specifically identified to a particular program are allocated to each program based on direct salaries, wages, and tother direct expenses.

Recent Accounting Pronouncements Adopted

During 2025, the following GASB Pronouncements were adopted and implemented, when necessary, by NESCAUM. The adoption of these statements would not have a material impact on NESCAUM's financial statements.

- No. 101, *Compensated absences*

The GASB has not issued any further statements which require adoption subsequent to September 30, 2025.

Note 3 – Fair Value of Financial Instruments

NESCAUM uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures (Note 2). The following table presents NESCAUM's fair value hierarchy for those assets measured at fair value on a recurring basis as of September 30th:

	2025			
	Total	**Quoted Prices in Active Markets for Identical Assets Level 1**	**Significant Other Observable Inputs Level 2**	**Significant Unobservable Inputs Level 3**
Investments:				
Equity securities	$ 332,389	$ 332,389	$ -	$ -
Money market funds	23,507	24,544	-	-
Total Investments	$ 356,933	$ 356,933	$ -	$ -

Note 3 – Fair Value of Financial Instruments (continued)

	2024			
	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investments:				
Equity securities	$ 283,293	$ 283,293	$ -	$ -
Money market funds	23,507	23,507	-	-
Total Investments	$ 306,800	$ 306,800	$ -	$ -

Note 4 – Property and Equipment

Property and equipment consisted of the following as of September 30th:

	2025	2024
Equipment	$ 115,664	$ 115,664
Furniture and fixtures	41,686	41,686
Leasehold improvements	4,748	4,748
Less: Accumulated depreciation	(162,098)	(162,098)
Capital assets - net	-	-

Depreciation expense was $10,245 for the year ended September 30, 2024. There was no such depreciation expense for the year ended September 30, 2025.

Note 5 – Changes in Federal Unexpended Authorizations

	2025	2024
Balance at beginning of year	$ 8,944,679	$ 1,095,642
Grant awards	2,579,677	9,592,775
Less: grant expenditures	(2,576,792)	(1,743,738)
Balance at end of year	$ 8,947,564	$ 8,944,679

Note 6 – Changes in Other Unexpended Authorizations

	2025	2024
Balance at beginning of year	$ 2,087,605	$ 2,677,887
Grant awards	2,639,056	2,119,332
Less: grant expenditures	(2,589,355)	(2,709,614)
Balance at end of year	$ 2,137,306	$ 2,087,605

Note 7 – Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following at September 30th:

	2025	2024
Purpose restrictions:		
Zero emission vehicle initiative	$ 176,768	$ 66,620
Building electrification initiative	192,431	237,825
Vehicle electrification support	310,949	320,461
Analysis of state regulations	-	10,500
Air Source Heat Pump Market Study	-	26,217
Total net assets with donor restrictions	$ 680,148	$ 661,623

Note 8 – Rental Income

In August 2023, NESCAUM entered into a one-year agreement to sublease a portion of its office space in Boston, Massachusetts with an effective date of November 30, 2023 and expiration date of November 30, 2024. Rental income under this agreement was $2,403 and $12,055 during the years ended September 30, 2025 and 2024, respectively. As the sublease expired on November 30, 2024, there is no future minimum rental income as of September 30, 2025.

Note 9 – Employee Benefit Plan

NESCAUM offers its employees over 21 years of age and working more than 1,000 hours per year an investment plan pursuant to section 403(b) of the Internal Revenue Code (the "Plan"). Employee contributions are determined in each employee's Salary Reduction Agreement, as defined in the Plan, and are limited to 20% of the participant's compensation, not to exceed the current contribution limits. NESCAUM is required to match employees' contributions up to 1% of each participant's compensation, and to make non-matching contributions equal to 6% of each participant's compensation. All participants are immediately 100% vested in all Plan contributions. The related retirement expense to the Plan totaled $154,776 and $145,970 for the years ended September 30, 2025 and 2024, respectively.

Note 10 – Lease Commitment

Effective December 2019, NESCAUM entered into a non-cancelable five-year operating lease agreement for office space in Boston, Massachusetts which included an option to extend through November 2028. This lease agreement expired in November 2024.

On October 10, 2024, NESCAUM entered into a new three-year lease agreement for the same office space, effective December 2024 through November 2027. This new agreement includes an option to extend through November 2030. NESCAUM is also required to pay their pro rata share of operating expenses and real estate taxes.

In accordance with GASB Statement No. 87, *Leases*, NESCAUM has recorded a lease asset in the amount of $1,021,884 and $600,607 as of September 30, 2025 and 2024, respectively and was reported net of accumulated amortization with an unamortized balance of $879,956 and $34,769 as of September 30, 2025 and 2024, respectively. A corresponding lease liability has been recorded in the amount of $900,502 and $38,129 as of September 30, 2025 and 2024, respectively, under this operating lease based on the present value of the remaining lease payments for the lease term discounted at a rate of 3.91%.

Note 10 – Lease Commitment (continued)

Total lease expense under this agreement amounted to $211,588 and $120,751 for the years ended September 30, 2025 and 2024, respectively, and is included in overhead expenses in the accompanying statement of activities and changes in net assets.

The components of the lease expense are as follows for the years ended September 30, 2025 and 2024:

	2025	2024
Amortization expense of lease asset	$ 176,697	$ 208,613
Interest expense on lease liability	31,169	7,428
Pro rata share of other expenses	3,722	6,500
Change in accounting estimates	-	(101,790)
Total lease expense	$ 211,588	$ 120,751

Effective October 1, 2023, NESCAUM reevaluated its right-of-use assets and corresponding lease liabilities under the requirements of GASB Statement No. 87, *Leases.* This reevaluation was prompted by NESCAUM updating their assumptions regarding the lease term as NESCAUM no longer intended to exercise the option to extend through November 2029. As a result of this reevaluation, the lease expenses during the year ended September 30, 2024 decreased by $101,790.

The following is a summary of future lease payments reconciled to the lease liability at September 30th:

2026	$ 183,366
2027	188,092
2028	192,830
2029	197,580
2030	202,342
Thereafter	33,856
Total minimum lease payments	998,066
Less discounted portion	(97,564)
Lease liability at September 30, 2025	900,502
Less current portion of lease liability	(150,827)
Lease liability, net of current portion	$ 749,675

Note 11 – Concentrations
Revenues from the EPA and a state agency totaled 56% and 69% of NESCAUM's total revenue for the years ended September 30, 2025 and 2024, respectively. 91% of grants receivable were due from the EPA and a state agency as of September 30, 2025 and 2024.

Note 12 – Related Party Transactions
NESCAUM has a split-dollar loan agreement (the "Arrangement") with the former Executive Director. The Arrangement obligated NESCAUM to pay annual life insurance premiums for the benefit of the former Executive Director through fiscal year 2019. The total cash surrender value of the life insurance policy was $456,945 and $413,418 for the years ended September 30, 2025 and 2024, respectively. NESCAUM's share of the cash surrender value, totaling $182,267 at September 30, 2025 and 2024, is included in other assets.

In November 2022, NESCAUM entered a three-year renewal of its January 2020 contract with the Ozone Transport Commission (OTC) to manage the entirety of OTC's operations. NESCAUM's funding for services provided is based on NESCAUM's staff labor rates, hours expended, fringe benefits, indirect costs and all other reasonable expenses necessary to perform the services in accordance with the terms of the contract and consistent with the EPA-approved OTC work program. Compensation is not to exceed the available OTC grant funding on a time and materials basis. This agreement remained in place through the year ended September 30, 2025, and NESCAUM subsequently renewed the contract again after year-end.

NESCAUM received $505,213 and $429,548 from OTC for these services which were included in federal grants revenue on the statement of activities and changes in net assets as of September 30, 2025 and 2024, respectively. NESCAUM has a balance due from OTC in the amount of $12,014 and $27,197 at September 30, 2025 and 2024, respectively.

Note 13 – Loss Due to Theft
During the year ended September 30, 2024, NESCAUM incurred a loss totaling $106,099 due to a spoofing attack. Spoofing is a form of cyber fraud in which attackers disguise themselves as a trusted entity to manipulate victims into disclosing sensitive information or transferring funds. NESCAUM has since adopted policies and procedures to mitigate the risk of similar incidents in the future.

Note 14 – Reclassification
During 2025, certain amounts from the prior year financial statements were reclassified to conform to current year presentation.

Note 15 - Contingencies
The Organization is subject to certain indemnification provisions arising in the ordinary course of business.

Under the terms of its office lease agreement, the Organization has agreed to indemnify the landlord for certain claims, losses, and liabilities arising from the Organization's use and occupancy of the leased premises, except to the extent caused by the landlord's negligence or willful misconduct. This indemnification obligation survives the termination of the lease.

Note 15 – Contingencies (continued)

In addition, the Organization entered into a grant agreement that includes an indemnification provision requiring the Organization to indemnify the grantor for certain claims, liabilities, and expenses arising from the Organization's use of grant funds or performance under the agreement, except to the extent such claims result from the grantor's actions.

Management is not aware of any claims or circumstances that would give rise to a liability under these indemnification provisions as of September 30, 2025 and 2024. Accordingly, no liability has been recorded in the accompanying financial statements.

Note 16 – Subsequent Events

ASC 855-10, "Subsequent Events," defines further disclosure requirements for events that occur after the statement of financial position date, but before financial statements are issued. In accordance with ASC 855-10, NESCAUM's management has evaluated events subsequent to September 30, 2025 through June 29, 2026, which is the date of the issuance date of this report.

There has been no material events noted during this period that would either impact the results reflected in this report or NESCAUM's results going forward.

Supplementary Information

GRASSI

Independent Auditor's 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*

To the Board of Directors of
Northeast States for Coordinated Air Use Management, Inc.

We have audited, in accordance with the 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 the governmental activities of Northeast States for Coordinated Air Use Management, Inc. ("NESCAUM"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise NESCAUM's basic financial statements, and have issued our report thereon dated June 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered NESCAUM'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 the NESCAUM's internal control. Accordingly, we do not express an opinion on the effectiveness of the NESCAUM'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 entity'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 the NESCAUM'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*.

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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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Grassi & Co., CPAs, P.C.

GRASSI & CO., CPAs, P.C.

Chelmsford, Massachusetts
June 29, 2026

GRASSI

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by The Uniform Guidance

To the Board of Directors of
Northeast States for Coordinated Air Use Management, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Northeast States for Coordinated Air Use Management, Inc.'s ("NESCAUM") 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 each of NESCAUM's major federal programs for the year ended September 30, 2025. NESCAUM's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, NESCAUM 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 September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted out 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 auditing 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of NESCAUM 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 NESCAUM'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, status, regulations, rules, and provisions of contracts or grant agreements applicable to NESCAUM's federal program.

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Auditor's Responsibilities 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 NESCAUM's compliance based on the 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 judgement made by a reasonable user of the report on compliance about NESCAUM'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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 NESCAUM'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 NESCAUM'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 NESCAUM'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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on NESCAUM's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 a 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 Auditor's 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.

Grassi & Co., CPAs, P.C.

GRASSI & CO., CPAs, P.C.

Chelmsford, Massachusetts
June 29, 2026

Northeast States for Coordinated Air Use Management, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ yes ✓ no
- Significant deficiency(ies) identified? ____ yes ✓ none reported

Noncompliance material to financial statements noted? ____ yes ✓ none reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ____ yes ✓ no
- Significant deficiency(ies) identified? ____ yes ✓ none reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ✓ yes ____ no

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
66.034	Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act

Dollar threshold used to distinguish between type A and type B programs: $1,000,000

Auditee qualified as low-risk auditee? ____ yes ✓ no

Northeast States for Coordinated Air Use Management, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2025

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

Instance of Noncompliance

2025-001 Submission of Audit Package and Data Collection Form

Criteria: The audit package and the Data Collection Form are required to be submitted to the Federal Audit Clearinghouse within thirty (30) days after the receipt of the auditor's report or nine (9) months after the end of the fiscal year – whichever comes first. Therefore, the deadline for submission of the September 30, 2024 audit package and Data Collection Form was June 30, 2025.

Condition: Completion of the final submission step for the Single Audit reporting package and Data Collection Form to the Federal Audit Clearinghouse occurred after the required due date of June 30, 2025, as prescribed by 2 CFR 200.512.

Recommendation: Internal controls be put in place to ensure timely submission of the NESCAUM's audit package and Data Collection Form to the Federal Audit Clearinghouse.

Views of Responsible Officials and Planned Corrective Action: NESCAUM agrees with the finding and will strengthen its internal procedures to ensure timely submission of the Federal Audit Clearinghouse reporting package going forward.

Northeast States for Coordinated Air Use Management, Inc.
Schedule of Budgetary Comparison
For the Year Ended September 30, 2025

	Original Budget	Actual Expenses	Variance
Personnel			
Salaries	$ 2,339,060	$ 2,378,070	$ (39,010)
Fringe benefits	668,999	666,812	2,187
Other personnel expense	5,800	15,825	(10,025)
Total personnel	3,013,859	3,060,707	(46,848)
Program expenses			
Subcontracts	-	1,423,745	(1,423,745)
Equipment	-	203,065	(203,065)
Supplies	31,000	23,378	7,622
Staff travel	55,700	67,598	(11,898)
Non-NESCAUM travel	132,500	136,325	(3,825)
Training program	16,500	57,600	(41,100)
Meeting costs	62,700	48,250	14,450
Telephone	1,000	625	375
Computer support	5,000	4,548	452
Printing and postage	7,000	14,154	(7,154)
Dues and subscriptions	-	826	(826)
Other direct costs	5,000	2,271	2,729
Total program expenses	316,400	1,982,385	(1,665,985)
Overhead expenses			
Occupancy	198,556	222,903	(24,347)
Legal and accounting	85,500	72,910	12,590
Computer support	17,700	18,535	(835)
Telephone	17,500	16,650	850
Dues and subscriptions	15,000	20,192	(5,192)
Printing and postage	1,000	797	203
Miscellaneous expenses	4,000	34,017	(30,017)
Office and computer supplies	10,000	9,661	339
Payroll service	9,500	10,109	(609)
Insurance	7,400	9,584	(2,184)
Bank charges and filing fees	3,500	6,413	(2,913)
Total overhead expenses	369,656	421,771	(52,115)
Total expenses	$ 3,699,915	$ 5,464,863	$ (1,764,948)
Percent over budget			47.70%

Northeast States for Coordinated Air Use Management, Inc.
Schedule of Budgetary Comparison
For the Year Ended September 30, 2024

	Original Budget	Actual Expenses	Variance
Personnel			
Salaries	$ 2,194,227	$ 2,173,186	$ 21,041
Fringe benefits	571,406	614,819	(43,413)
Other personnel expense	15,000	4,877	10,123
Total personnel	2,780,633	2,792,882	(12,249)
Program expenses			
Subcontracts	-	1,843,739	(1,843,739)
Equipment	-	12,589	(12,589)
Supplies	26,500	26,944	(444)
Staff travel	73,500	77,921	(4,421)
Non-NESCAUM travel	182,000	164,757	17,243
Meeting costs	57,700	63,252	(5,552)
Telephone	1,000	715	285
Computer support	10,000	6,066	3,934
Printing and postage	10,500	6,726	3,774
Dues and subscriptions	-	1,111	(1,111)
Other direct costs	9,000	8,778	222
Total program expenses	370,200	2,212,598	(1,842,398)
Overhead expenses			
Occupancy	224,401	131,230	93,171
Legal and accounting	81,500	72,081	9,419
Computer support	13,500	13,516	(16)
Telephone	17,500	16,291	1,209
Depreciation	-	10,245	(10,245)
Dues and subscriptions	15,000	17,977	(2,977)
Printing and postage	3,000	973	2,027
Miscellaneous expenses	4,800	252	4,548
Office supplies	10,000	19,616	(9,616)
Payroll service	9,500	13,707	(4,207)
Insurance	7,400	7,407	(7)
Bank charges and filing fees	3,500	3,820	(320)
Total overhead expenses	390,101	307,115	82,986
Total expenses	$ 3,540,934	$ 5,312,595	$ (1,771,661)
Percent under budget			50.03%

Northeast States for Coordinated Air Use Management, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Federal Grantor Pass-through Grantor Program or Cluster Title	Assistance Listing Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Environmental Protection Agency				
* Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	XA-00A01442	$ -	$ 1,097,692
		XA-00A01462	-	825,454
		XA-00A00698	-	175,241
Total Activities Relating to the Clean Air Act			-	2,098,387
Passed through the Ozone Transport Commission				
Ozone Transport Commission	66.033	OT-84060201	-	505,213
Passed through the New Hampshire Department of Environemntal Services				
Climate Pollution Reduction Grant	66.046	00AD133	-	49,446
Passed through the State of Connecticut Department of Energy and Environmental Protection				
Climate Pollution Reduction Grant	66.046	00A01474	-	4,165
Total Climate Pollution Reduction Grant			-	53,611
Passed through the State of Alaska Department of Environmental Conversion				
Performance Partnership Grants	66.605		-	298,884
Targeted Airshed Grant Program	66.956		-	79,994
Total passed through the State of Alaska Department of Environmental Conversion			-	378,878
Total U.S. Environmental Protection Agency			$ -	$ 3,036,089

Northeast States for Coordinated Air Use Management, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Northeast States for Coordinated Air Use Management, Inc. under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Northeast States for Coordinated Air Use Management, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of Northeast States for Coordinated Air Use Management, Inc.

Note 2 - 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 3 - Indirect Cost Rate

Northeast States for Coordinated Air Use Management, Inc. has elected not to use the 15-percent de minimis indirect cost rate allowed under the Uniform Guidance.

* Major program

Northeast States for Coordinated Air Use Management, Inc.
Schedules of Personnel, Program, and Overhead Expenses
For the Years Ended September 30, 2025 and 2024

	2025	2024
Personnel		
Salaries	$ 2,378,070	$ 2,173,186
Fringe benefits	666,812	614,819
Other personnel expense	15,825	4,877
Total personnel	3,060,707	2,792,882
Program expenses		
Subcontracts	1,423,745	1,843,739
Equipment	203,065	12,589
Supplies	23,378	26,944
Staff travel	67,598	77,921
Non-NESCAUM travel	136,325	164,757
Training program (subcontractor expense)	57,600	-
Meeting: food/catering	30,998	44,017
Meeting: meeting room	9,356	9,185
Meeting: speaker/audio	3,977	6,739
Meeting: registration	3,919	3,311
Telephone	625	715
Computer support	4,548	6,066
Printing and postage	14,154	6,726
Dues and subscriptions	826	1,111
Other direct costs	2,271	8,778
Total program	1,982,385	2,212,598
Overhead		
Occupancy	222,903	131,230
Legal and accounting	72,910	72,081
Computer support	18,535	13,516
Telephone	16,650	16,291
Depreciation	-	10,245
Dues and subscriptions	20,192	17,977
Printing and postage	797	973
Miscellaneous expenses	34,017	252
Office and computer supplies	9,661	19,616
Payroll service	10,109	13,707
Insurance	9,584	7,407
Bank charges and filing fees	6,413	3,820
Total overhead	421,771	307,115
Total expenses	$ 5,464,863	5,312,595

Northeast States for Coordinated Air Use Management, Inc.
Schedules of Indirect Costs and Indirect Cost Rate
For the Years Ended September 30, 2025 and 2024

	2025	2024
Indirect Costs		
Salaries	$ 420,541	$ 380,707
Fringe benefits	117,945	107,706
Rent	191,998	224,763
Utilities	10,415	10,480
Professional fees	71,700	69,210
Telephone	16,650	16,291
Office and computer supplies	9,661	19,616
Computer services	18,535	13,516
Dues and subscriptions	20,192	17,977
Payroll service	10,109	13,707
Insurance	9,584	7,407
Bank charges and filing fees	6,413	3,820
Depreciation	-	427
Postage	753	746
Interest	-	145
Recruiting	13,016	1,173
Printing	44	227
Total indirect costs	$ 917,556	$ 887,918
Direct cost base	$ 2,654,716	$ 2,291,188
Indirect cost rate	34.56%	38.75%

See independent auditor's report.

About Us

Mission Statement

NESCAUM, as a coalition of state air agencies, promotes regional cooperation and action by its member states in support of effective programs to reduce the adverse public health and environmental impacts of air pollution and climate change.

Vision

NESCAUM will remain a nationally-renowned and respected technical and policy resource center for its state members and promote collaborative action to make our states influential leaders in air quality and climate change policy and innovation. In supporting state needs, NESCAUM will develop strategic emission control options, participate in national debates, foster research, build alliances with other states and stakeholders, sponsor state training, provide a forum for states to exchange technical and policy information through committees and workgroups, and seek outside funding to leverage state support.

What We Do

NESCAUM works to improve public health and protect the environment by reducing air pollution and greenhouse gas emissions from electricity generation, vehicles, industry, fuels, and local sources. We provide scientific, technical, analytical, and policy support to the air quality programs of our member states in the Northeast to assist them in meeting their climate and air quality goals. Our member states are Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont. Building on more than fifty years of experience, NESCAUM's special expertise lies in coordinating and supporting collaboration across states to devise, implement, and scale effective solutions.

History

NESCAUM was founded to improve coordination among the Northeast states and to help our member state air agencies implement more effective air quality solutions. Formed as a non-profit organization in 1967 to address air pollution from New England power plants, NESCAUM is the oldest regional air quality organization of its kind. Today, NESCAUM addresses a wide spectrum of air quality, climate, and energy issues: greenhouse gas mitigation, mercury reductions, diesel exhaust controls, energy efficiency improvements, cleaner cars and fuels, environmental justice, and new and more effective regulatory policies. In addition to providing scientific, technical, analytical, and policy support to the air quality programs of the eight Northeast states, we provide a forum for our member states to work together to address climate and energy challenges on a regional basis and to better represent the region's interests in national policy debates.

NESCAUM

NESCAUM is a regional, nonprofit association of state environmental agencies working together to advance clean air.

We work with state policy makers, federal agencies, and stakeholders to develop clean air programs. Our member agencies include many of the most innovative policy makers of clean air programs in the country.

Site Links

Our Work
Initiatives
Resource Library
Press
About Us

Employment Opportunities

Requests for Proposals

Contact Us

Staff Directory
617-259-2000
89 South Street, Suite 602
Boston, MA 02111

Contact Directory

NESCAUM
www.nescaum.org
Northeast States for Coordinated Air Use Management
89 South Street, Suite 602 Boston, MA 02111
Phone 617-259-2000 Fax 617-742-9162
Michelle Manion, Executive Director

NESCAUM Board of Directors

Updated July 2026

KATHARINE DEUEL
Northeast States for Coordinated Air Use Management
89 South Street, Suite 602, Boston, MA 02111
Tel: 978-380-0992
kdeuel@nescaum.org

EXPERIENCE

NESCAUM, Boston, MA
Deputy Director — 2025 – Present

- Provide support to all NESCAUM programs through strategic planning, project management, outreach and communications, and stakeholder engagement.
- Develop grant reports, budget documents and support oversight of the organization's finances.
- Support board management and communications.
- Lead project manager for several contracts related to Climate Pollution Reduction Grants.
- Manage team of operations and administrative staff
- Oversee NESCAUM's training program.

The Pew Charitable Trusts, Washington, DC — 2009 – Jan. 2025
Principal Officer

- Secured funding for multi-million-dollar projects and managed grant distribution and budgets.
- Managed personnel and budget for programs related to environmental conservation, including marine and land habitat conservation and fisheries management.
- Developed strategic plans in a collaborative and stakeholder-driven environment, working in coalition with diverse stakeholders to meet shared goals.
- Drafted public comments for federal rulemaking and regularly delivered oral comments in public meetings.
- Developed and executed government relations and communications strategies and tactics.

Monterey Bay Aquarium, Monterey, CA — 2007 – 2009
Public relations coordinator

- Researched and wrote news releases for media distribution as well as articles for the website, newsletters, and industry publications.
- Coordinated media relations, scheduled interviews and media visits, organized press events.

EDUCATION AND PROFESSIONAL DEVELOPMENT

Course completion: Strategy Execution for Nonprofit Leadership, Economics for Managers, and Sustainable Business Strategy, Harvard Business School Online, (2024).
A.L.M., Sustainability and Environmental Management, Harvard Extension School, Cambridge, MA (2017).
B.A., English, Wesleyan University, Middletown, CT (2002).

ADDITIONAL ACTIVIES

Board member, Salem Sound Coastwatch, Salem, MA — June 2024 – Present
Communications and marketing volunteer, Green Beverly, Beverly, MA — November 2023 – Present