

Center for Resource Solutions

FINANCIAL STATEMENTS

December 31, 2007

(WITH COMPARATIVE TOTALS FOR December 31, 2006)

CENTER FOR RESOURCE SOLUTIONS

CONTENTS

Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to the Financial Statements	6-9

INDEPENDENT AUDITORS' REPORT

Board of Directors
Center for Resource Solutions
San Francisco, California

We have audited the accompanying statement of financial position of Center for Resource Solutions (a nonprofit California corporation) as of December 31, 2007, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Center for Resource Solutions' December 31, 2006 financial statements and, in our report, dated February 23, 2007, we expressed an unqualified opinion on those financial statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Resource Solutions as of December 31, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Certified Public Accountants
Oakland, California
February 14, 2008

Center for Resource Solutions
Statement of Financial Position
December 31, 2007
(With Comparative Totals for December 31, 2006)

	2007	2006
Assets		
Current Assets		
Cash	\$ 50,267	\$ 120,892
Accounts receivable	171,038	234,996
Grants receivable	-	25,000
Prepaid expenses	13,193	7,235
Total current assets	234,498	388,123
Property and equipment, net (Note 3)	3,275	768
Deposits	4,800	4,800
Total Assets	\$ 242,573	\$ 393,691
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 4,703	\$ 278,052
Total liabilities	4,703	278,052
Commitments and contingencies (Notes 5 and 6)		
Net Assets		
Unrestricted	(59,822)	(4,984)
Temporarily restricted (Note 7)	297,692	120,623
Total net assets	237,870	115,639
Total Liabilities and Net Assets	\$ 242,573	\$ 393,691

See Notes to the Financial Statements

Center for Resource Solutions

Statement of Activities
 Year Ended December 31, 2007
 (With Comparative Totals for the Year Ended December 31, 2006)

	Unrestricted	Temporarily Restricted	Total	
			2007	2006
Revenue and Support				
Support				
Government contracts	\$ 118,767	\$ -	\$ 118,767	\$ 153,876
Grants		640,000	640,000	577,714
Contributions	8,561		8,561	
Total support	<u>127,328</u>	<u>640,000</u>	<u>767,328</u>	<u>731,590</u>
Revenue				
Certification fees	619,781		619,781	353,378
Conference fees	346,026		346,026	252,560
Consulting	115,499		115,499	485,064
Total revenue	<u>1,081,306</u>	<u>-</u>	<u>1,081,306</u>	<u>1,091,002</u>
Net assets released from restriction (Note 7)	462,931	(462,931)	-	-
Total Revenue and Support	<u>1,671,565</u>	<u>177,069</u>	<u>1,848,634</u>	<u>1,822,592</u>
Expenses				
Program services	1,270,322		1,270,322	1,414,123
General and administrative	391,384		391,384	318,456
Fundraising	64,697		64,697	66,283
Total Expenses	<u>1,726,403</u>	<u>-</u>	<u>1,726,403</u>	<u>1,798,862</u>
Change in Net Assets	<u>(54,838)</u>	<u>177,069</u>	<u>122,231</u>	<u>23,730</u>
Net Assets, beginning of year	<u>(4,984)</u>	<u>120,623</u>	<u>115,639</u>	<u>91,909</u>
Net Assets, end of year	<u>\$ (59,822)</u>	<u>\$ 297,692</u>	<u>\$ 237,870</u>	<u>\$ 115,639</u>

See Notes to the Financial Statements

Center for Resource Solutions

Statement of Cash Flows

Year Ended December 31, 2007

(With Comparative Totals for the Year Ended December 31, 2006)

	2007	2006
Cash flows from operating activities:		
Change in net assets	\$ 122,231	\$ 23,730
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,600	1,319
Changes in assets and liabilities:		
Accounts receivable	63,958	60,846
Grants receivable	25,000	(25,000)
Prepaid expenses	(5,958)	-
Accrued payable and accrued expenses	(273,349)	48,675
Net cash provided (used) by operating activities	(66,518)	109,570
 Cash flows from investing activities:		
Purchase of equipment	(4,107)	-
Net cash used by investing activities	(4,107)	-
 Cash flows from financing activities:		
Repayments	-	(10,000)
Net cash used by financing activities	-	(10,000)
 Net change in cash	(70,625)	99,570
 Cash, beginning of year	120,892	21,322
 Cash, end of year	\$ 50,267	\$ 120,892

See Notes to the Financial Statements

Center for Resource Solutions

Statement of Functional Expenses
Year Ended 2007

(With Comparative Totals for the Year Ended December 31, 2006)

	Program					Management and administrative		Total	
	Verification and Certification Programs	Domestic and Partnerships Programs	International Expert Assistance	Project Development	Total Program	Fundraising	2007	2006	
Salaries	\$ 371,970	\$ 151,005	\$ 32,614	\$ 41,798	\$ 597,387	\$ 41,798	\$ 776,575	\$ 682,010	
Payroll taxes	31,111	12,072	2,529	3,707	49,419	3,707	60,484	52,312	
Pension contributions	31,934	16,820	7,578	2,566	58,898	4,837	66,301	71,901	
Other employee benefits	23,303	10,531	6,818	1,212	41,864	7,308	50,384	43,574	
Total personnel	458,318	190,428	49,539	49,283	747,568	49,283	953,744	849,797	
Meetings and supplies	5,230	269,429	1,082		275,741	1,453	304,635	180,399	
Telephone and communications	6,797	3,117	1,699		11,613	1,598	19,888	18,969	
Postage	388	1,073	38		1,499	313	2,703	3,521	
Occupancy							98,189	82,227	
Public Information	356	5,329			5,685		13,695	14,599	
Travel, meals and entertainment	16,310	9,444	11,174		36,928	653	38,731	44,640	
Depreciation							1,600	1,319	
Insurance							17,790	15,981	
Other professional services	19,755	104,746	66,787		191,288	11,397	275,428	587,410	
	\$ 507,154	\$ 583,566	\$ 130,319	\$ 49,283	\$ 1,270,322	\$ 64,697	\$ 1,726,403	\$ 1,798,862	

See Notes to the Financial Statements

CENTER FOR RESOURCE SOLUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2006)

NOTE 1: NATURE OF ACTIVITIES

Center for Resource Solutions (the Organization) is a California nonprofit public benefit corporation that brings together diverse interests to preserve the environment, encourage sustainable economic growth and promote clean energy. The Organization administers national and international programs that promote renewable energy through the design and implementation of sustainable energy policies, strategies and technologies as follows:

- ***Domestic Certification Programs:***
Administers two voluntary certification programs - the Green-E Renewable Electricity Certification Program and the Green Pricing Accreditation Initiative that aim to increase the market for renewable energy by recognizing and verifying superior green electricity offerings in competitive and regulated electricity markets.
- ***Public Energy Partnerships:***
Supports the public power sector in the development of utility-scale generation projects from renewable resources.
- ***International Expert Assistance:***
Participates in international programs and policy forums and provides direct technical assistance in several developing countries, including China and Mexico. The Organization aids in the development of renewable energy policy and initiatives that enhance the national and international market for renewables, efficacy and distributed energy technologies.
- ***Project Development:***
Advances information exchange and technology development by researching, exploring and evaluating renewable energy solutions, strategies, and market mechanisms. This includes but is not limited to micro-enterprise development, renewable energy and appropriate technology applications, and tradable renewable energy credits.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has no permanently restricted net assets.

CENTER FOR RESOURCE SOLUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2006)

Revenue Recognition

Contributions are recognized as revenue when received or unconditionally promised. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3) and the California Revenue and Taxation Code Section 23701(d).

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs and maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

CENTER FOR RESOURCE SOLUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2006)

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2006, from which the summarized information was derived.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2007</u>	<u>2006</u>
Furniture and equipment	\$ 46,850	\$ 42,743
Less accumulated depreciation	<u>(43,575)</u>	<u>(41,975)</u>
Total	<u>\$ 3,275</u>	<u>\$ 768</u>

NOTE 4: LINE OF CREDIT

As of December 31, 2007 the Organization had a \$10,000 unsecured line of credit with a local bank to be drawn down as needed, with interest at 12.25%. There was no outstanding balance at December 31, 2007.

NOTE 5: COMMITMENTS

Operating Leases

The Organization has entered into an agreement to lease office space from the Presidio Trust for \$7,611 per month that expires on June 30, 2008 and to reimburse the Presidio Trust for utilities and certain telecommunications connect services. Future minimum operating lease payments through the end of the lease total \$45,666. The total rent expense for the years ended December 31, 2007 and 2006 was \$90,904 and \$75,701, respectively.

NOTE 6: CONTINGENCIES

Grant Award Conditions

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the

CENTER FOR RESOURCE SOLUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2006)

grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

NOTE 7: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available as follows on December 31:

	<u>2007</u>	<u>2006</u>
Marketplace	\$ 46,264	\$ -
China Sustainable Energy Program	63,277	37,449
Climate Change	53,368	41,422
Measurement and Verification	134,783	15,000
North American Association of Issuing Bodies	-	<u>26,752</u>
Total	<u>\$ 297,692</u>	<u>\$ 120,623</u>

Temporarily restricted net assets were released from donor restriction by incurring expenses satisfying the purposes specified by donors as follows:

	<u>2007</u>	<u>2006</u>
Green E	\$ -	\$ 212,548
Marketplace	88,736	-
China Sustainable Energy Program	154,172	174,352
Climate Change	88,054	64,024
Measurement and Verification	105,217	31,928
North American Association of Issuing Bodies	<u>26,752</u>	<u>39,871</u>
Total	<u>\$ 462,931</u>	<u>\$ 522,723</u>

NOTE 8: RETIREMENT PLAN

The Organization offers a tax-deferred retirement plan that has been recognized by the Internal Revenue Service as qualifying under IRS Code Section 403(b) as well as a Simplified Employee Pension (SEP) plan. All employees are eligible to make personal contributions to the 403(b) plan subject to IRS defined limitations. The Organization makes additional contributions in an amount equal to 10% of the employee's gross salary, annually to the SEP, subject to IRS defined limitations for all eligible employees. Total contributions made by the Organization for 2007 and 2006 were \$66,301 and \$71,901 respectively.