
Center for Resource Solutions

FINANCIAL STATEMENTS

December 31, 2010

(WITH COMPARATIVE TOTALS FOR December 31, 2009)

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

CENTER FOR RESOURCE SOLUTIONS

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CROSBY & KANEDACertified Public Accountants

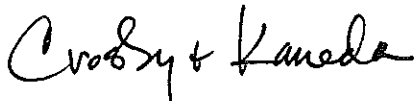
Dedicated to Nonprofit Organizations

Latham Square Building
1611 Telegraph Ave. Suite 318
Oakland, CA 94612-2151
Tel: 510 · 835 · CPAS (2727)
Fax: 510 · 835 · 5711
e-mail: info@ckcpa.biz**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, 2010, and the related statements of activities, cash flows and functional expenses, 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, 2009 financial statements and, in our report, dated February 17, 2010; 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, 2010, 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
August 3, 2011

Center for Resource Solutions

Statement of Financial Position

December 31, 2010

(With Comparative Totals for December 31, 2009)

	<u>2010</u>	<u>2009</u>
Assets		
Current Assets		
Cash	\$ 110,158	\$ 171,276
Accounts receivable	30,466	94,628
Grants receivable	-	75,000
Prepaid expenses	11,210	11,210
Total current assets	<u>151,834</u>	<u>352,114</u>
Property and equipment, net (Note 3)	<u>1,316</u>	<u>5,800</u>
Total Assets	<u>\$ 153,150</u>	<u>\$ 357,914</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 173,508	\$ 192,807
Deferred revenue	50,835	98,220
Total liabilities	<u>224,343</u>	<u>291,027</u>
Commitments and contingencies (Note 4 and 5)		
Net Assets		
Unrestricted	(76,747)	(137,020)
Temporarily restricted (Note 6)	5,554	203,907
Total net assets	<u>(71,193)</u>	<u>66,887</u>
Total Liabilities and Net Assets	<u>\$ 153,150</u>	<u>\$ 357,914</u>

See Notes to the Financial Statements

Center for Resource Solutions

**Statement of Activities
For the Year Ended December 31, 2010
(With Comparative Totals for the For the Year Ended December 31, 2009)**

	Unrestricted	Temporarily Restricted	Total	
			2010	2009
Support and Revenue				
Support				
Government contracts	\$ -	\$ -	\$ -	\$ 58,500
Grants	10,500	82,500	93,000	512,000
Contributions	13,698	-	13,698	4,340
Total support	<u>24,198</u>	<u>82,500</u>	<u>106,698</u>	<u>574,840</u>
Revenue				
Certification fees	1,141,840	-	1,141,840	1,059,649
Conference fees	320,553	-	320,553	304,884
Contract fees	396,682	-	396,682	95,071
Interest income	965	-	965	2,548
Miscellaneous	-	-	-	3,383
Total revenue	<u>1,860,040</u>	<u>-</u>	<u>1,860,040</u>	<u>1,465,535</u>
Net assets released from restriction (Note 6)	280,853	(280,853)	-	-
Total Revenue and Support	<u>2,165,091</u>	<u>(198,353)</u>	<u>1,966,738</u>	<u>2,040,375</u>
Expenses				
Program services	1,592,077	-	1,592,077	1,931,658
General and administrative	402,077	-	402,077	309,318
Fundraising	110,664	-	110,664	115,509
Total Expenses	<u>2,104,818</u>	<u>-</u>	<u>2,104,818</u>	<u>2,356,485</u>
Change in Net Assets	<u>60,273</u>	<u>(198,353)</u>	<u>(138,080)</u>	<u>(316,110)</u>
Net Assets, beginning of year	<u>(137,020)</u>	<u>203,907</u>	<u>66,887</u>	<u>382,997</u>
Net Assets, end of year	<u>\$ (76,747)</u>	<u>\$ 5,554</u>	<u>\$ (71,193)</u>	<u>\$ 66,887</u>

See Notes to the Financial Statements

Center for Resource Solutions

Statement of Cash Flows
For the Year Ended December 31, 2010
(With Comparative Totals for the For the Year Ended December 31, 2009)

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Change in net assets	\$ (138,080)	\$ (316,110)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	4,484	4,657
Changes in assets and liabilities:		
Accounts receivable	64,162	(8,271)
Grants receivable	75,000	95,000
Prepaid expenses	-	5,605
Accrued payable and accrued expenses	(19,299)	13,538
Deferred revenue	(47,385)	98,220
Net cash used by operating activities	<u>(61,118)</u>	<u>(107,361)</u>
Net change in cash	<u>(61,118)</u>	<u>(107,361)</u>
Cash, beginning of year	<u>171,276</u>	<u>278,637</u>
Cash, end of year	<u>\$ 110,158</u>	<u>\$ 171,276</u>

See Notes to the Financial Statements

Center for Resource Solutions

Statement of Functional Expenses
For the Year Ended December 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)

	Program						Total
	Verification and Certification Programs	Domestic and Partnerships Programs	International Expert Assistance	Renewable Energy Markets Conference	General administrative	Fundraising	
Salaries	\$ 591,115	\$ 11,044	\$ 7,820	\$ 64,099	\$ 189,323	\$ 73,084	\$ 936,485
Payroll taxes	47,733	892	631	5,176	15,288	5,902	75,622
Pension contributions	37,693	704	499	4,087	12,072	4,660	59,715
Other employee benefits	45,199	844	598	4,901	14,476	5,588	71,606
Total personnel	721,740	13,484	9,548	78,263	231,159	89,234	1,143,428
Accounting					66,351	-	66,351
Other professional services	1,920		416,732		18,438	6,208	443,298
Supplies	12,371		95		22,000	817	35,283
Telephone and communications	6,542	170	1,185		6,366	2,400	16,663
Postage	631				716	42	1,389
Copy and printing	5,418			2,847	17,437	-	25,702
Information technology					-	-	-
Occupancy	85,190	1,154	1,184	9,423	27,464	10,396	134,811
Travel, meals and entertainment	15,511	2,269	9,294		414		27,488
Conferences, conventions, meetings	1,154			184,541	3,222	343	189,260
Depreciation					4,484		4,484
Insurance	10,027	135	140	1,109	3,232	1,224	15,867
Miscellaneous					794		794
Total expenses	\$ 860,504	\$ 17,212	\$ 438,178	\$ 276,183	\$ 402,077	\$ 110,664	\$ 2,104,818
							\$ 2,336,485

CENTER FOR RESOURCE SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009)

NOTE 1: NATURE OF ACTIVITIES

The Center for Resource Solutions (CRS) is a national nonprofit with global impact. CRS brings forth expert responses to climate change issues with the speed and effectiveness necessary to provide real-time solutions. Our leadership through collaboration and environmental innovation builds policies and consumer-protection mechanisms in renewable energy, greenhouse gas reductions, and energy efficiency that foster healthy and sustained growth in national and international markets.

- ***Policy and Markets***

CRS' policy work promotes progress on the interrelated challenges of reversing global warming and advancing clean renewable energy development. CRS works to empower companies, institutions and individuals with the knowledge and opportunity to choose clean renewable energy options that reduce global warming. We cultivate best practices in marketing to maximize awareness and understanding of high quality renewable energy. We also engage in clean energy policy design and implementation. By anticipating the needs of voluntary and regulated renewable energy markets, CRS designs policies, identifies best practices and creates implementation tools that promote renewable energy generation and ensures consumers receive the benefits they have paid for.

- ***Certification of Renewable Energy and Carbon Offsets***

For over ten years CRS has developed and implemented consumer-protection standards for the voluntary renewable energy market through the Green-e program. These standards mandate a rigorous accountability on retail products sold to consumers, bringing needed transparency to the industry that can bolster consumer confidence.

- ***Expert and Technical Assistance***

CRS identifies renewable energy opportunities that are economically viable as well as environmentally sustainable and culturally appropriate. We provide renewable energy technical support services to State energy offices, utilities, energy developers, regulatory agencies and private sector companies. The services are targeted to support strategic planning, energy development and procurement planning, economic and resource studies, and decision and risk analysis.

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, 2010

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009)

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.

Cash and Equivalents

For purposes of the statement of cash flows, the Organization considers all cash and other highly liquid investments with maturities of three months or less to be cash equivalents.

Fair Value of Financial Instruments

The fair values of financial instruments represent the quoted marked prices for similar assets or liabilities in active markets.

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). The Organization has evaluated its current tax positions and has concluded that as of December 31, 2010, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

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.

CENTER FOR RESOURCE SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009)

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.

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, 2009, from which the summarized information was derived.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of the date that the financial statements were available for distribution there were no significant subsequent events to disclose.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2010</u>	<u>2009</u>
Furniture and equipment	\$ 35,877	\$ 35,877
Less accumulated depreciation	<u>(34,561)</u>	<u>(30,077)</u>
Total	<u>\$ 1,316</u>	<u>\$ 5,800</u>

NOTE 4: COMMITMENTS

Operating Leases

The Organization is party to a lease for office equipment and office space in San Francisco which expires at various times. Future minimum operating lease payments are as follows for years ending December 31:

2011	\$ 8,083
2012	6,925
2013	<u>5,082</u>
Total	<u>\$ 20,090</u>

Rent for the years ended December 31, 2010 and 2009 was \$134,811 and \$138,354, respectively.

CENTER FOR RESOURCE SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009)

NOTE 5: 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 grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2010</u>	<u>2009</u>
China Sustainable Energy Program	\$ 5,554	\$ 128,907
Green-e Marketplace	-	75,000
Total	<u>\$ 5,554</u>	<u>\$ 203,907</u>

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

	<u>2010</u>	<u>2009</u>
Green-e Marketplace	\$ 75,000	\$ -
China Sustainable Energy Program	123,353	338,328
Green-e Climate	-	127,744
Policy	82,500	172,028
PlanIt	-	12,000
Total	<u>\$ 280,853</u>	<u>\$ 650,100</u>

NOTE 7: 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 made additional contributions in an amount equal to 5% and 10% of the employee's gross salary for the years ended December 31, 2010 and 2009 respectively subject to IRS defined limitations for all eligible employees. Total contributions made by the Organization for 2010 and 2009 were \$59,716 and \$111,253 respectively.

CENTER FOR RESOURCE SOLUTIONS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009)

NOTE 8: SUBSEQUENT EVENTS

The Board and the new management of the Organization have undertaken severe cost cutting measures, an aggressive fundraising campaign, and diligent marketing for the services it provides. By completion of fieldwork, we were able to verify the success of these efforts, and noted that the Organization had reduced the year end deficit by that time. We believe that under the leadership of the new executive director, the Board and staff will continue to reduce the deficit and, over time, restore the Organization to a more stable financial position.