CENTER FOR RESOURCE SOLUTIONS

FINANCIAL STATEMENTS

December 31, 2014

(With Comparative Totals as of December 31, 2013)

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

CENTER FOR RESOURCE SOLUTIONS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Center for Resource Solutions
San Francisco, California

Report on the Financial Statements

We have audited the accompanying financial statements of Center for Resource Solutions, which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Center for Resource Solution's December 31, 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 15, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Crosby & Kaneda

Certified Public Accountants
Oakland, California
July 22, 2015

Center for Resource Solutions

Statement of Financial Position
December 31, 2014
(With Comparative Totals as of December 31, 2013)

	2014	2013
Assets		
Current Assets		
Cash and cash equivalents	$ 822,075	$ 592,050
Certificates of deposit	218,668	100,048
Accounts receivable	40,800	52,459
Prepaid expenses	12,340	12,340
Total Current Assets	1,093,883	756,897
Property and equipment, net	38	490
Total Assets	$ 1,093,921	$ 757,387
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 1,295	$ 27,209
Vacation accrual	45,310	40,858
Deferred revenue	349,434	215,415
Total Liabilities	396,039	283,482
Commitments and Contingency (Notes 3 and 4)		
Net Assets		
Unrestricted		
Undesignated	479,214	357,773
Designated reserve	218,668	100,000
Total Unrestricted	697,882	457,773
Temporarily restricted	-	16,132
Total Net Assets	697,882	473,905
Total Liabilities and Net Assets	$ 1,093,921	$ 757,387

See Notes to the Financial Statements

Center for Resource Solutions

Statement of Activities
For the Year Ended December 31, 2014
(With Comparative Totals for the Year Ended December 31, 2013)

	Unrestricted	Temporarily Restricted	Total 2014	Total 2013
Support and Revenue				
Grants	$ 148,500	$	$ 148,500	$ 131,500
Contributions	20,797		20,797	15,443
Certification fees	1,554,502		1,554,502	1,490,941
Conference fees	165,003		165,003	176,060
Contract fees	297,764		297,764	441,482
Interest income	1,155		1,155	1,072
Net assets released from donor restrictions (Note 5)	16,132	(16,132)	-	-
Total Support and Revenue	2,203,853	(16,132)	2,187,721	2,256,498
Expenses				
Program	1,508,456		1,508,456	1,540,337
General and administrative	411,819		411,819	442,879
Fundraising	43,469		43,469	85,542
Total Expenses	1,963,744	-	1,963,744	2,068,758
Change in Net Assets	240,109	(16,132)	223,977	187,740
Net Assets, beginning of year	457,773	16,132	473,905	286,165
Net Assets, end of year	$ 697,882	$ -	$ 697,882	$ 473,905

Center for Resource Solutions

Statement of Cash Flows
For the Year Ended December 31, 2014
(With Comparative Totals for the Year Ended December 31, 2013)

	2014	2013
Cash flows from operating activities:		
Change in net assets	$ 223,977	$ 187,740
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	452	452
Changes in assets and liabilities:		
Accounts receivable	11,659	32,796
Prepaid expenses	-	(1,130)
Accounts payable and accrued expenses	(25,914)	(46,242)
Vacation accrual	4,452	(1,773)
Deferred revenue	134,019	76,334
Net cash provided by operating activities	348,645	248,177
Cash flows from investing activities:		
Net change in purchases of certificates of deposit	(118,620)	(46,466)
Net cash used by investing activities	(118,620)	(46,466)
Net change in cash and cash equivalents	230,025	201,711
Cash and cash equivalents, beginning of year	592,050	390,339
Cash and cash equivalents, end of year	$ 822,075	$ 592,050

See Notes to the Financial Statements

Center for Resource Solutions

Statement of Functional Expenses
For the Year Ended December 31, 2014
(With Comparative Totals for the Year Ended December 31, 2013)

	Program							Total	
	Green-e Certification and Verification Programs	China and International Programs	Expert Assistance	Renewable Energy Markets Conference	Total Program	General and Administrative	Fundraising	2014	2013
Salaries	$ 623,882	$ 821	$ 9,336	$ 77,887	$ 711,926	$ 170,158	$ 27,070	$ 909,154	$ 881,459
Pension contributions	34,630	46	518	4,323	39,517	9,445	1,503	50,465	48,483
Other employee benefits	89,180	37	1,705	7,035	97,957	19,222	2,373	119,552	112,430
Payroll taxes	47,202	63	729	6,871	54,865	14,643	1,757	71,265	70,220
Total Personnel	794,894	967	12,288	96,116	904,265	213,468	32,703	1,150,436	1,112,592
Accounting					-	88,310	-	88,310	93,041
Other professional services	48,483	245,400			293,883	14,330	5,090	313,303	420,501
Supplies	5,552	320			5,872	37,294	61	43,227	37,002
Telephone and communications	7,740	14	119	912	8,785	2,097	304	11,186	17,580
Printing and publications	15,912	28	246	1,875	18,061	4,311	624	22,996	42,910
Professional development	2,553				2,553	9,900	-	12,453	5,134
Occupancy	103,495	185	1,597	12,194	117,471	28,043	4,056	149,570	139,494
Travel and meals	21,079		847		21,926	6,412	145	28,483	34,074
Conferences and meetings	3,209			120,376	123,585	4,324	70	127,979	146,803
Depreciation					-	452	-	452	452
Insurance	10,621	19	164	1,251	12,055	2,878	416	15,349	19,175
Total Expenses	$ 1,013,538	$ 246,933	$ 15,261	$ 232,724	$ 1,508,456	$ 411,819	$ 43,469	$ 1,963,744	$ 2,068,758

See Notes to the Financial Statements

Notes to the Financial Statements
For the Year Ended December 31, 2014
(With Comparative Totals for the Year Ended December 31, 2013)

NOTE 1: NATURE OF ACTIVITIES

The Center for Resource Solutions (CRS) is a national nonprofit with global impact. We develop 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.** CRS's policy work promotes progress on the interrelated challenges of reversing global warming and advancing clean renewable-energy development. It seeks to ensure that bold policies to advance clean energy development and reduce greenhouse gas emissions are carried out effectively and equitably. CRS's policy outreach impacts regulators, legislators, policy implementers, and thought leaders locally and regionally in North America and globally, and promotes the effective integration of policy and market solutions to advance sustainable energy.

- **Voluntary Certification Programs.** Founded in 1997, Green-e Energy is CRS's flagship consumer protection and certification program, seeking to give North American consumers and organizations confidence that their purchase of renewable energy is making a difference. Since its founding, the program has grown significantly—in 2014 it certified two-thirds of the voluntary renewable energy transactions in the U.S., including renewable electricity from more than half of the U.S.'s wind generation. Green-e Energy's sister program, Green-e Climate, provides consumer protection and quality assurance to the voluntary carbon offset market, and Green-e Marketplace supports businesses to use renewable energy and carbon reductions, and assists them in communicating their actions to internal and external stakeholders. The Green-e programs mandate a rigorous accountability on retail products sold to consumers and businesses, bringing needed transparency to the industry that can bolster consumer confidence and in turn grow demand for high impact renewable energy and carbon emission reductions.

- **Expert and Technical Assistance.** CRS's work supports sustainable energy opportunities that are economically viable as well as environmentally sustainable and culturally appropriate. We provide technical support services to state and national governments, utilities, energy developers, regulatory agencies and private-sector companies. CRS core competencies include renewable energy and climate change policy, renewable energy and climate change education and communication, consumer protection and environmental marketing, auditing and verification, greenhouse gas footprint analysis, environmental commodity market development, and tracking and certification systems. The services are targeted to support policy implementation and evaluation, energy development and procurement planning, greenhouse emission analysis, economic and resource studies, market development, and decision and risk analysis. CRS promotes best practices, education, and innovation through its publications, website, webinars, and annual Renewable Energy Markets conference.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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).

Basis of Presentation

The Organization presents 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 three classes are differentiated by donor restrictions.

Unrestricted net assets– consist of resources which have not been specifically restricted by a donor. Unrestricted net assets may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.

Temporarily restricted net assets– represent contributions whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. There were no temporarily restricted net assets as of December 31, 2014.

Permanently restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that require the gift to be invested in perpetuity. The income from such invested assets, including realized and unrealized gains, is generally available to support the activities of the Organization. Donors may also restrict all or part of the income and/or appreciation from these investments to permanently restricted net assets, resulting in increases/decreases to these net assets. There were no permanently restricted net assets as of December 31, 2014.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Unrestricted contributions and grants are recorded as unrestricted revenue when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

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.

Accounts Receivable

The Organization considers all accounts receivable to be fully collectible at December 31, 2014. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

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 as of December 31, 2014 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively after they are filed.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only 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. There were no contributed services that met the criteria for recognition for the year ended December 31, 2014.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash Equivalents

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

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the assets or liability. Unobservable inputs reflect the Organization’s own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Organization’s own data.

The Organization had no assets or liabilities recorded at fair value on December 31, 2014.

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over $1,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms as follows:

Furniture and equipment	3-5 years

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable. Impairment is recognized if the sum of the undiscounted estimated future cash flows expected to result from the use of the asset is less than the carrying value. When an impairment loss is recognized, the asset’s carrying value is reduced to its estimated fair value.

Deferred Revenue

Deferred revenue represents certification fees which have not yet been completely fulfilled.

Functional Allocation of Expenses

The costs of providing various programs and other 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.

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 GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

Reclassifications

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

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of July 22, 2015 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: COMMITMENTS

Operating Leases

The Organization is party to a copier lease that expires in May 2019. Future minimum lease payments were as follows for the years ended December 31:

2015	$ 3,780
2016	3,780
2017	3,780
2018	3,780
2019	1,575
Total	$ 16,695

NOTE 4: CONTINGENCY

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 5: TEMPORARILY RESTRICTED NET ASSETS

For the year ending December 31, 2014, $16,132 in temporarily restricted net assets were released from donor restriction by incurring expenses towards the carbon offset research program.

NOTE 6: 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 401(k). All employees are eligible to make personal contributions to the 401(k) plan subject to IRS defined limitations. The Organization made additional contributions in an amount equal to 3% of the employee's gross salary and matched employee contributions up to 3% for the years ended December 31, 2014 and 2013 of $50,465 and $48,483, respectively.