
Center for Resource Solutions

FINANCIAL STATEMENTS

December 31, 2008

(WITH COMPARATIVE TOTALS FOR December 31, 2007)

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

CENTER FOR RESOURCE SOLUTIONS

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CROSBY & KANEDACertified Public Accountants

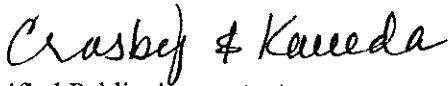
Dedicated to Nonprofit Organizations

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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, 2008, 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, 2007 financial statements and, in our report, dated February 14, 2008, 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, 2008, 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
March 11, 2009

Center for Resource Solutions

Statement of Financial Position
December 31, 2008
(With Comparative Totals for December 31, 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 278,637	\$ 50,267
Accounts receivable	86,357	171,038
Grants receivable	170,000	-
Prepaid expenses	16,815	13,193
Total current assets	<u>551,809</u>	<u>234,498</u>
Property and equipment, net (Note 3)	10,457	3,275
Deposits	<u>-</u>	<u>4,800</u>
Total Assets	<u>\$ 562,266</u>	<u>\$ 242,573</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 179,269</u>	<u>\$ 4,703</u>
Total liabilities	<u>179,269</u>	<u>4,703</u>
Commitments and contingencies (Note 5)		
Net Assets		
Unrestricted	40,990	(59,822)
Temporarily restricted (Note 6)	342,007	297,692
Total net assets	<u>382,997</u>	<u>237,870</u>
Total Liabilities and Net Assets	<u>\$ 562,266</u>	<u>\$ 242,573</u>

See Notes to the Financial Statements

Center for Resource Solutions

Statement of Activities
Year Ended December 31, 2008
(With Comparative Totals for the Year Ended December 31, 2007)

	Unrestricted	Temporarily Restricted	Total	
			2008	2007
Revenue and Support				
Support				
Government contracts	\$ 66,500	\$ -	\$ 66,500	\$ 118,767
Grants		620,000	620,000	640,000
Contributions	17,330		17,330	8,561
Total support	<u>83,830</u>	<u>620,000</u>	<u>703,830</u>	<u>767,328</u>
Revenue				
Certification fees	1,135,594		1,135,594	619,781
Conference fees	345,343		345,343	346,026
Contract fees	214,412		214,412	-
Interest income	1,778		1,778	-
Consulting			-	115,499
Total revenue	<u>1,697,127</u>	<u>-</u>	<u>1,697,127</u>	<u>1,081,306</u>
Net assets released from restriction (Note 6)	575,685	(575,685)	-	-
Total Revenue and Support	<u>2,356,642</u>	<u>44,315</u>	<u>2,400,957</u>	<u>1,848,634</u>
Expenses				
Program services	1,756,185		1,756,185	1,270,322
General and administrative	407,598		407,598	391,384
Fundraising	92,048		92,048	64,697
Total Expenses	<u>2,255,830</u>	<u>-</u>	<u>2,255,830</u>	<u>1,726,403</u>
Change in Net Assets	<u>100,812</u>	<u>44,315</u>	<u>145,127</u>	<u>122,231</u>
Net Assets, beginning of year	<u>(59,822)</u>	<u>297,692</u>	<u>237,870</u>	<u>115,639</u>
Net Assets, end of year	<u>\$ 40,990</u>	<u>\$ 342,007</u>	<u>\$ 382,997</u>	<u>\$ 237,870</u>

See Notes to the Financial Statements

Center for Resource Solutions

Statement of Cash Flows
Year Ended December 31, 2008
(With Comparative Totals for the Year Ended December 31, 2007)

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets	\$ 145,127	\$ 122,231
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	4,656	1,600
Changes in assets and liabilities:		
Accounts receivable	84,681	63,958
Grants receivable	(170,000)	25,000
Prepaid expenses	(3,622)	(5,958)
Deposits	4,800	-
Accrued payable and accrued expenses	174,566	(273,349)
Net cash provided (used) by operating activities	<u>240,208</u>	<u>(66,518)</u>
Cash flows from investing activities:		
Purchase of equipment	(11,838)	(4,107)
Net cash used by investing activities	<u>(11,838)</u>	<u>(4,107)</u>
Net change in cash	<u>228,370</u>	<u>(70,625)</u>
Cash and cash equivalents, beginning of year	<u>50,267</u>	<u>120,892</u>
Cash and cash equivalents, end of year	<u>\$ 278,637</u>	<u>\$ 50,267</u>

See Notes to the Financial Statements

Center for Resource Solutions

Statement of Functional Expenses
Year Ended 2008

(With Comparative Totals for the Year Ended December 31, 2007)

	Program						Total	
	Verification and Certification Programs	Domestic and Partnerships Programs	International Expert Assistance	Project Development	Total Program	Management and administrative		
Salaries	\$ 569,961	\$ 74,876	\$ 70,036	\$ 66,430	\$ 781,303	\$ 195,275	\$ 1,043,007	\$ 776,575
Payroll taxes	46,926	6,597	6,437	5,405	65,365	12,953	83,722	60,484
Pension contributions	52,960	8,876	2,782	3,344	67,962	23,543	94,848	66,301
Other employee benefits	45,036	8,824	8,094	1,957	63,911	15,450	81,318	50,384
Total personnel	714,883	99,173	87,349	77,135	978,540	247,221	1,302,895	953,744
Meetings and supplies	36,368	231,880	3,839	2,742	274,829	8,789	287,187	304,635
Telephone and communications	7,794	2,997	2,043	1,525	14,359	1,251	17,150	19,888
Postage	965	377	143	126	1,611	1,450	3,077	2,703
Occupancy	70,796	9,821	8,650	7,639	96,906	24,483	121,389	98,189
Public Information	13,930	1,800	50	-	15,780	44,324	60,986	13,695
Travel, meals and entertainment	20,158	4,376	20,953	2,784	48,271	2,071	50,342	38,731
Depreciation	-	-	-	-	-	4,656	4,656	1,600
Insurance	8,142	1,129	995	878	11,144	2,816	13,960	17,790
Other professional services	17,450	4,020	293,275	-	314,745	70,537	394,188	275,428
	\$ 890,486	\$ 355,573	\$ 417,297	\$ 92,829	\$ 1,756,185	\$ 407,598	\$ 2,255,830	\$ 1,726,403

CENTER FOR RESOURCE SOLUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2007)

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

CENTER FOR RESOURCE SOLUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2007)

assets, and permanently restricted net assets. The Organization has no permanently restricted net assets.

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).

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, 2008
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2007)

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, 2007, from which the summarized information was derived.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2008</u>	<u>2007</u>
Furniture and equipment	\$ 35,877	\$ 46,850
Less accumulated depreciation	<u>(25,420)</u>	<u>(43,575)</u>
Total	<u>\$ 10,457</u>	<u>\$ 3,275</u>

NOTE 4: LINE OF CREDIT

As of December 31, 2008 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, 2008.

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.

CENTER FOR RESOURCE SOLUTIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2007)

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2008</u>	<u>2007</u>
Marketplace	\$ -	\$ 46,264
China Sustainable Energy Program	117,235	63,277
Climate Change	127,744	53,368
Measurement and Verification	-	134,783
Policy	<u>97,028</u>	<u>-</u>
Total	<u>\$ 342,007</u>	<u>\$ 297,692</u>

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

	<u>2008</u>	<u>2007</u>
Marketplace	\$ 46,264	\$ 88,736
China Sustainable Energy Program	316,042	154,172
Climate Change	50,624	88,054
Policy	2,972	-
Carbon Neutral Alliance	25,000	-
Measurement and Verification	134,783	105,217
North American Association of Issuing Bodies	<u>-</u>	<u>26,752</u>
Total	<u>\$ 575,685</u>	<u>\$ 462,931</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 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 2008 and 2007 were \$94,850 and \$66,301 respectively.