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# **Center for Resource Solutions**

## **FINANCIAL STATEMENTS**

**December 31, 2009**

**(WITH COMPARATIVE TOTALS FOR December 31, 2008)**

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**CROSBY & KANEDA**  
Certified Public Accountants

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Dedicated to Nonprofit Organizations

# CENTER FOR RESOURCE SOLUTIONS

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**CROSBY & KANEDA**Certified Public Accountants

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Dedicated to Nonprofit Organizations

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Tel: 510 · 835 · CPAS (2727)  
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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, 2009, 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, 2008 financial statements and, in our report, dated March 11, 2009; 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, 2009, 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 17, 2010

Center for Resource Solutions

Statement of Financial Position

December 31, 2009

(With Comparative Totals for December 31, 2008)

	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 171,276	\$ 278,637
Accounts receivable	94,628	86,357
Grants receivable	75,000	170,000
Prepaid expenses	11,210	16,815
Total current assets	<u>352,114</u>	<u>551,809</u>
Property and equipment, net (Note 3)	<u>5,800</u>	<u>10,457</u>
Total Assets	<u>\$ 357,914</u>	<u>\$ 562,266</u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 192,807	\$ 179,269
Deferred revenue	98,220	-
Total liabilities	<u>291,027</u>	<u>179,269</u>
Commitments and contingencies (Note 5 and 6)		
Net Assets		
Unrestricted	(137,020)	40,990
Temporarily restricted (Note 7)	203,907	342,007
Total net assets	<u>66,887</u>	<u>382,997</u>
Total Liabilities and Net Assets	<u>\$ 357,914</u>	<u>\$ 562,266</u>

See Notes to the Financial Statements

Center for Resource Solutions

Statement of Activities  
 Year Ended December 31, 2009  
 (With Comparative Totals for the Year Ended December 31, 2008)

	Unrestricted	Temporarily Restricted	Total	
			2009	2008
<b>Revenue and Support</b>				
Support				
Government contracts	\$ 58,500	\$	\$ 58,500	\$ 66,500
Grants		512,000	512,000	620,000
Contributions	4,340		4,340	17,330
Total support	<u>62,840</u>	<u>512,000</u>	<u>574,840</u>	<u>703,830</u>
Revenue				
Certification fees	1,059,649		1,059,649	1,135,594
Conference fees	304,884		304,884	345,343
Contract fees	95,071		95,071	214,412
Interest income	2,548		2,548	1,778
Miscellaneous	3,383		3,383	-
Total revenue	<u>1,465,535</u>	<u>-</u>	<u>1,465,535</u>	<u>1,697,127</u>
Net assets released from restriction (Note 7)	650,100	(650,100)	-	-
Total Revenue and Support	<u>2,178,475</u>	<u>(138,100)</u>	<u>2,040,375</u>	<u>2,400,957</u>
<b>Expenses</b>				
Program services	1,931,658		1,931,658	1,756,185
General and administrative	309,318		309,318	407,598
Fundraising	115,509		115,509	92,048
Total Expenses	<u>2,356,485</u>	<u>-</u>	<u>2,356,485</u>	<u>2,255,831</u>
Change in Net Assets	<u>(178,010)</u>	<u>(138,100)</u>	<u>(316,110)</u>	<u>145,127</u>
Net Assets, beginning of year	<u>40,990</u>	<u>342,007</u>	<u>382,997</u>	<u>237,870</u>
Net Assets, end of year	<u>\$ (137,020)</u>	<u>\$ 203,907</u>	<u>\$ 66,887</u>	<u>\$ 382,997</u>

See Notes to the Financial Statements

**Center for Resource Solutions**

**Statement of Cash Flows**

**Year Ended December 31, 2009**

**(With Comparative Totals for the Year Ended December 31, 2008)**

	2009	2008
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (316,110)	\$ 145,127
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	4,657	4,656
Changes in assets and liabilities:		
Accounts receivable	(8,271)	84,681
Grants receivable	95,000	(170,000)
Prepaid expenses	5,605	(3,622)
Deposits	-	4,800
Accrued payable and accrued expenses	13,538	174,566
Deferred revenue	98,220	-
Net cash provided (used) by operating activities	(107,361)	240,208
<b>Cash flows from investing activities:</b>		
Purchase of equipment	-	11,838
Net cash provided by investing activities	-	11,838
Net change in cash	(107,361)	228,370
Cash and cash equivalents, beginning of year	278,637	50,267
Cash and cash equivalents, end of year	\$ 171,276	\$ 278,637

See Notes to the Financial Statements

Center for Resource Solutions

Statement of Functional Expenses  
Year Ended 2009

(With Comparative Totals for the Year Ended December 31, 2008)

	Program					Management and administrative	Fundraising	Total	
	Verification and Certification Programs	Domestic and Partnerships Programs	International Expert Assistance	Project Development	Total Program			2009	2008
Salaries	\$ 599,120	\$ 170,452	\$ 34,342	\$ 49,150	\$ 853,064	\$ 210,138	\$ 49,150	\$ 1,112,352	\$ 1,043,007
Payroll taxes	48,986	13,858	3,133	3,818	69,795	13,970	3,818	87,583	83,723
Pension contributions	64,091	13,546	2,887	7,979	88,503	14,771	7,979	111,253	94,848
Other employee benefits	63,565	15,531	3,878	2,731	85,705	15,857	2,731	104,293	81,318
Total personnel	775,762	213,387	44,240	63,678	1,097,067	254,736	63,678	1,415,481	1,302,895
Meetings and supplies	10,040	6,304	3,933		20,277	2,395	3,945	26,617	43,544
Telephone and communications	8,359	3,967	2,877		15,203	3,656	2,430	21,289	17,150
Postage	580	1,317	49		1,946	801		2,747	3,078
Copy and printing	16,029	7,406	796		24,231	85	9,852	34,168	60,986
Information technology	2,877	100			2,977	614	1,884	5,475	-
Occupancy	52,870	31,283	22,725		106,878	8,679	22,797	138,354	121,389
Travel, meals and entertainment	23,482	12,350	20,412		56,244	3,221	1,555	61,020	50,342
Conferences, conventions, meetings	866	252,066			252,932	1,947	491	255,370	243,643
Depreciation					-	4,657		4,657	4,656
Insurance	6,383	3,777	2,743		12,903	1,048	2,752	16,703	13,960
Other professional services	26,881	15,130	298,989		341,000	27,479	6,125	374,604	394,188
Total expenses	\$ 924,129	\$ 547,087	\$ 396,764	\$ 63,678	\$ 1,931,658	\$ 309,318	\$ 115,509	\$ 2,356,485	\$ 2,255,831

CENTER FOR RESOURCE SOLUTIONS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2008)

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**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**  
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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  
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**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, 2008, from which the summarized information was derived.

**NOTE 3: PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31:

	<u>2009</u>	<u>2008</u>
Furniture and equipment	\$ 35,877	\$ 35,877
Less accumulated depreciation	<u>(30,077)</u>	<u>(25,420)</u>
Total	<u>\$ 5,800</u>	<u>\$ 10,457</u>

**NOTE 4: LINE OF CREDIT**

As of December 31, 2009 the Organization had a \$100,000 unsecured line of credit with a local bank to be drawn down as needed, with interest charged at 3% over the prime rate published in the Money Rates section of the online Wall Street Journal. There was no outstanding balance at December 31, 2009, and there were no borrowings or repayments made during the year then ended.

**NOTE 5: 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:

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2010	\$ 97,765
2011	8,803
2012	6,925
2013	<u>5,082</u>
Total	<u>\$ 118,575</u>

Rent for the year ended December 31, 2009 was \$138,354.

**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 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>2009</u>	<u>2008</u>
China Sustainable Energy Program	\$ 128,907	\$ 117,235
Green-e Climate	-	127,744
Green-e Marketplace	75,000	-
Policy	<u>-</u>	<u>97,028</u>
Total	<u>\$ 203,907</u>	<u>\$ 342,007</u>

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

	<u>2009</u>	<u>2008</u>
Green-e Marketplace	\$ -	\$ 46,264
China Sustainable Energy Program	338,328	316,042
Green-e Climate	127,744	50,624
Policy	172,028	2,972
Carbon Neutral Alliance	-	25,000
Green-e Energy	-	134,783
PlanIt	<u>12,000</u>	<u>-</u>
Total	<u>\$ 650,100</u>	<u>\$ 575,685</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

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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 2009 and 2008 were \$111,253 and \$94,850 respectively.