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# **Center for Resource Solutions**

## **FINANCIAL STATEMENTS**

**December 31, 2011**

**(WITH COMPARATIVE TOTALS FOR December 31, 2010)**

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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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**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, 2011, 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, 2010 financial statements and, in our report dated August 3, 2011 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, 2011, 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  
April 16, 2012

**Center for Resource Solutions**  
**Statement of Financial Position**  
**December 31, 2011**  
**(With Comparative Totals for December 31, 2010)**

	2011	2010
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 327,295	\$ 110,158
Accounts receivable	76,107	30,466
Prepaid expenses	11,210	11,210
Total current assets	414,612	151,834
Property and equipment, net (Note 3)	-	1,316
Total Assets	\$ 414,612	\$ 153,150
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 188,580	\$ 173,508
Deferred revenue	90,672	50,835
Total liabilities	279,252	224,343
Commitments and contingencies (Note 4 and 5)		
Net Assets		
Unrestricted	135,360	(76,747)
Temporarily restricted (Note 6)	-	5,554
Total net assets	135,360	(71,193)
Total Liabilities and Net Assets	\$ 414,612	\$ 153,150

See Notes to the Financial Statements

**Center for Resource Solutions**

**Statement of Activities  
For the Year Ended December 31, 2011  
(With Comparative Totals for the Year Ended December 31, 2010)**

	Unrestricted	Temporarily Restricted	Total	
			2011	2010
<b>Support and Revenue</b>				
<b>Support</b>				
Grants	\$ 164,000	\$ -	\$ 164,000	\$ 93,000
Contributions	29,507	-	29,507	13,698
<b>Total support</b>	<u>193,507</u>	<u>-</u>	<u>193,507</u>	<u>106,698</u>
<b>Revenue</b>				
Certification fees	1,214,596	-	1,214,596	1,141,840
Conference fees	133,752	-	133,752	320,553
Contract fees	463,317	-	463,317	396,682
Interest income	1,059	-	1,059	965
<b>Total revenue</b>	<u>1,812,724</u>	<u>-</u>	<u>1,812,724</u>	<u>1,860,040</u>
Net assets released from restriction (Note 6)	5,554	(5,554)	-	-
<b>Total Revenue and Support</b>	<u>2,011,785</u>	<u>(5,554)</u>	<u>2,006,231</u>	<u>1,966,738</u>
<b>Expenses</b>				
Program services	1,382,377	-	1,382,377	1,592,077
General and administrative	348,648	-	348,648	402,077
Fundraising	68,653	-	68,653	110,664
<b>Total Expenses</b>	<u>1,799,678</u>	<u>-</u>	<u>1,799,678</u>	<u>2,104,818</u>
Change in Net Assets	<u>212,107</u>	<u>(5,554)</u>	<u>206,553</u>	<u>(138,080)</u>
Net Assets, beginning of year	<u>(76,747)</u>	<u>5,554</u>	<u>(71,193)</u>	<u>66,887</u>
Net Assets, end of year	<u>\$ 135,360</u>	<u>\$ -</u>	<u>\$ 135,360</u>	<u>\$ (71,193)</u>

See Notes to the Financial Statements

Center for Resource Solutions

Statement of Cash Flows  
For the Year Ended December 31, 2011  
(With Comparative Totals for the Year Ended December 31, 2010)

	<u>2011</u>	<u>2010</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 206,553	\$ (138,080)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,316	4,484
Changes in assets and liabilities:		
Accounts receivable	(45,641)	64,162
Grants receivable	-	75,000
Accrued payable and accrued expenses	15,072	(19,299)
Deferred revenue	39,837	(47,385)
Net cash provided (used) by operating activities	<u>217,137</u>	<u>(61,118)</u>
Net change in cash and cash equivalents	<u>217,137</u>	<u>(61,118)</u>
Cash and cash equivalents, beginning of year	<u>110,158</u>	<u>171,276</u>
Cash and cash equivalents, end of year	<u>\$ 327,295</u>	<u>\$ 110,158</u>

See Notes to the Financial Statements

Center for Resource Solutions

Statement of Functional Expenses  
For the Year Ended December 31, 2011  
(With Comparative Totals for the Year Ended December 31, 2010)

	Program					Total	2011	2010
	Green-e Certification and Verification Programs	China and International Programs	Expert Assistance	Renewable Energy Markets Conference	General and administrative			
Salaries	\$ 472,461	\$ 3,144	\$ 15,648	\$ 64,592	\$ 145,153	\$ 733,051	\$ 936,485	
Payroll taxes	38,994	252	1,313	5,498	12,324	61,219	75,622	
Pension contributions	21,589	157	369	2,409	6,776	32,482	59,715	
Other employee benefits	48,840	877	274	5,609	10,053	66,374	71,606	
Total personnel	581,884	4,430	17,604	78,108	174,306	893,126	1,143,428	
Accounting					86,326	86,326	66,351	
Other professional services	14,700	360,704				399,240	443,298	
Supplies	2,673	134		6,613	23,133	32,903	35,283	
Telephone and communications	9,513	1,514	643	1,487	4,801	18,360	16,663	
Postage							1,389	
Copy and printing	6,226				10,210	16,436	25,702	
Professional development	1,615				521	2,136		
Occupancy	48,370	28,057	1,396	19,537	34,186	136,354	134,811	
Travel, meals and entertainment	15,713				3,279	18,992	27,488	
Conferences, conventions, meetings				169,197	6,100	177,155	189,260	
Depreciation					1,316	1,316	4,484	
Insurance	6,090	3,533	176	2,460	4,470	17,334	15,867	
Miscellaneous							794	
Total expenses	\$ 686,784	\$ 398,372	\$ 19,819	\$ 277,402	\$ 348,648	\$ 1,799,678	\$ 2,104,818	

# CENTER FOR RESOURCE SOLUTIONS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2011

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2010)

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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 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, 2011

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2010)

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### **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. As of December 31, 2011 there were no temporarily restricted or permanently restricted net assets.

### **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.

### **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, 2011, 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.

### **Deferred Revenue**

Deferred revenue represents prepayments of certificate fees .

# CENTER FOR RESOURCE SOLUTIONS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2011

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2010)

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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, 2010, 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>2011</u>	<u>2010</u>
Furniture and equipment	\$ 35,877	\$ 35,877
Less accumulated depreciation	<u>(35,877)</u>	<u>(34,561)</u>
Total	<u>\$ -</u>	<u>\$ 1,316</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:

2012	\$ 142,056
2013	<u>95,096</u>
Total	<u>\$ 237,152</u>

Rent for the years ended December 31, 2011 and 2010 was \$136,354 and \$134,811, respectively.

# CENTER FOR RESOURCE SOLUTIONS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2011

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2010)

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### 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

As of December 31, 2011 there were no temporarily restricted net assets available.

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

	<u>2011</u>	<u>2010</u>
Green-e Marketplace	\$ -	\$ 75,000
China Sustainable Energy Program	5,554	123,353
Policy	-	82,500
Total	<u>\$ 5,554</u>	<u>\$ 280,853</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% of the employee's gross salary for the years ended December 31, 2011 and 2010 subject to IRS defined limitations for all eligible employees. Total contributions made by the Organization for 2011 and 2010 were \$32,482 and \$59,716 respectively.