# CENTER FOR RESOURCE SOLUTIONS

## FINANCIAL STATEMENTS

### December 31, 2024

(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2023)

CROSBY & KANEDA

Certified Public Accountants
for Nonprofit Organizations

**CENTER FOR RESOURCE SOLUTIONS**

CONTENTS

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Center for Resource Solutions
San Francisco, California

### Opinion

We have audited the accompanying financial statements of Center for Resource Solutions (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, cash flows and functional expenses, for the year then ended, and the related notes to the financial statements. 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, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Report on Summarized Comparative Information**

We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 23, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Crosby + Kaneda CPAs LLP

Alameda, California
August 25, 2025

**CENTER FOR RESOURCE SOLUTIONS**

**Statement of Financial Position**
**December 31, 2024**
**(With Comparative Totals as of December 31, 2023)**

| | 2024 | 2023 |
|---|---|---|
| **Assets** | | |
| Assets | | |
| Cash and cash equivalents | $ 3,607,153 | $ 1,410,654 |
| US Treasuries | - | 2,741,230 |
| Accounts receivable | 77,052 | 142,352 |
| Contributions receivable | - | 16,000 |
| Prepaid expenses and deposit | 86,087 | 83,321 |
| Property and equipment (Note 3) | 579,384 | 362,624 |
| Operating leases - right of use asset | 334,657 | 497,779 |
| Total Assets | $ 4,684,333 | $ 5,253,960 |
| **Liabilities and Net Assets** | | |
| Liabilities | | |
| Accounts payable and accrued expenses | $ 222,557 | $ 192,392 |
| Accrued paid time off | 200,331 | 198,046 |
| Deferred revenue (Note 4) | 705,539 | 403,626 |
| Operating lease liability (Note 6) | 355,142 | 524,809 |
| Total Liabilities | 1,483,569 | 1,318,873 |
| Net assets without donor restriction | | |
| Board designated - reserves | 922,236 | 872,239 |
| Undesignated | 2,278,528 | 3,062,848 |
| Total Net Assets | 3,200,764 | 3,935,087 |
| Total Liabilities and Net Assets | $ 4,684,333 | $ 5,253,960 |

**CENTER FOR RESOURCE SOLUTIONS**

**Statement of Activities**
**For the Year Ended December 31, 2024**
**(With Comparative Totals for the Year Ended December 31, 2023)**

| | 2024 | 2023 |
|---|---|---|
| **Support and Revenue** | | |
| Revenue | | |
| Certification fees | $ 4,528,880 | $ 4,234,344 |
| Consulting and program service fees | 147,070 | 159,365 |
| Interest and dividends | 160,257 | 195,191 |
| Total Revenue | 4,836,207 | 4,588,900 |
| Conferences | | |
| Sponsorships | 255,565 | 180,050 |
| Registrations | 365,526 | 317,280 |
| Total conferences | 621,091 | 497,330 |
| Other Support | | |
| Grants | 200,000 | 740,000 |
| Contributions | 13,193 | 25,695 |
| Total other support | 213,193 | 765,695 |
| Total Support and Revenue | 5,670,491 | 5,851,925 |
| **Expenses** | | |
| Program | | |
| Certification & Verification | 2,937,090 | 2,701,017 |
| Education Programs | 952,986 | 809,633 |
| Policy and Market Development | 1,488,861 | 1,014,459 |
| Total Programs | 5,378,937 | 4,525,109 |
| Management and general | 1,002,777 | 882,070 |
| Fundraising | 23,100 | 28,477 |
| Total Expenses | 6,404,814 | 5,435,656 |
| Change in Net Assets Without Donor Restrictions | (734,323) | 416,269 |
| Net Assets, beginning of year | 3,935,087 | 3,518,818 |
| Net Assets, end of year | $ 3,200,764 | $ 3,935,087 |

## CENTER FOR RESOURCE SOLUTIONS

### Statement of Cash Flows
### For the Year Ended December 31, 2024
### (With Comparative Totals for the Year Ended December 31, 2023)

| | 2024 | 2023 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Change in net assets | $ (734,323) | $ 416,269 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 118,045 | 103,671 |
| Investment activity | - | (191,344) |
| Changes in assets and liabilities: | | |
| Accounts receivable | 65,300 | 18,848 |
| Contributions receivable | 16,000 | (4,241) |
| Prepaid expenses and deposit | (2,766) | (27,059) |
| Accounts payable and accrued expenses | 30,165 | (33,264) |
| Accrued paid time off | 2,285 | 55,753 |
| Change in operating lease assets and liabilities | (6,545) | 15,000 |
| Deferred revenue | 301,913 | 145,177 |
| Net cash provided (used) by operating activities | (209,926) | 498,810 |
| **Cash flows from investing activities** | | |
| Purchases of investments | - | (97,341) |
| Proceeds from investments, net | 2,741,230 | - |
| Purchases of equipment and improvement | (334,805) | (27,468) |
| Net cash provided (used) by investing activities | 2,406,425 | (124,809) |
| Net change in cash and cash equivalents | 2,196,499 | 374,001 |
| Cash and cash equivalents, beginning of year | 1,410,654 | 1,036,653 |
| Cash and cash equivalents, end of year | $ 3,607,153 | $ 1,410,654 |
| Supplemental Information | | |
| Cash paid for operating lease liabilities | $ 242,481 | $ 203,672 |
| Right-of-use assets obtained in exchange for lease liabilities | $ 50,154 | $ - |

**CENTER FOR RESOURCE SOLUTIONS**

**Statement of Functional Expenses**
**For the Year Ended December 31, 2024**
**(With Comparative Totals for the Year Ended December 31, 2023)**

| | Program | Management and General | Fundraising | Total 2024 | Total 2023 |
|---|---|---|---|---|---|
| Salaries | $ 3,027,783 | $ 509,734 | $ 18,794 | $ 3,556,311 | $ 2,999,722 |
| Retirement contributions | 169,808 | 23,322 | 1,851 | 194,981 | 146,140 |
| Other employee benefits | 410,639 | 24,914 | 781 | 436,334 | 373,155 |
| Payroll taxes | 233,267 | 36,046 | 1,385 | 270,698 | 230,185 |
| Total Personnel | 3,841,497 | 594,016 | 22,811 | 4,458,324 | 3,749,202 |
| Contract services | 242,421 | 259,414 | 6 | 501,841 | 468,077 |
| Office expenses | 87,645 | 28,105 | 2 | 115,752 | 36,039 |
| Information technology | 118,900 | 15,330 | 2 | 134,232 | 97,987 |
| Printing and publications | 29,909 | 637 | - | 30,546 | 26,255 |
| Professional development | 5,772 | 79 | - | 5,851 | 3,259 |
| Occupancy | 200,872 | 35,055 | 9 | 235,936 | 203,674 |
| Travel and meals | 193,359 | 1,401 | - | 194,760 | 186,470 |
| Conferences and meetings | 459,175 | 41,013 | 211 | 500,399 | 466,210 |
| Depreciation | 100,501 | 17,539 | 5 | 118,045 | 103,671 |
| Dues, service fees and other | 69,847 | 5,120 | 52 | 75,019 | 66,276 |
| Insurance | 29,039 | 5,068 | 2 | 34,109 | 28,536 |
| Total Expenses | $ 5,378,937 | $ 1,002,777 | $ 23,100 | $ 6,404,814 | $ 5,435,656 |

**Notes to the Financial Statements**
**For the Year Ended December 31, 2024**
**(With Comparative Totals for the Year Ended December 31, 2023)**

## NOTE 1: NATURE OF ACTIVITIES

Center for Resource Solutions (CRS) promotes policy and market solutions to advance sustainable energy. Founded in 1997 as a 501(c)(3) nonprofit, CRS focuses on the important work of accelerating the green energy transition. Through its Green-e® certification programs, policy advocacy, educational outreach, and expert guidance on renewable energy development and greenhouse gas mitigation strategies, CRS focuses on ensuring that climate-mitigation actions are effective and additive, that high quality and high impact green energy and its benefits are accessible to all regardless of socioeconomic status, and that private-sector investments in the green energy transition are additive to ambitious policy commitments made at the local, state, and national levels.

CRS works with a global network of stakeholders from government, civil society, and the private sector to support its demonstrated leadership in policy and advance its high-quality programs in clean energy markets. It develops expert responses to climate change issues with the speed and effectiveness necessary to provide real-time solutions. Its leadership through collaboration and environmental innovation helps build policies, market frameworks, and consumer-protection mechanisms in sustainable energy that foster healthy and sustained growth that benefits all regardless of income or geographic location.

For over 25 years, CRS's thought leadership, policy advocacy, and market-facing programs have been instrumental in driving renewable energy development, including opening avenues for all consumers—from residential customers to the Fortune 100—to realize the benefits of transitioning to clean energy. In 1997, CRS launched the Green-e® Energy program, a certification program that ensures consumers and businesses have access to the highest-quality renewable electricity options. Over the decades, Green-e®'s impact on the power sector has been tremendous. It sets the bar for green power that meets the highest standards and is sold with complete transparency and accuracy. The "voluntary" green power market (made up of consumers and businesses that opt in to green power programs) shaped by this program is enormously influential in driving investment in new generation. In 2024, CRS certified over 160 million MWh of renewable electricity, about 3.5% of the total U.S. national electricity consumption. In addition, 47% of the Fortune 100 and leading companies rely on CRS programs and guidance to provide assurance that their renewable energy commitments are making a difference.

In addition to its certification programs, CRS is recognized as a "convener" that can organize industry, NGOs, and government to work together on common issues to advance climate solutions. CRS is known through its four Green-e® certification programs as a leading developer of environmental standards that are widely adopted and applied, leading to increased impact. CRS is a thought leader, providing guidance and assistance for companies and governments around the world doing their part for clean energy development. Through its webinars, reports, white papers, conferences, and online resources, CRS prioritizes its mission to educate, inform, and lead the private and public sectors in advancing common priorities.

### Program Overview and Strategy

CRS's expertise, commitment to stakeholder engagement, and ongoing focus on impact, equitable access, and credibility continue to drive and shape the renewable energy markets. With a 27-year track record of providing trusted guidance, CRS has continued to have excellent industry recognition, including in the popular and trade press. In the last few years CRS has been featured in CNET, the Columbus Dispatch, E&E News, Energy News Network, Financial Times, Greenbiz, Smart Cities Dive, Washington Policy Center, and over a dozen more outlets.

**CRS has three main areas of focus for its programs:**

1. Green-e® Certification Programs, which provide stakeholder-driven standards, consumer protection, and market-development support for renewable energy and greenhouse gas reduction actions that are third-party verified and go above and beyond what is required by law and regulation.
2. Policy and Market Development, which include advocacy to support effective policies and regulations that result in real impact for the climate and communities; creating consensus-based guidance involving stakeholders from civil society, government, and the private sector that results in real-time advancements in using clean energy to reduce climate impacts; and best-in-class expert assistance for organizations seeking to lead by example in providing and using renewable energy and achieving greenhouse gas reductions.
3. Educational Programs, which bring together an extensive set of resources, tools, and solutions supporting the green energy market, from decision makers like regulators and sustainability professionals to energy buyers and sellers. Materials include online resources, webinars, speaking engagements, and the market-leading Renewable Energy Markets conferences that take place annually in the U.S. and Singapore.

CRS's three main areas of program focus together provide a framework for its market and policy engagement with both private- and public-sector leaders, and open more opportunities for entities—individuals, national governments, and the world's largest corporations—to have a meaningful impact on accelerating the transition to a green energy economy.

CRS is helping to mitigate the effects and pace of climate change by advocating for a rigorous and effective regulatory environment, increasing and facilitating communication between key stakeholders, and offering a pathway to decarbonization through creating and promoting effective market-based tools and programs that drive private and public sector engagement and investment into impactful green energy solutions that benefit all consumers. The structures CRS created around the energy market's levers for change encourage greater impact, greater participation, and increased investment in green power solutions.

## 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).

### Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

*Net assets without donor restrictions* – are resources available to support operations. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

*Net assets with donor restrictions* – are resources that are restricted by a donor for use for a particular purpose or in a particular period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; there were no restrictions of this nature as of December 31, 2024.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor-imposed restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

### Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

### Accounting for Revenue

The Organization recognizes revenue as performance obligations are satisfied.

Revenue is recognized over time for cost reimbursement contracts as eligible expenses are incurred if other conditions of the contract are satisfied. Revenue from agreements that include milestones and milestone payments are recognized over time as milestones are reached. Revenue from agreements based on hourly rates are recognized over time as time is expended if the Organization expects it will have an enforceable right to payment for such amounts. Revenue is recognized based on estimated progress towards complete satisfaction of the performance obligation if the Organization can reasonably measure such progress. If the Organization's efforts are expended evenly throughout the performance period, the Organization may recognize revenue on a straight-line basis over such a period.

Revenue is recognized at a point in time when goods or services are provided to customers and the Organization is not required to provide additional goods or services or if the above criteria are not met.

The Organization tracks contract assets representing earned amounts that are not yet receivable separately from accounts receivable, if any. As a practical expedient the Organization disregards the effects of potential financing components if the period between payment and performance is one year or less.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period.

**Certification Fees**

The Organization recognizes certification fee revenue in the year that related certification services are performed. Amounts paid in advance of a certification year are reported as deferred revenue. The Organization's renewable energy certification program includes its Green-e® Energy, Climate and Marketplace programs, which operate on a calendar year certification cycle. Activities during the certification year include a Verification Process Audit and Marketing Compliance Review.

**Consulting and Program Service Fees**

The Organization recognizes consulting and program service fee revenue over time as related consulting or program service activities are completed. In some cases, mission related program service revenue is recognized in proportion to the underlying allocated costs + overhead basis. The Organization reports funds received in advance of related performance obligations or incurred costs within deferred revenue as unearned income.

**Conferences**

The Organization recognizes revenue for conference registrations in the period in which the related conference activity occurs. Its current policy is to open registration for such conferences in the same year as the related conference activity, and so it does not generally hold funds at fiscal year-end for future conferences. Conference sponsorship revenue is recognized in the period during which the conference is held. Sponsorship payments received in a period prior to the related conference are recorded on the balance sheet as deferred revenue.

**Contributions Receivable**

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. The Organization has evaluated the value of the discount and concluded that it was not material for recognition. The Organization considers all contributions receivable to be fully collectible at December 31, 2024. 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.

**Accounts Receivable**

Accounts receivable are unsecured non-interest bearing trade receivables. The Organization uses historical loss information adjusted for management's expectations about current and future economic conditions and the aging of receivables relative to expected payment dates as the basis to determine expected credit losses. If amounts become uncollectible, they are charged to the valuation allowance for credit losses if any, with any excess amounts charged to expense in the period in which that determination is made. The Organization considers all accounts receivable to be fully collectible at December 31, 2024. Accordingly, no allowance for doubtful accounts was deemed necessary.

**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 IRC 501(c)(3) and California RTC 23701(d). The Organization has evaluated its current tax positions as of December 31, 2024 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, 2024.

**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**

The Organization determines the fair value 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.

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.

The Organization had no assets or liabilities recorded at fair value on December 31, 2024.

**Property and Equipment**

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over $5,000; 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 - 7 years |
| Leasehold improvements | 4 years |
| Software | 5 years |

Expenditures for major renewals and betterments that extend the useful lives of 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.

**Leases**

The Organization evaluates all contracts to determine if they contain a lease. For leases with terms greater than 12 months, the Organization records a right-of-use asset and lease obligation at the present value of lease payments over the term of the lease. The Organization expenses total lease costs on a straight-line basis over the related lease term. The Organization has elected to exclude leases that (a) have a lease term of 12 months or less and (b) do not contain a reasonably certain purchase option. The Organization has elected to combine non-lease components with related lease components unless non-lease components are billed separately. As the Organization’s leases do not generally provide a readily determinable implicit interest rate, the Organization uses the risk-free rate commensurate with the respective terms of the leases to discount the lease payments. The Organization had no material short term leases.

**Expense Recognition and Allocation**

The cost of providing the Organization’s programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions using a reasonable allocation method that is consistently applied as follows:

Salaries and wages, benefits, and payroll taxes are allocated based on hourly tracking by functional area in payroll system

Telephone and internet services, insurance, supplies, and occupancy expenses that cannot be directly identified are allocated on the basis of employee full salary plus fringe expenditures for each program and supporting activity.

Management and general activities include the functions necessary to provide support for the Organization’s program activities. They include activities that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, and similar functions that ensure an adequate working environment and an equitable employment program.

Fundraising activities include publicizing and conducting fundraising campaigns; maintaining donor lists; conducting special fundraising events; and other activities involved with soliciting contributions from corporations, foundations, individuals, and others.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred. All expenses and net losses are reported as decreases in net assets without donor restrictions.

### 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, 2023, 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 August 25, 2025, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

## NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

| | 2024 | 2023 |
|---|---|---|
| Furniture and equipment | $ 308,061 | $ 267,089 |
| Leasehold improvement | 293,652 | 248,661 |
| Software | 248,842 | - |
| Less accumulated depreciation | (271,171) | (153,126) |
| Total | $ 579,384 | $ 362,624 |

## NOTE 4: DEFERRED REVENUE

The Organization recognized advance payments for services that are to be performed in the future as deferred revenue. Deferred revenue consisted of the following as of December 31:

| | 2024 | 2023 |
|---|---|---|
| Opening | $ 403,626 | $ 258,449 |
| New | 620,026 | 318,799 |
| Recognized | (318,113) | (173,622) |
| Total | $ 705,539 | $ 403,626 |

Composition of deferred revenue was as follows as of December 31:

| | 2024 | 2023 |
|---|---|---|
| Green-e and marketplace fees | $ 628,812 | $ 318,799 |
| Grants | 76,727 | 84,827 |
| Total | $ 705,539 | $ 403,626 |

## NOTE 5: CONTINGENCIES

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: COMMITMENTS

### Operating Leases

The Organization leases office space in San Francisco with terms through May 2026. The Organization's office lease requires minimum monthly lease payments of $18,212 per month with yearly 3% increases. The Organization used an estimated risk-free rate of 4.5% as its discount rate in order to determine the present value of its lease liability. Future minimum payments due under this lease are as follows for the years ended December 31:

| | |
|---|---|
| 2025 | $ 258,370 |
| 2026 | 108,948 |
| Subtotal | 367,318 |
| Less amounts representing interest | (12,176) |
| Total | $ 355,142 |

Rent for the years ended December 31, 2024 and 2023 was $235,936 and $203,672, respectively.

## NOTE 7: CONCENTRATIONS

### Concentration of Credit Risk

As of December 31, 2024, the Organization held approximately $521,000 in excess of FDIC insurance limits at one bank.

## NOTE 8: RETIREMENT PLAN

The Organization offers a 401(k)-retirement plan. The Organization makes a non-elective contribution of 3% of employee's gross salary to the plan. The Organization has approved a discretionary additional 3% match on employee contributions for the past two years. All Organization contributions vest immediately. Total contributions for the years ended December 31, 2024 and 2023 were $194,981 and $146,140, respectively.

## NOTE 9: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2024 are:

| | |
|---|---|
| Cash and cash equivalents | $ 3,607,153 |
| Accounts receivable | 77,052 |
| Board designated reserve | (922,236) |
| Total | $ 2,761,969 |

As part of the Organization's liquidity management plan, the Organization invests funds in excess of daily requirements in cash and cash equivalents. The above reflects board designated reserve funds as unavailable as it is the Organization's intention to invest those resources for long-term support. However, in the case of need, the Board of Directors may appropriate resources from its designated fund.