

**CEC Stuyvesant Cove, Inc.**  
**(d/b/a Solar One)**

Financial Statements

December 31, 2023

## Independent Auditors' Report

**Board of Directors,  
CEC Stuyvesant Cove, Inc. (d/b/a Solar One)**

### Opinion

We have audited the accompanying financial statements of CEC Stuyvesant Cove, Inc. (d/b/a Solar One) ("Solar One"), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows 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 Solar One as of December 31, 2023 and the changes in its 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Solar One 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 Solar One's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' 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 auditors' 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 are considered material if there is 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 Solar One'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 Solar One'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 Solar One's December 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 9, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*PKF O'Connor Davies, LLP*

August 14, 2024

**CEC Stuyvesant Cove, Inc.**  
**(d/b/a Solar One)**

Statement of Financial Position  
December 31, 2023  
(with comparative amounts at December 31, 2022)

	2023	2022
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 1,541,708	\$ 2,198,033
Contributions receivable	951,580	1,148,280
Government contract and service fee receivables	1,540,286	1,177,271
Prepaid expenses	6,315	35,770
Total Current Assets	4,039,889	4,559,354
Contributions receivable, net	-	863,558
Equipment and leasehold improvements, net	1,631,537	1,644,992
Security deposits	3,595	595
Right of use asset, net	2,154,735	2,385,419
	<b>\$ 7,829,756</b>	<b>\$ 9,453,918</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 721,492	\$ 846,191
Deferred revenue	235,786	213,200
Lease liability	224,389	214,233
Total Current Liabilities	1,181,667	1,273,624
Lease liability	2,067,983	2,292,372
	3,249,650	3,565,996
 Net Assets		
Without donor restrictions	2,341,683	2,420,239
With donor restrictions	2,238,423	3,467,683
Total Net Assets	4,580,106	5,887,922
	<b>\$ 7,829,756</b>	<b>\$ 9,453,918</b>

See notes to financial statements

**CEC Stuyvesant Cove, Inc.**  
**(d/b/a Solar One)**

Statement of Activities  
Year Ended December 31, 2023  
(with summarized totals for the year ended December 31, 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUE AND SUPPORT</b>				
Governmental income	\$ 2,761,495	\$ -	\$ 2,761,495	\$3,676,865
Service fees income	1,400,721	-	1,400,721	1,390,628
Fundraising events	130,780	-	130,780	13,000
Contributions				
Foundation	496,489	533,000	1,029,489	3,726,013
Corporate	17,275	225,000	242,275	527,000
Individual	19,810	-	19,810	15,816
In-kind contributions	288,149	-	288,149	209,276
Other income	78,932	-	78,932	755
Net assets released from restrictions	<u>1,987,260</u>	<u>(1,987,260)</u>	<u>-</u>	<u>-</u>
Total Revenue and Support	<u>7,180,911</u>	<u>(1,229,260)</u>	<u>5,951,651</u>	<u>9,559,353</u>
<b>EXPENSES</b>				
Program	5,303,554	-	5,303,554	5,456,454
Management and general	1,310,902	-	1,310,902	1,073,206
Fundraising	<u>645,011</u>	<u>-</u>	<u>645,011</u>	<u>444,832</u>
Total Expenses	<u>7,259,467</u>	<u>-</u>	<u>7,259,467</u>	<u>6,974,492</u>
Change in Net Assets	(78,556)	(1,229,260)	(1,307,816)	2,584,861
<b>NET ASSETS</b>				
Beginning of year	<u>2,420,239</u>	<u>3,467,683</u>	<u>5,887,922</u>	<u>3,303,061</u>
End of year	<u>\$ 2,341,683</u>	<u>\$ 2,238,423</u>	<u>\$ 4,580,106</u>	<u>\$5,887,922</u>

See notes to financial statements

**CEC Stuyvesant Cove, Inc.**  
**(d/b/a Solar One)**

Statement of Functional Expenses  
Year Ended December 31, 2023  
(with summarized totals for the year ended December 31, 2022)

	Program	Management and General	Fundraising	2023 Total	2022 Total
Salaries and benefits	\$ 4,146,539	\$ 651,165	\$ 392,041	\$ 5,189,745	\$ 3,847,489
Contract services	542,517	140,290	218,067	900,874	2,298,350
Donated goods and services	24,555	263,594	-	288,149	209,276
Office expenses	187,673	51,725	10,749	250,147	154,154
Facilities and equipment	264,733	39,830	20,344	324,907	302,638
Travel and meetings	78,831	14,106	3,093	96,030	38,846
Other expenses	38,426	109,530	717	148,673	61,060
Business expenses	20,280	28,173	-	48,453	52,307
Depreciation expense	-	12,489	-	12,489	10,372
<b>Total Expenses</b>	<b><u>\$ 5,303,554</u></b>	<b><u>\$ 1,310,902</u></b>	<b><u>\$ 645,011</u></b>	<b><u>\$ 7,259,467</u></b>	<b><u>\$ 6,974,492</u></b>

See notes to financial statements

**CEC Stuyvesant Cove, Inc.**  
**(d/b/a Solar One)**

Statement of Cash Flows  
Year Ended December 31, 2023  
(with comparative amounts for the year ended December 31, 2022)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$(1,307,816)	\$2,584,861
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	12,489	10,372
Loss on disposal of assets	966	-
Discount on contributions receivable	-	36,442
Amortization of right of use asset	230,684	189,771
Changes in Operating Assets and Liabilities		
Contributions receivable	1,060,258	(1,762,055)
Government contract and service fee receivables	(363,015)	66,719
Prepaid expenses	29,455	(29,845)
Security deposits	(3,000)	4,717
Accounts payable and accrued expenses	(124,699)	(186,464)
Deferred revenue	22,586	(240,763)
Lease liability	(214,233)	(68,585)
Net Cash from Operating Activities	(656,325)	605,170
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment and leasehold improvements	-	(103,585)
Net Change in Cash and Cash Equivalents	(656,325)	501,585
 <b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	2,198,033	1,696,448
End of year	\$ 1,541,708	\$2,198,033

See notes to financial statements

**CEC Stuyvesant Cove, Inc.**  
**(d/b/a Solar One)**

Notes to Financial Statements  
December 31, 2023

**1. Organization**

***Nature of Business***

CEC Stuyvesant Cove, Inc. (d/b/a Solar One) ("Solar One") was incorporated on May 16, 2003 under the laws of the State of New York.

Solar One is a New York not-for-profit corporation, which educates individuals about the critical environmental issues facing the New York Metropolitan area and maintains a park and environmental learning center. Solar One is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**2. Summary of Significant Accounting Policies**

***Basis of Presentation***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

***Use of Estimates***

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

***Adoption of New Accounting Pronouncement***

In June 2016, the Financial Accounting Standards Board issued an accounting pronouncement related to the measurement of credit losses on financial instruments. This pronouncement and subsequently issued Accounting Standards Updates, clarified certain provisions of the new guidance, changed the impairment model for most financial assets and required the use of an "expected loss" model for instruments measured at amortized cost. Under this model, entities are required to estimate the lifetime expected credit losses on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset. The adoption of this guidance on January 1, 2023 did not have a material effect on the financial statements.

***Cash and Cash Equivalents***

Solar One considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents.

***Net Asset Classification***

Net assets without donor restrictions include funds having no restriction as to use or purpose imposed by donors. Net assets with donor restrictions are those whose use is limited by donors to a specific time period or purpose or limited by donors for investment in perpetuity. There were no net assets limited by donors for investment in perpetuity as of December 31, 2023 and 2022.

**CEC Stuyvesant Cove, Inc.**  
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Notes to Financial Statements  
December 31, 2023

**2. Summary of Significant Accounting Policies (continued)**

***Allowance for Doubtful Accounts***

The allowance for doubtful accounts is based on management's review of outstanding balances, credit history and other factors. Management believes that all contribution and government contract receivables are collectible and, accordingly, no provision for doubtful collection is deemed necessary.

***Equipment and Leasehold Improvements***

Equipment and leasehold improvements are recorded at cost or, for donated items, at fair value at date of donation. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. The range of these lives is 3 to 5 years. Solar One capitalizes equipment over \$1,000 with a life greater than a year.

Equipment and leasehold improvements are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is identified. If the carrying amount for the asset is not recoverable, the value is written down to the asset's fair value less costs to sell. There was an asset impairment of \$3,792 for the year ended December 31, 2023 and no asset impairments for the year ended December 31, 2022.

***Leases***

Leases are included in right-of-use ("ROU") assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. Solar One does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Solar One's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

***Contributions***

Contributions, including promises to give, are recorded when received as net assets without donor restrictions unless donor stipulations limit the use of the donation. When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished or time restriction has lapsed, net assets with donor restrictions are released to net assets without donor restrictions.

***In-kind Contributions***

Contributions of services are recognized at fair value when they are received if the services either create or enhance nonfinancial assets, or require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not donated. Donated goods distributed are recorded as income and expense at the time they are received which is normally also the time they are placed into service or distributed.

**CEC Stuyvesant Cove, Inc.**  
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Notes to Financial Statements  
December 31, 2023

**2. Summary of Significant Accounting Policies (continued)**

**Government Contracts**

Solar One's government contracts are reported as revenue when the related expenses are incurred. Such revenue is limited for the use specified by the contracting government agency, who monitors costs incurred.

**Service Fee Contracts**

Solar One's service fee contracts are recognized as services are performed. At December 31, 2023, all contracts and service fee receivables are due in 2024.

Prior to January 1, 2023, service fee receivables were recorded at the amount invoiced less an allowance for doubtful accounts. The net amount of service fee receivables and corresponding allowance for doubtful accounts were presented on the statement of financial position. Receivable balances were assessed at every reporting date for collectability and an allowance was recorded if the receivable was considered uncollectable. Subsequent to January 1, 2023, service fee receivables are recorded at amortized cost less an allowance for credit losses that are not expected to be recovered. The amount of service fee receivables and corresponding allowance for credit losses are presented on the statement of financial position. Solar One maintains allowances for credit losses resulting from the expected failure or inability of its customers to make required payments. Solar One recognizes the allowance for credit losses at inception and reassesses at every reporting date based on the asset's expected collectability. The allowance is based on multiple factors including historical experience with uncollectible accounts, the credit quality of the customer base, the aging of such receivables and current macroeconomic conditions, as well as expectations of conditions in the future, if applicable. Solar One records a provision for expected credit losses using a historical loss-rate method based on the ratio of its historical write-offs to its average trade receivable.

Solar One writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with Solar One's accounting policy election.

**Service Fee Contracts (continued)**

The beginning and ending service fee contract balances were as follows:

	December 31,		
	2023	2022	2021
Service fee contract assets	\$ 458,921	\$ 476,092	\$ 318,705
Service fee contract liabilities	235,786	213,200	453,963

**CEC Stuyvesant Cove, Inc.**  
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Notes to Financial Statements  
December 31, 2023

**2. Summary of Significant Accounting Policies (continued)**

Performance-based contract revenue is recorded when the performance tests have been met. Expenditures related to the performance-based contracts are recorded when the expenditures are incurred. Service fees are recognized when services are rendered and when collection is reasonably assured.

***Advertising Costs***

All publicity and advertising costs are expensed as incurred.

***Functional Allocation of Expenses***

The costs of providing the various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services in reasonable ratios determined by management. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function, specifically program services which consist of green hard skills technical training, environmental STEM education, and solar and resiliency education and initiatives. Certain expenses are attributable to more than one program or supporting function and have been allocated among program services, management and general and fundraising. These expenses include salaries and benefits, insurance, rent and utilities, computer and other office expenses, telephone among others, which are allocated based on estimates of time and effort.

***Accounting for Uncertainty in Income Taxes***

Solar One recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that Solar One had no uncertain tax positions that would require financial statement recognition or disclosure. Solar One is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2020.

***Prior Year Summarized Information***

The financial statements include certain prior year summarized comparative information in total only, which does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with Solar One's financial statements for 2022, from which the summarized information was derived.

***Reclassifications***

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 presentation. The change in net assets is unchanged due to these reclassifications.

***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is August 14, 2024.

**CEC Stuyvesant Cove, Inc.**  
**(d/b/a Solar One)**

Notes to Financial Statements  
December 31, 2023

**3. Concentration of Credit Risk**

Financial instruments that potentially subject Solar One to concentrations of credit and market risk consist principally of cash and cash equivalents and receivables. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation (“FDIC”) are insured up to \$250,000.

Government contracts receivable are principally from federal, state and city government agencies.

**4. Contributions Receivable**

Management expects contributions receivable to be realized in the following periods at December 31:

	<u>2023</u>	<u>2022</u>
Due within one year	\$ 951,580	\$ 1,148,280
Due within two years	<u>-</u>	<u>900,000</u>
	951,580	2,048,280
Less discount to present value	<u>-</u>	<u>(36,442)</u>
	<u>\$ 951,580</u>	<u>\$ 2,011,838</u>

To reflect time value of money, contributions receivable as of December 31, 2022 were discounted to the present value at a risk free rate of 4.01%. Solar One had amounts due of \$900,000 and \$1,700,000 from one donor as of December 31, 2023 and 2022.

**5. Loan Receivable**

On December 20, 2019, Solar One entered into a predevelopment loan agreement to lend a Massachusetts energy cooperative \$66,000 to pay for solar equipment. The loan did not accrue any interest until April 1, 2020. If the loan is not repaid in full by April 1, 2020, it will accrue interest of \$25 per calendar day starting on April 2, 2020. Solar One elected to waive the interest due to delays caused by the coronavirus pandemic and no interest has been charged to date. There is no expiration date on this loan agreement and has not been paid as of the date these financial statements were available for issuance. At December 31, 2023 and 2022, management provided a full allowance against the loan.

**CEC Stuyvesant Cove, Inc.**  
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Notes to Financial Statements  
December 31, 2023

**6. Equipment and Leasehold Improvements**

Equipment and leasehold improvements consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Leasehold improvements	\$ 52,403	\$ 52,403
Equipment	47,390	51,182
Construction in progress	<u>1,551,779</u>	<u>1,551,779</u>
	1,651,572	1,655,364
Less accumulated depreciation	<u>20,035</u>	<u>10,372</u>
	<u>\$ 1,631,537</u>	<u>\$ 1,644,992</u>

Construction in progress consists principally of architectural and engineering fees for the construction of the Solar One Environmental Education Center (“S1EEC”). During 2017, Solar One executed an agreement with the New York City Economic Development Corporation (“NYC EDC”), where NYC EDC and Solar One would be responsible to design, construct and manage S1EEC. S1EEC will be a state of the art facility for Solar One’s environmental educational programs.

**7. Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes at December 31:

	<u>2023</u>	<u>2022</u>
Green Design Lab	\$ 172,309	\$ 242,998
S1EEC	267,085	267,085
Green Workforce	914,030	1,358,989
Here Comes Solar	884,999	1,493,685
Leadership	<u>-</u>	<u>104,926</u>
	<u>\$ 2,238,423</u>	<u>\$ 3,467,683</u>

**CEC Stuyvesant Cove, Inc.**  
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Notes to Financial Statements  
December 31, 2023

**8. Net Assets Released from Restrictions**

Net assets were released from restriction for the following purposes for the years ended December 31:

	2023	2022
Green Design Lab	\$ 476,804	\$ 445,049
Green Workforce	704,344	206,281
Park	-	1,000
Here Comes Solar	701,186	530,315
Leadership	104,926	45,074
	\$ 1,987,260	\$ 1,227,719

**9. Loan Payable**

Solar One has a \$425,000 program-related investment working capital facility from a foundation that Solar One can draw on for the operations of its programs. The maturity date for any outstanding and additional advances is May 31, 2029. Interest is payable quarterly and bears a floating interest of the prime rate as published in the Wall Street Journal plus 3.00% only on amounts drawn down. Amounts drawn on the working capital facility are secured by Solar One’s assets. The working capital facility required Solar One to open an “Earmarked Fund Account-Money Market” (“EFA”) with another foundation and deposit all of the loan proceeds in such EFA. Funds may be withdrawn or deposited from and to the EFA on five business days’ notice to the foundation and shall be limited to three withdrawals and two deposits per month. There were no amounts drawn upon or outstanding under the EFA as of December 31, 2023 and 2022.

**10. In-kind Contributions**

In-kind contributions are comprised of professional and legal services and donated goods, which are reflected in the accompanying financial statements as in-kind contributions revenue and donated goods and services within program services and management and general in the statement of functional expenses. Donated services are valued based on the hourly rate and expenses incurred by the independent contractors. Donated goods are valued based on the cost of the goods. The value of professional services for the years ended December 31, 2023 and 2022 totaled \$288,149 and \$202,876. The value of the donated goods for the years ended December 31, 2023 and 2022 was \$0 and \$6,400. There were no in-kind contributions that were restricted by donors.

**CEC Stuyvesant Cove, Inc.**  
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Notes to Financial Statements  
December 31, 2023

**11. Commitments and Contingencies**

***Commitments***

Solar One evaluates contracts to determine if they meet the criteria of a lease. The ROU assets represent Solar One's right to use underlying assets for the lease term, and the lease liabilities represent Solar One's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from an operating lease, was calculated based on the present value of future lease payments over the lease term. Solar One uses a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

Solar One maintained a non-cancelable lease agreement for office space that expired on March 31, 2022. Effective March 1, 2022, Solar One entered into a 10 year and 5 month non-cancelable lease agreement for warehouse and office space.

As of December 31, 2023 and 2022, the weighted-average remaining lease terms for Solar One's operating leases was 8 years and 7 months and 9 years and 7 months and the weighted average discount rate was 1.72%. Amortization of ROU asset during 2023 and 2022 was \$230,684 and \$189,771. Cash paid for operating leases for the years ended December 31, 2023 and 2022 was \$255,310 and \$105,283.

Solar One amortizes the operating lease ROU asset over the life of the lease agreement. The ROU asset consist of the following at December 31,:

	2023	2022
Right of use asset	\$ 2,575,190	\$2,575,190
Less: Accumulated amortization	(420,455)	(189,771)
Present value of right of use asset	\$ 2,154,735	\$2,385,419

Future maturities of the lease liability are presented in the following table, for the fiscal years ending December 31:

2024	\$ 261,693
2025	268,236
2026	274,941
2027	281,815
2028	288,860
Thereafter	1,094,712
Total undiscounted cash flows	2,470,257
Less present value discount	(177,885)
	\$2,292,372

**CEC Stuyvesant Cove, Inc.  
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Notes to Financial Statements  
December 31, 2023

**11. Commitments and Contingencies (continued)**

***Commitments (continued)***

Rent expense was \$286,603 and \$243,193 for the years ended December 31, 2023 and 2022, which is included in facilities and equipment on the statement of functional expenses. Rent expense for 2023 consists of \$41,077 related to imputed interest on the lease liabilities, \$230,684 related to amortization on the right-of-use asset, and the remainder relates to variable lease expenses of \$14,842 in accordance with the lease agreements. Rent expense for 2022 consists of \$36,698 related to imputed interest on the lease liabilities, \$189,771 related to amortization on the right-of-use asset, and the remainder relates to variable lease expenses of \$16,724 in accordance with lease agreement.

Solar One has an outstanding irrevocable standby letter for credit in the amount of \$84,226. The letter of credit is used to provide a security deposit for the lease of Solar One's premises. The letter of credit is collateralized by a money market account included in the 2023 and 2022 cash and cash equivalents and amounts to \$87,255 and \$84,940 with a 2.92% and 2.2% interest rate at December 31, 2023 and 2022.

***Contingencies***

NYC EDC has a thirty-year lease agreement with the City of New York for \$1 a year for the blacktop area at the north end of Stuyvesant Cove Park and assigned the lease to another non-profit organization upon the execution of the lease. The non-profit organization assigned the lease to Solar One in 2004. The agreement, which expires in October of 2032 has the option to extend this lease for two additional five year periods expiring in 2042. The lease is contingent upon the construction of S1EEC.

Expenditures related to government contracts can be subject to audit by the respective funding sources. Management believes that the results of any such audit would not have an adverse effect on the financial statements.

**CEC Stuyvesant Cove, Inc.**  
**(d/b/a Solar One)**

Notes to Financial Statements  
December 31, 2023

**12. Liquidity and Availability of Financial Assets**

Solar One's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the statement of financial position were as follows as of December 31:

	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 1,541,708	\$ 2,198,033
Contributions receivable	951,580	2,011,838
Government contracts receivable	1,540,286	1,177,271
Total Financial Assets	4,033,574	5,387,142
Less: Contractual or donor imposed restrictions amounts		
Letter of credit	84,226	84,226
Restricted by donor with purpose restrictions	2,238,423	3,467,683
	2,322,649	3,551,909
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 1,710,925	\$ 1,835,233

As part of Solar One's liquidity management strategy, Solar One structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. Solar One's working capital and cash flows have cyclical variations during the year attributable to the cash receipts of service fees and contributions from donors. A majority of general expenditures over the next twelve months are financed through cash and receivables. In the event of financial distress or an immediate liquidity need resulting from events outside the typical lifecycle of converting financial assets to cash or settling financial liabilities, Solar One established a \$425,000 program-related investment loan to provide working capital for its operation.

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