Center for Resource Solutions

FINANCIAL STATEMENTS

December 31, 2012

(With Comparative Totals for December 31, 2011)

Crosby & Kaneda
Certified Public Accountants

Dedicated to Nonprofit Organizations

CENTER FOR RESOURCE SOLUTIONS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Center for Resource Solutions
San Francisco, California

Report on the Financial Statements

We have audited the accompanying financial statements of Center for Resource Solutions, which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Center for Resource Solution's December 31, 2011 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 16, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Adele Kaneda

Certified Public Accountants
Oakland, California
June 5, 2013

Center for Resource Solutions

Statement of Financial Position
December 31, 2012
(With Comparative Totals for December 31, 2011)

	2012	2011
Assets		
Current Assets		
Cash	$ 390,339	$ 273,782
Certificates of deposit	53,582	53,513
Accounts receivable	85,255	76,107
Prepaid expenses	11,210	11,210
Total Current Assets	540,386	414,612
Property and equipment, net (Note 3)	942	-
Total Assets	$ 541,328	$ 414,612
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 73,451	$ 155,368
Vacation accrual	42,631	33,212
Deferred revenue	139,081	90,672
Total Liabilities	255,163	279,252
Commitments and Contingency (Notes 4 and 5)		
Unrestricted Net Assets	286,165	135,360
Total Liabilities and Net Assets	$ 541,328	$ 414,612

See Notes to the Financial Statements

Center for Resource Solutions

Statement of Activities
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	2012	2011
Support and Revenue		
Grants	$ 159,975	$ 164,000
Contributions	16,385	29,507
Certification fees	1,375,934	1,214,596
Conference fees	121,724	133,752
Contract fees	511,738	463,317
Interest income	1,117	1,059
Total Support and Revenue	2,186,873	2,006,231
Expenses		
Program	1,541,153	1,382,377
General and administrative	387,952	348,648
Fundraising	106,963	68,653
Total Expenses	2,036,068	1,799,678
Change in Net Assets	150,805	206,553
Net Assets, beginning of year	135,360	(71,193)
Net Assets, end of year	$ 286,165	$ 135,360

See Notes to the Financial Statements

Center for Resource Solutions

Statement of Cash Flows
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	2012	2011
Cash flows from operating activities:		
Change in net assets	$ 150,805	$ 206,553
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	415	1,316
Changes in assets and liabilities:		
Accounts receivable	(9,148)	(45,641)
Accounts payable and accrued expenses	(81,917)	15,072
Vacation accrual	9,419	
Deferred revenue	48,409	39,837
Net cash provided by operating activities	117,983	217,137
Cash flows from investing activities:		
Net change in purchases of certificates of deposit	(69)	-
Purchase of equipment	(1,357)	-
Net cash used by investing activities	(1,426)	-
Net change in cash	116,557	217,137
Cash, beginning of year	273,782	56,645
Cash, end of year	$ 390,339	$ 273,782

Center for Resource Solutions

Statement of Functional Expenses
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	Program							Total	
	Green-e Certification and Verification Programs	China and International Programs	Expert Assistance	Renewable Energy Markets Conference	Total Program	General and Administrative	Fundraising	2012	2011
Salaries	$ 500,784	$ 2,630	$ 23,906	$ 72,650	$ 599,970	$ 164,414	$ 71,710	$ 836,094	$ 733,051
Payroll taxes	40,954	220	1,402	5,880	48,456	13,058	5,780	67,294	61,219
Pension contributions	27,285	158	1,329	3,916	32,688	9,384	2,642	44,714	32,482
Other employee benefits	65,027	895	469	6,839	73,230	10,460	2,363	86,053	66,374
Total personnel	634,050	3,903	27,106	89,285	754,344	197,316	82,495	1,034,155	893,126
Accounting					-	81,656	-	81,656	86,326
Other professional services	33,589	411,944			445,533	-	2,570	448,103	399,240
Supplies	6,233	204			6,437	35,378	232	42,047	32,903
Telephone and communications	9,086	1,147	867		11,100	6,061	-	17,161	18,360
Printing and publications	16,272				16,272	24,835	6,956	48,063	16,436
Professional development	4,088				4,088	1,016	-	5,104	2,136
Occupancy	82,271	432	3,927	11,935	98,565	27,011	11,781	137,357	136,354
Travel and meals	16,470	292			16,762	4,477	781	22,020	18,992
Conferences and meetings	1,452			173,212	174,664	6,118	548	181,330	177,155
Depreciation					-	415	-	415	1,316
Insurance	11,175	59	533	1,621	13,388	3,669	1,600	18,657	17,334
Total Expenses	$ 814,686	$ 417,981	$ 32,433	$ 276,053	$ 1,541,153	$ 387,952	$ 106,963	$ 2,036,068	$ 1,799,678

NOTE 1: NATURE OF ACTIVITIES

The Center for Resource Solutions (CRS) is a national nonprofit with global impact. We develop 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.** CRS's policy work promotes progress on the interrelated challenges of reversing global warming and advancing clean renewable-energy development. It seeks to ensure that bold policies to advance clean energy development and reduce greenhouse gas emissions are carried out effectively and equitably. CRS's policy outreach impacts regulators, legislators, policy implementers, and thought leaders locally and regionally in North America and globally, and promotes the effective integration of policy and market solutions to advance sustainable energy.

- **Voluntary Certification Programs.** Founded in 1997, Green-e Energy is CRS's flagship consumer protection and certification program, seeking to give North American consumers and organizations confidence that their purchase of renewable energy is making a difference. Since its founding the program has grown significantly—in 2012 it certified two-thirds of the voluntary renewable energy transactions in the U.S., including renewable electricity from more than half of the U.S.'s wind generation. Green-e Energy's sister program, Green-e Climate, provides consumer protection and quality assurance to the voluntary carbon offset market, and Green-e Marketplace supports businesses to use renewable energy and carbon reductions, and assists them in communicating their actions to internal and external stakeholders. The Green-e programs mandate a rigorous accountability on retail products sold to consumers and businesses, bringing needed transparency to the industry that can bolster consumer confidence and in turn grow demand for high impact renewable energy and carbon emission reductions.

- **Expert and Technical Assistance.** CRS's work supports sustainable energy opportunities that are economically viable as well as environmentally sustainable and culturally appropriate. We provide technical support services to state and national governments, utilities, energy developers, regulatory agencies and private-sector companies. CRS core competencies include renewable energy and climate change policy, renewable energy and climate change education and communication, consumer protection and environmental marketing, auditing and verification, greenhouse gas footprint analysis, environmental commodity market development, and tracking and certification systems. The services are targeted to support policy implementation and evaluation, energy development and procurement planning, greenhouse emission analysis, economic and resource studies, market development, and decision and risk analysis. CRS promotes best practices, education, and innovation through its publications, website, webinars, and annual Renewable Energy Markets conference.

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).

Basis of Presentation

The Organization presents 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 three classes are differentiated by donor restrictions.

Unrestricted net assets – consist of resources which have not been specifically restricted by a donor. Unrestricted net assets may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.

Temporarily restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. There were no temporarily restricted net assets at December 31, 2012.

Permanently restricted net assets – represent contributions whose use is limited by donor-imposed stipulations that require the gift to be invested in perpetuity. The income from such invested assets, including realized and unrealized gains, is generally available to support the activities of the Organization. Donors may also restrict all or part of the income and/or appreciation from these investments to permanently restricted net assets, resulting in increases/decreases to these net assets. There were no permanently restricted net assets as of December 31, 2012.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of contribution. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Unrestricted contributions and grants are recorded as unrestricted revenue when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

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.

The Organization considers all contributions to be fully collectible at December 31, 2012. 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.

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 as of December 31, 2012 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, 2012.

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 Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values 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. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

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. Unobservable inputs reflect the Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Organization's own data.

The Organization had no assets or liabilities recorded at fair value on December 31, 2012.

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over $1,000; 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	3-5 years

Expenditures for major renewals and betterments that extend the useful lives of the 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. Impairment is recognized if the sum of the undiscounted estimated future cash flows expected to result from the use of the asset is less than the carrying value. When an impairment loss is recognized, the asset's carrying value is reduced to its estimated fair value.

Deferred Revenue

Deferred revenue represents certification fees which have not yet been completely fulfilled.

Functional Allocation of Expenses

The costs of providing various programs and other 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.

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, 2011, 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 June 5, 2013 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:

	2012	2011
Furniture and equipment	$ 37,234	$ 35,877
Less accumulated depreciation	(36,292)	(35,877)
Total	$ 942	$ -

NOTE 4: COMMITMENTS

Operating Leases

The Organization is party to an office lease in San Francisco that expires in August 2013, and a printer lease that expires in October 2013. Future minimum operating lease payments are $95,096 for year ending December 31, 2013.

Rent for the years ended December 31, 2012 and 2011 was $137,357 and $136,354, respectively.

NOTE 5: CONTINGENCY

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: 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 401(k). All employees are eligible to make personal contributions to the 401(k) plan subject to IRS defined limitations. The Organization made additional contributions in an amount equal to 3% of the employee's gross salary and matched employee contributions up to 3% for the year ended December 31, 2012 of $44,714.

In the year ended December 31, 2011, the Organization had a defined contribution retirement plan under section 403(b) of the Internal Revenue Code. All employees were eligible to make personal contributions to the 403(b) plan subject to IRS defined limitations. The Organization made additional contributions to a SEP Plan in an amount equal to 5% of the employee's gross salary for the year ended December 31, 2011 of $32,482.