

GRID ALTERNATIVES

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

GRID ALTERNATIVES

CONSOLIDATED FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION

DECEMBER 31, 2015 AND 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
GRID Alternatives

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GRID Alternatives and its Affiliates (collectively, the Organization), which comprise the consolidated statements of financial position as of December 31, 2015; the related consolidated statements of activities, of cash flows and of functional expenses for the year then ended; and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, which includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 Organization's internal control. Accordingly, we

To the Board of Directors of
GRID Alternatives
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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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2015, 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subject to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Report on Summarized Comparative Information

We previously audited Grid Alternatives' 2014 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 5, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

To the Board of Directors of
GRID Alternatives
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2016, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Handwritten signature in black ink that reads "Lindquist LLP". The signature is written in a cursive, flowing style.

San Ramon, California
September 27, 2016

GRID ALTERNATIVES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,503,233	\$ 3,891,552
Grants and contracts receivable	4,966,916	2,684,713
Certificates of deposit	36,057	1,931,150
Investments	1,187,838	1,254,907
Construction-in-process	1,152,399	1,214,524
Prepaid expenses	1,112,531	236,751
Total current assets	11,958,974	11,213,597
NON-CURRENT ASSETS		
Property and equipment, net of accumulated depreciation	608,920	294,886
Deposits	81,651	53,225
Total non-current assets	690,571	348,111
Total assets	\$ 12,649,545	\$ 11,561,708
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and other accrued expenses	\$ 1,242,745	\$ 1,246,799
Deferred revenue	859,570	1,202,217
Accrued payroll liabilities	590,400	339,125
Line of credit	1,000,000	-
Total current liabilities	3,692,715	2,788,141
NET ASSETS		
Unrestricted	4,471,009	7,073,567
Unrestricted - Board-designated reserve	1,500,000	1,000,000
Temporarily restricted	2,985,821	700,000
Total net assets	8,956,830	8,773,567
Total liabilities and net assets	\$ 12,649,545	\$ 11,561,708

See accompanying notes to consolidated financial statements.

GRID ALTERNATIVES

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015</u>	<u>2014 Comparative Only</u>
REVENUE AND SUPPORT				
Grants				
Government	\$ -	\$ 6,314,888	\$ 6,314,888	\$ 667,249
Foundation	91,469	4,702,500	4,793,969	737,310
Corporation	1,197,186	-	1,197,186	1,440,872
Donations - individual and events	375,699	-	375,699	346,231
Service contracts	16,574,364	-	16,574,364	18,519,447
Interest income	38,643	-	38,643	1,805
In-kind revenue	5,376,648	-	5,376,648	2,688,964
Net assets released from restrictions	<u>8,731,570</u>	<u>(8,731,570)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>32,385,579</u>	<u>2,285,818</u>	<u>34,671,397</u>	<u>24,401,878</u>
EXPENSES				
Program services	26,980,818	-	26,980,818	18,831,331
General and administrative	3,063,548	-	3,063,548	2,259,890
Fundraising	<u>4,443,768</u>	<u>-</u>	<u>4,443,768</u>	<u>2,832,287</u>
Total expenses	<u>34,488,134</u>	<u>-</u>	<u>34,488,134</u>	<u>23,923,508</u>
CHANGE IN NET ASSETS	(2,102,555)	2,285,818	183,263	478,370
NET ASSETS				
Beginning of year	<u>8,073,567</u>	<u>700,000</u>	<u>8,773,567</u>	<u>8,295,197</u>
End of year	<u>\$ 5,971,012</u>	<u>\$ 2,985,818</u>	<u>\$ 8,956,830</u>	<u>\$ 8,773,567</u>

See accompanying notes to consolidated financial statements.

GRID ALTERNATIVES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2015 AND 2014

	General and Administrative <u>Expenses</u>	<u>Fundraising</u>	Program <u>Services</u>	<u>2015</u>	2014 <u>Comparative Only</u>
Salaries and wages	\$ 1,673,361	\$ 2,301,517	\$ 6,443,594	\$ 10,418,472	\$ 6,823,709
Payroll taxes and fringe benefits	306,979	618,798	1,757,558	2,683,335	1,669,486
Travel and conferences	229,653	229,235	852,258	1,311,146	806,972
Printing	19,815	72,557	52,107	144,479	97,533
Bank charges	55,257	1,115	1,550	57,922	23,410
Program material					
supplies and permits	12,457	25,143	6,257,593	6,295,193	4,552,139
Program consultants	710	300	4,275,427	4,276,437	4,870,939
Insurance	18,395	13,375	183,078	214,848	134,653
Telecommunication	48,123	67,895	115,332	231,350	176,700
Staff development	11,554	11,405	59,540	82,499	99,600
Facilities	88,279	254,747	411,788	754,814	412,895
Professional fees	300,164	793,938	789,638	1,883,740	840,439
Postage	10,611	5,599	15,194	31,404	20,427
Office expenses	66,103	37,281	78,729	182,113	132,100
Depreciation	10,005	10,013	130,875	150,893	67,839
Miscellaneous taxes and fees	4,342	850	387,649	392,841	425,702
External contributions	-	-	-	-	80,000
In-kind expenditures	207,740	-	5,168,908	5,376,648	2,688,965
	<u>\$ 3,063,548</u>	<u>\$ 4,443,768</u>	<u>\$ 26,980,818</u>	<u>\$ 34,488,134</u>	<u>\$ 23,923,508</u>

See accompanying notes to consolidated financial statements.

GRID ALTERNATIVES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 183,263	\$ 478,370
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	150,893	67,839
Changes in assets and liabilities		
Deposits	(28,426)	(20,931)
Current grants and contracts receivable	(2,282,203)	(1,563,645)
Construction-in-process	62,125	1,965,135
Prepaid expenses	(875,780)	(46,506)
Accounts payable and accrued expenses	(4,054)	(1,463,891)
Accrued payroll liabilities	251,275	62,745
Deferred revenue	(342,647)	808,464
Net cash (used in) provided by operating activities	<u>(2,885,554)</u>	<u>287,580</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(464,927)	(238,001)
Sale of certificates of deposit	1,895,093	(1,931,150)
Sale of investments	67,069	(1,254,907)
Net cash provided by (used in) investing activities	<u>1,497,235</u>	<u>(3,424,058)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal borrowing on line of credit	<u>1,000,000</u>	<u>-</u>
Net cash provided by financing activities	<u>1,000,000</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(388,319)	(3,136,478)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>3,891,552</u>	<u>7,028,030</u>
End of year	<u>\$ 3,503,233</u>	<u>\$ 3,891,552</u>
SUPPLEMENTAL INFORMATION		
Interest paid	<u>\$ 93,104</u>	<u>\$ 20,000</u>
No income taxes were paid in either year.		

See accompanying notes to consolidated financial statements.

GRID ALTERNATIVES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

NOTE 1. ORGANIZATION AND TAX STATUS

GRID Alternatives and its Affiliates (collectively, the Organization) is a non-profit, tax-exempt service organization that provides alternative renewable energy for low-income residents through consultation and installation of mechanisms to provide a continuous source of renewable energy. The Organization is exempt from federal and state income tax liability under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. GRID Alternatives is a nationally recognized non-profit organization headquartered in Oakland, California. It operates four regional branch offices under its entity, located in the Bay Area, Central Coast, Central Valley and Inland Empire regions of California, and conducts work in tribal communities in South Dakota and Arizona. In addition, the Organization also operated an international branch office in Nicaragua during 2014 and 2015.

The Organization is affiliated with GRID Alternatives Colorado, Inc.; GRID Alternatives Greater Los Angeles, Inc.; GRID Alternatives Tri-State, Inc.; GRID Alternatives San Diego, Inc.; GRID Alternatives North Valley, Inc.; and GRID Alternatives Mid-Atlantic, Inc. These affiliates install solar electric systems for low-income families throughout their region, providing families with needed savings and training workers for jobs in the growing solar industry. The financial activity of these organizations is included in the accompanying consolidated financial statements of the Organization.

Accounting principles generally accepted in the United States of America require management to evaluate the tax positions taken by the Organization and to recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization and has concluded that, as of December 31, 2015, there are no uncertain positions taken, or expected to be taken, that would require recognition of a

NOTE 1. ORGANIZATION AND TAX STATUS (CONT'D)

liability or disclosure in the consolidated financial statements. The Organization is subject to routine audits by the taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for the fiscal years prior to 2012.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The Organization's consolidated financial statements are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation - The consolidated financial statements include the Organization and its affiliates: GRID Alternatives Colorado, Inc.; GRID Alternatives Greater Los Angeles, Inc.; GRID Alternatives Tri-State, Inc.; GRID Alternatives San Diego, Inc.; GRID Alternatives North Valley, Inc.; and GRID Alternatives Mid-Atlantic, Inc. As part of the consolidated financial statements, all intercompany transactions have been eliminated.

Classification of Assets - The consolidated financial statements are prepared in the format prescribed by Accounting Standards Codification (ASC) 958, *Financial Statements for Not-for-Profit Organizations*, as applicable. In accordance with ASC 958, net assets are classified as unrestricted, temporarily restricted or permanently restricted. Net assets are generally reported as unrestricted unless they are assets received from donors with explicit stipulations that limit the use of the assets for the reporting period. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of time or purpose restrictions. There were no permanently restricted net assets as of December 31, 2015 and 2014.

Prior-Year Summarized Information - The consolidated 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 consolidated financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Investment Valuation, Transactions and Income Recognition -

General - Investments are carried at fair value, which is determined, presented and disclosed in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 820, *Fair Value Measurements and Disclosures*. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FASB ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about inputs that market participants would use in pricing the investments developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels, based on the inputs, as follows:

Level 1 - Valuations based on quoted market prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active, quoted prices for similar investments in active markets or model-based valuations for which all significant assumptions are observable and can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs that are supported by little or no market activity and are significant to the overall fair value measurement. Values are determined using proprietary pricing models, discounted cash flow models that include the investment entities' own judgments and estimations, or some other pricing method using unobservable inputs.

Inputs and Valuation Methods - In determining fair value, FASB ASC 820 allows various valuation approaches. The specific methods used for the Organization's investment classes are presented below.

Equity securities: The fair value of equity securities is generally based on quoted prices in active markets (Level 1).

Money market mutual funds: Money market mutual funds are valued at cost, which approximates fair value (Level 2).

Municipal bonds: Municipal bonds are valued based on discount yield/price modeling that takes into account the various maturity dates and stated coupon rates of the bonds (Level 2).

Valuation Methods, Consistency - The valuation techniques used in the accompanying consolidated financial statements have been consistently applied.

Transactions and Income Recognition - Purchases and sales are recorded on the settlement-date basis. Investment income is recorded when it is received.

Revenue Recognition and Expenses - The Organization reports grants and contributions as restricted if they are received with donor stipulations that limit the use of the donated assets.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

When a donor-imposed restriction expires (that is, when the time restriction ends or the purpose is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the consolidated statements of activities as net assets released from restrictions. When restrictions on contributions are satisfied in the same period as the receipt of the contribution, the Organization reports both the contribution revenue and the related expenses as unrestricted.

Deferred Revenue - The Organization records deferred revenue in connection with advance(s) provided by a funding source's contractual disbursement agreement. Deferred revenue is reclassified to revenue when it is earned. Advances at December 31, 2015 and 2014, are the administrative portion of the Single-Family Affordable Homes (SASH) program. Advances at December 31, 2015, also include amounts related to Cap and Trade revenue under an agreement with the State of California.

Functional Allocation of Expenses - The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services.

Cash and Cash Equivalents - Bank deposits are classified as cash and cash equivalents.

Construction-in-Process - Subcontractor fees and equipment purchases are captured in the construction-in-process account when purchased and are removed and recognized as an expense when a project meets sufficient criteria to be invoiced for the underlying revenue related to the respective project. The balance is composed of subcontractor fees and solar equipment for projects that have yet to be completed.

Fair Value - Substantially all of the assets (except furniture and equipment) and all of the liabilities of the Organization approximate fair value.

Property, Equipment and Depreciation - Property and equipment is reported at cost or donated value at the time it is received and is depreciated under the straight-line method over an estimated useful life of five years. The Organization's policy is to capitalize purchases over \$500.

In-Kind Donations - In-kind donations consist of materials and professional legal services. In kind materials and equipment are recognized at fair value on the date of receipt. In-kind professional legal services are recognized based on amounts provide by the attorneys, which are calculated based on hours of services incurred and the attorney billing rates.

Estimates - The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the consolidated financial statements. Actual results may differ from those estimates.

NOTE 3. GRANTS AND CONTRACTS RECEIVABLE

Generally accepted accounting principles require the recognition of unconditional promises to give in the period of the award, even if the donor has restricted the use and the restriction will not be met until a future reporting period. Grants receivable at December 31, 2015, consists of grants, contracts and unconditional promises to give, which management believes are fully collectible. Four funders represent 62% of the total receivable (21%, 19% 11% and 7%) at December 31, 2015. Three funders represented 78% of the total receivable (44%, 27% and 7%) at December 31, 2014. The solvency of the funders is not of concern to management at this time.

The Organization received a grant for \$2,050,000 in 2013 for the purpose of organizational expansion efforts. The grant was to be paid over a five-year period in annual installment payments. As of December 31, 2013, the Organization was owed \$1,550,000 from this grant. During 2014, the funder paid the full balance of the grant and no additional funds are owed as of December 31, 2014.

NOTE 4. CASH AND CASH EQUIVALENTS

The Organization places its cash and cash equivalents with financial institutions deemed to be creditworthy. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. Deposits may at times exceed the insured deposit limits.

During 2014 and 2015, the Organization maintained additional certificates of deposit, which are no longer considered cash and cash equivalents due to their liquidity and are presented as separate asset accounts on the consolidated statements of financial position.

NOTE 5. INVESTMENTS

The following summary presents the fair value for each of the Organization's investment categories as of December 31, 2015:

	Year Ended <u>December 31,</u> <u>2015</u>
Investments at fair value, as determined by quoted prices	
Equity securities	\$ 973,985
Investments at fair value, as otherwise determined	
Money market mutual funds	<u>213,853</u>
Total	<u>\$ 1,187,838</u>

NOTE 6. INVESTMENTS AT FAIR VALUE HIERARCHY

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at December 31, 2015, are as follows:

<u>Description</u>	December 31, <u>2015</u>	<u>Fair Value Measurements at Reporting Date Using:</u>	
		Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>
Equity securities			
Domestic equities	\$ 586,857	\$ 586,857	\$ -
International equities	387,128	387,128	-
Total equity securities	<u>973,985</u>	<u>973,985</u>	<u>-</u>
Money market mutual funds	<u>213,853</u>	<u>-</u>	<u>213,853</u>
Total	<u>\$ 1,187,838</u>	<u>\$ 973,985</u>	<u>\$ 213,853</u>

NOTE 7. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Property and equipment	\$ 827,741	\$ 495,429
Less: Accumulated depreciation	<u>(218,821)</u>	<u>(200,543)</u>
Total	<u>\$ 608,920</u>	<u>\$ 294,886</u>

Depreciation expense for the years ended December 31, 2015 and 2014, totaled \$150,893 and \$67,839, respectively.

NOTE 8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are as follows:

	<u>December 31,</u>	
	<u>2015</u>	<u>2014</u>
HDR Foundation	\$ 20,000	\$ -
The Schmidt Family Foundation	50,000	-
Max Family Factor Foundation	17,500	-
The JPB Foundation	1,000,000	-
Sun Edison Foundation	767,500	-
All Points North Foundation	40,000	-
Energy Foundation	25,000	-
Wells Fargo Foundation	708,333	-
Wells Fargo Foundation - National Expansion Award	350,000	700,000
The Community Foundation	7,488	-
Total	<u>\$ 2,985,821</u>	<u>\$ 700,000</u>

NOTE 9. LINE OF CREDIT

The Organization has an established maximum and available \$3,000,000 line of credit with its bank. The line of credit bears interest at the U.S. Prime Index Rate plus 1.25%. The interest rate at December 31, 2015 and 2014, was 4.75% and 4.50%, respectively. The Organization had an outstanding principal balance of \$1,000,000 as of December 31, 2015. There was no outstanding balance on the line of credit as of December 31, 2014. The line of credit is secured by assets of the Organization. The Organization was in compliance with all debt covenants as of December 31, 2015. The line of credit is scheduled to mature in November 2016. As of the date of this audit report, the Organization has signed an offer letter from a different bank to obtain another line of credit that would replace the existing facility.

NOTE 10. OBLIGATIONS UNDER OPERATING LEASES

The Organization leases various office spaces. Rental expense for the years ending December 31, 2015 and 2014, totaled \$568,891 and \$303,603, respectively. The following schedule reflects future minimum commitments associated with the leases.

<u>Years Ended</u> <u>December 31,</u>	<u>Amount</u>
2016	\$ 693,334
2017	619,444
2018	390,147
2019	258,635
2020	113,635
Total	<u>\$ 2,075,195</u>

NOTE 11. IN-KIND REVENUE AND IN-KIND EXPENDITURES

Donated materials, services performed or expenditures paid by donors are recorded as in-kind revenues and are expensed as in-kind expenditures in off-set value in the year in which they occur. For the years ended December 31, 2015 and 2014, the in-kind revenue and in-kind expenditures are as follows:

	<u>Years Ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
Construction materials	\$ 5,052,613	\$ 2,280,055
Legal services	291,265	268,664
Volunteer services	32,770	140,245
Total	<u>\$ 5,376,648</u>	<u>\$ 2,688,964</u>

NOTE 12. CONTINGENCY

Grant awards require the fulfillment of certain conditions as set forth in the instruments of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote because, 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 13. RETIREMENT PLAN

The Organization offers a 403(b) retirement plan to all of its employees. The Organization did not match employee contributions during the years ended December 31, 2015 and 2014.

NOTE 14. RELATED PARTIES

The Organization engaged in transactions with the employers of two members of the Organization's Board of Directors. The Organization received in-kind legal services with a value of \$111,621 and \$229,544 from law firms that employ members of the Board of Directors for the years ended December 31, 2015 and 2014, respectively.

NOTE 15. SUBSEQUENT EVENTS

Subsequent events were evaluated through the date on which the consolidated financial statements were available to be issued. This date is approximately the same as the independent auditors' report date.

ADDITIONAL INFORMATION

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

To the Board of Directors of
GRID Alternatives

We have audited the consolidated financial statements of GRID Alternatives and its Affiliates (collectively, the Organization) for the years ended December 31, 2015 and 2014, and have issued our report thereon dated September 27, 2016, which contained an unmodified opinion on those consolidated financial statements. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying supplementary information, which appears on pages 18 through 35, is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. The supplementary information referenced on pages 36 and 43 is an analysis detailing expenditures, advances and incentives under the Single-family Affordable Solar Homes (SASH) program and is provided at the request of the California Public Utilities Commission as part of their monitoring and oversight of the SASH program.

Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.



San Ramon, California
September 27, 2016

GRID ALTERNATIVES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

DECEMBER 31, 2015

	<u>GRID Alternatives</u>	<u>GRID Affiliates</u>	<u>Total</u>	<u>Eliminating Entries</u>	<u>Consolidated Totals</u>
Assets					
CURRENT ASSETS					
Cash and cash equivalents	\$ 2,419,332	\$ 1,083,901	\$ 3,503,233	\$ -	\$ 3,503,233
Grants and contracts receivable	4,138,632	828,284	4,966,916	-	4,966,916
Intercompany receivable	5,035,236	310,975	5,346,211	(5,346,211)	-
Certificates of deposit	36,057	-	36,057	-	36,057
Investments	1,187,838	-	1,187,838	-	1,187,838
Construction-in-process	709,351	443,048	1,152,399	-	1,152,399
Prepaid expenses	562,954	549,577	1,112,531	-	1,112,531
Total current assets	<u>14,089,400</u>	<u>3,215,785</u>	<u>17,305,185</u>	<u>(5,346,211)</u>	<u>11,958,974</u>
NON-CURRENT ASSETS					
Property and equipment, net of accumulated depreciation	284,414	324,506	608,920	-	608,920
Deposits	37,870	43,781	81,651	-	81,651
Total non-current assets	<u>322,284</u>	<u>368,287</u>	<u>690,571</u>	<u>-</u>	<u>690,571</u>
Total assets	<u>\$ 14,411,684</u>	<u>\$ 3,584,072</u>	<u>\$ 17,995,756</u>	<u>\$ (5,346,211)</u>	<u>\$ 12,649,545</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable and other accrued expenses	\$ 833,688	\$ 409,057	\$ 1,242,745	\$ -	\$ 1,242,745
Deferred revenue	859,570	-	859,570	-	859,570
Accrued payroll liabilities	304,687	285,713	590,400	-	590,400
Intercompany payable	296,244	5,049,967	5,346,211	(5,346,211)	-
Line of credit	1,000,000	-	1,000,000	-	1,000,000
Total current liabilities	<u>3,294,189</u>	<u>5,744,737</u>	<u>9,038,926</u>	<u>(5,346,211)</u>	<u>3,692,715</u>
NET ASSETS					
Unrestricted	6,719,174	(2,248,165)	4,471,009	-	4,471,009
Unrestricted - Board-designated reserve	1,500,000	-	1,500,000	-	1,500,000
Temporarily restricted	2,898,321	87,500	2,985,821	-	2,985,821
Total net assets	<u>11,117,495</u>	<u>(2,160,665)</u>	<u>8,956,830</u>	<u>-</u>	<u>8,956,830</u>
Total liabilities and net assets	<u>\$ 14,411,684</u>	<u>\$ 3,584,072</u>	<u>\$ 17,995,756</u>	<u>\$ (5,346,211)</u>	<u>\$ 12,649,545</u>

GRID ALTERNATIVES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
DECEMBER 31, 2014

Assets	<u>GRID Alternatives</u>	<u>GRID Affiliates</u>	<u>Total</u>	<u>Eliminating Entries</u>	<u>Consolidated Totals</u>
CURRENT ASSETS					
Cash and cash equivalents	\$ 3,091,751	\$ 799,801	\$ 3,891,552	\$ -	\$ 3,891,552
Grants and contracts receivable	2,131,497	610,496	2,741,993	(57,280)	2,684,713
Intercompany loan and receivable	2,241,186	729,684	2,970,870	(2,970,870)	-
Certificates of deposit	1,931,150	-	1,931,150	-	1,931,150
Investments	1,254,907	-	1,254,907	-	1,254,907
Construction-in-process	837,438	377,086	1,214,524	-	1,214,524
Prepaid expenses	188,787	47,964	236,751	-	236,751
Total current assets	<u>11,676,716</u>	<u>2,565,031</u>	<u>14,241,747</u>	<u>(3,028,150)</u>	<u>11,213,597</u>
NON-CURRENT ASSETS					
Property and equipment, net of accumulated depreciation	226,514	68,372	294,886	-	294,886
Deposits	35,587	17,638	53,225	-	53,225
Total non-current assets	<u>262,101</u>	<u>86,010</u>	<u>348,111</u>	<u>-</u>	<u>348,111</u>
Total assets	<u>\$ 11,938,817</u>	<u>\$ 2,651,041</u>	<u>\$ 14,589,858</u>	<u>\$ (3,028,150)</u>	<u>\$ 11,561,708</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable and other accrued expenses	\$ 1,145,144	\$ 158,935	\$ 1,304,079	\$ (57,280)	\$ 1,246,799
Deferred revenue	1,202,217	-	1,202,217	-	1,202,217
Accrued payroll liabilities	253,316	85,809	339,125	-	339,125
Intercompany loan and payable	728,301	2,242,569	2,970,870	(2,970,870)	-
Total current liabilities	<u>3,328,978</u>	<u>2,487,313</u>	<u>5,816,291</u>	<u>(3,028,150)</u>	<u>2,788,141</u>
NET ASSETS					
Unrestricted	6,909,839	163,728	7,073,567	-	7,073,567
Unrestricted - Board-designated reserve	1,000,000	-	1,000,000	-	1,000,000
Temporarily restricted	700,000	-	700,000	-	700,000
Total net assets	<u>8,609,839</u>	<u>163,728</u>	<u>8,773,567</u>	<u>-</u>	<u>8,773,567</u>
Total liabilities and net assets	<u>\$ 11,938,817</u>	<u>\$ 2,651,041</u>	<u>\$ 14,589,858</u>	<u>\$ (3,028,150)</u>	<u>\$ 11,561,708</u>

GRID ALTERNATIVES

CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2015

	GRID Alternatives		GRID Affiliates		Total	Eliminating Entries	Consolidated Total
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted			
REVENUE AND SUPPORT							
Grants							
Government	\$ -	\$ 3,269,894	\$ -	\$ 3,196,681	\$ 6,466,575	\$ (151,687)	\$ 6,314,888
Foundation	69,000	4,415,000	22,469	287,500	4,793,969	-	4,793,969
Corporation	744,114	-	453,072	-	1,197,186	-	1,197,186
Donations - individual and events	209,553	-	166,146	-	375,699	-	375,699
Service contracts	11,522,600	-	6,870,868	-	18,393,468	(1,819,104)	16,574,364
Interest income	100,143	-	-	-	100,143	(61,500)	38,643
In-kind revenue	2,455,221	-	2,921,427	-	5,376,648	-	5,376,648
Net assets released from restrictions	<u>5,486,573</u>	<u>(5,486,573)</u>	<u>3,396,681</u>	<u>(3,396,681)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>20,587,204</u>	<u>2,198,321</u>	<u>13,830,663</u>	<u>87,500</u>	<u>36,703,688</u>	<u>(2,032,291)</u>	<u>34,671,397</u>
EXPENSES							
Program services	14,445,089	-	12,785,729	-	27,230,818	(250,000)	26,980,818
General and administrative	3,510,575	-	1,335,264	-	4,845,839	(1,782,291)	3,063,548
Fundraising	<u>2,322,205</u>	<u>-</u>	<u>2,121,563</u>	<u>-</u>	<u>4,443,768</u>	<u>-</u>	<u>4,443,768</u>
Total expenses	<u>20,277,869</u>	<u>-</u>	<u>16,242,556</u>	<u>-</u>	<u>36,520,425</u>	<u>(2,032,291)</u>	<u>34,488,134</u>
CHANGE IN NET ASSETS	309,335	2,198,321	(2,411,893)	87,500	183,263	-	183,263
NET ASSETS							
Beginning of year	<u>7,909,839</u>	<u>700,000</u>	<u>163,728</u>	<u>-</u>	<u>8,773,567</u>	<u>-</u>	<u>8,773,567</u>
End of year	<u>\$ 8,219,174</u>	<u>\$ 2,898,321</u>	<u>\$ (2,248,165)</u>	<u>\$ 87,500</u>	<u>\$ 8,956,830</u>	<u>\$ -</u>	<u>\$ 8,956,830</u>

GRID ALTERNATIVES

CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2014

	GRID Alternatives		GRID Affiliates		Total	Eliminating Entries	Consolidated Total
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted			
REVENUE AND SUPPORT							
Grants							
Government	\$ -	\$ 320,216	\$ -	\$ 347,033	\$ 667,249	\$ -	\$ 667,249
Foundation	94,600	454,210	23,500	165,000	737,310	-	737,310
Corporation	1,263,943	-	176,929	-	1,440,872	-	1,440,872
Donations - individual and events	327,926	-	18,305	-	346,231	-	346,231
Service contracts	15,357,222	-	4,273,065	-	19,630,287	(1,110,840)	18,519,447
Interest income	27,305	-	-	-	27,305	(25,500)	1,805
In-kind revenue	1,906,317	-	782,647	-	2,688,964	-	2,688,964
Net assets released from restrictions	1,187,067	(1,187,067)	582,033	(582,033)	-	-	-
Total revenue and support	<u>20,164,380</u>	<u>(412,641)</u>	<u>5,856,479</u>	<u>(70,000)</u>	<u>25,538,218</u>	<u>(1,136,340)</u>	<u>24,401,878</u>
EXPENSES							
Program services	14,942,365	-	4,618,092	-	19,560,457	(729,126)	18,831,331
General and administrative	1,752,193	-	632,802	-	2,384,995	(125,105)	2,259,890
Fundraising	2,322,201	-	792,195	-	3,114,396	(282,109)	2,832,287
Total expenses	<u>19,016,759</u>	<u>-</u>	<u>6,043,089</u>	<u>-</u>	<u>25,059,848</u>	<u>(1,136,340)</u>	<u>23,923,508</u>
CHANGE IN NET ASSETS	1,147,621	(412,641)	(186,610)	(70,000)	478,370	-	478,370
NET ASSETS							
Beginning of year	6,762,218	1,112,641	350,338	70,000	8,295,197	-	8,295,197
End of year	<u>\$ 7,909,839</u>	<u>\$ 700,000</u>	<u>\$ 163,728</u>	<u>\$ -</u>	<u>\$ 8,773,567</u>	<u>\$ -</u>	<u>\$ 8,773,567</u>

GRID ALTERNATIVES

**SCHEDULES OF FINANCIAL POSITION - GRID ALTERNATIVES
GREATER LOS ANGELES, INC.**

DECEMBER 31, 2015 AND 2014

Assets	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 621,582	\$ 203,941
Grants and contracts receivable	275,320	455,413
Intercompany loan and receivable	241,500	415,190
Construction-in-process	187,894	213,244
Prepaid expenses	199,773	21,385
Total current assets	<u>1,526,069</u>	<u>1,309,173</u>
NON-CURRENT ASSETS		
Property and equipment, net of accumulated depreciation	82,412	15,932
Deposits	17,366	4,638
Total non-current assets	<u>99,778</u>	<u>20,570</u>
Total assets	<u>\$ 1,625,847</u>	<u>\$ 1,329,743</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and other accrued expenses	\$ 177,203	\$ 90,203
Accrued payroll liabilities	67,470	43,171
Intercompany loan and payable	7,710	60,537
Total current liabilities	<u>252,383</u>	<u>193,911</u>
NET ASSETS		
Unrestricted	1,305,964	1,135,832
Temporarily restricted	67,500	-
Total net assets	<u>1,373,464</u>	<u>1,135,832</u>
Total liabilities and net assets	<u>\$ 1,625,847</u>	<u>\$ 1,329,743</u>

GRID ALTERNATIVES

SCHEDULES OF ACTIVITIES - GRID ALTERNATIVES GREATER LOS ANGELES, INC.

YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT						
Grants						
Government	\$ -	\$ 1,648,197	\$ 1,648,197	\$ -	\$ 55,397	\$ 55,397
Foundation	6,350	107,500	113,850	17,000	75,000	92,000
Corporation	64,413	-	64,413	30,466	-	30,466
Donations - individual and events	21,846	-	21,846	11,577	-	11,577
Service contracts	2,305,194	-	2,305,194	3,506,279	-	3,506,279
Interest income	-	-	-	-	-	-
In-kind revenue	673,285	-	673,285	241,216	-	241,216
Net assets released from restrictions	<u>1,688,197</u>	<u>(1,688,197)</u>	<u>-</u>	<u>130,397</u>	<u>(130,397)</u>	<u>-</u>
Total revenue and support	<u>4,759,285</u>	<u>67,500</u>	<u>4,826,785</u>	<u>3,936,935</u>	<u>-</u>	<u>3,936,935</u>
EXPENSES						
Program services	3,770,056	-	3,770,056	2,928,993	-	2,928,993
General and administrative	237,561	-	237,561	170,685	-	170,685
Fundraising	581,536	-	581,536	328,985	-	328,985
Total expenses	<u>4,589,153</u>	<u>-</u>	<u>4,589,153</u>	<u>3,428,663</u>	<u>-</u>	<u>3,428,663</u>
CHANGE IN NET ASSETS	170,132	67,500	237,632	508,272	-	508,272
NET ASSETS						
Beginning of year	<u>1,135,832</u>	<u>-</u>	<u>1,135,832</u>	<u>627,560</u>	<u>-</u>	<u>627,560</u>
End of year	<u>\$ 1,305,964</u>	<u>\$ 67,500</u>	<u>\$ 1,373,464</u>	<u>\$ 1,135,832</u>	<u>\$ -</u>	<u>\$ 1,135,832</u>

GRID ALTERNATIVES

SCHEDULES OF FINANCIAL POSITION - GRID ALTERNATIVES COLORADO, INC.

DECEMBER 31, 2015 AND 2014

Assets	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 117,295	\$ 383,274
Grants and contracts receivable	96,106	40,838
Intercompany loan and receivable	1,398	17,733
Construction-in-process	31,349	111,322
Prepaid expenses	15,954	13,818
Total current assets	<u>262,102</u>	<u>566,985</u>
NON-CURRENT ASSETS		
Property and equipment, net of accumulated depreciation	36,465	18,131
Deposits	2,000	2,000
Total non-current assets	<u>38,465</u>	<u>20,131</u>
Total assets	<u>\$ 300,567</u>	<u>\$ 587,116</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and other accrued expenses	\$ 30,423	\$ 61,659
Accrued payroll liabilities	36,299	24,970
Intercompany loan and payable	1,803,235	1,279,071
Total current liabilities	<u>1,869,957</u>	<u>1,365,700</u>
NET ASSETS		
Unrestricted	(1,589,390)	(778,584)
Temporarily restricted	20,000	-
Total net assets	<u>(1,569,390)</u>	<u>(778,584)</u>
Total liabilities and net assets	<u>\$ 300,567</u>	<u>\$ 587,116</u>

GRID ALTERNATIVES

SCHEDULES OF ACTIVITIES - GRID ALTERNATIVES COLORADO, INC.

YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015			2014		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT						
Grants						
Government	\$ -	\$ 97,070	\$ 97,070	\$ -	\$ -	\$ -
Foundation	15,000	65,000	80,000	6,000	90,000	96,000
Corporation	100,598	-	100,598	53,313	-	53,313
Donations - individual and events	9,656	-	9,656	2,983	-	2,983
Service contracts	580,025	-	580,025	372,198	-	372,198
In-kind revenue	519,119	-	519,119	251,390	-	251,390
Net assets released from restrictions	<u>142,070</u>	<u>(142,070)</u>	<u>-</u>	<u>160,000</u>	<u>(160,000)</u>	<u>-</u>
Total revenue and support	<u>1,366,468</u>	<u>20,000</u>	<u>1,386,468</u>	<u>845,884</u>	<u>(70,000)</u>	<u>775,884</u>
EXPENSES						
Program services	1,461,381	-	1,461,381	868,915	-	868,915
General and administrative	231,090	-	231,090	199,844	-	199,844
Fundraising	484,803	-	484,803	278,487	-	278,487
Total expenses	<u>2,177,274</u>	<u>-</u>	<u>2,177,274</u>	<u>1,347,246</u>	<u>-</u>	<u>1,347,246</u>
CHANGE IN NET ASSETS	(810,806)	20,000	(790,806)	(501,362)	(70,000)	(571,362)
NET ASSETS						
Beginning of year	<u>(778,584)</u>	<u>-</u>	<u>(778,584)</u>	<u>(277,222)</u>	<u>70,000</u>	<u>(207,222)</u>
End of year	<u>\$ (1,589,390)</u>	<u>\$ 20,000</u>	<u>\$ (1,569,390)</u>	<u>\$ (778,584)</u>	<u>\$ -</u>	<u>\$ (778,584)</u>

GRID ALTERNATIVES

SCHEDULES OF FINANCIAL POSITION - GRID ALTERNATIVES TRI-STATE, INC.

DECEMBER 31, 2015 AND 2014

Assets	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 207,421	\$ 212,586
Grants and contracts receivable	85,352	114,245
Intercompany loan and receivable	18,107	296,761
Construction-in-process	92,094	52,520
Prepaid expenses	<u>68,409</u>	<u>12,761</u>
Total current assets	<u>471,383</u>	<u>688,873</u>
NON-CURRENT ASSETS		
Property and equipment, net of accumulated depreciation	50,137	34,309
Deposits	<u>11,000</u>	<u>11,000</u>
Total non-current assets	<u>61,137</u>	<u>45,309</u>
Total assets	<u>\$ 532,520</u>	<u>\$ 734,182</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and other accrued expenses	\$ 32,487	\$ 7,073
Accrued payroll liabilities	39,036	17,668
Intercompany loan and payable	<u>2,002,534</u>	<u>902,961</u>
Total current liabilities	<u>2,074,057</u>	<u>927,702</u>
NET ASSETS		
Unrestricted	<u>(1,541,537)</u>	<u>(193,520)</u>
Total net assets	<u>(1,541,537)</u>	<u>(193,520)</u>
Total liabilities and net assets	<u>\$ 532,520</u>	<u>\$ 734,182</u>

GRID ALTERNATIVES

SCHEDULES OF ACTIVITIES - GRID ALTERNATIVES TRI-STATE, INC.

YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015			2014		
	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT						
Grants						
Government	\$ -	\$ 154,442	\$ 154,442	\$ -	\$ 291,636	\$ 291,636
Foundation		50,000	50,000	500	-	500
Corporation	45,715	-	45,715	93,150	-	93,150
Donations - individual and events	5,860	-	5,860	3,745	-	3,745
Service contracts	218,230	-	218,230	394,588	-	394,588
In-kind revenue	310,721	-	310,721	290,041	-	290,041
Net assets released from restrictions	204,442	(204,442)	-	291,636	(291,636)	-
Total revenue and support	<u>784,968</u>	<u>-</u>	<u>784,968</u>	<u>1,073,660</u>	<u>-</u>	<u>1,073,660</u>
EXPENSES						
Program services	1,612,150	-	1,612,150	820,184	-	820,184
General and administrative	255,886	-	255,886	262,273	-	262,273
Fundraising	264,949	-	264,949	184,723	-	184,723
Total expenses	<u>2,132,985</u>	<u>-</u>	<u>2,132,985</u>	<u>1,267,180</u>	<u>-</u>	<u>1,267,180</u>
CHANGE IN NET ASSETS	(1,348,017)	-	(1,348,017)	(193,520)	-	(193,520)
NET ASSETS						
Beginning of year	(193,520)	-	(193,520)	-	-	-
End of year	<u>\$ (1,541,537)</u>	<u>\$ -</u>	<u>\$ (1,541,537)</u>	<u>\$ (193,520)</u>	<u>\$ -</u>	<u>\$ (193,520)</u>

GRID ALTERNATIVES

SCHEDULE OF FINANCIAL POSITION - GRID ALTERNATIVES SAN DIEGO, INC.

DECEMBER 31, 2015

Assets

CURRENT ASSETS

Cash and cash equivalents	\$ 37,564
Grants and contracts receivable	184,933
Intercompany loan and receivable	26,668
Construction-in-process	76,275
Prepaid expenses	111,783
Total current assets	<u>437,223</u>

NON-CURRENT ASSETS

Property and equipment, net of accumulated depreciation	27,108
Deposits	6,550
Total non-current assets	<u>33,658</u>
Total assets	<u>\$ 470,881</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and other accrued expenses	\$ 37,422
Accrued payroll liabilities	54,865
Intercompany loan and payable	100,631
Total current liabilities	<u>192,918</u>

NET ASSETS

Unrestricted	<u>277,963</u>
Total net assets	<u>277,963</u>
Total liabilities and net assets	<u>\$ 470,881</u>

GRID Alternatives San Diego, Inc., became an affiliate in 2015. There is no schedule for 2014.

GRID ALTERNATIVES

SCHEDULE OF ACTIVITIES - GRID ALTERNATIVES SAN DIEGO, INC.

YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants			
Government	\$ -	\$ 562,154	\$ 562,154
Foundation	1,119	-	1,119
Corporation	150,567	-	150,567
Donations - individual and events	112,778	-	112,778
Service contracts	1,407,592	-	1,407,592
In-kind revenue	512,285	-	512,285
Net assets released from restrictions	<u>562,154</u>	<u>(562,154)</u>	<u>-</u>
Total revenue and support	<u>2,746,495</u>	<u>-</u>	<u>2,746,495</u>
EXPENSES			
Program services	2,056,902	-	2,056,902
General and administrative	160,482	-	160,482
Fundraising	<u>251,148</u>	<u>-</u>	<u>251,148</u>
Total expenses	<u>2,468,532</u>	<u>-</u>	<u>2,468,532</u>
CHANGE IN NET ASSETS	<u>277,963</u>	<u>-</u>	<u>277,963</u>
NET ASSETS			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 277,963</u>	<u>\$ -</u>	<u>\$ 277,963</u>

GRID Alternatives San Diego, Inc., became an affiliate in 2015. There is no schedule for 2014.

GRID ALTERNATIVES

SCHEDULE OF FINANCIAL POSITION - GRID ALTERNATIVES NORTH VALLEY, INC.

DECEMBER 31, 2015

Assets

CURRENT ASSETS

Cash and cash equivalents	\$	49,723
Grants and contracts receivable		127,238
Intercompany loan and receivable		19,990
Construction-in-process		29,259
Prepaid expenses		<u>141,676</u>
Total current assets		<u>367,886</u>

NON-CURRENT ASSETS

Property and equipment, net of accumulated depreciation		76,125
Deposits		<u>6,865</u>
Total non-current assets		<u>82,990</u>
Total assets	\$	<u><u>450,876</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and other accrued expenses	\$	119,357
Accrued payroll liabilities		60,012
Intercompany loan and payable		<u>267,923</u>
Total current liabilities		<u>447,292</u>

NET ASSETS

Unrestricted		<u>3,584</u>
Total net assets		<u>3,584</u>
Total liabilities and net assets	\$	<u><u>450,876</u></u>

GRID Alternatives North Valley, Inc., became an affiliate in 2015. There is no schedule for 2014.

GRID ALTERNATIVES

SCHEDULE OF ACTIVITIES - GRID ALTERNATIVES NORTH VALLEY, INC.

YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants			
Government	\$ -	\$ 718,529	\$ 718,529
Foundation	-	50,000	50,000
Corporation	24,622	-	24,622
Donations - individual and events	8,048	-	8,048
Service contracts	1,899,727	-	1,899,727
In-kind revenue	621,347	-	621,347
Net assets released from restrictions	<u>768,529</u>	<u>(768,529)</u>	<u>-</u>
Total revenue and support	<u>3,322,273</u>	<u>-</u>	<u>3,322,273</u>
EXPENSES			
Program services	2,752,030	-	2,752,030
General and administrative	185,568	-	185,568
Fundraising	<u>381,091</u>	<u>-</u>	<u>381,091</u>
Total expenses	<u>3,318,689</u>	<u>-</u>	<u>3,318,689</u>
CHANGE IN NET ASSETS	3,584	-	3,584
NET ASSETS			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 3,584</u>	<u>\$ -</u>	<u>\$ 3,584</u>

GRID Alternatives North Valley, Inc., became an affiliate in 2015. There is no schedule for 2014.

GRID ALTERNATIVES

SCHEDULE OF FINANCIAL POSITION - GRID ALTERNATIVES MID-ATLANTIC, INC.

DECEMBER 31, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	50,316
Grants and contracts receivable		59,335
Intercompany loan and receivable		3,312
Construction-in-process		26,177
Prepaid expenses		11,982
Total current assets		<u>151,122</u>

NON-CURRENT ASSETS

Property and equipment, net of accumulated depreciation		52,259
Deposits		<u>-</u>
Total non-current assets		<u>52,259</u>
Total assets	\$	<u><u>203,381</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and other accrued expenses	\$	12,165
Accrued payroll liabilities		28,031
Intercompany loan and payable		<u>867,934</u>
Total current liabilities		<u>908,130</u>

NET ASSETS

Unrestricted		<u>(704,749)</u>
Total net assets		<u>(704,749)</u>
Total liabilities and net assets	\$	<u><u>203,381</u></u>

GRID Alternatives Mid-Atlantic, Inc., became an affiliate in 2015. There is no schedule for 2014.

GRID ALTERNATIVES

SCHEDULE OF ACTIVITIES - GRID ALTERNATIVES MID-ATLANTIC, INC.

YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants			
Government	\$ -	\$ 16,289	\$ 16,289
Foundation	-	15,000	15,000
Corporation	67,157	-	67,157
Donations - individual and events	7,958	-	7,958
Service contracts	460,100	-	460,100
In-kind revenue	284,670	-	284,670
Net assets released from restrictions	<u>31,289</u>	<u>(31,289)</u>	<u>-</u>
Total revenue and support	<u>851,174</u>	<u>-</u>	<u>851,174</u>
EXPENSES			
Program services	1,133,210	-	1,133,210
General and administrative	264,677	-	264,677
Fundraising	<u>158,036</u>	<u>-</u>	<u>158,036</u>
Total expenses	<u>1,555,923</u>	<u>-</u>	<u>1,555,923</u>
CHANGE IN NET ASSETS	(704,749)	-	(704,749)
NET ASSETS			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ (704,749)</u>	<u>\$ -</u>	<u>\$ (704,749)</u>

GRID Alternatives Mid-Atlantic, Inc., became an affiliate in 2015. There is no schedule for 2014.

GRID ALTERNATIVES
 CALIFORNIA PUBLIC UTILITIES COMMISSION - SINGLE-FAMILY AFFORDABLE SOLAR HOMES PROGRAM
 SASH EXPENDITURES, ADVANCES AND INCENTIVES
 YEAR ENDED DECEMBER 31, 2015

BUDGET		FISCAL YEAR ENDED DECEMBER 31, 2015					FISCAL YEAR ENDED DECEMBER 31, 2014					TOTAL CONTRACT PERIOD TO DECEMBER 31, 2015	
		Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL	TOTAL EXPENDED CONTRACT FROM 12/08 to 12/31/15	UNEXPENDED ADMINISTRATIVE EXPENSE AS OF DECEMBER 31, 2014
CONTRACT PERIOD: 12/12/08-12/31/22													
ADMINISTRATION		ADMINISTRATION EXPENSE					ADMINISTRATION EXPENSE					TOTAL CONTRACT PERIOD TO DECEMBER 31, 2015	
SAHS Program		519,955	521,768	472,392	613,968	2,128,082	425,205	518,570	439,806	402,702	1,786,282	10,258,394	5,971,606
Administration Services	\$ 16,230,000												
Marketing & Outreach (M&O)	6,490,000	184,384	184,035	182,802	90,886	642,107	162,954	155,184	125,976	135,951	580,064	4,277,435	2,212,565
TOTAL	\$ 22,720,000	\$ 704,339	\$ 705,803	\$ 655,194	\$ 704,854	\$ 2,770,189	\$ 588,159	\$ 673,754	\$ 565,782	\$ 538,652	\$ 2,366,346	\$ 14,535,829	\$ 8,184,171
		ADMINISTRATION ADVANCE RECEIVED					ADMINISTRATION ADVANCE RECEIVED					TOTAL ADVANCE RECEIVED FROM 12/08 -12/31/15	
		\$ 332,122	\$ 737,728	\$ 1,046,391	\$ 307,037	\$ 2,423,278	\$ 1,170,642	\$ 579,874	\$ 825,105	\$ 599,189	\$ 3,174,810	\$ 15,391,134	
		EARNED & UNEARNED PORTION OF ADVANCE					EARNED & UNEARNED PORTION OF ADVANCE					TOTAL UNEARNED INCOME AS OF DECEMBER 31, 2015	
		\$ 372,217	\$ (31,925)	\$ (391,197)	\$ 397,817	\$ 346,911	\$ (582,483)	\$ 93,880	\$ (259,323)	\$ (60,537)	\$ (808,464)	\$ (855,305)	
CONTRACT PERIOD: 12/12/08-12/31/22													
INCENTIVES		INCENTIVES INVOICED					INCENTIVES INVOICED					TOTAL CONTRACT PERIOD TO DECEMBER 31, 2015	
PG&E	\$ 60,297,300	\$ 1,251,554	\$ 1,349,109	\$ 935,781	\$ 945,993	\$ 4,482,437	\$ 763,888	\$ 1,314,232	\$ 1,118,115	\$ 2,459,649	\$ 5,655,884	\$ 41,397,164	\$ 18,900,136
SDG&E	14,247,700	30,782	48,645	347,397	223,227	650,051	246,024	482,182	463,266	287,431	1,478,903	10,005,999	4,241,701
SCE	63,444,000	1,313,965	1,071,440	2,866,821	1,814,039	7,066,265	1,361,109	2,335,147	1,729,640	3,064,527	8,490,423	41,157,874	22,286,126
TOTAL	\$ 137,989,000	\$ 2,596,301	\$ 2,469,194	\$ 4,149,999	\$ 2,983,259	\$ 12,198,753	\$ 2,371,021	\$ 4,131,561	\$ 3,311,021	\$ 5,811,607	\$ 15,625,210	\$ 80,362,283	\$ 57,626,717
TOTAL BUDGET:		\$ 160,709,000					INCENTIVES PAID					INCENTIVES PAID	
		\$ 1,463,372	\$ 1,866,735	\$ 1,261,920	\$ 1,237,072	\$ 5,829,099	\$ 1,380,475	\$ 1,154,321	\$ 1,297,283	\$ 1,751,598	\$ 5,583,677		
		192,842	110,210	247,188	257,445	807,685	400,765	405,115	592,976	71,478	1,470,334		
		1,717,052	1,636,524	1,847,182	2,252,579	7,453,337	1,368,833	2,116,626	1,526,154	2,400,511	7,412,124		
		\$ 3,373,266	\$ 3,613,469	\$ 3,356,290	\$ 3,747,096	\$ 14,090,121	\$ 3,150,073	\$ 3,676,062	\$ 3,416,414	\$ 4,223,587	\$ 14,466,136		