

GRID Alternatives

Consolidated Financial Statements
and Supplementary Information
and Single Audit Reports and Schedules

December 31, 2021 and 2020



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
GRID Alternatives
Oakland, California

Opinion

We have audited the accompanying consolidated financial statements of GRID Alternatives (a California corporation) (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GRID Alternatives as of December 31, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GRID Alternatives and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these consolidated 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 consolidated 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 GRID Alternatives's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 GRID Alternatives'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GRID Alternatives'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 26 - 55 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Additionally, the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis 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 subjected 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2022, 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 the effectiveness of the Organization's 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.



Armanino^{LLP}
San Francisco, California

July 26, 2022

GRID Alternatives
Consolidated Statements of Financial Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,516,654	\$ 5,094,768
Grants and contracts receivable	12,481,209	11,377,081
Investments	11,461,786	1,624,023
Construction in process	6,873,307	3,297,898
Prepaid expenses	<u>961,057</u>	<u>1,080,966</u>
Total current assets	<u>37,294,013</u>	<u>22,474,736</u>
Property and equipment, net	<u>616,909</u>	<u>505,651</u>
Other assets		
Grants and contracts receivable, net of current portion	472,349	3,079,349
Note receivable	53,514	57,000
Deposits	<u>759,819</u>	<u>1,292,371</u>
Total other assets	<u>1,285,682</u>	<u>4,428,720</u>
Total assets	<u>\$ 39,196,604</u>	<u>\$ 27,409,107</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 2,561,834	\$ 2,270,925
Accrued expenses	1,511,793	1,527,216
Deferred revenue	1,087,978	2,598,870
Current portion of notes payable	<u>1,373,018</u>	<u>626,499</u>
Total current liabilities	<u>6,534,623</u>	<u>7,023,510</u>
Long-term liabilities		
Notes payable, net of current portion	2,470,946	1,021,609
Warranty liability	<u>818,771</u>	<u>770,870</u>
Total long-term liabilities	<u>3,289,717</u>	<u>1,792,479</u>
Total liabilities	<u>9,824,340</u>	<u>8,815,989</u>
Net assets		
Without donor restrictions	8,017,070	7,785,203
With donor restrictions	<u>21,355,194</u>	<u>10,807,915</u>
Total net assets	<u>29,372,264</u>	<u>18,593,118</u>
Total liabilities and net assets	<u>\$ 39,196,604</u>	<u>\$ 27,409,107</u>

The accompanying notes are an integral part of these consolidated financial statements.

GRID Alternatives
Consolidated Statement of Activities
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains (losses), and other support			
Government grants	\$ 9,765,293	\$ -	\$ 9,765,293
Government grants - PPP	1,517,774	-	1,517,774
Contributions	3,410,633	20,870,497	24,281,130
Service contracts	29,823,623	-	29,823,623
In-kind contributions	1,722,803	-	1,722,803
Investment income (loss)	(151,190)	-	(151,190)
Rental income	29,315	-	29,315
Net assets released from restriction	<u>10,323,218</u>	<u>(10,323,218)</u>	<u>-</u>
Total revenues, gains (losses), and other support	<u>56,441,469</u>	<u>10,547,279</u>	<u>66,988,748</u>
Functional expenses			
Program services	45,835,216	-	45,835,216
Management and general	8,118,432	-	8,118,432
Fundraising	<u>2,255,954</u>	<u>-</u>	<u>2,255,954</u>
Total functional expenses	<u>56,209,602</u>	<u>-</u>	<u>56,209,602</u>
Change in net assets	231,867	10,547,279	10,779,146
Net assets, beginning of year	<u>7,785,203</u>	<u>10,807,915</u>	<u>18,593,118</u>
Net assets, end of year	<u><u>\$ 8,017,070</u></u>	<u><u>\$ 21,355,194</u></u>	<u><u>\$ 29,372,264</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

GRID Alternatives
Consolidated Statement of Activities
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Government grants	\$ 13,775,786	\$ -	\$ 13,775,786
Government grants - PPP	4,975,400	-	4,975,400
Contributions	927,019	13,732,815	14,659,834
Service contracts	28,509,492	-	28,509,492
In-kind contributions	1,763,144	-	1,763,144
Investment income (loss)	(242,493)	-	(242,493)
Rental income	39,696	-	39,696
Net assets released from restriction	<u>9,108,264</u>	<u>(9,108,264)</u>	<u>-</u>
Total revenues, gains, and other support	<u>58,856,308</u>	<u>4,624,551</u>	<u>63,480,859</u>
Functional expenses			
Program services	48,002,120	-	48,002,120
Management and general	7,061,223	-	7,061,223
Fundraising	<u>2,279,488</u>	<u>-</u>	<u>2,279,488</u>
Total functional expenses	<u>57,342,831</u>	<u>-</u>	<u>57,342,831</u>
Change in net assets	1,513,477	4,624,551	6,138,028
Net assets, beginning of year	<u>6,271,726</u>	<u>6,183,364</u>	<u>12,455,090</u>
Net assets, end of year	<u><u>\$ 7,785,203</u></u>	<u><u>\$ 10,807,915</u></u>	<u><u>\$ 18,593,118</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

GRID Alternatives
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 16,722,978	\$ 3,739,940	\$ 1,598,653	\$ 22,061,571
Payroll taxes and fringe benefits	4,342,598	718,573	322,582	5,383,753
Travel and conferences	782,310	42,146	15,840	840,296
Printing expense	54,588	51,373	7,987	113,948
Bank charges	36,281	60,369	428	97,078
Program material supplies and permits	13,571,040	17,919	-	13,588,959
Program consultants	333,800	-	-	333,800
Insurance	-	605,847	-	605,847
Telecommunication	326,562	160,596	20,054	507,212
Staff development	126,632	57,868	3,877	188,377
Facilities	1,346,970	291,338	84,695	1,723,003
Professional fees	5,343,622	1,326,103	196,889	6,866,614
Postage	94,990	16,236	2,678	113,904
Office expenses	58,618	173,881	1,995	234,494
Depreciation	241,370	6,665	222	248,257
Taxes and licenses	128,922	71,900	54	200,876
Legal settlement	-	480,000	-	480,000
Interest expense	-	30,667	-	30,667
Donations and awards	<u>2,323,935</u>	<u>267,011</u>	<u>-</u>	<u>2,590,946</u>
	<u>\$ 45,835,216</u>	<u>\$ 8,118,432</u>	<u>\$ 2,255,954</u>	<u>\$ 56,209,602</u>

The accompanying notes are an integral part of these consolidated financial statements.

GRID Alternatives
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 16,764,342	\$ 3,883,486	\$ 1,737,208	\$ 22,385,036
Payroll taxes and fringe benefits	4,211,231	672,257	280,835	5,164,323
Travel and conferences	599,775	117,351	25,188	742,314
Printing expense	73,216	29,187	4,906	107,309
Bank charges	73,051	15,683	-	88,734
Program material supplies and permits	13,712,654	7,686	889	13,721,229
Program consultants	574,892	-	-	574,892
Insurance	50,816	632,926	-	683,742
Telecommunication	284,021	149,150	19,524	452,695
Staff development	107,699	21,796	3,156	132,651
Facilities	1,341,427	335,470	114,029	1,790,926
Professional fees	5,528,210	1,050,704	83,565	6,662,479
Postage	42,411	9,679	5,983	58,073
Office expenses	53,184	99,453	1,821	154,458
Depreciation	254,748	8,932	978	264,658
Taxes and licenses	181,486	27,463	1,406	210,355
Bad debt expense	213,000	-	-	213,000
Interest expense	180,555	-	-	180,555
Donations and awards	<u>3,755,402</u>	<u>-</u>	<u>-</u>	<u>3,755,402</u>
	<u>\$ 48,002,120</u>	<u>\$ 7,061,223</u>	<u>\$ 2,279,488</u>	<u>\$ 57,342,831</u>

The accompanying notes are an integral part of these consolidated financial statements.

GRID Alternatives
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 10,779,146	\$ 6,138,028
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	248,257	264,658
Loss on investments	151,190	242,493
Changes in operating assets and liabilities		
Contributions and contracts receivable	1,502,872	(3,412,265)
Construction in process	(3,575,409)	3,381,960
Prepaid expenses	119,909	732,366
Deposits	532,552	(459,707)
Accounts payable	290,904	(419,777)
Accrued expenses	(15,423)	77,797
Deferred revenue	(1,510,892)	(174,646)
Warranty liability	47,901	126,587
Net cash provided by operating activities	<u>8,571,007</u>	<u>6,497,494</u>
Cash flows from investing activities		
Purchase of investments	(37,138,660)	(3,364,081)
Proceeds from sale of investments	27,149,707	3,038,720
Purchase of property and equipment	(359,507)	(156,912)
Payments received on note receivable	3,486	-
Net cash used in investing activities	<u>(10,344,974)</u>	<u>(482,273)</u>
Cash flows from financing activities		
Net repayment on line of credit	-	(4,684,500)
Principal payments on long-term debt	(659,175)	-
Borrowings of long-term debt	2,855,028	1,648,108
Net cash provided by (used in) financing activities	<u>2,195,853</u>	<u>(3,036,392)</u>
Net increase in cash and cash equivalents	421,886	2,978,829
Cash and cash equivalents, beginning of year	<u>5,094,768</u>	<u>2,115,939</u>
Cash and cash equivalents, end of year	<u><u>\$ 5,516,654</u></u>	<u><u>\$ 5,094,768</u></u>

Supplemental disclosure of cash flow information

Cash paid during the year interest	\$ 30,667	\$ 180,555
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The accompanying notes are an integral part of these consolidated financial statements.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

1. NATURE OF OPERATIONS

GRID Alternatives and its affiliates (collectively, the "Organization") is a non-profit, tax-exempt service organization that makes renewable energy technology and job training accessible to underserved communities. GRID Alternatives is a nationally recognized non-profit organization headquartered in Oakland, California. The Organization operates throughout California, Colorado, Washington D.C. and also conducts work in tribal communities in North and South Dakota, Arizona, Alaska, Montana, New Mexico and Washington, and conducts work in Nicaragua, Nepal and Mexico.

The Organization is affiliated with GRID Alternatives Colorado, Inc., GRID Alternatives Greater Los Angeles, Inc., GRID Alternatives San Diego, Inc., GRID Alternatives North Valley, Inc., GRID Alternatives Mid-Atlantic, Inc., GRID Alternatives Central Valley, Inc., GRID Alternatives Bay Area, Inc., GRID Alternatives Central Coast, Inc., and GRID Alternatives Inland Empire, Inc. These affiliates install solar electric systems for low-income families and affordable housing providers 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. GRID Alternatives Central Coast, Inc. ceased operations in 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") applicable to non-profit organizations. Accordingly, net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

- *Net assets without donor restrictions* - net assets not subject to donor-imposed stipulations.
- *Net assets with donor restrictions* - net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time or held in perpetuity by donor-imposed stipulations, for which the income from these contributions is available to support the activities of the Organization as designated by the donor.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Investment income and gains or losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction or by law. Expirations of net assets with donor restrictions (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Principles of consolidation

The consolidated financial statements include the results of GRID Alternatives and its affiliates: GRID Alternatives Colorado, Inc., GRID Alternatives Greater Los Angeles, Inc., GRID Alternatives San Diego, Inc., GRID Alternatives North Valley, Inc., GRID Alternatives Mid-Atlantic, Inc., GRID Alternatives Central Valley, Inc., GRID Alternatives Bay Area, Inc., GRID Alternatives Central Coast, Inc., and GRID Alternatives Inland Empire, Inc. All intercompany transactions and balances have been eliminated in consolidation.

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual events and results could differ from those assumptions and estimates.

Cash and cash equivalents

The Organization considers all highly liquid financial instruments with an original maturity of three months or less, when purchased, to be cash equivalents. The Organization places its cash with high credit quality institutions. Periodically, such deposits may be in excess of federally insured limits.

Receivables

Grants and contracts receivable are stated at the amount management expects to collect from outstanding balances. Unconditional contributions receivable are reported at fair value and recorded in the period received. Contributions that are promised in one year but are not expected to be collected until after the end of that year are discounted at an appropriate discount rate commensurate with the risks involved and the period of time over which the contributions are expected to be collected. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

An allowance for doubtful accounts is provided based upon management's judgment, past experiences and other circumstances. Account balances are charged off against the allowance for doubtful accounts after all means of collection have been exhausted and the potential for recovery is considered remote. There is no allowance for doubtful accounts at December 31, 2021 and 2020 as management has determined all outstanding accounts receivable balances to be collectible.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and fair value measurements

Investments represent a diversified portfolio of public domestic and international equity securities, and fixed income securities. Investments are reported at fair value. The values of publicly-traded fixed income and equity securities are based on quoted market prices.

U.S. GAAP establish 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, if any, reflects the Organization's assumption about the inputs market participants would use in pricing the asset or liability 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 unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at measurement date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.
- *Level 2* - Valuations based on significant inputs that are observable, either directly or indirectly or quoted prices in markets that are not active, that is, markets in which there are few transactions, the prices are not current or price quotations vary substantially either over time or among market makers.
- *Level 3* - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed.

Purchases and sales are recorded on the settlement-date basis. Investment income is recorded when it is received. The Organization records investment income or losses on the Statement of Activities, which consist of the realized gains or losses and the unrealized appreciation or depreciation on those investments.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Construction in process

Subcontractor fees and equipment purchases are captured in the construction in process account when purchased, or at the time of donation for in-kind inverters and panels received. These assets are removed from construction in progress and recognized as an operating expense when a project meets the criteria for revenue recognition related to the respective project status.

Prepaid expenses

Prepaid expenses consist primarily of reimbursable solar installation expenses and insurance premiums paid for in full and then expensed over the course of the respective policy.

Property and equipment

Property and equipment are stated at cost of acquisition or fair value if donated and is depreciated under the straight-line method over an estimated useful life of five years. The cost of maintenance and repairs is charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$1,000 and the useful life is greater than one year.

Deferred revenue

The Organization records deferred revenue in connection with advances provided by a funding source's contractual disbursement agreement. Deferred revenue is reclassified to revenue when it is earned. Advances at December 31, 2021 and 2020 consist of the administrative and incentive portions of the Single-Family Affordable Solar Homes (SASH) program, Disadvantaged Communities - Single-family Solar Homes (DAC-SASH) program, and the Solar on Multifamily Affordable Housing (SOMAH) program under agreements with the State of California and Southern California Edison (SCE) program, Department of Community Services and Development (CSD), California Air Resources Board, Tribal Solar Projects, and other program revenue.

Warranties

The Organization offers certain limited warranties on the installation of solar panel systems. These warranties include: a system warranty; roof warranty; and repair promise. The warranty period varies based on the type of warranty. The warranty liability is calculated based on the date of installation, system size, warranty period and historical payment experience. The liability represents the estimated amount of future service expenses to be incurred for all solar panel installations completed through December 31, 2021 and 2020.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Grants and contributions are recorded as revenue without donor restrictions, or with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. The Organization has elected to report contributions with donor restrictions whose restrictions are met in the same period as contributions without donor restrictions.

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, which is when donor stipulated barriers are overcome and the Organization is entitled to the assets transferred or promised. Contributions that are promised in one year but are not expected to be collected until after the end of that year are considered contributions receivable and are recorded at fair value by discounting at an appropriate discount rate commensurate with the risks involved. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contributions, and current aging of the promises to give.

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as revenue without donor restrictions unless explicit donor stipulations specify how donated assets must be used. Contributed material and equipment are recognized as in-kind revenue at fair value on the date of receipt of the asset. The associated in-kind expense is recognized when the underlying service is provided, or when the asset has been used for its intended purpose. Contributed services are reflected in the financial statements at the fair value of the services received. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The Organization is contracted to install solar electric systems for low-income families and affordable housing providers. Service contracts revenues are recognized as solar electric systems are successfully installed and ready to operate or other agreed upon performance obligations within the underlying contracts are reached.

Functional expenses

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

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional expenses (continued)

Expenses related to more than one function are allocated among program and supporting services based on a percentage of the employees' time and efforts. The percentage is estimated based on the employees' job responsibilities and has been consistently applied. The expenses that are allocated include salaries and related expenses, certain occupancy expenses, office and administrative expenses, grant expenses, and other expenses. Management and general activities include those expenses that are not directly identifiable with any other function but provide for the overall support and direction of the Organization.

Income tax status

The Organization is a qualified organization exempt from federal income taxes under the provisions of Sections 501(c)(3) of the Internal Revenue Code and 23701 of the California Revenue and Taxation Code, respectively.

U.S. GAAP requires 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 ("IRS"). Management has analyzed the tax positions taken by the Organization and has concluded that, as of December 31, 2021, there are no uncertain positions taken, or expected to be taken, that would require recognition of a 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.

Concentrations

A contribution receivable from one donor comprises 23% of the Organization's grants and contracts receivable balance as of December 31, 2021. A contribution receivable from one donor comprises 41% of the Organization's grants and contracts receivable balance as of December 31, 2020.

Revenues from SASH and DAC-SASH programs, including incentives received from installation of solar electric systems and administration of programs, totaled approximately 32% and 41% of the Organization's service contracts revenue for the years ended December 31, 2021 and 2020, respectively. Revenues from one customer comprises approximately 15% and 10% of the Organization's service contracts revenue for the years ended December 31, 2021 and 2020, respectively.

Contribution revenue from one donor comprises approximately 49% and 30% of the Organization's total contribution revenue for the years ended December 31, 2021 and 2020, respectively.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

3. INVESTMENTS

Investments consisted of the following:

	<u>2021</u>	<u>2020</u>
Certificates of deposit	\$ 16,154	\$ 16,151
Insured deposits	130,164	489,789
Fixed income funds	-	658,402
Government and corporate bonds	10,321,499	454,493
Equity securities	960,175	5,188
Other assets	<u>33,794</u>	<u>-</u>
	<u><u>\$ 11,461,786</u></u>	<u><u>\$ 1,624,023</u></u>

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Certificates of deposit	\$ 16,154	\$ -	\$ -	\$ 16,154
Insured deposits	130,164	-	-	130,164
Government and corporate bonds	-	10,321,499	-	10,321,499
Equity securities	960,175	-	-	960,175
Other assets	<u>-</u>	<u>-</u>	<u>33,794</u>	<u>33,794</u>
	<u><u>\$ 1,106,493</u></u>	<u><u>\$ 10,321,499</u></u>	<u><u>\$ 33,794</u></u>	<u><u>\$ 11,461,786</u></u>

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Certificates of deposit	\$ 16,151	\$ -	\$ -	\$ 16,151
Insured deposits	489,789	-	-	489,789
Fixed income funds	658,402	-	-	658,402
Government and corporate bonds	-	454,493	-	454,493
Equity securities	<u>5,188</u>	<u>-</u>	<u>-</u>	<u>5,188</u>
	<u><u>\$ 1,169,530</u></u>	<u><u>\$ 454,493</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,624,023</u></u>

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>2021</u>	<u>2020</u>
Furniture and fixtures	\$ 1,590,622	\$ 1,724,036
Accumulated depreciation	<u>(973,713)</u>	<u>(1,218,385)</u>
	<u>\$ 616,909</u>	<u>\$ 505,651</u>

Depreciation expense for the years ended December 31, 2021 and 2020 was \$248,257 and \$264,658, respectively.

5. LINE OF CREDIT

The Organization had a line of credit with a maximum available balance of \$9,000,000 that bore interest at the U.S. Prime Index Rate plus 1.25%, and matured in March 2020. On February 10, 2020, the line of credit was renewed to extend the term through June 5, 2020. On June 18, 2020, the line of credit was renewed again with a maturity date of January 5, 2021, and a maximum line of credit amount of \$5,804,254. This line of credit was not renewed upon its maturity in January 2021.

On March 23, 2021, the Organization entered into an asset-based revolving line of credit agreement with a maximum line amount of \$7,000,000 and a maturity date of March 23, 2022. The line of credit bears interest at 1.00% over the Prime Rate which was 3.25% at the date of the agreement. The note is secured by certain assets of the Organization. The line of credit was renewed with a maximum line amount of \$7,000,000 on April 28, 2022 and matures on March 23, 2023. The line of credit bears interest at 1.00% over the Prime Rate which is 4.5% at the date of the agreement.

The Organization had an outstanding line of credit balance of \$0 as of December 31, 2021 and 2020.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

6. NOTES PAYABLE

During April to June of 2020, GRID Alternatives and certain of its affiliates entered into agreements with the U.S. Small Business Administration (SBA) to obtain funding from the Economic Injury Disaster Loan ("EIDL") program for a total amount of \$950,000. The loans accrue interest at 2.75% per annum and monthly payments begin on varying dates between April to June 2021 with total principal and interest due on varying dates between April to June 2050. On July 12, 2021, GRID Alternatives Colorado, Inc. entered into an agreement for an EIDL loan in the amount of \$150,000 with installment payments of \$641 to begin 12 months from the date of the promissory note and continuing over a 30-year term. The loan bears interest at 2.75% per annum. The EIDL loans are to be used solely as working capital to alleviate economic injury caused by disaster occurring in the month of January 2020 and continuing thereafter, and to pay the Uniform Commercial Code ("UCC") lien filing fees and third-party UCC handling charge. All tangible and intangible personal property of each respective entity with a loan will be used as collateral on the respective loan. The total outstanding balance on the EIDL program loans, which includes accrued interest, is \$1,096,567 and \$950,000 at December 31, 2021 and 2020, respectively.

In March 2020, the Organization entered into a promissory note with a related party to borrow \$100,000. The promissory note requires annual payments of \$20,000 and does not accrue any interest. The outstanding balance on the promissory note amounted to \$60,000 and \$80,000 at December 31, 2021 and 2020, respectively.

In June 2020, the Organization entered into a purchase agreement for a vehicle and financed the purchase with a note for \$35,580, with monthly payments of \$494 due through 2026. In August 2021, the Organization entered into a purchase agreement for another vehicle with a note amount of \$27,819 with monthly payments of \$558 and a term of 72 months. The outstanding balance on the vehicle notes amounted to \$53,294 and \$33,108 at December 31, 2021 and 2020, respectively.

In October 2020, the Organization entered into an agreement to receive \$585,000 in funding for a solar project. The agreement requires the Organization to repay the funds upon the occurrence of a repayment event, at 1.9% interest, as stipulated in the agreement. The outstanding balance of the borrowing amounted to \$585,000 at December 31, 2020. In January 2021, the Organization repaid the amount in full.

In 2021, the Organization entered into six new project loan agreements to support various projects with a total maximum loan amount to be funded of \$3,966,676, a total loan amount funded of \$2,634,103 at December 31, 2021, and additional loan amounts expected to be funded in 2022 of \$1,332,573. Loans with an outstanding balance of \$1,288,041 are due on dates throughout 2022, and bear interest at 1% per annum. One loan agreement with a maximum commitment amount of \$2,525,000 and an outstanding balance of \$1,346,059 at December 31, 2021, was funded jointly by two nonprofit organizations, bears interest at 1.0% and is due in February 2023 and April 2023.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

6. NOTES PAYABLE (continued)

Notes payable consist of the following:

	<u>2021</u>	<u>2020</u>
EIDL - GRID Alternatives	\$ 141,949	\$ 150,000
EIDL - GRID Alternatives Bay Area	502,109	500,000
EIDL - GRID Alternatives San Diego	151,106	150,000
EIDL - GRID Alternatives Central Valley	151,403	150,000
EIDL - GRID Alternatives Colorado	150,000	-
Loan from a related party	60,000	80,000
Truck loans	53,294	33,108
Project loans	<u>2,634,103</u>	<u>585,000</u>
	3,843,964	1,648,108
Current portion	<u>(1,373,018)</u>	<u>(626,499)</u>
	<u><u>\$ 2,470,946</u></u>	<u><u>\$ 1,021,609</u></u>

The future maturities of the notes payable are as follows:

Year ending December 31,

2022	\$ 1,373,018
2023	1,406,239
2024	60,878
2025	36,018
2026	42,332
Thereafter	<u>925,479</u>
	<u><u>\$ 3,843,964</u></u>

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

7. PAYCHECK PROTECTION PROGRAM

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act commonly referred to as the CARES Act was signed into law. One component of the CARES Act was the Paycheck Protection Program ("PPP"), which provides small businesses with the resources needed to maintain their payroll and cover applicable overhead. The PPP is administered by the U.S. Small Business Administration ("SBA") with support from the Department of the Treasury. The PPP provides funds to pay up to 24 weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, and utilities. Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loans granted under PPP. Such forgiveness will be determined based on the use of the loan proceeds for payroll costs, rent and utility expenses and the maintenance of workforce and compensation levels with certain limitations.

On April 19, 2020, GRID Alternatives received loan proceeds of \$1,665,000 from a promissory note issued by Bank of San Francisco. On May 8, 2020, GRID Alternatives Colorado, Inc., GRID Alternatives Greater Los Angeles, Inc., GRID Alternatives San Diego, Inc., GRID Alternatives North Valley, Inc., GRID Alternatives Mid-Atlantic, Inc., GRID Alternatives Central Valley, Inc., GRID Alternatives Bay Area, Inc., and GRID Alternatives Inland Empire, Inc. each received loan proceeds of \$248,200, \$489,800, \$237,600, \$555,100, \$428,300, \$530,700, \$447,500, and \$373,200, respectively, from promissory notes issued by Bank of San Francisco. The term on the loans is two years and the annual interest rate is 1.00%. Payments of principal and interest are deferred for the first six months of the loans.

In February and March 2021, GRID Alternatives Colorado, Inc., GRID Alternatives Mid-Atlantic, Inc., GRID Alternatives Central Valley, Inc., and GRID Alternatives Bay Area, Inc. each received a second draw Paycheck Protection Program loan in the amount of \$305,712, \$267,360, \$488,355, and \$456,347, respectively, from promissory notes issued by Signature Bank.

During 2021 and 2020, the Organization used the full amount of PPP proceeds to fund eligible payroll, rent, and utility expenses under the terms of the PPP loans and believed that they would qualify for forgiveness. The Organization accounts for the PPP loans as conditional grants and recognized PPP grant revenue of \$1,517,774 and \$4,975,400 during the years ended December 31, 2021 and 2020, respectively.

In 2021, the Organization received notification that all of the first and second draws of PPP loans received in 2020 and 2021 were forgiven by the SBA.

8. COMMITMENTS AND CONTINGENCIES

Operating leases

The Organization leases various office spaces under non-cancelable operating leases through 2027. Rental expense for the years ending December 31, 2021 and 2020 was \$1,437,856 and \$1,456,705, respectively.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

8. COMMITMENTS AND CONTINGENCIES (continued)

Operating leases (continued)

The scheduled minimum lease payments under the lease terms are as follows:

Year ending December 31,

2022	\$ 970,570
2023	732,491
2024	635,519
2025	405,257
2026	189,677
Thereafter	<u>81,310</u>
	<u><u>\$ 3,014,824</u></u>

Litigation risk

The Organization may be subject to litigation and regulatory investigations arising in the normal course of business. In June 2022, the Organization entered into a legal settlement agreement in the amount of \$480,00 for a class action case related to wage and hour claims. As the underlying events occurred prior to December 31, 2021, the settlement obligation has been accrued in the accompanying consolidated financial statements. Management believes that there are no further matters that are probable of having a material adverse effect on Organizations's future financial position or results from operations.

9. RETIREMENT PLAN

The Organization offers a 403(b) retirement plan to all of its employees. The Organization offers an employer contribution to employees who have achieved 18 months of employment. The Organization contributed \$123,809 and \$106,714 during the years ended December 31, 2021 and 2020, respectively.

10. RELATED PARTY

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 \$171,521 and \$69,058 from law firms that employ members of the Board of Directors members for the years ended December 31, 2021 and 2020, respectively.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

11. IN-KIND CONTRIBUTIONS

Donated materials, services performed, or expenditures paid by donors are recorded as in-kind revenues when the asset or service is provided. The associated in-kind expense is recognized when the underlying service is provided, or when the asset has been used for its intended purpose.

In-kind contributions are as follows:

	<u>2021</u>	<u>2020</u>
Construction materials	\$ 1,150,694	\$ 917,729
Legal services	356,601	789,075
Volunteer services	875	-
Other	<u>214,633</u>	<u>56,340</u>
	<u><u>\$ 1,722,803</u></u>	<u><u>\$ 1,763,144</u></u>

12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are for the following purposes:

	<u>2021</u>	<u>2020</u>
Tribal Solar Accelerator Fund	\$ 11,178,692	\$ -
Workforce development	6,507,191	9,003,037
Region	809,250	5,000
Solar installation projects	701,160	522,950
Tribal	508,168	688,212
EV Program	594,796	-
Time restricted	295,000	307,500
Fiscal agent	-	99,244
International	232,039	86,167
COVID	-	25,000
Staff time	-	5,000
Clean mobility	128,512	-
Multi-family projects	100,000	-
IBT	77,500	-
Job training	70,000	-
Solar fellowship	50,000	-
Research	50,000	-
Workday	27,500	65,000
Internship	20,000	-
Solar futures	5,000	-
Consultation	<u>386</u>	<u>805</u>
	<u><u>\$ 21,355,194</u></u>	<u><u>\$ 10,807,915</u></u>

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

12. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets of \$10,323,218 and \$9,108,264 were released from restriction during the years ended December 31, 2021 and 2020, respectively, in accordance with the donors intent.

13. DESIGNATED NET ASSETS

The Organization maintains a reserve, designated from net assets without donor restrictions. Board designated net assets are included in net assets without donor restrictions, but are subject to conditions placed by the governing board, such as for future programs, investments, contingencies, purchases, construction of fixed assets, or other uses. As of December 31, 2021 and 2020, the designated net assets were \$1,500,000.

14. LIQUIDITY AND FUNDS AVAILABLE

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To meet liquidity needs, the Organization has cash and cash equivalents, trade accounts receivable, contributions receivable and investments available.

The following is a quantitative disclosure which describes assets that are available within one year of December 31, 2021 and 2020 to fund general expenditures and other obligations as they become due:

	<u>2021</u>	<u>2020</u>
Financial assets		
Cash and cash equivalents	\$ 5,516,654	\$ 5,094,768
Investments	11,461,786	1,624,023
Contributions and contracts receivable, current portion	<u>12,481,209</u>	<u>11,377,081</u>
	<u>29,459,649</u>	<u>18,095,872</u>
Less: amounts unavailable for general expenditures within one year due to:		
Donor restrictions	(21,355,194)	(10,807,915)
Board designation	<u>(1,500,000)</u>	<u>(1,500,000)</u>
	<u>(22,855,194)</u>	<u>(12,307,915)</u>
	<u><u>\$ 6,604,455</u></u>	<u><u>\$ 5,787,957</u></u>

The Organization has financial assets available at December 31, 2021 to cover approximately 34 days of operating expenses based on the fiscal year 2022 budget. In the event of an unanticipated liquidity need, the Organization may draw upon its \$7 million available line of credit. See Note 5 for further description of the line of credit. In addition, the Organization is able to utilize the board designated funds as deemed necessary to assist with any liquidity needs.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

15. SUBSEQUENT EVENTS

Management has evaluated material subsequent events through July 26, 2022, the date the consolidated financial statements were available to be issued. In June 2022, the Organization entered into a settlement agreement in the amount of \$480,000 for a class action case related to wage and hours claims. As the underlying events occurred prior to December 31, 2021, the settlement obligation has been accrued in the accompanying consolidated financial statements. No other subsequent events have occurred that would have a material impact on the presentation of the Organization's consolidated financial statements.

SUPPLEMENTARY INFORMATION

GRID Alternatives
Consolidating Statement of Financial Position
December 31, 2021

ASSETS

	GRID Alternatives, Inc.	GRID Alternatives Affiliates	Eliminating Entries	Total
Current assets				
Cash and cash equivalents	\$ 3,104,719	\$ 2,411,935	\$ -	\$ 5,516,654
Grants and contracts receivable	6,534,859	6,032,102	(85,752)	12,481,209
Intercompany receivable	14,982,962	18,868,842	(33,851,804)	-
Investments	11,461,786	-	-	11,461,786
Construction in process	3,337,713	3,535,594	-	6,873,307
Prepaid expenses	704,013	257,044	-	961,057
Total current assets	<u>40,126,052</u>	<u>31,105,517</u>	<u>(33,937,556)</u>	<u>37,294,013</u>
Property and equipment, net	<u>138,936</u>	<u>477,973</u>	<u>-</u>	<u>616,909</u>
Other assets				
Grants and contracts receivable, net of current portion	503,514	22,349	-	525,863
Deposits	95,866	663,953	-	759,819
Total other assets	<u>599,380</u>	<u>686,302</u>	<u>-</u>	<u>1,285,682</u>
Total assets	<u>\$ 40,864,368</u>	<u>\$ 32,269,792</u>	<u>\$ (33,937,556)</u>	<u>\$ 39,196,604</u>

LIABILITIES AND NET ASSETS

	GRID Alternatives, Inc.	GRID Alternatives Affiliates	Eliminating Entries	Total
Current liabilities				
Accounts payable	\$ 1,689,196	\$ 958,390	\$ (85,752)	\$ 2,561,834
Accrued expenses	646,388	865,405	-	1,511,793
Deferred revenue	456,178	631,800	-	1,087,978
Intercompany payable	17,092,572	16,759,232	(33,851,804)	-
Current portion of notes payable	1,315,736	57,282	-	1,373,018
Total current liabilities	<u>21,200,070</u>	<u>19,272,109</u>	<u>(33,937,556)</u>	<u>6,534,623</u>
Warranty liability	103,922	714,849	-	818,771
Notes payable, net of current portion	1,520,316	950,630	-	2,470,946
Total long-term liabilities	<u>1,624,238</u>	<u>1,665,479</u>	<u>-</u>	<u>3,289,717</u>
Total liabilities	<u>22,824,308</u>	<u>20,937,588</u>	<u>(33,937,556)</u>	<u>9,824,340</u>
Net assets				
Without donor restrictions	(1,437,753)	9,454,823	-	8,017,070
With donor restrictions	19,477,813	1,877,381	-	21,355,194
Total net assets	<u>18,040,060</u>	<u>11,332,204</u>	<u>-</u>	<u>29,372,264</u>
Total liabilities and net assets	<u>\$ 40,864,368</u>	<u>\$ 32,269,792</u>	<u>\$ (33,937,556)</u>	<u>\$ 39,196,604</u>

GRID Alternatives
Consolidating Statement of Financial Position
December 31, 2020

ASSETS

	GRID Alternatives, Inc.	GRID Alternatives Affiliates	Eliminating Entries	Total
Current assets				
Cash and cash equivalents	\$ 3,430,071	\$ 1,664,697	\$ -	\$ 5,094,768
Grants and contracts receivable	4,644,153	6,838,460	(105,532)	11,377,081
Intercompany receivable	15,028,448	17,383,297	(32,411,745)	-
Investments	1,624,023	-	-	1,624,023
Construction in process	1,606,917	1,690,981	-	3,297,898
Prepaid expenses	557,890	523,076	-	1,080,966
Total current assets	<u>26,891,502</u>	<u>28,100,511</u>	<u>(32,517,277)</u>	<u>22,474,736</u>
Property and equipment, net	<u>162,498</u>	<u>343,153</u>	<u>-</u>	<u>505,651</u>
Other assets				
Grants and contracts receivable, net of current portion	3,057,000	22,349	-	3,079,349
Deposits	103,553	1,188,818	-	1,292,371
Note receivable	<u>57,000</u>	<u>-</u>	<u>-</u>	<u>57,000</u>
Total other assets	<u>3,217,553</u>	<u>1,211,167</u>	<u>-</u>	<u>4,428,720</u>
Total assets	<u>\$ 30,271,553</u>	<u>\$ 29,654,831</u>	<u>\$ (32,517,277)</u>	<u>\$ 27,409,107</u>

LIABILITIES AND NET ASSETS

	GRID Alternatives, Inc.	GRID Alternatives Affiliates	Eliminating Entries	Total
Current liabilities				
Accounts payable	\$ 1,024,313	\$ 1,352,144	\$ (105,532)	\$ 2,270,925
Accrued expenses	687,174	840,042	-	1,527,216
Deferred revenue	1,527,028	1,071,842	-	2,598,870
Intercompany payable	17,734,451	14,677,294	(32,411,745)	-
Current portion of notes payable	607,094	19,405	-	626,499
Total current liabilities	<u>21,580,060</u>	<u>17,960,727</u>	<u>(32,517,277)</u>	<u>7,023,510</u>
Warranty liability	64,580	706,290	-	770,870
Notes payable, net of current portion	<u>207,906</u>	<u>813,703</u>	<u>-</u>	<u>1,021,609</u>
Total long-term liabilities	<u>272,486</u>	<u>1,519,993</u>	<u>-</u>	<u>1,792,479</u>
Total liabilities	<u>21,852,546</u>	<u>19,480,720</u>	<u>(32,517,277)</u>	<u>8,815,989</u>
Net assets				
Without donor restrictions	(854,064)	8,639,267	-	7,785,203
With donor restrictions	<u>9,273,071</u>	<u>1,534,844</u>	<u>-</u>	<u>10,807,915</u>
Total net assets	<u>8,419,007</u>	<u>10,174,111</u>	<u>-</u>	<u>18,593,118</u>
Total liabilities and net assets	<u>\$ 30,271,553</u>	<u>\$ 29,654,831</u>	<u>\$ (32,517,277)</u>	<u>\$ 27,409,107</u>

GRID Alternatives
Consolidating Statement of Activities
For The Year Ended December 31, 2021

	GRID Alternatives		GRID Affiliates			
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminating Entries	Total
Revenues, gains (losses), and other support						
Government grants	\$ 4,049,124	\$ -	\$ 5,716,169	\$ -	\$ -	\$ 9,765,293
Government grants - PPP Contributions	-	-	1,517,774	-	-	1,517,774
Service contracts	2,624,941	18,241,048	785,692	2,629,449	-	24,281,130
In-kind contributions	11,772,935	-	23,057,902	-	(5,007,214)	29,823,623
Investment income (loss)	1,589,545	-	133,258	-	-	1,722,803
Rental income	(165,004)	-	13,814	-	-	(151,190)
	29,315	-	-	-	-	29,315
	19,900,856	18,241,048	31,224,609	2,629,449	(5,007,214)	66,988,748
Net assets released from restriction						
Total revenues, gains (losses), and other support	8,036,306	(8,036,306)	2,286,913	(2,286,913)	-	-
	27,937,162	10,204,742	33,511,522	342,536	(5,007,214)	66,988,748
Functional expenses						
Program services	20,864,375	-	27,478,345	-	(2,694,563)	45,648,157
General and administrative	6,485,389	-	3,761,365	-	(1,941,263)	8,305,491
Fundraising	1,171,087	-	1,456,255	-	(371,388)	2,255,954
Total functional expenses	28,520,851	-	32,695,965	-	5,007,214	56,209,602
Changes in net assets	(583,689)	10,204,742	815,557	342,536	-	10,779,146
Net assets, beginning of year	(854,064)	9,273,071	8,639,266	1,534,845	-	18,593,118
Net assets, end of year	\$ (1,437,753)	\$ 19,477,813	\$ 9,454,823	\$ 1,877,381	\$ -	\$ 29,372,264

GRID Alternatives
Consolidating Statement of Activities
For The Year Ended December 31, 2020

	GRID Alternatives		GRID Affiliates			
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminating Entries	Total
Revenues, gains, and other support						
Government grants	\$ 4,205,482	\$ -	\$ 9,570,304	\$ -	\$ -	\$ 13,775,786
Government grants - PPP	1,665,000	-	3,310,400	-	-	4,975,400
Contributions	542,004	12,103,347	385,015	1,629,468	-	14,659,834
Service contracts	8,157,368	-	24,830,792	-	(4,478,668)	28,509,492
In-kind contributions	1,393,667	-	369,477	-	-	1,763,144
Investment income	(242,608)	-	115	-	-	(242,493)
Rental income	39,696	-	-	-	-	39,696
	15,760,609	12,103,347	38,466,103	1,629,468	(4,478,668)	63,480,859
Net assets released from restriction	7,415,946	(7,415,946)	1,692,318	(1,692,318)	-	-
Total revenues, gains, and other support	23,176,555	4,687,401	40,158,421	(62,850)	(4,478,668)	63,480,859
Functional expenses						
Program services	16,640,361	-	33,287,718	-	(1,925,959)	48,002,120
General and administrative	4,995,776	-	4,186,243	-	(2,120,796)	7,061,223
Fundraising	1,124,940	-	1,586,461	-	(431,913)	2,279,488
Total functional expenses	22,761,077	-	39,060,422	-	4,478,668	57,342,831
Changes in net assets	415,478	4,687,401	1,097,999	(62,850)	-	6,138,028
Net assets, beginning of year	(1,269,542)	4,585,670	7,541,267	1,597,695	-	12,455,090
Net assets, end of year	\$ (854,064)	\$ 9,273,071	\$ 8,639,266	\$ 1,534,845	\$ -	\$ 18,593,118

GRID Alternatives
Statements of Financial Position - GRID Alternatives Greater Los Angeles, Inc.
December 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 371,764	\$ 164,668
Grants and contracts receivables	728,556	589,079
Intercompany receivable	378,472	83,426
Construction in process	870,683	240,516
Prepaid expenses	<u>39,852</u>	<u>43,064</u>
Total current assets	<u>2,389,327</u>	<u>1,120,753</u>
Property and equipment, net	<u>6,031</u>	<u>13,217</u>
Other assets		
Deposits	<u>17,366</u>	<u>17,366</u>
Total other assets	<u>17,366</u>	<u>17,366</u>
Total assets	<u><u>\$ 2,412,724</u></u>	<u><u>\$ 1,151,336</u></u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 368,820	\$ 148,047
Accrued expenses	113,652	80,511
Intercompany payable	<u>2,768,019</u>	<u>1,693,368</u>
Total current liabilities	<u>3,250,491</u>	<u>1,921,926</u>
Warranty liability	<u>23,170</u>	<u>6,097</u>
Total liabilities	<u>3,273,661</u>	<u>1,928,023</u>
Net assets		
Without donor restriction	(1,342,603)	(1,219,187)
With donor restrictions	<u>481,666</u>	<u>442,500</u>
Total net assets	<u>(860,937)</u>	<u>(776,687)</u>
Total liabilities and net assets	<u><u>\$ 2,412,724</u></u>	<u><u>\$ 1,151,336</u></u>

GRID Alternatives
Statements of Activities - GRID Alternatives Greater Los Angeles, Inc.
For The Year Ended December 31, 2021

	Without Donor <u>Restrictions</u>	With Donor Restrictions	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 672,759	\$ -	\$ 672,759
Contributions	124,423	620,586	745,009
Program revenue	4,207,900	-	4,207,900
In-kind contributions	14,163	-	14,163
Investment income (loss)	<u>8</u>	<u>-</u>	<u>8</u>
Net assets released from restriction	<u>581,420</u>	<u>(581,420)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,600,673</u>	<u>39,166</u>	<u>5,639,839</u>
Functional expenses			
Program services	4,952,211	-	4,952,211
General and administrative	544,048	-	544,048
Fundraising	<u>227,830</u>	<u>-</u>	<u>227,830</u>
Total functional expenses	<u>5,724,089</u>	<u>-</u>	<u>5,724,089</u>
Changes in net assets	(123,416)	39,166	(84,250)
Net assets, beginning of year	<u>(1,219,187)</u>	<u>442,500</u>	<u>(776,687)</u>
Net assets, end of year	<u>\$ (1,342,603)</u>	<u>\$ 481,666</u>	<u>\$ (860,937)</u>

GRID Alternatives
Statements of Activities - GRID Alternatives Greater Los Angeles, Inc.
For The Year Ended December 31, 2020

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 516,728	\$ -	\$ 516,728
Government grants - PPP	489,800	-	489,800
Contributions	154,049	510,000	664,049
Program revenue	2,683,053	-	2,683,053
In-kind contributions	<u>16,319</u>	<u>-</u>	<u>16,319</u>
Net assets released from restriction	<u>449,240</u>	<u>(449,240)</u>	<u>-</u>
Total revenues, gains, and other support	<u>4,309,189</u>	<u>60,760</u>	<u>4,369,949</u>
Functional expenses			
Program services	3,729,036	-	3,729,036
General and administrative	605,210	-	605,210
Fundraising	<u>215,236</u>	<u>-</u>	<u>215,236</u>
Total functional expenses	<u>4,549,482</u>	<u>-</u>	<u>4,549,482</u>
Changes in net assets	(240,293)	60,760	(179,533)
Net assets, beginning of year	<u>(978,894)</u>	<u>381,740</u>	<u>(597,154)</u>
Net assets (deficit), end of year	<u>\$ (1,219,187)</u>	<u>\$ 442,500</u>	<u>\$ (776,687)</u>

GRID Alternatives
Statements of Financial Position - GRID Alternatives Colorado, Inc.
December 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 325,291	\$ 179,787
Grants and contracts receivable	793,212	1,705,709
Intercompany receivable	89,143	39,120
Construction in process	224,102	107,704
Prepaid expenses	<u>25,484</u>	<u>32,909</u>
Total current assets	<u>1,457,232</u>	<u>2,065,229</u>
Property and equipment, net	<u>77,561</u>	<u>49,151</u>
Other assets		
Deposits	<u>83,194</u>	<u>600,556</u>
Total other assets	<u>83,194</u>	<u>600,556</u>
Total assets	<u><u>\$ 1,617,987</u></u>	<u><u>\$ 2,714,936</u></u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 61,549	\$ 532,525
Accrued expenses	75,888	86,079
Intercompany payable	3,436,594	4,810,464
Current portion of notes payable	<u>16,266</u>	<u>5,930</u>
Total current liabilities	<u>3,590,297</u>	<u>5,434,998</u>
Long-term liabilities		
Warranty liability	148,660	131,537
Notes payable, net of current portion	<u>187,028</u>	<u>27,178</u>
Total long-term liabilities	<u>335,688</u>	<u>158,715</u>
Total liabilities	<u>3,925,985</u>	<u>5,593,713</u>
Net assets		
Without donor restrictions	(2,458,831)	(2,805,226)
With donor restrictions	<u>150,833</u>	<u>(73,551)</u>
Total net assets	<u>(2,307,998)</u>	<u>(2,878,777)</u>
Total liabilities and net assets	<u><u>\$ 1,617,987</u></u>	<u><u>\$ 2,714,936</u></u>

GRID Alternatives
Statements of Activities - GRID Alternatives Colorado, Inc.
For the Year Ended December 31, 2021

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 203,964	\$ -	\$ 203,964
Government grants - PPP	305,712	-	305,712
Contributions	131,495	219,050	350,545
Program revenue	2,782,486	-	2,782,486
In-kind Contributions	979	-	979
Investment income (loss)	<u>16</u>	<u>-</u>	<u>16</u>
Net assets released from restriction	<u>(5,334)</u>	<u>5,334</u>	<u>-</u>
Total revenues, gains, and other support	<u>3,419,318</u>	<u>224,384</u>	<u>3,643,702</u>
Functional expenses			
Program services	2,592,267	-	2,592,267
General and administrative	385,168	-	385,168
Fundraising	<u>95,488</u>	<u>-</u>	<u>95,488</u>
Total functional expenses	<u>3,072,923</u>	<u>-</u>	<u>3,072,923</u>
Changes in net assets	346,395	224,384	570,779
Net assets, beginning of year	<u>(2,805,226)</u>	<u>(73,551)</u>	<u>(2,878,777)</u>
Net assets, end of year	<u><u>\$ (2,458,831)</u></u>	<u><u>\$ 150,833</u></u>	<u><u>\$ (2,307,998)</u></u>

GRID Alternatives
Statements of Activities - GRID Alternatives Colorado, Inc.
For the Year Ended December 31, 2020

	Without Donor Restriction	With Donor Restriction	Total
Revenues, gains, and other support			
Government grants	\$ 457,985	\$ -	\$ 457,985
Government grants - PPP	248,200	-	248,200
Contributions	269,361	-	269,361
Program revenue	4,576,537	-	4,576,537
In-kind Contributions	<u>9,691</u>	<u>-</u>	<u>9,691</u>
Net assets released from restriction	<u>275,551</u>	<u>(275,551)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,837,325</u>	<u>(275,551)</u>	<u>5,561,774</u>
Functional expenses			
Program services	4,586,897	-	4,586,897
General and administrative	379,559	-	379,559
Fundraising	<u>87,579</u>	<u>-</u>	<u>87,579</u>
Total functional expenses	<u>5,054,035</u>	<u>-</u>	<u>5,054,035</u>
Changes in net assets	783,290	(275,551)	507,739
Net assets, beginning of year	<u>(3,588,516)</u>	<u>202,000</u>	<u>(3,386,516)</u>
Net assets, end of year	<u>\$ (2,805,226)</u>	<u>\$ (73,551)</u>	<u>\$ (2,878,777)</u>

GRID Alternatives
Statements of Financial Position - GRID Alternatives San Diego, Inc.
December 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 466,520	\$ 151,463
Grants and contracts receivable	1,008,616	973,421
Intercompany receivable	279,654	208,631
Construction in process	205,278	87,074
Prepaid expenses	<u>18,297</u>	<u>29,383</u>
Total current assets	<u>1,978,365</u>	<u>1,449,972</u>
Property and equipment, net	<u>74,869</u>	<u>23,289</u>
Other assets		
Deposits	<u>6,550</u>	<u>8,250</u>
Total other assets	<u>6,550</u>	<u>8,250</u>
Total assets	<u><u>\$ 2,059,784</u></u>	<u><u>\$ 1,481,511</u></u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 100,569	\$ 179,972
Accrued expenses	110,578	96,434
Deferred revenue	446,960	183,861
Intercompany payable	1,175,993	818,144
Current portion of notes payable	<u>7,692</u>	<u>2,395</u>
Total current liabilities	<u>1,841,792</u>	<u>1,280,806</u>
Long-term liabilities		
Warranty liability	7,818	20,650
Notes payable, net of current portion	<u>143,414</u>	<u>147,605</u>
Total long-term liabilities	<u>151,232</u>	<u>168,255</u>
Total liabilities	<u>1,993,024</u>	<u>1,449,061</u>
Net assets		
Without donor restriction	(433,237)	(118,743)
With donor restriction	<u>500,000</u>	<u>151,193</u>
Total net assets	<u>66,763</u>	<u>32,450</u>
Total liabilities and net assets	<u><u>\$ 2,059,787</u></u>	<u><u>\$ 1,481,511</u></u>

GRID Alternatives
Statements of Activities - GRID Alternatives San Diego, Inc.
For The Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Government grants	\$ 739,854	\$ -	\$ 739,854
Contributions	97,226	531,500	628,726
Program revenue	1,368,533	-	1,368,533
In-kind contributions	275	-	275
Investment income (loss)	597	-	597
Net assets released from restriction	<u>182,693</u>	<u>(182,693)</u>	<u>-</u>
Total revenues, gains, and other support	<u>2,389,178</u>	<u>348,807</u>	<u>2,737,985</u>
Functional expenses			
Program services	2,412,677	-	2,412,677
General and administrative	190,335	-	190,335
Fundraising	<u>100,660</u>	<u>-</u>	<u>100,660</u>
Total functional expenses	<u>2,703,672</u>	<u>-</u>	<u>2,703,672</u>
Changes in net assets	(314,494)	348,807	34,313
Net assets, beginning of year	<u>(118,743)</u>	<u>151,193</u>	<u>32,450</u>
Net assets, end of year	<u>\$ (433,237)</u>	<u>\$ 500,000</u>	<u>\$ 66,763</u>

GRID Alternatives
Statements of Activities - GRID Alternatives San Diego, Inc.
For The Year Ended December 31, 2020

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 780,170	\$ -	\$ 780,170
Government grants - PPP	237,600	-	237,600
Contributions	66,539	232,357	298,896
Program revenue	1,996,123	-	1,996,123
In-kind contributions	<u>48,673</u>	<u>-</u>	<u>48,673</u>
Net assets released from restriction	<u>204,621</u>	<u>(204,621)</u>	<u>-</u>
Total revenues, gains, and other support	<u>3,333,726</u>	<u>27,736</u>	<u>3,361,462</u>
Functional expenses			
Program services	2,699,918	-	2,699,918
General and administrative	339,033	-	339,033
Fundraising	<u>116,497</u>	<u>-</u>	<u>116,497</u>
Total functional expenses	<u>3,155,448</u>	<u>-</u>	<u>3,155,448</u>
Changes in net assets	178,278	27,736	206,014
Net assets, beginning of year	<u>(297,021)</u>	<u>123,457</u>	<u>(173,564)</u>
Net assets, end of year	<u>\$ (118,743)</u>	<u>\$ 151,193</u>	<u>\$ 32,450</u>

GRID Alternatives
Statements of Financial Position - GRID Alternatives North Valley, Inc.
December 31, 2021

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 121,649	\$ 148,886
Grants and contracts receivable	1,221,715	784,867
Intercompany receivable	458,169	460,077
Construction in process	657,547	151,691
Prepaid expenses	<u>52,204</u>	<u>135,027</u>
Total current assets	<u>2,511,284</u>	<u>1,680,548</u>
Property and equipment, net	<u>139,956</u>	<u>60,769</u>
Other assets		
Deposits	<u>19,695</u>	<u>19,695</u>
Total other assets	<u>19,695</u>	<u>19,695</u>
Total assets	<u><u>\$ 2,670,935</u></u>	<u><u>\$ 1,761,012</u></u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 50,046	\$ 88,344
Accrued expenses	169,569	171,422
Deferred revenue	-	250,000
Intercompany payable	<u>2,769,620</u>	<u>1,339,683</u>
Total current liabilities	2,989,235	1,849,449
Warranty liability	<u>117,202</u>	<u>101,504</u>
Total liabilities	<u>3,106,437</u>	<u>1,950,953</u>
Net assets		
Without donor restriction	(500,053)	(450,746)
With donor restriction	<u>64,551</u>	<u>260,805</u>
Total net assets	<u>(435,502)</u>	<u>(189,941)</u>
Total liabilities and net assets	<u><u>\$ 2,670,935</u></u>	<u><u>\$ 1,761,012</u></u>

GRID Alternatives
Statements of Activities - GRID Alternatives North Valley, Inc.
For The Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Government grants	\$ 797,810	\$ -	\$ 797,810
Contributions	2,445	86,980	89,425
Program revenue	4,220,543	-	4,220,543
In-kind contributions	4,398	-	4,398
Investment income (loss)	6	-	6
Net assets released from restriction	<u>283,234</u>	<u>(283,234)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,308,436</u>	<u>(196,254)</u>	<u>5,112,182</u>
Functional expenses			
Program services	4,391,644	-	4,391,644
General and administrative	665,481	-	665,481
Fundraising	<u>300,618</u>	<u>-</u>	<u>300,618</u>
Total functional expenses	<u>5,357,743</u>	<u>-</u>	<u>5,357,743</u>
Changes in net assets	(49,307)	(196,254)	(245,561)
Net assets, beginning of year	<u>(450,746)</u>	<u>260,805</u>	<u>(189,941)</u>
Net assets, end of year	<u>\$ (500,053)</u>	<u>\$ 64,551</u>	<u>\$ (435,502)</u>

GRID Alternatives
Statements of Activities - GRID Alternatives North Valley, Inc.
For The Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Government grants	\$ 877,051	\$ -	\$ 877,051
Government grants - PPP	555,100	-	555,100
Contributions	22,928	235,111	258,039
Program revenue	4,213,306	-	4,213,306
In-kind contributions	<u>50,796</u>	<u>-</u>	<u>50,796</u>
Net assets released from restriction	<u>219,306</u>	<u>(219,306)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,938,487</u>	<u>15,805</u>	<u>5,954,292</u>
Functional expenses			
Program services	4,339,036	-	4,339,036
General and administrative	801,729	-	801,729
Fundraising	<u>384,799</u>	<u>-</u>	<u>384,799</u>
Total functional expenses	<u>5,525,564</u>	<u>-</u>	<u>5,525,564</u>
Changes in net assets	412,923	15,805	428,728
Net assets, beginning of year	<u>(863,669)</u>	<u>245,000</u>	<u>(618,669)</u>
Net assets, end of year	<u>\$ (450,746)</u>	<u>\$ 260,805</u>	<u>\$ (189,941)</u>

GRID Alternatives
Statements of Financial Position - GRID Alternatives Mid-Atlantic, Inc.
December 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 256,007	\$ 119,607
Grants and contracts receivable	496,471	460,287
Intercompany receivable	144,659	103,967
Construction in process	43,380	48,110
Prepaid expenses	<u>26,495</u>	<u>23,939</u>
Total current assets	<u>967,012</u>	<u>755,910</u>
Property and equipment, net	<u>9,420</u>	<u>12,749</u>
Other assets		
Contributions receivable, net of current portion	22,349	22,349
Deposits	<u>514,094</u>	<u>514,094</u>
Total other assets	<u>536,443</u>	<u>536,443</u>
Total assets	<u>\$ 1,512,875</u>	<u>\$ 1,305,102</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 37,267	\$ 90,033
Accrued expenses	50,404	64,770
Intercompany payable	<u>5,470,307</u>	<u>5,511,911</u>
Total current liabilities	5,557,978	5,666,714
Warranty liability	<u>168,168</u>	<u>173,807</u>
Total liabilities	<u>5,726,146</u>	<u>5,840,521</u>
Net assets		
Without donor restriction	(4,238,271)	(4,610,419)
With donor restriction	<u>25,000</u>	<u>75,000</u>
Total net assets	<u>(4,213,271)</u>	<u>(4,535,419)</u>
Total liabilities and net assets	<u>\$ 1,512,875</u>	<u>\$ 1,305,102</u>

GRID Alternatives
Statements of Activities - GRID Alternatives Mid-Atlantic, Inc.
For The Year Ended December 31, 2021

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 824,109	\$ -	\$ 824,109
Government grants - PPP	267,360	-	267,360
Contributions	85,921	25,000	110,921
Program revenue	824,366	-	824,366
In-kind contributions	4,328	-	4,328
Investment income (loss)	<u>5,210</u>	<u>-</u>	<u>5,210</u>
Net assets released from restriction	<u>75,000</u>	<u>(75,000)</u>	<u>-</u>
Total revenues, gains, and other support	<u>2,086,294</u>	<u>(50,000)</u>	<u>2,036,294</u>
Functional expenses			
Program services	1,320,580	-	1,320,580
General and administrative	313,045	-	313,045
Fundraising	<u>80,521</u>	<u>-</u>	<u>80,521</u>
Total functional expenses	<u>1,714,146</u>	<u>-</u>	<u>1,714,146</u>
Changes in net assets	372,148	(50,000)	322,148
Net assets, beginning of year	<u>(4,610,419)</u>	<u>75,000</u>	<u>(4,535,419)</u>
Net assets, end of year	<u><u>\$ (4,238,271)</u></u>	<u><u>\$ 25,000</u></u>	<u><u>\$ (4,213,271)</u></u>

GRID Alternatives
Statements of Activities - GRID Alternatives Mid-Atlantic, Inc.
For The Year Ended December 31, 2020

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 3,883,989	\$ -	\$ 3,883,989
Government grants - PPP	428,300	-	428,300
Contributions	5,380	75,825	81,205
Program revenue	1,031,578	-	1,031,578
In-kind contributions	<u>2,277</u>	<u>-</u>	<u>2,277</u>
Net assets released from restriction	<u>825</u>	<u>(825)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,352,349</u>	<u>75,000</u>	<u>5,427,349</u>
Functional expenses			
Program services	5,028,990	-	5,028,990
General and administrative	337,731	-	337,731
Fundraising	<u>102,803</u>	<u>-</u>	<u>102,803</u>
Total functional expenses	<u>5,469,524</u>	<u>-</u>	<u>5,469,524</u>
Changes in net assets	(117,175)	75,000	(42,175)
Net assets, beginning of year	<u>(4,493,244)</u>	<u>-</u>	<u>(4,493,244)</u>
Net assets, end of year	<u>\$ (4,610,419)</u>	<u>\$ 75,000</u>	<u>\$ (4,535,419)</u>

GRID Alternatives
Statements of Financial Position - GRID Alternatives Central Valley, Inc.
December 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 203,003	\$ 149,637
Grants and contracts receivable	451,897	614,649
Intercompany receivable	8,414,149	8,456,837
Construction in process	339,303	253,291
Prepaid expenses	44,558	114,188
Total current assets	<u>9,452,910</u>	<u>9,588,602</u>
Property and equipment, net	<u>82,866</u>	<u>108,333</u>
Other assets		
Deposits	<u>17,357</u>	<u>17,357</u>
Total other assets	<u>17,357</u>	<u>17,357</u>
Total assets	<u><u>\$ 9,553,133</u></u>	<u><u>\$ 9,714,292</u></u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 77,393	\$ 81,663
Accrued expenses	132,635	144,634
Intercompany payable	313,764	297,286
Current portion of notes payable	<u>7,692</u>	<u>2,094</u>
Total current liabilities	<u>531,484</u>	<u>525,677</u>
Long-term liabilities		
Warranty liability	101,696	110,131
Notes payable, net of current portion	<u>143,711</u>	<u>147,906</u>
Total long-term liabilities	<u>245,407</u>	<u>258,037</u>
Total liabilities	<u>776,891</u>	<u>783,714</u>
Net assets		
Without donor restriction	8,726,242	8,920,578
With donor restriction	<u>50,000</u>	<u>10,000</u>
Total net assets	<u>8,776,242</u>	<u>8,930,578</u>
Total liabilities and net assets	<u><u>\$ 9,553,133</u></u>	<u><u>\$ 9,714,292</u></u>

GRID Alternatives
Statements of Activities - GRID Alternatives Central Valley, Inc.
For The Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Government grants	\$ 615,251	\$ -	\$ 615,251
Government grants - PPP	488,355	-	488,355
Contributions	4,632	66,899	71,531
Program revenue	3,462,403	-	3,462,403
In-kind contributions	600	-	600
Investment income (loss)	6	-	6
Total grant	4,571,247	66,899	4,638,146
Net assets released from restriction	26,899	(26,899)	-
Total revenues, gains, and other support	<u>4,598,146</u>	<u>40,000</u>	<u>4,638,146</u>
Functional expenses			
Program services	4,080,012	-	4,080,012
General and administrative	508,250	-	508,250
Fundraising	204,220	-	204,220
Total functional expenses	<u>4,792,482</u>	<u>-</u>	<u>4,792,482</u>
Changes in net assets	(194,336)	40,000	(154,336)
Net assets, beginning of year	<u>8,920,578</u>	<u>10,000</u>	<u>8,930,578</u>
Net assets, end of year	<u><u>\$ 8,726,242</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ 8,776,242</u></u>

GRID Alternatives
Statements of Activities - GRID Alternatives Central Valley, Inc.
For The Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Government grants	\$ 443,273	\$ -	\$ 443,273
Government grants - PPP	530,700	-	530,700
Contributions	(4,843)	11,000	6,157
Program revenue	4,579,184	-	4,579,184
In-kind contributions	<u>8,392</u>	<u>-</u>	<u>8,392</u>
Total grant	5,556,706	11,000	5,567,706
Net assets released from restriction	<u>51,000</u>	<u>(51,000)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,607,706</u>	<u>(40,000)</u>	<u>5,567,706</u>
Functional expenses			
Program services	4,371,699	-	4,371,699
General and administrative	593,620	-	593,620
Fundraising	<u>221,527</u>	<u>-</u>	<u>221,527</u>
Total functional expenses	<u>5,186,846</u>	<u>-</u>	<u>5,186,846</u>
Changes in net assets	420,860	(40,000)	380,860
Net assets, beginning of year	<u>8,499,718</u>	<u>50,000</u>	<u>8,549,718</u>
Net assets, end of year	<u><u>\$ 8,920,578</u></u>	<u><u>\$ 10,000</u></u>	<u><u>\$ 8,930,578</u></u>

GRID Alternatives
Statements of Financial Position - GRID Alternatives Bay Area, Inc.
December 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 267,091	\$ 274,144
Grants and contracts receivable	453,912	638,433
Intercompany receivable	5,332,947	5,042,196
Construction in process	385,187	339,885
Prepaid expenses	<u>24,148</u>	<u>55,155</u>
Total current assets	<u>6,463,285</u>	<u>6,349,813</u>
Property and equipment, net	<u>54,608</u>	<u>46,605</u>
Other assets		
Total assets	<u><u>\$ 6,517,893</u></u>	<u><u>\$ 6,396,418</u></u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 26,348	\$ 95,000
Accrued expenses	129,173	108,072
Deferred revenue	58,695	291,684
Intercompany payable	137,276	139,339
Current portion of notes payable	<u>25,632</u>	<u>8,986</u>
Total current liabilities	<u>377,124</u>	<u>643,081</u>
Long-term liabilities		
Warranty liability	16,138	54,005
Notes payable, net of current portion	<u>476,477</u>	<u>491,014</u>
Total long-term liabilities	<u>492,615</u>	<u>545,019</u>
Total liabilities	<u>869,739</u>	<u>1,188,100</u>
Net assets		
Without donor restriction	5,373,154	4,920,818
With donor restriction	<u>275,000</u>	<u>287,500</u>
Total net assets	<u>5,648,154</u>	<u>5,208,318</u>
Total liabilities and net assets	<u><u>\$ 6,517,893</u></u>	<u><u>\$ 6,396,418</u></u>

GRID Alternatives
Statements of Activities - GRID Alternatives Bay Area, Inc.
For The Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 709,688	\$ -	\$ 709,688
Government grants - PPP	456,347	-	456,347
Contributions	336,174	702,434	1,038,608
Program revenue	2,374,529	-	2,374,529
In-kind contributions	30,675	-	30,675
Investment income (loss)	<u>7,918</u>	<u>-</u>	<u>7,918</u>
Net assets released from restriction	<u>714,934</u>	<u>(714,934)</u>	<u>-</u>
Total revenues, gains, and other support	<u>4,630,265</u>	<u>(12,500)</u>	<u>4,617,765</u>
Functional expenses			
Program services	3,417,349	-	3,417,349
General and administrative	529,937	-	529,937
Fundraising	<u>230,643</u>	<u>-</u>	<u>230,643</u>
Total functional expenses	<u>4,177,929</u>	<u>-</u>	<u>4,177,929</u>
Changes in net assets	452,336	(12,500)	439,836
Net assets, beginning of year	<u>4,920,818</u>	<u>287,500</u>	<u>5,208,318</u>
Net assets, end of year	<u><u>\$ 5,373,154</u></u>	<u><u>\$ 275,000</u></u>	<u><u>\$ 5,648,154</u></u>

GRID Alternatives
Statements of Activities - GRID Alternatives Bay Area, Inc.
For The Year Ended December 31, 2020

	Without Donor <u>Restrictions</u>	With Donor Restrictions	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 841,922	\$ -	\$ 841,922
Government grants - PPP	447,500	-	447,500
Contributions	149,645	161,275	310,920
Program revenue	3,115,286	-	3,115,286
In-kind contributions	117,673	-	117,673
Investment income (loss)	<u>55</u>	<u>-</u>	<u>55</u>
Net assets released from restriction	<u>278,775</u>	<u>(278,775)</u>	<u>-</u>
Total revenues, gains, and other support	<u>4,950,856</u>	<u>(117,500)</u>	<u>4,833,356</u>
Functional expenses			
Program services	3,200,593	-	3,200,593
General and administrative	671,794	-	671,794
Fundraising	<u>254,723</u>	<u>-</u>	<u>254,723</u>
Total functional expenses	<u>4,127,110</u>	<u>-</u>	<u>4,127,110</u>
Changes in net assets	823,746	(117,500)	706,246
Net assets, beginning of year	<u>4,097,072</u>	<u>405,000</u>	<u>4,502,072</u>
Net assets, end of year	<u><u>\$ 4,920,818</u></u>	<u><u>\$ 287,500</u></u>	<u><u>\$ 5,208,318</u></u>

GRID Alternatives
Statements of Financial Position - GRID Alternatives Inland Empire, Inc.
December 31, 2021

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 400,610	\$ 476,505
Grants and contracts receivable	877,723	1,072,015
Intercompany receivable	3,771,645	2,989,049
Construction in process	810,114	462,710
Prepaid expenses	<u>26,006</u>	<u>89,411</u>
Total current assets	<u>5,886,098</u>	<u>5,089,690</u>
Property and equipment, net	<u>32,662</u>	<u>29,040</u>
Other assets		
Deposits	<u>5,697</u>	<u>11,500</u>
Total other assets	<u>5,697</u>	<u>11,500</u>
Total assets	<u>\$ 5,924,457</u>	<u>\$ 5,130,230</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 236,398	\$ 136,560
Accrued expenses	83,506	88,120
Deferred revenue	126,145	346,297
Intercompany payable	<u>687,658</u>	<u>67,105</u>
Warranty liability	<u>131,997</u>	<u>108,559</u>
Total liabilities	<u>1,265,704</u>	<u>746,641</u>
Net assets		
Without donor restriction	4,328,419	4,316,089
With donor restriction	<u>330,334</u>	<u>67,500</u>
Total net assets	<u>4,658,753</u>	<u>4,383,589</u>
Total liabilities and net assets	<u>\$ 5,924,457</u>	<u>\$ 5,130,230</u>

GRID Alternatives
Statements of Activities - GRID Alternatives Inland Empire, Inc.
For The Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Government grants	\$ 1,152,734	\$ -	\$ 1,152,734
Contributions	3,373	377,000	380,373
Program revenue	3,817,142	-	3,817,142
In-kind contributions	77,840	-	77,840
Investment income (loss)	53	-	53
Net assets released from restriction	114,166	(114,166)	-
Total revenues, gains, and other support	<u>5,165,308</u>	<u>262,834</u>	<u>5,428,142</u>
Functional expenses			
Program services	4,311,605	-	4,311,605
General and administrative	625,100	-	625,100
Fundraising	216,273	-	216,273
Total functional expenses	<u>5,152,978</u>	<u>-</u>	<u>5,152,978</u>
Changes in net assets	12,330	262,834	275,164
Net assets, beginning of year	<u>4,316,089</u>	<u>67,500</u>	<u>4,383,589</u>
Net assets, end of year	<u>\$ 4,328,419</u>	<u>\$ 330,334</u>	<u>\$ 4,658,753</u>

GRID Alternatives
Statements of Activities - GRID Alternatives Inland Empire, Inc.
For The Year Ended December 31, 2020

	Without Donor <u>Restrictions</u>	With Donor Restrictions	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 1,769,186	\$ -	\$ 1,769,186
Government grants - PPP	373,200	-	373,200
Contributions	20,305	90,000	110,305
Program revenue	3,840,331	-	3,840,331
In-kind contributions	115,656	-	115,656
Investment income (loss)	<u>60</u>	<u>-</u>	<u>60</u>
Net assets released from restriction	<u>213,000</u>	<u>(213,000)</u>	<u>-</u>
Total revenues, gains, and other support	<u>6,331,738</u>	<u>(123,000)</u>	<u>6,208,738</u>
Functional expenses			
Program services	4,956,781	-	4,956,781
General and administrative	587,674	-	587,674
Fundraising	<u>191,657</u>	<u>-</u>	<u>191,657</u>
Total functional expenses	<u>5,736,112</u>	<u>-</u>	<u>5,736,112</u>
Changes in net assets	595,626	(123,000)	472,626
Net assets, beginning of year	<u>3,720,463</u>	<u>190,500</u>	<u>3,910,963</u>
Net assets, end of year	<u><u>\$ 4,316,089</u></u>	<u><u>\$ 67,500</u></u>	<u><u>\$ 4,383,589</u></u>

GRID Alternatives

[illegible]

Notes:
Initial agreement amended by \$54M as a result of Assembly Bill (AB) 217, until 2022.
Task 1 Develop and Execute Comprehensive Program Implementation Plan
Task 2 Identify, Establish Relationships, and Generate Partnership With Stakeholders
Task 3 Create and Execute a Targeted Marketing and Outreach Campaign
Task 4 Develop and Regularly Update a System for Program Monitoring and Evaluation

GRID Alternatives
California Public Utilities Commission - Disadvantaged Communities Single-Family Solar Homes Program (DAC-SASH)
DAC-SASH Expenditures, Advances, and Incentives
Year Ended December 31, 2021

BUDGET												
CONTRACT PERIOD: 04/20/19-12/31/2032												
ADMINISTRATION AND MARKETING AND OUTREACH (M&O)												
Annual		ADMINISTRATION EXPENSE				Total	ADMINISTRATION EXPENSE		Total			
Administration	\$ 1,000,000	\$ 224,381	\$ 231,989.36	\$ 195,354.90	\$ 172,478.02	\$ 825,213	Administration	\$ 435,891	\$ 335,962.60	\$ 242,274.61	\$ 105,296.45	\$ 1,119,324.67
M&O	\$ 400,000	\$ 89,769	\$ 97,843.73	\$ 61,820.70	\$ 70,312.54	\$ 319,743	M&O	\$ 112,195	\$ 141,275.25	\$ 135,314.50	\$ 114,183.71	\$ 502,969
TOTAL	\$ 1,400,000	\$ 314,147	\$ 329,843	\$ 258,175	\$ 242,791	\$ 1,144,956	TOTAL	\$ 548,076	\$ 477,238	\$ 377,590	\$ 309,480	\$ 1,712,332.67
ADMINISTRATION AND M&O PAYMENT OR ADVANCE RECEIVED												
Administration	\$ 385,956	\$ 385,956	\$ 287,009	\$ 287,009	\$ 195,052	\$ 1,375,302	Administration	\$ 443,401	\$ 316,386	\$ 222,884	\$ 350,622	\$ 1,333,293
Incentive	-	-	-	-	-	-	Incentive	-	-	-	-	-
TOTAL	\$ 385,956	\$ 385,956	\$ 287,009	\$ 287,009	\$ 195,052	\$ 1,375,302	TOTAL	\$ 443,401	\$ 316,386	\$ 222,884	\$ 350,622	\$ 1,333,293
ADMINISTRATION AND M&O PAYMENT OR ADVANCE RECEIVED												
Administration	\$ 10,067	\$ 10,067	\$ 10,067	\$ 10,067	\$ 10,067	\$ 40,338	Administration	\$ 104,875	\$ 160,852	\$ 145,443	\$ 61,142	\$ 372,312
Incentive	-	-	-	-	-	-	Incentive	-	-	-	-	-
TOTAL	\$ 10,067	\$ 10,067	\$ 10,067	\$ 10,067	\$ 10,067	\$ 40,338	TOTAL	\$ 104,875	\$ 160,852	\$ 145,443	\$ 61,142	\$ 372,312
ADMINISTRATION AND M&O PAYMENT OR ADVANCE RECEIVED												
Administration	\$ 553,650	\$ 553,650	\$ 218,565	\$ 218,565	\$ 697,023	\$ 2,679,793	Administration	\$ 691,789	\$ 853,293	\$ 170,500	\$ 571,535	\$ 2,287,127
Incentive	-	-	-	-	-	-	Incentive	-	-	-	-	-
TOTAL	\$ 553,650	\$ 553,650	\$ 218,565	\$ 218,565	\$ 697,023	\$ 2,679,793	TOTAL	\$ 691,789	\$ 853,293	\$ 170,500	\$ 571,535	\$ 2,287,127
ADMINISTRATION AND M&O PAYMENT OR ADVANCE RECEIVED												
Administration	\$ 465,717	\$ 465,717	\$ 452,988	\$ 452,988	\$ 354,039	\$ 1,765,697	Administration	\$ 460,812	\$ 357,897	\$ 180,795	\$ 332,802	\$ 1,332,317
Incentive	-	-	-	-	-	-	Incentive	-	-	-	-	-
TOTAL	\$ 465,717	\$ 465,717	\$ 452,988	\$ 452,988	\$ 354,039	\$ 1,765,697	TOTAL	\$ 460,812	\$ 357,897	\$ 180,795	\$ 332,802	\$ 1,332,317
ADMINISTRATION AND M&O PAYMENT OR ADVANCE RECEIVED												
Administration	\$ 1,019,367	\$ 1,019,367	\$ 1,231,710	\$ 1,437,878	\$ 1,095,950	\$ 4,784,945	Administration	\$ 1,002,969	\$ 1,206,015	\$ 1,802,040	\$ 918,183	\$ 4,032,213
Incentive	-	-	-	-	-	-	Incentive	-	-	-	-	-
TOTAL	\$ 1,019,367	\$ 1,019,367	\$ 1,231,710	\$ 1,437,878	\$ 1,095,950	\$ 4,784,945	TOTAL	\$ 1,002,969	\$ 1,206,015	\$ 1,802,040	\$ 918,183	\$ 4,032,213
ADMINISTRATION AND M&O PAYMENT OR ADVANCE RECEIVED												
Administration	\$ 469,119	\$ 469,119	\$ 469,789	\$ 469,789	\$ 469,789	\$ 1,908,505	Administration	\$ 688,088	\$ 637,026	\$ 172,453	\$ 843,539	\$ 2,341,106
Incentive	-	-	-	-	-	-	Incentive	-	-	-	-	-
TOTAL	\$ 469,119	\$ 469,119	\$ 469,789	\$ 469,789	\$ 469,789	\$ 1,908,505	TOTAL	\$ 688,088	\$ 637,026	\$ 172,453	\$ 843,539	\$ 2,341,106
ADMINISTRATION AND M&O PAYMENT OR ADVANCE RECEIVED												
Administration	\$ 545,889	\$ 545,889	\$ 420,105	\$ 384,222	\$ 683,526	\$ 2,033,745	Administration	\$ 353,211	\$ 265,388	\$ 357,897	\$ 743,530	\$ 1,719,836
Incentive	-	-	-	-	-	-	Incentive	-	-	-	-	-
TOTAL	\$ 545,889	\$ 545,889	\$ 420,105	\$ 384,222	\$ 683,526	\$ 2,033,745	TOTAL	\$ 353,211	\$ 265,388	\$ 357,897	\$ 743,530	\$ 1,719,836
ADMINISTRATION AND M&O PAYMENT OR ADVANCE RECEIVED												
Administration	\$ 1,015,008	\$ 1,015,008	\$ 990,771	\$ 1,564,452	\$ 1,234,905	\$ 4,805,136	Administration	\$ 1,118,535	\$ 950,340	\$ 1,507,663	\$ 1,599,816	\$ 5,176,959
Incentive	-	-	-	-	-	-	Incentive	-	-	-	-	-
TOTAL	\$ 1,015,008	\$ 1,015,008	\$ 990,771	\$ 1,564,452	\$ 1,234,905	\$ 4,805,136	TOTAL	\$ 1,118,535	\$ 950,340	\$ 1,507,663	\$ 1,599,816	\$ 5,176,959

BUDGET												
CONTRACT PERIOD: 04/20/19-12/31/2032												
INCENTIVES												
Annual		INCENTIVES INVOICED				INCENTIVES INVOICED		INCENTIVES INVOICED				
PG&E	\$ 374,500	\$ 7,587,375	\$ 6,932,202	\$ 1,100,007	\$ 571,335	\$ 2,978,324	PG&E	\$ 591,789	\$ 853,293	\$ 170,500	\$ 571,535	\$ 2,978,324
SG&E	\$ 46,000	\$ 3,989,620	\$ 3,989,620	\$ 3,989,620	\$ 3,989,620	\$ 3,989,620	SG&E	\$ 460,812	\$ 357,897	\$ 180,795	\$ 332,802	\$ 1,332,217
TOTAL	\$ 8,500,000	\$ 12,000,000	\$ 10,921,822	\$ 5,089,627	\$ 970,865	\$ 6,967,944	TOTAL	\$ 1,052,601	\$ 1,211,100	\$ 351,295	\$ 904,337	\$ 4,310,541
TOTAL BUDGET: \$ 9,900,000												
TOTAL BUDGET: \$ 118,800,000												

BUDGET												
CONTRACT PERIOD: 04/20/19-12/31/2032												
INCENTIVES												
Annual		INCENTIVES INVOICED				INCENTIVES INVOICED		INCENTIVES INVOICED				
PG&E	\$ 374,500	\$ 7,587,375	\$ 6,932,202	\$ 1,100,007	\$ 571,335	\$ 2,978,324	PG&E	\$ 591,789	\$ 853,293	\$ 170,500	\$ 571,535	\$ 2,978,324
SG&E	\$ 46,000	\$ 3,989,620	\$ 3,989,620	\$ 3,989,620	\$ 3,989,620	\$ 3,989,620	SG&E	\$ 460,812	\$ 357,897	\$ 180,795	\$ 332,802	\$ 1,332,217
TOTAL	\$ 8,500,000	\$ 12,000,000	\$ 10,921,822	\$ 5,089,627	\$ 970,865	\$ 6,967,944	TOTAL	\$ 1,052,601	\$ 1,211,100	\$ 351,295	\$ 904,337	\$ 4,310,541
TOTAL BUDGET: \$ 9,900,000												
TOTAL BUDGET: \$ 118,800,000												

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CONTRACT PERIOD: 04/20/19-12/31/2032												
INCENTIVES												
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PG&E	\$ 374,500	\$ 7,587,375	\$ 6,932,202	\$ 1,100,007	\$ 571,335	\$ 2,978,324	PG&E	\$ 591,789	\$ 853,293	\$ 170,500	\$ 571,535	\$ 2,978,324
SG&E	\$ 46,000	\$ 3,989,620	\$ 3,989,620	\$ 3,989,620	\$ 3,989,620	\$ 3,989,620	SG&E	\$ 460,812	\$ 357,897	\$ 180,795	\$ 332,802	\$ 1,332,217
TOTAL	\$ 8,500,000	\$ 12,000,000	\$ 10,921,822	\$ 5,089,627	\$ 970,865	\$ 6,967,944	TOTAL	\$ 1,052,601	\$ 1,211,100	\$ 351,295	\$ 904,337	\$ 4,310,541
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SG&E	\$ 46,000	\$ 3,989,620	\$ 3,989,6									

Notes:

Unused annual allocations "roll over" to subsequent calendar year.
Administration is all work performed by GRID and is delivered on the administrative functions of the program, including financial modeling, reporting, program requirements, QC, etc.
Marketing and Outreach is all work performed by GRID and is delivered on the administrative functions of the program, including financial modeling, reporting, program requirements, QC, etc.
The 1% of the program budget dedicated to incentives by utility, Administration, M&O and Program Evaluation was determined in Decision 18-05-028 that created the program.
The program budget is set at 85% Incentives, 10% Administration, 4% M&O, 1% Program Evaluation.
The 1% of the program budget for "Program Evaluation" is managed by the CPUC and not included in GRID's budget tables above.

SINGLE AUDIT REPORTS AND SCHEDULES

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
GRID Alternatives
Oakland, California

We have audited, in accordance with the 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, the consolidated financial statements of GRID Alternatives (a California corporation) (a California nonprofit corporation) (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated July 26, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Armanino LLP". The signature is fluid and cursive, with the letters "Armanino" and "LLP" clearly distinguishable.

Armanino^{LLP}
San Francisco, California

July 26, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE

Board of Directors
GRID Alternatives
Oakland, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited GRID Alternatives (a California corporation) (a California nonprofit corporation) (the "Organization")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2021. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Armanino LLP". The signature is written in a cursive, flowing style.

Armanino^{LLP}
San Francisco, California

July 26, 2022

GRID Alternatives
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<u>Expenditures of Federal Awards</u>			
Department of Housing and Urban Development (HUD)			
Community Development Block Grants/ Entitlement Grants			
Pass-through program from:			
City of Thornton	14.218	84-6009903	\$ 9,400
City of Moreno Valley	14.218	95-3786047	17,064
City of San Diego	14.218	95-6000776	<u>739,854</u>
Total Department of Housing and Urban Development (HUD)			<u>766,318</u>
Department of Transportation			
Highway Planning and Construction			
Pass-through program from:			
Bay Area Air Quality Management District - Clean Cars For All	20.205	94-2761976	<u>36,536</u>
Total Department of Transportation			<u>36,536</u>
Department of Energy (DOE)			
Renewable Energy Research and Development			
Direct awards			
Revolving PRI Energy Savings Fund	81.087		<u>413,224</u>
Pass-through program from:			
Oglala Sioux Lakota Housing	81.087	46-0248724	67,699
Ute Mountain Ute Tribe	81.087	84-0404385	33,950
Bishop Paiute Tribe	81.087	95-1905064	112,848
Blackfeet Community College	81.087		183,960
National rural Electric Cooperative Association	81.087		23,666
National Renewable Energy Lab	81.087	26-1939342	<u>2,400</u>
Total Department of Energy (DOE)			<u>837,747</u>
Corporation for National and Community Service			
Direct awards			
AmeriCorps	94.006		<u>339,480</u>
Total Corporation for National and Community Service			<u>339,480</u>
Small Business Administration			
Disaster Assistance Loans			
EIDL - GRID Alternatives - Colorado (COVID-19)	59.008		<u>150,000</u>
Total Small Business Administration			<u>150,000</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards
are an integral part of this schedule.

GRID Alternatives
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
Department of Labor			
Reentry Employment Opportunities	17.270		<u>531,346</u>
Total Department of Labor			<u>531,346</u>
Department of Treasury			
Coronavirus Relief Fund (COVID-19)	21.019		<u>103,091</u>
Total Department of Treasury			<u>103,091</u>
Denali Commission			
Small Project Infrastructure Protection Grants	90.100		<u>25,000</u>
Total Denali Commission			<u>25,000</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,789,518</u></u>

The accompanying notes to the Schedule of Expenditures of Federal Awards
are an integral part of this schedule.

GRID Alternatives
Notes to Schedule of Expenditures of Federal Awards
December 31, 2021

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of GRID Alternatives (a California corporation) (the "Organization") under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Pass-through entity identifying numbers are presented where available and applicable.

3. INDIRECT COSTS

The Organization utilizes the 10% de minimis indirect cost rate for certain contracts. The Organization applies indirect costs in accordance with the specific terms of its federal award agreement. For certain federal contracts, the Organization did not calculate or charge any administrative costs.

GRID Alternatives
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>
Department of Energy - Renewable Energy Research and Development	81.087
AmeriCorps	94.006
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

GRID Alternatives
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

GRID Alternatives
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2021

Finding number: **2020-001**

Condition: The Organization receives contributions of materials and equipment that are utilized in the construction and installation of solar electric systems. During 2020, the Organization discovered that certain solar panels and inverters that were donated during 2019 and 2018 were recognized as donations and awards expense rather than construction in process. These contributions of solar panels and inverters should have been recorded as construction in process upon receipt and then expensed once utilized in the installation of a solar electric system.

Status Corrective action was taken.
