

GRID Alternatives

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

December 31, 2023 and 2022



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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 nonprofit corporation) (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, 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, 2023 and 2022, 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 for 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.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Organization adopted FASB Topic 326, *Financial Instruments - Credit Losses*. Our opinion is not modified with respect to that matter.

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 consolidated 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 consolidated 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 31 - 69 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 June 26, 2024, 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

June 26, 2024

GRID Alternatives
Consolidated Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,851,308	\$ 3,711,321
Grants and contracts receivable	25,275,406	12,881,498
Investments	6,026,256	1,790,697
Construction in process	6,459,269	7,542,444
Prepaid expenses and other assets	969,809	1,080,533
Total current assets	45,582,048	27,006,493
Noncurrent assets		
Grants and contracts receivable, net	10,914,761	1,477,030
Deposits	781,223	795,203
Operating lease right-of-use assets, net	5,078,586	5,340,801
Solar energy systems, net	693,834	-
Property and equipment, net	659,024	796,506
Total noncurrent assets	18,127,428	8,409,540
Total assets	\$ 63,709,476	\$ 35,416,033

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

GRID Alternatives
Consolidated Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 4,738,477	\$ 2,237,355
Accrued expenses	2,039,085	1,747,384
Deferred revenue	681,508	1,586,475
Refundable advances	1,564,390	-
Current portion of notes payable	3,542,883	4,559,021
Current portion of operating lease liability	1,535,820	1,306,336
Total current liabilities	14,102,163	11,436,571
Long-term liabilities		
Warranty liability	1,235,972	1,039,751
Asset retirement obligations	31,467	-
Notes payable, net of current portion	2,834,647	1,919,632
Operating lease liability, net of current portion	3,688,532	3,997,155
Total long-term liabilities	7,790,618	6,956,538
Total liabilities	21,892,781	18,393,109
Net assets		
Without donor restrictions	8,573,928	5,070,735
With donor restrictions	33,242,767	11,952,189
Total net assets	41,816,695	17,022,924
Total liabilities and net assets	\$ 63,709,476	\$ 35,416,033

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

GRID Alternatives
Consolidated Statement of Activities
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains (losses), and other support			
Government grants	\$ 12,582,460	\$ -	\$ 12,582,460
Contributions	8,112,351	39,983,833	48,096,184
Service contracts	34,633,874	-	34,633,874
In-kind contributions	1,771,050	-	1,771,050
Investment income (loss), net	238,632	-	238,632
Other income	4,936,730	-	4,936,730
Net assets released from restriction	<u>18,693,255</u>	<u>(18,693,255)</u>	<u>-</u>
Total revenues, gains (losses), and other support	<u>80,968,352</u>	<u>21,290,578</u>	<u>102,258,930</u>
Functional expenses			
Program services	62,737,748	-	62,737,748
Management and general	12,463,271	-	12,463,271
Fundraising	<u>2,264,140</u>	<u>-</u>	<u>2,264,140</u>
Total functional expenses	<u>77,465,159</u>	<u>-</u>	<u>77,465,159</u>
Change in net assets	3,503,193	21,290,578	24,793,771
Net assets, beginning of year	<u>5,070,735</u>	<u>11,952,189</u>	<u>17,022,924</u>
Net assets, end of year	<u>\$ 8,573,928</u>	<u>\$ 33,242,767</u>	<u>\$ 41,816,695</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, 2022

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 11,952,746	\$ -	\$ 11,952,746
Contributions	4,957,807	6,769,261	11,727,068
Service contracts	31,792,268	-	31,792,268
In-kind contributions	3,050,197	-	3,050,197
Investment income (loss), net	(352,617)	-	(352,617)
Other income	32,500	-	32,500
Net assets released from restriction	<u>16,172,266</u>	<u>(16,172,266)</u>	<u>-</u>
Total revenues, gains, and other support	<u>67,605,167</u>	<u>(9,403,005)</u>	<u>58,202,162</u>
Functional expenses			
Program services	58,879,844	-	58,879,844
Management and general	9,558,309	-	9,558,309
Fundraising	<u>2,113,349</u>	<u>-</u>	<u>2,113,349</u>
Total functional expenses	<u>70,551,502</u>	<u>-</u>	<u>70,551,502</u>
Change in net assets	(2,946,335)	(9,403,005)	(12,349,340)
Net assets, beginning of year	<u>8,017,070</u>	<u>21,355,194</u>	<u>29,372,264</u>
Net assets, end of year	<u>\$ 5,070,735</u>	<u>\$ 11,952,189</u>	<u>\$ 17,022,924</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, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 22,688,683	\$ 5,456,201	\$ 1,527,000	\$ 29,671,884
Payroll taxes and fringe benefits	5,766,078	953,549	303,005	7,022,632
Travel and conferences	1,223,503	120,393	43,500	1,387,396
Printing expense	88,228	32,239	1,405	121,872
Bank charges	85,365	36,314	16	121,695
Program material supplies and permits	17,195,336	29,859	419	17,225,614
Program consultants	563,062	-	-	563,062
Insurance	58,665	984,333	-	1,042,998
Telecommunication	321,022	174,363	14,258	509,643
Staff development	232,413	37,896	11,273	281,582
Facilities	1,905,055	359,090	57,417	2,321,562
Professional fees	7,374,495	3,828,736	140,509	11,343,740
Postage	128,128	37,329	889	166,346
Office expenses	102,045	171,685	3,316	277,046
Depreciation	255,133	25,098	-	280,231
Taxes and licenses	136,908	45,114	500	182,522
Bad debt expense	342,706	-	-	342,706
Interest expense	67,546	171,072	-	238,618
Donations and awards	4,203,377	-	160,633	4,364,010
	<u>\$ 62,737,748</u>	<u>\$ 12,463,271</u>	<u>\$ 2,264,140</u>	<u>\$ 77,465,159</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, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 21,184,363	\$ 4,807,723	\$ 1,458,183	\$ 27,450,269
Payroll taxes and fringe benefits	5,477,497	971,593	295,218	6,744,308
Travel and conferences	1,121,384	100,176	39,143	1,260,703
Printing expense	68,967	45,711	10,460	125,138
Bank charges	29,995	38,704	286	68,985
Program material supplies and permits	16,735,498	36,994	2,262	16,774,754
Program consultants	804,332	-	-	804,332
Insurance	9,459	648,441	-	657,900
Telecommunication	322,586	147,894	16,184	486,664
Staff development	213,187	78,455	8,700	300,342
Facilities	1,600,497	335,757	95,114	2,031,368
Professional fees	5,509,101	1,764,175	180,639	7,453,915
Postage	137,543	33,666	1,434	172,643
Office expenses	86,147	404,041	1,477	491,665
Depreciation	246,333	6,178	-	252,511
Taxes and licenses	171,005	116,758	-	287,763
Bad debt expense	188,305	-	-	188,305
Interest expense	62,968	22,043	4,249	89,260
Donations and awards	<u>4,910,677</u>	<u>-</u>	<u>-</u>	<u>4,910,677</u>
	<u>\$ 58,879,844</u>	<u>\$ 9,558,309</u>	<u>\$ 2,113,349</u>	<u>\$ 70,551,502</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ 24,793,771	\$ (12,349,340)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	280,231	252,511
Amortization of operating lease right-of-use asset	262,215	983,712
Loss (gain) on investments	(231,992)	352,617
Changes in operating assets and liabilities		
Contributions and contracts receivable	(21,831,639)	(1,404,970)
Construction in process	1,083,175	(669,137)
Prepaid expenses	110,724	(119,476)
Deposits	13,980	(35,384)
Accounts payable	2,501,122	(324,479)
Accrued expenses	291,701	235,591
Deferred revenue	(904,967)	498,497
Refundable advances	1,564,390	-
Warranty liability	196,221	220,980
Asset retirement obligations	1,484	-
Operating lease liability, net	(79,139)	(1,021,022)
Net cash provided by (used in) operating activities	<u>8,051,277</u>	<u>(13,379,900)</u>
Cash flows from investing activities		
Purchase of investments	(13,905,622)	(13,873,747)
Proceeds from sale of investments	9,902,055	23,192,219
Purchase of property and equipment	(128,294)	(432,108)
Purchase of solar energy systems	(678,306)	-
Payments received on note receivable	-	53,514
Net cash provided by (used in) investing activities	<u>(4,810,167)</u>	<u>8,939,878</u>
Cash flows from financing activities		
Principal payments on long-term debt	(3,800,888)	(1,633,318)
Borrowings of long-term debt	3,699,765	4,268,007
Net cash provided by (used in) financing activities	<u>(101,123)</u>	<u>2,634,689</u>
Net increase (decrease) in cash and cash equivalents	3,139,987	(1,805,333)
Cash and cash equivalents, beginning of year	<u>3,711,321</u>	<u>5,516,654</u>
Cash and cash equivalents, end of year	<u>\$ 6,851,308</u>	<u>\$ 3,711,321</u>

Supplemental disclosure of cash flow information

Cash paid during the year for interest	\$ 238,618	\$ 89,260
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Supplemental schedule of noncash investing and financing activities

Operating lease right-of-use asset obtained in exchange for lease liabilities	\$ -	\$ 6,324,513
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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, 2023 and 2022

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.

GRID Alternatives 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., 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. GRID Alternatives is also the sole member of Energy Resilience Fund, LLC, a public benefit limited liability company formed to provide inclusive financing for community-powered renewable energy solutions that advance economic and environmental justice. The financial activity of these organizations is included in the accompanying consolidated financial statements of the Organization.

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 asset without donor restrictions at December 31, 2023 and 2022 include \$1,500,000 of board designated net assets (see Note 15).
- *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.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting and financial statement presentation (continued)

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.

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 Inland Empire, Inc., and Energy Resilience Fund, LLC. 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.

Grants and contracts receivable

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.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants and contracts receivable (continued)

An allowance for credit losses is provided based upon management's judgment, past experiences and other circumstances. Account balances are charged off against the allowance for credit losses after all means of collection have been exhausted and the potential for recovery is considered remote. The allowance for credit losses was \$249,894 and \$143,526 for the years ended December 31, 2023 and 2022, respectively.

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.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and fair value measurements (continued)

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 Consolidated Statement of Activities, which consist of the realized gains or losses and the unrealized appreciation or depreciation on those investments.

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 \$3,000 and the useful life is greater than one year.

Solar energy systems

Solar energy systems and other energy property ("Solar System") are recorded at cost and net of accumulated depreciation. Depreciation on the Solar System is recorded over the estimated useful life of 20 years on a straight-line basis once the system is placed in service, which corresponds with the commercial operation date (COD). The Organization capitalizes interest costs incurred prior to the COD of the Solar System as a component of the overall development cost of the Solar System.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of long-lived assets

The Organization regularly evaluates its Solar System and intangible assets for indicators of possible impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment loss occurs when estimated undiscounted future cash flows expected to result from the use of an asset and its eventual disposition are less than the carrying amount. Impairment if any, is measured by comparing fair value to the carrying amount of the long-lived asset. The Organization evaluated its long-lived assets for impairment for the years ended December 31, 2023 and 2022, and did not note any events or changes in circumstances indicating the carrying value of its long-lived assets were not recoverable.

Asset retirement obligation

The Organization records all known asset retirement obligations for which the liability's fair value can be reasonably estimated. When a liability is initially recorded, the Organization capitalizes the costs by increasing the carrying value of the asset. Over time, the liability is accreted to its present value each period and the capitalized cost is depreciated over the useful life of the related asset. The asset retirement obligation liability amounted to \$31,467 at December 31, 2023.

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, 2023 and 2022 consist of the administrative and incentive portions of the 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, California Air Resources Board, Tribal Solar Projects, and other program revenue.

Warranty liability

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, 2023 and 2022.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

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 recognizes revenue from exchange transactions using a five-step analysis of contracts to determine when and how revenue is to be recognized, based on the core principle that revenue is recognized to reflect the transfer of goods and services to customers in an amount equal to the consideration that the Organization receives or expects to receive.

The Organization's revenues from exchange transactions is primarily from contracts to install solar electric systems for low-income families and affordable housing providers. Service contract revenues are recognized over time as solar electric systems are successfully installed and ready to operate or as other agreed upon performance obligations within the underlying contracts are reached.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

The Organization derives revenue from the sale of renewable energy credits related to energy generation. The Organization recognizes revenue when the performance obligation in the underlying contract have been fulfilled. If collectability is not reasonably assured, the Organization recognizes revenue only upon collection of cash. There was no revenue earned from the sale of renewable energy credits for the year ended December 31, 2023 and 2022.

Elective or direct pay allows states, local governments, nonprofits, tribal entities, and other eligible entities to receive direct payment from the IRS for, or in lieu of, clean energy tax credits. The Organization applies for Direct Pay for owned projects once the project is placed into service in the corresponding tax year. The Organization completes a pre-filing registration with the IRS before filing the tax return. The Organization receives direct payment once the return is successfully processed. There was no elective or direct pay revenue recognized for the years ended December 31, 2023 and 2022.

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.

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, 2023, 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.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentrations

One donor comprises 47% of the Organization's grants and contracts receivable balance as of December 31, 2023. No donor comprised more than 10% of the Organization's grants and contracts receivable balance as of December 31, 2022.

Revenues from Single-Family Affordable Solar Homes (SASH) and Disadvantaged Communities Single-Family Solar Homes (DAC-SASH) programs, including incentives received from installation of solar electric systems and administration of programs, totaled approximately 30% and 33% of the Organization's service contracts revenue for the years ended December 31, 2023 and 2022, respectively. Revenues from four customers comprise approximately 54% of the Organization's service contracts revenue for the year ended December 31, 2023. One customer comprised approximately 15% of the Organization's total contribution revenue for the year ended December 31, 2022.

Contribution revenue from two donors comprise approximately 59% of the Organization's total contribution revenue for the year ended December 31, 2023. One donor comprised approximately 19% of the Organization's total contribution revenue for the year ended December 31, 2022.

Change in accounting principle

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") Topic 326, *Financial Instruments - Credit Losses* ("ASC 326"), which significantly changed how entities measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from an "incurred loss" model to an "expected credit loss" model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in ASC 326 are certain grants receivables earned through exchange transactions. The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements, and primarily resulted in new disclosures only.

Leases

The Organization leases office spaces and equipment under operating leases. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on the statement of financial position. Finance leases are included in property and equipment and other long-term liabilities on the statement of financial position. The Organization does not have any finance leases.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As the Organization's lease does not provide an implicit rate, the Organization uses an incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization has elected not to recognize right-of-use assets and lease liabilities for short-term leases and instead records them in a manner similar to operating leases under legacy leasing guidelines. A short-term lease is one with a maximum lease term of 12 months or fewer and does not include a purchase option that the lessee is reasonably certain to exercise.

3. GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consisted of the following:

	<u>2023</u>	<u>2022</u>
Grants and contributions receivable	\$ 31,431,011	\$ 9,408,118
Service contract receivables	4,803,726	5,093,936
Employee Retention Credit receivable	<u>205,324</u>	<u>-</u>
	36,440,061	14,502,054
Allowance for credit losses	<u>(249,894)</u>	<u>(143,526)</u>
	<u>\$ 36,190,167</u>	<u>\$ 14,358,528</u>

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

4. INVESTMENTS

Investments consisted of the following:

	2023	2022
Certificates of deposit	\$ 16,427	\$ 16,157
Insured deposits	121,510	52,885
Fixed income funds	4,957,846	960,270
Equity securities	898,999	733,560
Other assets	31,474	27,825
	\$ 6,026,256	\$ 1,790,697

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2023:

	Level 1	Level 2	Level 3	Fair Value
Fixed income funds	\$ 4,957,846	\$ -	\$ -	\$ 4,957,846
Equity securities	898,999	-	-	898,999
Other assets	-	-	31,474	31,474
	\$ 5,856,845	\$ -	\$ 31,474	5,888,319

Investments not measured at fair value on a recurring basis

137,757

\$ 6,026,076

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2022:

	Level 1	Level 2	Level 3	Fair Value
Fixed income funds	\$ 960,270	\$ -	\$ -	\$ 960,270
Equity securities	733,560	-	-	733,560
Other assets	-	-	27,825	27,825
	\$ 1,693,830	\$ -	\$ 27,825	1,721,655

Investments not measured at fair value on a recurring basis

69,042

\$ 1,790,697

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	2023	2022
Furniture and fixtures	\$ 1,839,069	\$ 1,970,365
Accumulated depreciation	(1,180,045)	(1,173,859)
	\$ 659,024	\$ 796,506

Depreciation expense for the years ended December 31, 2023 and 2022 was \$280,231 and \$252,511, respectively.

6. SOLAR SYSTEM

Solar energy property consisted of the following:

	2023	2022
Solar System	\$ 678,306	\$ -
Accumulated depreciation - Solar System	(12,806)	-
	665,500	-
Asset retirement obligation	29,983	-
Accumulated amortization	(1,649)	-
	\$ 693,834	\$ -

Depreciation expense is calculated according to the straight-line method over an estimated useful life of 20 years, commencing from the commercial operation date (COD). The Solar System achieved COD on various dates during the year ending December 31, 2023. Total depreciation expense was \$12,806 for the year ended December 31, 2023. Amortization expense on the asset retirement obligation amounted to \$1,649 during the year ended December 31, 2023.

7. LINE OF CREDIT

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 matured on March 23, 2023. The note was renewed again with a maximum line amount of \$7,000,000 on March 23, 2023 and matured on May 23, 2023. On May 23, 2023 the asset-based line of credit was renewed with a maximum line amount of \$7,000,000 and a maturity date of September 15, 2024. The line of credit bears interest at 1.00% over the Prime Rate, which is a rate of 9.25% at the date of the agreement.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

7. LINE OF CREDIT (continued)

The Organization did not have an outstanding balance on the line of credit at December 31, 2023 and 2022.

8. NOTES PAYABLE

During 2020 and 2021, 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 \$1,100,000. The loans accrue interest at 2.75% per annum and monthly payments begin on varying dates between April 2021 to July 2022 with total principal and interest due on varying dates between April 2050 to July 2051. 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, amounted to \$1,018,095 and \$1,047,609 at December 31, 2023 and 2022, 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 \$20,000 at December 31, 2023.

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. The purchase agreement did not state an annual percentage rate. In August 2021, the Organization entered into a purchase agreement for another vehicle with a note amount of \$27,819, monthly payments of \$558, annual percentage rate of 11.54% and a term of 72 months. The outstanding balance on the vehicle notes amounted to \$35,572 and \$40,672 at December 31, 2023 and 2022, respectively.

The Organization has entered into project loan and grant agreements to provide funding for solar projects on multifamily affordable housing properties and to support other various projects. The agreements are subject to repayment and accrue interest at rates ranging from 1% to 2% per annum and mature at various dates in 2023 and 2024. The outstanding balance on the project loan and grant agreements amounted to \$5,303,863 and \$5,370,372 at December 31, 2023 and 2022, respectively.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

8. NOTES PAYABLE (continued)

Notes payable consist of the following:

	2023	2022
EIDL - GRID Alternatives	\$ 129,354	\$ 135,037
EIDL - GRID Alternatives Bay Area	470,993	483,548
EIDL - GRID Alternatives San Diego	141,609	145,370
EIDL - GRID Alternatives Central Valley	141,581	145,335
EIDL - GRID Alternatives Colorado	134,558	138,319
Loan from a related party	20,000	20,000
Truck loans	35,572	40,672
Project loans and recoverable grants	5,303,863	5,370,372
	6,377,530	6,478,653
Current portion	(3,542,883)	(4,559,021)
	\$ 2,834,647	\$ 1,919,632

The future maturities of the notes payable are as follows:

Year ending December 31,

2024	\$ 3,542,883
2025	41,062
2026	1,033,195
2027	130,494
2028	781,273
Thereafter	848,623
	\$ 6,377,530

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

9. LEASES

The Organization leases office spaces and equipment under non-cancelable operating lease agreements expiring in various dates through July 2028. The leases call for monthly payments of varying amounts up to \$29,254 for one of the office leases. At December 31, 2023, the operating lease ROU asset and liability amounted to \$5,078,586 and \$5,224,352, respectively. At December 31, 2022, the operating lease ROU asset and liability amounted to \$5,340,801 and \$5,303,491, respectively.

Additional information related to leases for the years ended December 31, 2023 and 2022 is as follows:

Operating lease cost	\$1,791,690
Operating cash flows from operating leases	\$1,623,393
ROU assets obtained in exchange for lease obligations	\$964,610
Weighted-average remaining lease term	3.5 years
Weighted-average discount rate	4.5%

Future minimum lease payments under non-cancelable operating leases as of December 31, 2023 are as follows:

<u>Year ending December 31,</u>	
2024	\$ 1,758,972
2025	1,633,093
2026	1,319,605
2027	887,575
2028	<u>95,348</u>
	5,694,593
Less: imputed interest	<u>(470,241)</u>
	<u><u>\$ 5,224,352</u></u>

10. COMMITMENTS AND CONTINGENCIES

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 was accrued as of December 31, 2021. The Organization paid the settlement in full in January 2024. Management believes that there are no further matters that are probable of having a material adverse effect on the Organization's future financial position or results from operations.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

11. 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 \$150,126 and \$133,935 during the years ended December 31, 2023 and 2022, respectively.

During 2024, the Organization became aware that the Organization was not in compliance with certain legislative and regulatory requirements related to its 403(b) plan, including not having a written plan document in accordance with IRC Section 403(b), Final Treasury Regulations under IRC Section 403(b) and Notice 2009-3. The Organization reported the noncompliance to the Internal Revenue Service through the Voluntary Correction Program. To address the noncompliance the Organization adopted a written plan and established internal controls to periodically verify compliance, including engaging legal counsel and other consultants to assist with ongoing administration and compliance.

12. RELATED PARTY

The Organization engaged in transactions with the employers of three members of the Organization's Board of Directors. The Organization received in-kind legal services with a value of \$129,107 and \$278,321 from law firms that employ members of the Board of Directors members for the years ended December 31, 2023 and 2022, respectively.

13. 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 for construction materials, when the asset has been used for its intended purpose for projects.

In-kind contributions are as follows:

	2023	2022
Construction materials	\$ 688,836	\$ 2,106,025
Legal services	771,581	752,311
Other	310,633	191,861
	\$ 1,771,050	\$ 3,050,197

The Organization recognized contributed nonfinancial assets within revenue in the consolidated statements of activities. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

13. IN-KIND CONTRIBUTIONS (continued)

Contributed construction materials primarily consist of inverters and solar panels and are utilized in solar project installations. The Organization estimates the fair value of the construction materials based on the wholesale values that would be received for selling similar products in the United States. Contributed legal services are valued based on the current rates for similar legal services. Other in-kind contributions consist of various items such as consulting services, airline tickets, advertising, and other goods and services. Valuation is based on market rates for similar goods and services.

14. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are for the following purposes:

	<u>2023</u>	<u>2022</u>
Tribal Solar Accelerator Fund	\$ 24,472,658	\$ 4,886,413
Workforce development	2,353,368	3,704,675
Time restricted	3,091,250	-
Solar installation projects	1,389,204	1,732,500
Single family solar installation	627,620	-
Region	495,000	338,667
Solar fellowship	310,000	510,000
Clean mobility	300,000	-
International	137,000	410,475
Capacity building	41,667	-
Equity	25,000	5,000
Tribal	-	146,667
IBT	-	100,000
Job training	-	47,000
Internship	-	35,000
Workday	-	19,125
Research	-	16,667
	<u>\$ 33,242,767</u>	<u>\$ 11,952,189</u>

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

14. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets with donor restrictions released from restriction during the year were as follows:

	<u>2023</u>	<u>2022</u>
Tribal Solar Accelerator Fund	\$ 4,845,200	\$ 6,480,993
Workforce development	5,681,044	4,934,057
Time restricted	1,549,411	483,374
Solar installation projects	660,198	522,000
Single family solar installation	862,380	304,750
Region	444,102	1,905,441
Solar fellowship	200,000	70,000
Clean mobility	300,000	128,512
International	691,314	75,133
Capacity building	208,333	37,884
Equity	5,000	594,797
Tribal	2,904,356	445,945
IBT	112,500	171,505
Job training	93,625	-
Internship	35,000	-
Workday	84,125	17,875
Research	16,667	-
	<u>\$ 18,693,255</u>	<u>\$ 16,172,266</u>

15. 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. The board designated net asset balance as of December 31, 2023 and 2022 was \$1,500,000.

16. EMPLOYEE RETENTION CREDIT

The Employee Retention Tax Credit (ERC), a refundable tax credit against certain employment taxes allowed to an eligible employer for qualifying wages, was established by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and was subsequently amended through additional legislation. The tax credit is equal to 50% of the qualified wages, up to \$10,000 per employee, that an employer whose business has been financially impacted by COVID-19 pays to employees after March 12, 2020 and before January 1, 2022.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

16. EMPLOYEE RETENTION CREDIT (continued)

During the year ended December 31, 2023, the Organization determined it was eligible to apply for the ERC and calculated a total ERC of \$4,838,457 for the wages paid during the period January 2021 through June 2021. As the Organization has "substantially met" the program's eligibility conditions and therefore the barrier and right of return/release has been met. The Organization has recognized income for the ERC during the year ended December 31, 2023 and the revenue is included as part of other income in the consolidated statement of activities. The Organization received \$4,633,133 of the ERC during 2023 and the outstanding amount to be received from the ERC amounted to \$205,324 at December 31, 2023, which is included in grants and contracts receivable on the accompanying consolidated statement of financial position.

The ERC program is subject to inspection and audit by the IRS. The purpose of such audits is to determine whether entities met eligibility requirements under the program and that funds were used in accordance with guidelines and regulations. While management believes the Organization met the ERC requirements, it is possible that ERC funds recognized could ultimately be disallowed. The ultimate liability, if any, which may result from a governmental audit cannot be reasonably estimated and, accordingly, no provision for the possible disallowance of ERC funds has been recorded on the Organization's consolidated financial statements.

17. 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, 2023 and 2022 to fund general expenditures and other obligations as they become due:

	2023	2022
Financial assets		
Cash and cash equivalents	\$ 6,851,308	\$ 3,711,321
Investments	6,026,256	1,790,697
Contributions and contracts receivable	<u>25,525,270</u>	<u>14,358,528</u>
	<u>38,402,834</u>	<u>19,860,546</u>
Less: amounts unavailable for general expenditures within one year due to:		
Donor restrictions	(33,242,767)	(11,952,189)
Board designation	<u>(1,500,000)</u>	<u>(1,500,000)</u>
	<u>(34,742,767)</u>	<u>(13,452,189)</u>
	<u>\$ 3,660,067</u>	<u>\$ 6,408,357</u>

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

17. LIQUIDITY AND FUNDS AVAILABLE (continued)

The Organization has financial assets available at December 31, 2023 to cover approximately 13 days of operating expenses based on the fiscal year 2024 budget. In the event of an unanticipated liquidity need, the Organization may draw upon its \$7 million available line of credit (see Note 7). In addition, the Organization is able to utilize the board designated funds as deemed necessary to assist with any liquidity needs.

18. SUBSEQUENT EVENTS

Management has evaluated material subsequent events through June 26, 2024, the date the consolidated financial statements were available to be issued. No subsequent events, other than those described below and at Note 10, have occurred that would have a material impact on the presentation of the Organization's consolidated financial statements.

In March 2024, the Organization formed GRID Alternatives Development, Inc. and GRID Alternatives Holdings, Inc. as nonprofit corporations. GRID Alternatives is the sole member of both of the newly formed entities.

SUPPLEMENTARY INFORMATION

GRID Alternatives
Consolidating Statement of Financial Position
December 31, 2023

ASSETS

	<u>GRID Alternatives, Inc.</u>	<u>GRID Alternatives Affiliates</u>	<u>Eliminating Entries</u>	<u>Total</u>
Current assets				
Cash and cash equivalents	\$ 2,467,330	\$ 4,383,978	\$ -	\$ 6,851,308
Grants and contracts receivable	18,320,305	7,021,518	(66,417)	25,275,406
Intercompany receivable	19,389,374	20,821,669	(40,211,043)	-
Investments	6,026,256	-	-	6,026,256
Construction in process	2,216,958	4,242,311	-	6,459,269
Prepaid expenses and other assets	<u>809,296</u>	<u>160,513</u>	<u>-</u>	<u>969,809</u>
Total current assets	<u>49,229,519</u>	<u>36,629,989</u>	<u>(40,277,460)</u>	<u>45,582,048</u>
Noncurrent assets				
Grants and contracts receivable, net of current portion	10,603,514	311,247	-	10,914,761
Deposits	80,815	700,408	-	781,223
Operating lease right-of-use assets	427,455	4,651,131	-	5,078,586
Solar energy systems, net	-	693,834	-	693,834
Property and equipment, net	145,506	513,518	-	659,024
Investment in subsidiary	<u>358,000</u>	<u>-</u>	<u>(358,000)</u>	<u>-</u>
Total noncurrent assets	<u>11,615,290</u>	<u>6,870,138</u>	<u>(358,000)</u>	<u>18,127,428</u>
 Total assets	 <u>\$ 60,844,809</u>	 <u>\$ 43,500,127</u>	 <u>\$ (40,635,460)</u>	 <u>\$ 63,709,476</u>

GRID Alternatives
Consolidating Statement of Financial Position
December 31, 2023

LIABILITIES AND NET ASSETS

	<u>GRID Alternatives, Inc.</u>	<u>GRID Alternatives Affiliates</u>	<u>Eliminating Entries</u>	<u>Total</u>
Current liabilities				
Accounts payable	\$ 3,317,342	\$ 1,487,552	\$ (66,417)	\$ 4,738,477
Accrued expenses	951,001	1,088,084	-	2,039,085
Deferred revenue	164,531	516,977	-	681,508
Refundable advances	1,564,390	-	-	1,564,390
Intercompany payable	18,261,870	21,949,173	(40,211,043)	-
Current portion of notes payable	2,756,615	786,268	-	3,542,883
Current portion of operating lease liability	104,280	1,431,540	-	1,535,820
Total current liabilities	<u>27,120,029</u>	<u>27,259,594</u>	<u>(40,277,460)</u>	<u>14,102,163</u>
Warranty liability	283,081	952,891	-	1,235,972
Asset retirement obligations	-	31,467	-	31,467
Notes payable, net of current portion	121,662	2,712,985	-	2,834,647
Operating lease liability, net of current portion	340,178	3,348,354	-	3,688,532
Total long-term liabilities	<u>744,921</u>	<u>7,045,697</u>	<u>-</u>	<u>7,790,618</u>
Total liabilities	<u>27,864,950</u>	<u>34,305,291</u>	<u>(40,277,460)</u>	<u>21,892,781</u>
Net assets				
Without donor restrictions	1,734,557	7,197,371	(358,000)	8,573,928
With donor restrictions	31,245,302	1,997,465	-	33,242,767
Total net assets	<u>32,979,859</u>	<u>9,194,836</u>	<u>(358,000)</u>	<u>41,816,695</u>
Total liabilities and net assets	<u>\$ 60,844,809</u>	<u>\$ 43,500,127</u>	<u>\$ (40,635,460)</u>	<u>\$ 63,709,476</u>

GRID Alternatives
Consolidating Statement of Financial Position
December 31, 2022

ASSETS

	GRID Alternatives, Inc.	GRID Alternatives Affiliates	Eliminating Entries	Total
Current assets				
Cash and cash equivalents	\$ 1,873,131	\$ 1,838,190	\$ -	\$ 3,711,321
Grants and contracts receivable	7,142,417	5,898,333	(159,252)	12,881,498
Intercompany receivable	16,923,334	19,927,043	(36,850,377)	-
Investments	1,790,697	-	-	1,790,697
Construction in process	3,176,786	4,365,658	-	7,542,444
Prepaid expenses	861,272	219,261	-	1,080,533
Total current assets	<u>31,767,637</u>	<u>32,248,485</u>	<u>(37,009,629)</u>	<u>27,006,493</u>
Noncurrent assets				
Grants and contracts receivable, net of current portion	1,053,514	423,516	-	1,477,030
Deposits	80,815	714,388	-	795,203
Property and equipment, net	154,018	642,488	-	796,506
Operating lease right-of-use assets	270,288	5,070,513	-	5,340,801
Total noncurrent assets	<u>1,558,635</u>	<u>6,850,905</u>	<u>-</u>	<u>8,409,540</u>
Total assets	<u>\$ 33,326,272</u>	<u>\$ 39,099,390</u>	<u>\$ (37,009,629)</u>	<u>\$ 35,416,033</u>

GRID Alternatives
Consolidating Statement of Financial Position
December 31, 2022

LIABILITIES AND NET ASSETS

	GRID Alternatives, Inc.	GRID Alternatives Affiliates	Eliminating Entries	Total
Current liabilities				
Accounts payable	\$ 1,608,720	\$ 787,887	\$ (159,252)	\$ 2,237,355
Accrued expenses	762,022	985,362	-	1,747,384
Deferred revenue	400,720	1,185,755	-	1,586,475
Intercompany payable	17,599,827	19,250,550	(36,850,377)	-
Current portion of notes payable	4,497,691	61,330	-	4,559,021
Current portion of operating lease liability	52,470	1,253,866	-	1,306,336
Total current liabilities	<u>24,921,450</u>	<u>23,524,750</u>	<u>(37,009,629)</u>	<u>11,436,571</u>
Warranty liability	208,884	830,867	-	1,039,751
Notes payable, net of current portion	1,027,728	891,904	-	1,919,632
Operating lease liability, net of current portion	223,883	3,773,272	-	3,997,155
Total long-term liabilities	<u>1,460,495</u>	<u>5,496,043</u>	<u>-</u>	<u>6,956,538</u>
Total liabilities	<u>26,381,945</u>	<u>29,020,793</u>	<u>(37,009,629)</u>	<u>18,393,109</u>
Net assets				
Without donor restrictions	(3,647,373)	8,718,108	-	5,070,735
With donor restrictions	10,591,700	1,360,489	-	11,952,189
Total net assets	<u>6,944,327</u>	<u>10,078,597</u>	<u>-</u>	<u>17,022,924</u>
 Total liabilities and net assets	 <u>\$ 33,326,272</u>	 <u>\$ 39,099,390</u>	 <u>\$ (37,009,629)</u>	 <u>\$ 35,416,033</u>

GRID Alternatives
Consolidating Statement of Activities
For The Year Ended December 31, 2023

	GRID Alternatives		GRID Affiliates		Eliminating Entries	Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
Revenues, gains (losses), and other support						
Government grants	\$ 3,052,624	\$ -	\$ 9,529,836	\$ -	\$ -	\$ 12,582,460
Contributions	6,873,376	37,290,295	1,596,975	2,693,538	(358,000)	48,096,184
Service contracts	13,721,664	-	26,860,685	-	(5,948,475)	34,633,874
In-kind contributions	1,285,445	-	485,605	-	-	1,771,050
Investment income (loss)	237,728	-	904	-	-	238,632
Other income	<u>1,815,714</u>	<u>-</u>	<u>3,121,016</u>	<u>-</u>	<u>-</u>	<u>4,936,730</u>
	26,986,551	37,290,295	41,595,021	2,693,538	(6,306,475)	102,258,930
Net assets released from restriction	<u>16,636,693</u>	<u>(16,636,693)</u>	<u>2,056,562</u>	<u>(2,056,562)</u>	<u>-</u>	<u>-</u>
Total revenues, gains (losses), and other support	<u>43,623,244</u>	<u>20,653,602</u>	<u>43,651,583</u>	<u>636,976</u>	<u>(6,306,475)</u>	<u>102,258,930</u>
Functional expenses						
Program services	28,273,161	-	38,294,804	-	(3,830,217)	62,737,748
General and administrative	8,526,390	-	5,355,691	-	(1,418,810)	12,463,271
Fundraising	<u>1,441,774</u>	<u>-</u>	<u>1,521,815</u>	<u>-</u>	<u>(699,449)</u>	<u>2,264,140</u>
Total functional expenses	<u>38,241,325</u>	<u>-</u>	<u>45,172,310</u>	<u>-</u>	<u>5,948,476</u>	<u>77,465,159</u>
Changes in net assets	5,381,919	20,653,602	(1,520,727)	636,976	(357,999)	24,793,771
Net assets, beginning of year	<u>(3,647,362)</u>	<u>10,591,700</u>	<u>8,718,097</u>	<u>1,360,489</u>	<u>-</u>	<u>17,022,924</u>
Net assets, end of year	<u>\$ 1,734,557</u>	<u>\$ 31,245,302</u>	<u>\$ 7,197,370</u>	<u>\$ 1,997,465</u>	<u>\$ (357,999)</u>	<u>\$ 41,816,695</u>

GRID Alternatives
Consolidating Statement of Activities
For The Year Ended December 31, 2022

	GRID Alternatives		GRID Affiliates		Eliminating Entries	Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
Revenues, gains, and other support						
Government grants	\$ 5,333,337	\$ -	\$ 6,619,409	\$ -	\$ -	\$ 11,952,746
Contributions	3,590,698	4,744,590	1,367,109	2,024,671	-	11,727,068
Service contracts	8,121,304	-	30,069,564	-	(6,398,600)	31,792,268
In-kind contributions	2,197,031	-	853,166	-	-	3,050,197
Investment income (loss)	(361,197)	-	8,580	-	-	(352,617)
Other income	<u>32,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,500</u>
	18,913,673	4,744,590	38,917,828	2,024,671	(6,398,600)	58,202,162
Net assets released from restriction	<u>13,630,703</u>	<u>(13,630,703)</u>	<u>2,541,563</u>	<u>(2,541,563)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	<u>32,544,376</u>	<u>(8,886,113)</u>	<u>41,459,391</u>	<u>(516,892)</u>	<u>(6,398,600)</u>	<u>58,202,162</u>
Functional expenses						
Program services	26,898,292	-	35,439,836	-	(3,458,284)	58,879,844
General and administrative	6,668,829	-	5,093,440	-	(2,203,960)	9,558,309
Fundraising	<u>1,186,875</u>	<u>-</u>	<u>1,662,830</u>	<u>-</u>	<u>(736,356)</u>	<u>2,113,349</u>
Total functional expenses	<u>34,753,996</u>	<u>-</u>	<u>42,196,106</u>	<u>-</u>	<u>6,398,600</u>	<u>70,551,502</u>
Changes in net assets	(2,209,620)	(8,886,113)	(736,715)	(516,892)	-	(12,349,340)
Net assets, beginning of year	<u>(1,437,753)</u>	<u>19,477,813</u>	<u>9,454,823</u>	<u>1,877,381</u>	<u>-</u>	<u>29,372,264</u>
Net assets, end of year	<u>\$ (3,647,373)</u>	<u>\$ 10,591,700</u>	<u>\$ 8,718,108</u>	<u>\$ 1,360,489</u>	<u>\$ -</u>	<u>\$ 17,022,924</u>

GRID Alternatives
Statements of Financial Position - GRID Alternatives Greater Los Angeles, Inc.
December 31, 2023 and 2022

ASSETS

	2023	2022
Current assets		
Cash and cash equivalents	\$ 103,667	\$ 196,650
Grants and contracts receivables	1,725,420	1,027,968
Intercompany receivable	614,487	572,823
Construction in process	848,374	621,919
Prepaid expenses	28,808	24,670
Total current assets	3,320,756	2,444,030
Property and equipment, net	39,000	58,264
Other assets		
Contributions receivable, net of current portion	158,667	317,333
Deposits	70,000	89,980
Operating lease right-of-use assets, net	1,680,239	2,118,543
Total other assets	1,908,906	2,525,856
 Total assets	 \$ 5,268,662	 \$ 5,028,150

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 259,547	\$ 202,635
Accrued expenses	161,846	166,404
Deferred revenue	368,084	-
Intercompany payable	6,880,327	4,197,640
Current portion of capital lease obligations	394,077	360,250
Total current liabilities	8,063,881	4,926,929
Long-term liabilities		
Warranty liability	57,484	54,385
Capital lease obligations, net of current portion	1,298,715	1,671,661
Total long-term liabilities	1,356,199	1,726,046
Total liabilities	9,420,080	6,652,975
Net assets		
Without donor restriction	(4,661,418)	(2,268,492)
With donor restrictions	510,000	643,667
Total net assets	(4,151,418)	(1,624,825)
 Total liabilities and net assets	 \$ 5,268,662	 \$ 5,028,150

GRID Alternatives
 Statements of Activities - GRID Alternatives Greater Los Angeles, Inc.
 For The Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 2,249,058	\$ -	\$ 2,249,058
Contributions	208,983	425,000	633,983
Program revenue	3,622,877	-	3,622,877
In-kind contributions	44,395	-	44,395
Investment income	109	-	109
Other income	474,267	-	474,267
Net assets released from restriction	<u>558,667</u>	<u>(558,667)</u>	<u>-</u>
Total revenues, gains, and other support	<u>7,158,356</u>	<u>(133,667)</u>	<u>7,024,689</u>
Functional expenses			
Program services	8,259,021	-	8,259,021
General and administrative	1,068,302	-	1,068,302
Fundraising	<u>223,959</u>	<u>-</u>	<u>223,959</u>
Total functional expenses	<u>9,551,282</u>	<u>-</u>	<u>9,551,282</u>
Changes in net assets	(2,392,926)	(133,667)	(2,526,593)
Net assets, beginning of year	<u>(2,268,492)</u>	<u>643,667</u>	<u>(1,624,825)</u>
Net assets, end of year	<u>\$ (4,661,418)</u>	<u>\$ 510,000</u>	<u>\$ (4,151,418)</u>

GRID Alternatives
 Statements of Activities - GRID Alternatives Greater Los Angeles, Inc.
 For The Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 1,015,286	\$ -	\$ 1,015,286
Contributions	373,510	954,670	1,328,180
Program revenue	4,605,398	-	4,605,398
In-kind contributions	68,185	-	68,185
Investment income	485	-	485
Net assets released from restriction	<u>792,669</u>	<u>(792,669)</u>	<u>-</u>
Total revenues, gains, and other support	<u>6,855,533</u>	<u>162,001</u>	<u>7,017,534</u>
Functional expenses			
Program services	6,678,562	-	6,678,562
General and administrative	848,242	-	848,242
Fundraising	<u>254,618</u>	<u>-</u>	<u>254,618</u>
Total functional expenses	<u>7,781,422</u>	<u>-</u>	<u>7,781,422</u>
Changes in net assets	(925,889)	162,001	(763,888)
Net assets, beginning of year	<u>(1,342,603)</u>	<u>481,666</u>	<u>(860,937)</u>
Net assets (deficit), end of year	<u>\$ (2,268,492)</u>	<u>\$ 643,667</u>	<u>\$ (1,624,825)</u>

GRID Alternatives
Statements of Financial Position - GRID Alternatives Colorado, Inc.
December 31, 2023 and 2022

ASSETS

	2023	2022
Current assets		
Cash and cash equivalents	\$ 225,679	\$ 441,274
Grants and contracts receivable	988,233	637,234
Intercompany receivable	138,807	174,752
Construction in process	400,661	427,794
Prepaid expenses	10,892	15,578
Total current assets	1,764,272	1,696,632
Property and equipment, net	106,521	87,012
Other assets		
Contributions receivable, net of current portion	50,000	-
Deposits	33,195	33,195
Operating lease right-of-use assets, net	126,644	216,328
Total other assets	209,839	249,523
Total assets	\$ 2,080,632	\$ 2,033,167

GRID Alternatives
Statements of Financial Position - GRID Alternatives Colorado, Inc.
December 31, 2023 and 2022

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 69,802	\$ 42,392
Accrued expenses	105,511	70,887
Intercompany payable	3,164,070	3,473,669
Current portion of notes payable	20,314	20,314
Current portion of capital lease obligations	<u>97,175</u>	<u>89,122</u>
Total current liabilities	<u>3,456,872</u>	<u>3,696,384</u>
Long-term liabilities		
Warranty liability	170,515	168,033
Notes payable, net of current portion	149,816	158,677
Capital lease obligations, net of current portion	<u>34,306</u>	<u>131,481</u>
Total long-term liabilities	<u>354,637</u>	<u>458,191</u>
Total liabilities	<u>3,811,509</u>	<u>4,154,575</u>
Net assets		
Without donor restrictions	(1,850,877)	(2,156,408)
With donor restrictions	<u>120,000</u>	<u>35,000</u>
Total net assets	<u>(1,730,877)</u>	<u>(2,121,408)</u>
Total liabilities and net assets	<u>\$ 2,080,632</u>	<u>\$ 2,033,167</u>

GRID Alternatives
Statements of Activities - GRID Alternatives Colorado, Inc.
For the Year Ended December 31, 2023

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 854,113	\$ -	\$ 854,113
Contributions	574,076	265,000	839,076
Program revenue	2,345,135	-	2,345,135
In-kind Contributions	97,139	-	97,139
Investment income	178	-	178
Other income	291,474	-	291,474
Net assets released from restriction	<u>180,000</u>	<u>(180,000)</u>	<u>-</u>
Total revenues, gains, and other support	<u>4,342,115</u>	<u>85,000</u>	<u>4,427,115</u>
Functional expenses			
Program services	3,383,915	-	3,383,915
General and administrative	497,153	-	497,153
Fundraising	<u>155,516</u>	<u>-</u>	<u>155,516</u>
Total functional expenses	<u>4,036,584</u>	<u>-</u>	<u>4,036,584</u>
Changes in net assets	305,531	85,000	390,531
Net assets, beginning of year	<u>(2,156,408)</u>	<u>35,000</u>	<u>(2,121,408)</u>
Net assets, end of year	<u>\$ (1,850,877)</u>	<u>\$ 120,000</u>	<u>\$ (1,730,877)</u>

GRID Alternatives
 Statements of Activities - GRID Alternatives Colorado, Inc.
 For the Year Ended December 31, 2022

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 756,952	\$ -	\$ 756,952
Contributions	242,860	98,000	340,860
Program revenue	2,572,212	-	2,572,212
In-kind Contributions	161,690	-	161,690
Investment income	7,763	-	7,763
Net assets released from restriction	<u>213,833</u>	<u>(213,833)</u>	<u>-</u>
Total revenues, gains, and other support	<u>3,955,310</u>	<u>(115,833)</u>	<u>3,839,477</u>
Functional expenses			
Program services	2,996,987	-	2,996,987
General and administrative	496,891	-	496,891
Fundraising	<u>159,009</u>	<u>-</u>	<u>159,009</u>
Total functional expenses	<u>3,652,887</u>	<u>-</u>	<u>3,652,887</u>
Changes in net assets	302,423	(115,833)	186,590
Net assets, beginning of year	<u>(2,458,831)</u>	<u>150,833</u>	<u>(2,307,998)</u>
Net assets, end of year	<u>\$ (2,156,408)</u>	<u>\$ 35,000</u>	<u>\$ (2,121,408)</u>

GRID Alternatives
Statements of Financial Position - GRID Alternatives San Diego, Inc.
December 31, 2023 and 2022

ASSETS

	2023	2022
Current assets		
Cash and cash equivalents	\$ 259,252	\$ 149,001
Grants and contracts receivable	48,178	1,604,681
Intercompany receivable	263,966	281,065
Construction in process	316,940	268,569
Prepaid expenses	9,985	18,428
Total current assets	898,321	2,321,744
Property and equipment, net	73,464	103,902
Other assets		
Deposits	5,700	5,700
Operating lease right-of-use assets, net	345,179	-
Total other assets	350,879	5,700
Total assets	\$ 1,322,664	\$ 2,431,346

GRID Alternatives
Statements of Financial Position - GRID Alternatives San Diego, Inc.
December 31, 2023 and 2022

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 51,072	\$ 20,551
Accrued expenses	129,341	126,714
Deferred revenue	22,246	490,798
Intercompany payable	1,390,425	1,631,857
Current portion of notes payable	7,692	7,692
Current portion of operating lease liability	<u>79,300</u>	<u>-</u>
Total current liabilities	<u>1,680,076</u>	<u>2,277,612</u>
Long-term liabilities		
Warranty liability	13,659	32,985
Notes payable, net of current portion	133,917	137,678
Operating lease liability, net of current portion	<u>272,666</u>	<u>-</u>
Total long-term liabilities	<u>420,242</u>	<u>170,663</u>
Total liabilities	<u>2,100,318</u>	<u>2,448,275</u>
Net assets		
Without donor restriction	(866,954)	(63,554)
With donor restriction	<u>89,300</u>	<u>46,625</u>
Total net assets	<u>(777,654)</u>	<u>(16,929)</u>
Total liabilities and net assets	<u>\$ 1,322,664</u>	<u>\$ 2,431,346</u>

GRID Alternatives
 Statements of Activities - GRID Alternatives San Diego, Inc.
 For The Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 99,864	\$ -	\$ 99,864
Contributions	7,358	203,415	210,773
Program revenue	1,640,756	-	1,640,756
In-kind contributions	10,080	-	10,080
Investment income	90	-	90
Other income	260,831	-	260,831
Net assets released from restriction	<u>160,740</u>	<u>(160,740)</u>	<u>-</u>
Total revenues, gains, and other support	<u>2,179,719</u>	<u>42,675</u>	<u>2,222,394</u>
Functional expenses			
Program services	2,393,827	-	2,393,827
General and administrative	385,183	-	385,183
Fundraising	<u>204,109</u>	<u>-</u>	<u>204,109</u>
Total functional expenses	<u>2,983,119</u>	<u>-</u>	<u>2,983,119</u>
Changes in net assets	(803,400)	42,675	(760,725)
Net assets, beginning of year	<u>(63,554)</u>	<u>46,625</u>	<u>(16,929)</u>
Net assets, end of year	<u><u>\$ (866,954)</u></u>	<u><u>\$ 89,300</u></u>	<u><u>\$ (777,654)</u></u>

GRID Alternatives
 Statements of Activities - GRID Alternatives San Diego, Inc.
 For The Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 41,653	\$ -	\$ 41,653
Contributions	29,849	54,500	84,349
Program revenue	3,645,349	-	3,645,349
In-kind contributions	91,534	-	91,534
Investment income	50	-	50
Net assets released from restriction	<u>507,875</u>	<u>(507,875)</u>	<u>-</u>
Total revenues, gains, and other support	<u>4,316,310</u>	<u>(453,375)</u>	<u>3,862,935</u>
Functional expenses			
Program services	3,410,599	-	3,410,599
General and administrative	340,317	-	340,317
Fundraising	<u>195,711</u>	<u>-</u>	<u>195,711</u>
Total functional expenses	<u>3,946,627</u>	<u>-</u>	<u>3,946,627</u>
Changes in net assets	369,683	(453,375)	(83,692)
Net assets, beginning of year	<u>(433,237)</u>	<u>500,000</u>	<u>66,763</u>
Net assets, end of year	<u>\$ (63,554)</u>	<u>\$ 46,625</u>	<u>\$ (16,929)</u>

GRID Alternatives
Statements of Financial Position - GRID Alternatives North Valley, Inc.
December 31, 2023

ASSETS

	2023	2022
Current assets		
Cash and cash equivalents	\$ 656,869	\$ 205,917
Grants and contracts receivable	1,972,448	491,090
Intercompany receivable	591,066	464,299
Construction in process	205,437	539,070
Prepaid expenses	7,286	33,631
Total current assets	3,433,106	1,734,007
Property and equipment, net	128,381	178,293
Other assets		
Deposits	21,944	21,944
ROU Assets	594,133	113,938
Total other assets	616,077	135,882
Total assets	\$ 4,177,564	\$ 2,048,182

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 173,180	\$ 68,819
Accrued expenses	127,256	143,774
Deferred revenue	-	198,717
Intercompany payable	2,351,906	2,489,567
Current portion of capital lease obligations	127,647	105,526
Total current liabilities	2,779,989	3,006,403
Long-term liabilities		
Warranty liability	181,143	160,343
Operating lease liability, net of current portion	514,967	9,089
Total long-term liabilities	696,110	169,432
Total liabilities	3,476,099	3,175,835
Net assets		
Without donor restriction	688,965	(1,190,987)
With donor restriction	12,500	63,334
Total net assets	701,465	(1,127,653)
Total liabilities and net assets	\$ 4,177,564	\$ 2,048,182

GRID Alternatives
Statements of Activities - GRID Alternatives North Valley, Inc.
For The Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 2,682,730	\$ -	\$ 2,682,730
Contributions	6,812	170,000	176,812
Program revenue	5,117,276	-	5,117,276
Investment income	100	-	100
Other income	547,433	-	547,433
Net assets released from restriction	<u>220,834</u>	<u>(220,834)</u>	<u>-</u>
Total revenues, gains, and other support	<u>8,575,185</u>	<u>(50,834)</u>	<u>8,524,351</u>
Functional expenses			
Program services	5,581,749	-	5,581,749
General and administrative	755,856	-	755,856
Fundraising	<u>357,628</u>	<u>-</u>	<u>357,628</u>
Total functional expenses	<u>6,695,233</u>	<u>-</u>	<u>6,695,233</u>
Changes in net assets	1,879,952	(50,834)	1,829,118
Net assets, beginning of year	<u>(1,190,987)</u>	<u>63,334</u>	<u>(1,127,653)</u>
Net assets, end of year	<u>\$ 688,965</u>	<u>\$ 12,500</u>	<u>\$ 701,465</u>

GRID Alternatives
 Statements of Activities - GRID Alternatives North Valley, Inc.
 For The Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 849,369	\$ -	\$ 849,369
Contributions	90,224	150,000	240,224
Program revenue	4,641,607	-	4,641,607
In-kind contributions	100,800	-	100,800
Investment income	66	-	66
Net assets released from restriction	<u>151,217</u>	<u>(151,217)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,833,283</u>	<u>(1,217)</u>	<u>5,832,066</u>
Functional expenses			
Program services	5,441,447	-	5,441,447
General and administrative	752,202	-	752,202
Fundraising	<u>330,568</u>	<u>-</u>	<u>330,568</u>
Total functional expenses	<u>6,524,217</u>	<u>-</u>	<u>6,524,217</u>
Changes in net assets	(690,934)	(1,217)	(692,151)
Net assets, beginning of year	<u>(500,053)</u>	<u>64,551</u>	<u>(435,502)</u>
Net assets, end of year	<u>\$ (1,190,987)</u>	<u>\$ 63,334</u>	<u>\$ (1,127,653)</u>

GRID Alternatives
Statements of Financial Position - GRID Alternatives Mid-Atlantic, Inc.
December 31, 2023 and 2022

ASSETS

	2023	2022
Current assets		
Cash and cash equivalents	\$ 383,120	\$ 115,105
Grants and contracts receivable	209,657	738,166
Intercompany receivable	154,947	141,871
Construction in process	89,296	112,162
Prepaid expenses	26,319	23,126
Total current assets	863,339	1,130,430
Property and equipment, net	12,866	14,088
Other assets		
Contributions receivable, net of current portion	41,580	106,183
Deposits	526,481	526,481
Solar energy systems, net	693,834	-
ROU Assets	274,660	388,012
Total other assets	1,536,555	1,020,676
Total assets	\$ 2,412,760	\$ 2,165,194

GRID Alternatives
Statements of Financial Position - GRID Alternatives Mid-Atlantic, Inc.
December 31, 2023 and 2022

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 29,006	\$ 43,958
Accrued expenses	66,913	69,006
Intercompany payable	6,191,867	5,737,620
Current portion of operating lease liability	<u>119,984</u>	<u>111,011</u>
Total current liabilities	<u>6,407,770</u>	<u>5,961,595</u>
Long-term liabilities		
Warranty liability	163,563	170,680
Asset retirement obligations	31,467	-
Operating lease liability, net of current portion	<u>163,028</u>	<u>283,012</u>
Total long-term liabilities	<u>358,058</u>	<u>453,692</u>
Total liabilities	<u>6,765,828</u>	<u>6,415,287</u>
Net assets		
Without donor restriction	(4,353,068)	(4,366,760)
With donor restriction	<u>-</u>	<u>116,667</u>
Total net assets	<u>(4,353,068)</u>	<u>(4,250,093)</u>
Total liabilities and net assets	<u>\$ 2,412,760</u>	<u>\$ 2,165,194</u>

GRID Alternatives
Statements of Activities - GRID Alternatives Mid-Atlantic, Inc.
For The Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 994,634	\$ -	\$ 994,634
Contributions	74,836	50,000	124,836
Program revenue	594,968	-	594,968
In-kind contributions	7,548	-	7,548
Investment income	73	-	73
Other income	181,256	-	181,256
Net assets released from restriction	<u>166,667</u>	<u>(166,667)</u>	<u>-</u>
Total revenues, gains, and other support	<u>2,019,982</u>	<u>(116,667)</u>	<u>1,903,315</u>
Functional expenses			
Program services	1,416,261	-	1,416,261
General and administrative	493,588	-	493,588
Fundraising	<u>96,441</u>	<u>-</u>	<u>96,441</u>
Total functional expenses	<u>2,006,290</u>	<u>-</u>	<u>2,006,290</u>
Changes in net assets	13,692	(116,667)	(102,975)
Net assets, beginning of year	<u>(4,366,760)</u>	<u>116,667</u>	<u>(4,250,093)</u>
Net assets, end of year	<u><u>\$ (4,353,068)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (4,353,068)</u></u>

GRID Alternatives
Statements of Activities - GRID Alternatives Mid-Atlantic, Inc.
For The Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 1,384,921	\$ -	\$ 1,384,921
Contributions	7,803	125,308	133,111
Program revenue	1,042,331	-	1,042,331
In-kind contributions	37,886	-	37,886
Investment income	42	-	42
Net assets released from restriction	<u>33,641</u>	<u>(33,641)</u>	<u>-</u>
Total revenues, gains, and other support	<u>2,506,624</u>	<u>91,667</u>	<u>2,598,291</u>
Functional expenses			
Program services	2,066,169	-	2,066,169
General and administrative	483,124	-	483,124
Fundraising	<u>85,820</u>	<u>-</u>	<u>85,820</u>
Total functional expenses	<u>2,635,113</u>	<u>-</u>	<u>2,635,113</u>
Changes in net assets	(128,489)	91,667	(36,822)
Net assets, beginning of year	<u>(4,238,271)</u>	<u>25,000</u>	<u>(4,213,271)</u>
Net assets, end of year	<u>\$ (4,366,760)</u>	<u>\$ 116,667</u>	<u>\$ (4,250,093)</u>

GRID Alternatives
Statements of Financial Position - GRID Alternatives Central Valley, Inc.
December 31, 2023 and 2022

ASSETS

	2023	2022
Current assets		
Cash and cash equivalents	\$ 51,561	\$ 127,815
Grants and contracts receivable	402,778	456,486
Intercompany receivable	9,959,632	8,278,206
Construction in process	639,011	607,176
Prepaid expenses	25,680	40,222
Total current assets	11,078,662	9,509,905
Property and equipment, net	32,230	57,769
Other assets		
Deposits	18,238	18,238
ROU Assets	702,033	957,199
Total other assets	720,271	975,437
Total assets	\$ 11,831,163	\$ 10,543,111

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 356,148	\$ 124,157
Accrued expenses	140,425	134,209
Intercompany payable	333,945	351,675
Current portion of notes payable	7,692	7,692
Current portion of operating lease liability	265,541	247,284
Total current liabilities	1,103,751	865,017
Long-term liabilities		
Warranty liability	94,131	93,363
Notes payable, net of current portion	133,890	137,643
Operating lease liability, net of current portion	453,502	719,044
Total long-term liabilities	681,523	950,050
Total liabilities	1,785,274	1,815,067
Net assets		
Without donor restriction	9,785,889	8,640,544
With donor restriction	260,000	87,500
Total net assets	10,045,889	8,728,044
Total liabilities and net assets	\$ 11,831,163	\$ 10,543,111

GRID Alternatives
Statements of Activities - GRID Alternatives Central Valley, Inc.
For The Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 760,050	\$ -	\$ 760,050
Contributions	4,040	327,623	331,663
Program revenue	5,453,706	-	5,453,706
Investment income	94	-	94
Other income	463,976	-	463,976
Net assets released from restriction	<u>155,123</u>	<u>(155,123)</u>	<u>-</u>
Total revenues, gains, and other support	<u>6,836,989</u>	<u>172,500</u>	<u>7,009,489</u>
Functional expenses			
Program services	4,939,568	-	4,939,568
General and administrative	670,272	-	670,272
Fundraising	<u>81,804</u>	<u>-</u>	<u>81,804</u>
Total functional expenses	<u>5,691,644</u>	<u>-</u>	<u>5,691,644</u>
Changes in net assets	1,145,345	172,500	1,317,845
Net assets, beginning of year	<u>8,640,544</u>	<u>87,500</u>	<u>8,728,044</u>
Net assets, end of year	<u>\$ 9,785,889</u>	<u>\$ 260,000</u>	<u>\$ 10,045,889</u>

GRID Alternatives
Statements of Activities - GRID Alternatives Central Valley, Inc.
For The Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 835,528	\$ -	\$ 835,528
Contributions	155,063	115,500	270,563
Program revenue	4,158,631	-	4,158,631
In-kind contributions	252,000	-	252,000
Investment income	42	-	42
Net assets released from restriction	<u>78,000</u>	<u>(78,000)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,479,264</u>	<u>37,500</u>	<u>5,516,764</u>
Functional expenses			
Program services	4,798,837	-	4,798,837
General and administrative	640,983	-	640,983
Fundraising	<u>125,142</u>	<u>-</u>	<u>125,142</u>
Total functional expenses	<u>5,564,962</u>	<u>-</u>	<u>5,564,962</u>
Changes in net assets	(85,698)	37,500	(48,198)
Net assets, beginning of year	<u>8,726,242</u>	<u>50,000</u>	<u>8,776,242</u>
Net assets, end of year	<u>\$ 8,640,544</u>	<u>\$ 87,500</u>	<u>\$ 8,728,044</u>

GRID Alternatives
Statements of Financial Position - GRID Alternatives Bay Area, Inc.
December 31, 2023 and 2022

ASSETS

	2023	2022
Current assets		
Cash and cash equivalents	\$ 107,132	\$ 413,686
Grants and contracts receivable	623,077	165,400
Intercompany receivable	3,749,240	5,139,596
Construction in process	674,561	609,939
Prepaid expenses	25,222	40,883
Total current assets	5,179,232	6,369,504
Property and equipment, net	111,107	124,419
Other assets		
Contributions receivable, net of current portion	11,000	-
Deposits	13,350	7,350
ROU Assets	651,530	890,043
Total other assets	675,880	897,393
 Total assets	 \$ 5,966,219	 \$ 7,391,316

GRID Alternatives
Statements of Financial Position - GRID Alternatives Bay Area, Inc.
December 31, 2023 and 2022

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 68,560	\$ 34,336
Accrued expenses	169,281	142,908
Deferred revenue	118,397	119,405
Intercompany payable	295,463	195,627
Current portion of notes payable	25,632	25,632
Current portion of operating lease liability	<u>229,245</u>	<u>230,991</u>
Total current liabilities	<u>906,578</u>	<u>748,899</u>
Long-term liabilities		
Warranty liability	117,218	355
Notes payable, net of current portion	445,362	457,916
Operating lease liability, net of current portion	<u>439,140</u>	<u>668,385</u>
Total long-term liabilities	<u>1,001,720</u>	<u>1,126,656</u>
Total liabilities	<u>1,908,298</u>	<u>1,875,555</u>
Net assets		
Without donor restriction	4,012,457	5,361,779
With donor restriction	<u>45,464</u>	<u>153,982</u>
Total net assets	<u>4,057,921</u>	<u>5,515,761</u>
Total liabilities and net assets	<u>\$ 5,966,219</u>	<u>\$ 7,391,316</u>

GRID Alternatives
Statements of Activities - GRID Alternatives Bay Area, Inc.
For The Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 814,994	\$ -	\$ 814,994
Contributions	445,577	83,000	528,577
Program revenue	3,373,473	-	3,373,473
In-kind contributions	84,171	-	84,171
Investment income	165	-	165
Other income	465,020	-	465,020
Net assets released from restriction	<u>191,518</u>	<u>(191,518)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,374,918</u>	<u>(108,518)</u>	<u>5,266,400</u>
Functional expenses			
Program services	5,810,932	-	5,810,932
General and administrative	681,341	-	681,341
Fundraising	<u>231,967</u>	<u>-</u>	<u>231,967</u>
Total functional expenses	<u>6,724,240</u>	<u>-</u>	<u>6,724,240</u>
Changes in net assets	(1,349,322)	(108,518)	(1,457,840)
Net assets, beginning of year	<u>5,361,779</u>	<u>153,982</u>	<u>5,515,761</u>
Net assets, end of year	<u>\$ 4,012,457</u>	<u>\$ 45,464</u>	<u>\$ 4,057,921</u>

GRID Alternatives
 Statements of Activities - GRID Alternatives Bay Area, Inc.
 For The Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 816,058	\$ -	\$ 816,058
Contributions	459,791	151,193	610,984
Program revenue	4,102,176	-	4,102,176
In-kind contributions	69,403	-	69,403
Investment income (loss), net	<u>52</u>	<u>-</u>	<u>52</u>
Net assets released from restriction	<u>272,211</u>	<u>(272,211)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,719,691</u>	<u>(121,018)</u>	<u>5,598,673</u>
Functional expenses			
Program services	4,773,196	-	4,773,196
General and administrative	643,430	-	643,430
Fundraising	<u>314,440</u>	<u>-</u>	<u>314,440</u>
Total functional expenses	<u>5,731,066</u>	<u>-</u>	<u>5,731,066</u>
Changes in net assets	(11,375)	(121,018)	(132,393)
Net assets, beginning of year	<u>5,373,154</u>	<u>275,000</u>	<u>5,648,154</u>
Net assets, end of year	<u>\$ 5,361,779</u>	<u>\$ 153,982</u>	<u>\$ 5,515,761</u>

GRID Alternatives
Statements of Financial Position - GRID Alternatives Inland Empire, Inc.
December 31, 2023

ASSETS

	2023	2022
Current assets		
Cash and cash equivalents	\$ 519,290	\$ 188,742
Grants and contracts receivable	1,051,727	777,308
Intercompany receivable	4,624,589	4,874,431
Construction in process	1,068,031	1,179,029
Prepaid expenses	26,321	22,723
Total current assets	7,289,958	7,042,233
Property and equipment, net	9,949	18,741
Other assets		
Contributions receivable, net of current portion	50,000	-
Deposits	11,500	11,500
ROU Assets	276,713	386,450
Total other assets	338,213	397,950
Total assets	\$ 7,638,120	\$ 7,458,924

LIABILITIES AND NET ASSETS

Accounts payable	\$ 480,237	\$ 251,039
Accrued expenses	186,497	131,460
Deferred revenue	8,250	376,835
Intercompany payable	1,341,172	1,172,896
Current portion of operating lease liability	118,571	109,682
Warranty liability	155,178	150,723
Operating lease liability, net of current portion	172,030	290,600
Total long-term liabilities	327,208	441,323
Total liabilities	2,461,935	2,483,235
Net assets		
Without donor restriction	4,215,199	4,761,189
With donor restriction	960,986	214,500
Total net assets	5,176,185	4,975,689
Total liabilities and net assets	\$ 7,638,120	\$ 7,458,924

GRID Alternatives
Statements of Activities - GRID Alternatives Inland Empire, Inc.
For The Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 1,074,393	\$ -	\$ 1,074,393
Contributions	(82,707)	1,169,500	1,086,793
Program revenue	4,712,494	-	4,712,494
In-kind contributions	242,272	-	242,272
Investment income	95	-	95
Other income	436,759	-	436,759
Net assets released from restriction	<u>423,014</u>	<u>(423,014)</u>	<u>-</u>
Total revenues, gains, and other support	<u>6,806,320</u>	<u>746,486</u>	<u>7,552,806</u>
Functional expenses			
Program services	6,379,133	-	6,379,133
General and administrative	802,786	-	802,786
Fundraising	<u>170,391</u>	<u>-</u>	<u>170,391</u>
Total functional expenses	<u>7,352,310</u>	<u>-</u>	<u>7,352,310</u>
Changes in net assets	(545,990)	746,486	200,496
Net assets, beginning of year	<u>4,761,189</u>	<u>214,500</u>	<u>4,975,689</u>
Net assets, end of year	<u>\$ 4,215,199</u>	<u>\$ 960,986</u>	<u>\$ 5,176,185</u>

GRID Alternatives
Statements of Activities - GRID Alternatives Inland Empire, Inc.
For The Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 919,642	\$ -	\$ 919,642
Contributions	8,009	375,500	383,509
Program revenue	5,301,860	-	5,301,860
In-kind contributions	71,668	-	71,668
Investment income	80	-	80
Net assets released from restriction	<u>491,334</u>	<u>(491,334)</u>	<u>-</u>
Total revenues, gains, and other support	<u>6,792,593</u>	<u>(115,834)</u>	<u>6,676,759</u>
Functional expenses			
Program services	5,274,041	-	5,274,041
General and administrative	888,258	-	888,258
Fundraising	<u>197,524</u>	<u>-</u>	<u>197,524</u>
Total functional expenses	<u>6,359,823</u>	<u>-</u>	<u>6,359,823</u>
Changes in net assets	432,770	(115,834)	316,936
Net assets, beginning of year	<u>4,328,419</u>	<u>330,334</u>	<u>4,658,753</u>
Net assets, end of year	<u>\$ 4,761,189</u>	<u>\$ 214,500</u>	<u>\$ 4,975,689</u>

GRID Alternatives
 Statements of Financial Position - Energy Resilience Fund
 December 31, 2023

ASSETS

	2023	2022
Current assets		
Cash and cash equivalents	\$ 2,077,408	\$ -
Intercompany receivable	<u>724,938</u>	<u>-</u>
Total current assets	<u>2,802,346</u>	<u>-</u>
Total assets	<u>\$ 2,802,346</u>	<u>\$ -</u>

LIABILITIES AND NET ASSETS

Accrued expenses	\$ 1,014	\$ -
Current portion of notes payable	<u>724,938</u>	<u>-</u>
Notes payable, net of current portion	<u>1,850,000</u>	<u>-</u>
Total long-term liabilities	<u>1,850,000</u>	<u>-</u>
Total liabilities	<u>2,575,952</u>	<u>-</u>
Net assets		
Without donor restriction	226,394	-
Total net assets	<u>226,394</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 2,802,346</u>	<u>\$ -</u>

GRID Alternatives
 Statements of Activities - Energy Resilience Fund
 For The Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ -	\$ -	\$ -
Government grants - PPP	-	-	-
Contributions	-	-	-
Program revenue	-	-	-
In-kind contributions	-	-	-
Investment income (loss), net	-	-	-
Other income	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	<u>-</u>	<u>-</u>	<u>-</u>
Functional expenses			
Program services	130,396	-	130,396
General and administrative	<u>1,210</u>	<u>-</u>	<u>1,210</u>
Total functional expenses	<u>131,606</u>	<u>-</u>	<u>131,606</u>
Changes in net assets	(131,606)	-	(131,606)
Net assets, beginning of year	-	-	-
Capital contributions	<u>358,000</u>	<u>-</u>	<u>358,000</u>
Net assets, end of year	<u>\$ 226,394</u>	<u>\$ -</u>	<u>\$ 226,394</u>

GRID Alternatives
 Statements of Activities - Energy Resilience Fund
 For The Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ -	\$ -	\$ -
Government grants - PPP	-	-	-
Contributions	-	-	-
Program revenue	-	-	-
In-kind contributions	-	-	-
Investment income (loss), net	-	-	-
Other income	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	<u>-</u>	<u>-</u>	<u>-</u>
Functional expenses			
Total functional expenses	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, beginning of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

GRID Alternatives
 California Public Utilities Commission - Single-Family Affordable Solar Homes Program
 Sash Expenditures, Advances, and Incentives
 Year Ended December 31, 2023

	FISCAL YEAR ENDED DECEMBER 31, 2023					FISCAL YEAR ENDED DECEMBER 31, 2022					TOTAL CONTRACT PERIOD TO DECEMBER 31, 2022	
BUDGET	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL		
CONTRACT PERIOD: 12/12/08-12/31/2022												
ADMINISTRATION	ADMINISTRATION EXPENSE					ADMINISTRATION EXPENSE					TOTAL EXPENDED CONTRACT FROM 12/08 to 12/31/22	UNEXPENDED ADMINISTRATIVE EXPENSE AS OF DECEMBER 31, 2022
TASK 1					-					-	14,478	
TASK 2					-	91,038				91,038	15,819,339	
TASK 4					-	-	-	-	-	-	577,483	
SASH Program Administration Services					-	91,038				91,038	\$16,411,300	(181,300)
Marketing & Outreach (M&O)					-					-	6,315,530	174,470
TOTAL					\$ -	\$91,038	\$ -	\$ -	\$ -	\$ 91,038	\$22,726,830	-\$6,830
	ADMINISTRATION ADVANCE RECEIVED					ADMINISTRATION ADVANCE RECEIVED					TOTAL ADVANCE RECEIVED FROM 12/08 -12/31/22	
					\$ -	\$ 108,615				\$ 108,615	\$ 22,726,831	
	EARNED & UNEARNED PORTION OF ADVANCE					EARNED & UNEARNED PORTION OF ADVANCE					UNEARNED INCOME AS OF DECEMBER 31,2022	
					\$ -	\$ (17,577)	\$ -	\$ -	\$ -	\$ (17,577)	\$ (1)	
CONTRACT PERIOD: 12/12/08-12/31/2022												
INCENTIVES	INCENTIVES INVOICED					INCENTIVES INVOICED					TOTAL INCENTIVES INVOICED	UNEXPENDED INCENTIVES AS OF DECEMBER 31, 2022
PG&E					-					-	60,301,158	(3,858)
SDG&E					-					-	14,142,686	105,014
SCE					-	1,027,446	777,159	473,985	260,262	2,538,852	63,172,114	271,886
TOTAL					\$ -	1,027,446	\$ 777,159	\$ 473,985	\$ 260,262	\$ 2,538,852	\$137,615,959	\$ 373,041
	INCENTIVES PAID					INCENTIVES PAID						
					-	11,115				11,115		
					-			5,850		5,850		
					-	817,293	865,341	504,069	352,149	2,538,852		
TOTAL BUDGET					\$ -	\$ 828,408	\$ 865,341	\$ 509,919	\$ 352,149	\$ 2,555,817		

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, 2023

BUDGET			FISCAL YEAR ENDED DECEMBER 31, 2023						TOTAL CONTRACT PERIOD TO DECEMBER 31, 2023	
CONTRACT PERIOD: 04/2019-12/31/2032			Q1	Q2	Q3	Q4	TOTAL			
ADMINISTRATION and MARKETING AND OUTREACH (M&O)			ADMINISTRATION EXPENSE							
Budget	Annual	Total Contract Period	Q1	Q2	Q3	Q4	Total			
Administration	\$ 1,000,000	\$ 12,000,000	277,211	297,186.58	302,810.40	137,274.76	1,014,483	Administration	5,342,062	6,657,938
M&O	\$ 400,000	\$ 4,800,000	121,307	104,367.54	141,027.90	30,897.89	397,601	M&O	1,657,938	\$ 3,142,062
TOTAL	\$ 1,400,000	\$ 16,800,000	398,518	401,554	443,838	168,173	\$ 1,412,083	TOTAL	\$ 7,000,000	\$ 9,800,000
			ADMINISTRATION AND M&O PAYMENT OR ADVANCE RECEIVED						TOTAL ADVANCE RECEIVED FROM 04/19 -12/31/23	
			Administration	Incentive						
			427,289	432,905	389,567	181,173	1,430,935	6,999,729		
			1,209,804	1,089,924	1,449,129	607,041	4,355,898	6,487,692		
			1,637,093	1,522,829	1,838,696	788,214	\$ 5,786,833	\$ 19,274,254		
			Difference						TOTAL (UNEARNED) INCOME OR AMOUNT DUE AS OF DECEMBER 31,2023	
			Administration Incentive (SCE)							
			\$ (28,771)	\$ (31,351)	\$ 54,271	\$ (13,000)	(18,851)	271		
			\$ (497,211)	\$ (501,342)	\$ (42,771)	\$ 499,707	(541,617)	(100,401)		
			\$ (525,982)	\$ (532,693)	\$ 11,500	\$ 486,707	\$ (560,468)	\$ (100,130)		
BUDGET										
CONTRACT PERIOD: 04/2019-12/31/2032										
INCENTIVES			INCENTIVES INVOICED							
Budget	Annual	Total Contract Period								
PG&E	3,714,500	44,574,000	1,131,573	1,347,435	1,408,692	1,092,210	4,979,910	PG&E	16,225,864	28,348,136
SDG&E	875,500	10,506,000	-	52,077	127,809	79,218	259,104	SDG&E	783,912	9,722,088
SCE	3,910,000	46,920,000	712,593	588,582	1,406,358	1,106,748	3,814,281	SCE	10,021,872	36,898,128
TOTAL	\$ 8,500,000	\$ 102,000,000	1,844,166	1,988,094	2,942,859	2,278,176	\$ 9,053,295	TOTAL	\$ 27,031,648	\$ 74,968,352
TOTAL BUDGET:									TOTAL INCENTIVES PAID	
			INCENTIVES PAID							
			PG&E	SDG&E	SCE					
			1,103,160	514,641	1,912,824	1,419,438	4,950,063	PG&E	16,096,501	
			21,678	52,077	112,260	94,767	280,782	SDG&E	731,649	
			1,116,456	2,065,509	1,406,358	1,106,748	5,695,071	SCE	11,461,440	
			2,241,294	2,632,227	3,431,442	2,620,953	\$ 10,925,916	TOTAL	\$ 28,289,590	

Notes:

Unused annual allocations "roll over" to subsequent calendar year

GRID did not receive an Advance payment for Administrative and Marketing/Outreach expenses until Q4 2019 as it was developing invoice procedures with the CPUC

Administration = all work performed by GRID staff to deliver on the administrative functions of the program, including financial tracking, reporting, program requirements, QC, etc.

Marketing and Outreach = all work performed by GRID staff to market and conduct outreach for the program statewide including developing marketing collateral and working with clients

The %s of the program budget dedicated to Incentives by utility, Administration, M&O and Program Evaluation was determined in Decision 18-06-028 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 nonprofit corporation) (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2023, 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 June 26, 2024.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 that we consider to be a material weakness.

Report on 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 consolidated financial statements. 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*.

GRID Alternatives's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization response was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

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.



Armanino^{LLP}
San Francisco, California

June 26, 2024



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 nonprofit corporation) (the "Organization")'s compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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 types of 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, 2023.

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; 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 generally accepted auditing standards, *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 generally accepted auditing standards, *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 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

June 26, 2024

GRID Alternatives
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

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	\$ 28,893
City of Moreno Valley	14.218	95-3786047	86,966
Arapahoe County	14.218		102,558
Adams County	14.218		61,176
Pinoleville Pomo Nation	14.867		<u>28,503</u>
Total Department of Housing and Urban Development (HUD)			<u>308,096</u>
Department of Energy (DOE)			
Renewable Energy Research and Development			
Direct awards			
Revolving PRI Energy Savings Fund	81.087		<u>89,682</u>
Pass-through program from:			
Muckleshoot Indian Tribe	81.087		247,277
Ute Mountain Ute Tribe	81.087	84-0404385	21,399
Bishop Paiute Tribe	81.087	95-1905064	19,092
Rosebud Sioux Tribe	81.087		44,649
National Rural Electric Cooperative Association	81.087		74,893
Dry Creek Rancheria	81.087		64,500
Spokane Indian Housing Authority	81.087		1,943,086
Federated Indians of Graton Rancheria	81.087		10,000
Lawrence Berkeley National Laboratory	81.117		1,955
University of New Hampshire	81.000		<u>8,000</u>
Total Department of Energy (DOE)			<u>2,524,533</u>
Corporation for National and Community Service			
Direct awards			
AmeriCorps	94.006		<u>762,240</u>
Total Corporation for National and Community Service			<u>762,240</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, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
Department of Labor			
Direct awards			
Employment Rehabilitation	17.270		<u>562,546</u>
Pass-through program from:			
Fresno Regional Workforce Development Board - Workforce Innovation and Opportunity Act (WIOA) Cluster	17.258		12,369
America Works California - WIOA Cluster	17.258		44,698
Equus Workforce Solutions	17.258		8,246
Proteus Inc.	17.258		37,107
Fresno Regional Workforce Development Board - WIOA Cluster	17.278		<u>8,246</u>
Total WIOA Cluster			<u>673,212</u>
Total Department of Labor			<u>673,212</u>
Department of Treasury			
Coronavirus State and Local Fiscal Recovery Funds			
Pass-through program from:			
Colorado Workforce Development Council (CWDC)	21.027		186,015
Denver Economic Development & Opportunity	21.027		15,202
Department of Energy and Environment - District of Columbia	21.027		<u>994,634</u>
Total Department of Treasury			<u>1,195,851</u>
Total Expenditures of Federal Awards			<u>\$ 5,463,932</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, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of GRID Alternatives (a California nonprofit corporation) (the "Organization") under programs of the federal government for the year ended December 31, 2023. 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 does not utilize the 10% de minimis indirect cost rate. The Organization applies indirect costs in accordance with its negotiated indirect cost rate and specific terms of its federal award agreements.

GRID Alternatives
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2023

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?	Yes
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>
Renewable Energy Research and Development	81.087
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

GRID Alternatives
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

Finding number:	2023-001
Criteria:	Contribution revenue recognition guidance in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") indicates that conditional promises to give are not recognized until they become unconditional; that is when the barrier has been overcome and right of release/right of return no longer exists.
Condition:	The Organization received a grant award with certain conditions outlined in the terms of the agreement. The Organization recognized contribution revenue on the grant prior to the conditions being met.
Cause:	Management did not identify that the grant contained certain conditions which needed to be met prior recognizing the full amount of the contribution.
Effect or potential effect:	The financial statements prepared by management were materially misstated due to the overstatement of contribution revenue in the amount of \$4,564,390 for the year ended December 31, 2023.
Recommendation:	We recommend that the Organization review its current policies and procedures over contribution revenue recognition to ensure that all contributions are reviewed for potential conditions that would delay the recognition of revenue until such conditions are met.
View of responsible officials:	We have a history of successful grants with the grantor; in this case there was a modification that we were not immediately aware of. In addition, we are currently reviewing and upgrading our accounting systems to strengthen our procedures and internal controls. These steps will help ensure our compliance with U.S. GAAP and improve the accuracy of our financial reporting.

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, 2023

There were no prior year findings.