

Consolidated Financial Statements and  
Supplementary Information and Report  
of Independent Certified Public  
Accountants

**GRID Alternatives**

December 31, 2025 and 2024

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# Management Discussion & Analysis (MD&A)

## (Unaudited)

For the Year Ended December 31, 2025  
GRID Alternatives

### 1. Organizational Overview

GRID Alternatives (“GRID” or “the Organization”) is a nonprofit focused on expanding access to clean, renewable energy and related economic opportunities for underserved communities. Our core activities include:

- Designing and delivering solar and clean energy projects for low-income households and community facilities
- Workforce development and job training in the clean energy sector
- Partnerships with utilities, governments, and private sector entities to scale equitable energy solutions

Our mission is to build community-powered solutions to advance economic and environmental justice through renewable energy.

### 2. Executive Summary of Financial Results

For the year ended December 31, 2025, GRID operated in a period of significant external disruption while continuing to deliver on its core mission.

During the year, the Organization experienced a major shift in its funding environment. GRID had expanded operations and staffing capacity in prior periods to support the delivery of large federal program awards. The subsequent termination of certain of these programs during 2025 materially reduced expected funding levels and required a rapid realignment of the Organization’s cost structure.

In response, management took decisive action to rebalance operations with the revised funding outlook, including implementing significant organizational restructuring and reducing staffing levels. These actions were designed to preserve liquidity, maintain compliance with existing funding requirements, and protect the Organization’s ability to deliver core programs.

Despite these challenges, GRID generated approximately **\$88.0 million in revenue** (compared to **\$87.6 million** in the prior year) and maintained sufficient liquidity to meet its operating and contractual obligations.

Overall, 2025 reflects a **transition year**, in which the Organization resized operations and repositioned for a more sustainable and diversified revenue model going forward.

### 3. Key Revenue Drivers and Trends

#### Revenue Composition

GRID’s revenue is primarily derived from:

- Government grants and contracts (federal, state, and local)

- Foundation and corporate grants
- Fee-for-service and project-based revenue, including solar installations and related services
- Contributions and individual giving

## Current-Year Highlights

- **Grants and contracts**
  - Driven by multi-year awards and new program funding for clean energy, workforce development, and low-income solar programs.
  - Recognized as performance obligations are met and eligible costs are incurred in accordance with award terms.
- **Project and program revenue (including GRID-owned structures)**
  - For projects with advances or upfront payments, amounts are initially recorded as **deferred revenue** until related performance obligations are satisfied.
  - Revenue is recognized over time as GRID completes installations, achieves milestones, or delivers services.
- **Philanthropic revenue**
  - Continued support from foundations, corporate partners, and individuals, with some variability due to timing of large awards and campaigns.

## Notable Trends

- The Organization continues to experience timing differences between cash receipts (including advances) and revenue recognition, particularly for complex projects and multi-year awards.
- Management actively monitors the grant and contract pipeline to align staffing, project delivery, and cash needs with expected funding.

## 4. Expenses, Cost Management, and Restructuring

### Expense Profile

- Program services: Personnel, subcontractors, equipment, and materials used to deliver solar projects, workforce training, and community programs.
- Management and general: Finance, HR, IT, compliance, and other administrative functions necessary to support effective operations and internal controls.
- Fundraising: Staff and related costs to support philanthropic revenue.

### Cost Management and Staff Reductions

In response to funding changes and to protect long-term financial sustainability, management:

- Implemented significant staffing reductions and cost controls to realign the expense base with the evolving funding environment.
- Prioritized core mission activities and critical compliance functions while reducing or delaying lower priority initiatives.
- Continued to invest selectively in process improvement and automation (e.g., Salesforce, financial systems, and payment/AR tools) to improve data integrity, reporting timeliness, and operating efficiency.

## 5. Liquidity, Cash Flow, and Reserves

The Organization's liquidity strategy is designed to ensure it can:

- Meet short-term obligations (payroll, vendors, and project commitments)
- Comply with restricted funding and grant conditions
- Maintain an appropriate level of operating reserves

Key elements include:

- Cash and cash equivalents at year end of approximately \$7.3 million.
- Deferred revenue representing amounts received in advance of performance that will be recognized as revenue as obligations are met.
- The organization has an ongoing monitoring of cash flow forecasts and scenario analyses to guide spending and hiring decisions.

## 6. Risks, Uncertainties, and Operational Considerations

The Organization operates in a dynamic environment characterized by:

- **Funding and policy risk**
  - The federal "Solar for All" program was terminated by the U.S. Environmental Protection Agency on August 7, 2025, eliminating a significant source of anticipated funding and creating a material program and revenue impact.
  - In response, management implemented significant staffing reductions and cost controls to realign the expense base with the new funding reality.
- **Strategic pivot to GRID - owned projects and ITC utilization**
  - Management is rebalancing the portfolio away from heavy reliance on that program and increasing focus on GRID owned solar projects that can benefit from the federal Investment Tax Credit (ITC) and similar incentives.
  - As part of this transition, the Organization has engaged external advisors, including engineering and tax specialists, to support areas such as cost segregation analyses, project structuring, and incentive optimization. These efforts are intended to strengthen project economics and support execution as the Organization expands into more complex, ownership-based models.
  - This combination of cost restructuring, external expertise, and strategic pivot is designed to preserve mission impact while building a more resilient, diversified revenue model that is less exposed to changes in any single government funding stream.
- **Project delivery and timing**
  - Delays in permitting, supply chain constraints, or partner readiness can shift revenue and expense between periods. Management monitors these factors closely and adjusts plans as needed.
- **Staffing and capacity**
  - Staffing reductions, while necessary for financial sustainability, create execution risk and require careful prioritization, workload management, and retention of critical skills.
- **Systems and data integrity**
  - Ongoing efforts are underway to better integrate operational and financial systems, supporting accurate, timely reporting and compliance.

## 7. Outlook and Management's Plans

Looking forward, management's priorities include:

- Maintaining financial stability and adequate liquidity in a changing funding and policy landscape.
- Expanding philanthropic revenue to reduce reliance on government funding, with planned fundraising and development activities expected to increase non-government revenue by approximately 60% in 2026 compared to 2025, subject to the timing of major gifts and campaigns
- Continuing the strategic shift toward GRID-owned project structures that can leverage ITC and other incentives, with the goal of building a more durable and diversified revenue base.
- Strengthening grant compliance, reporting, and audit readiness through standardization and documentation of processes.
- Further integrating operational and financial data to support better forecasting, scenario planning, and decision-making.
- Managing the impact of staffing reductions by focusing on core programs, improving processes, and investing selectively in tools that increase efficiency.

Management believes that, despite near-term challenges, the Organization has taken appropriate steps to align its cost structure with current funding levels while positioning GRID for long-term mission and financial sustainability.

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Board of Directors  
GRID Alternatives

**Opinion**

We have audited the consolidated financial statements of GRID Alternatives and subsidiaries (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the changes in net assets and its 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 of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the 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 the Organization's ability to continue as a going concern for one year after the date 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 US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, 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 the Organization'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 the Organization'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.

### **Other information included in the annual report**

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Supplementary information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary 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. These additional procedures included 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 US GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Grant Thornton LLP*

San Francisco, California  
June 26, 2026

**GRID Alternatives**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**December 31,**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 7,341,384	\$ 8,290,832
Grants and contracts receivable	21,746,793	27,042,468
Investments	1,669,983	12,421,941
Inventories	3,732,697	2,826,974
Prepaid expenses and other assets	841,498	993,842
Total current assets	35,332,355	51,576,057
<b>Noncurrent assets</b>		
Grants and contracts receivable, net	1,621,674	720,160
Deposits	294,213	286,409
Operating lease ROU assets, net	4,726,776	5,229,048
Solar systems in progress	9,352,986	195,083
Solar energy systems, net	2,138,645	661,272
Property and equipment, net	345,542	553,507
Total noncurrent assets	18,479,836	7,645,479
Total assets	\$ 53,812,191	\$ 59,221,536

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

**GRID Alternatives**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION - CONTINUED**

**December 31,**

	<b>2025</b>	<b>2024</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 9,490,709	\$ 3,088,778
Accrued expenses	4,586,212	4,055,467
Deferred revenue	2,236,706	1,982,176
Refundable advances	-	1,346,669
Current portion of notes payable	7,069,022	728,440
Current portion of operating lease liability	1,993,380	1,829,032
	<b>25,376,029</b>	<b>13,030,562</b>
<b>Long-term liabilities</b>		
Warranty liability	1,641,665	1,413,633
Asset retirement obligations	92,827	36,023
Notes payable, net of current portion	2,871,101	4,294,852
Operating lease liability, net of current portion	2,871,185	3,541,129
	<b>7,476,778</b>	<b>9,285,637</b>
<b>Total liabilities</b>	<b>32,852,807</b>	<b>22,316,199</b>
<b>Net assets</b>		
Without donor restrictions	4,825,489	10,588,680
With donor restrictions	16,133,895	26,316,657
	<b>20,959,384</b>	<b>36,905,337</b>
<b>Total liabilities and net assets</b>	<b>\$ 53,812,191</b>	<b>\$ 59,221,536</b>

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

**GRID Alternatives**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

**Year ended December 31, 2025**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues, gains (losses), and other support</b>			
Government grants	\$ 21,741,373	\$ -	\$ 21,741,373
Contributions	5,454,920	15,047,860	20,502,780
Service contracts	41,636,281	-	41,636,281
In-kind contributions	3,323,343	-	3,323,343
Investment income (loss), net	387,919	-	387,919
Other income	293,221	-	293,221
Net assets released from restriction	25,230,622	(25,230,622)	-
	<u>98,067,679</u>	<u>(10,182,762)</u>	<u>87,884,917</u>
Total revenues, gains (losses), and other support			
<b>Functional expenses</b>			
Program services	82,987,305	-	82,987,305
Management and general	16,593,113	-	16,593,113
Fundraising	4,250,452	-	4,250,452
	<u>103,830,870</u>	<u>-</u>	<u>103,830,870</u>
Total functional expenses			
	<u>(5,763,191)</u>	<u>(10,182,762)</u>	<u>(15,945,953)</u>
<b>CHANGE IN NET ASSETS</b>			
<b>Net assets, beginning of year</b>	<u>10,588,680</u>	<u>26,316,657</u>	<u>36,905,337</u>
<b>Net assets, end of year</b>	<u>\$ 4,825,489</u>	<u>\$ 16,133,895</u>	<u>\$ 20,959,384</u>

The accompanying notes are an integral part of this consolidated financial statement.

**GRID Alternatives**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

Year ended December 31, 2024

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues, gains (losses), and other support</b>			
Government grants	\$ 15,297,492	\$ -	\$ 15,297,492
Contributions	24,067,263	11,033,693	35,100,956
Service contracts	33,944,833	-	33,944,833
In-kind contributions	2,460,852	-	2,460,852
Investment income (loss), net	704,595	-	704,595
Other income	137,255	-	137,255
Net assets released from restriction	17,959,803	(17,959,803)	-
Total revenues, gains (losses), and other support	94,572,093	(6,926,110)	87,645,983
<b>Functional expenses</b>			
Program services	73,966,479	-	73,966,479
Management and general	14,916,798	-	14,916,798
Fundraising	3,674,064	-	3,674,064
Total functional expenses	92,557,341	-	92,557,341
<b>CHANGE IN NET ASSETS</b>	2,014,752	(6,926,110)	(4,911,358)
<b>Net assets, beginning of year</b>	8,573,928	33,242,767	41,816,695
<b>Net assets, end of year</b>	\$ 10,588,680	\$ 26,316,657	\$ 36,905,337

The accompanying notes are an integral part of this consolidated financial statement.

**GRID Alternatives**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**Year ended December 31, 2025**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 31,207,061	\$ 7,860,658	\$ 3,148,342	\$ 42,216,061
Payroll taxes and fringe benefits	8,531,928	1,146,127	679,491	10,357,546
Travel and conferences	1,932,473	182,734	146,744	2,261,951
Printing expense	52,932	82,658	1,432	137,022
Bank charges	11,701	39,801	4,187	55,689
Program material supplies and permits	16,737,594	69,076	7,372	16,814,042
Program consultants	7,129,224	-	-	7,129,224
Insurance	36,581	1,289,067	249	1,325,897
Telecommunication	316,987	106,533	21,305	444,825
Staff development	238,106	59,822	19,984	317,912
Facilities	2,196,910	538,323	62,408	2,797,641
Professional fees	6,568,696	4,834,882	148,529	11,552,107
Postage	94,354	50,232	4,768	149,354
Office expenses	122,711	220,903	3,992	347,606
Depreciation	267,849	17,241	-	285,090
Taxes and licenses	439,634	46,725	1,649	488,008
Bad debt expense	(1,871)	(46,900)	-	(48,771)
Interest expense	109,895	95,231	-	205,126
Donations and awards	6,994,540	-	-	6,994,540
	<u>\$ 82,987,305</u>	<u>\$ 16,593,113</u>	<u>\$ 4,250,452</u>	<u>\$ 103,830,870</u>

The accompanying notes are an integral part of this consolidated financial statement.

**GRID Alternatives**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**Year ended December 31, 2024**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 27,052,608	\$ 6,380,099	\$ 2,410,771	\$ 35,843,478
Payroll taxes and fringe benefits	7,379,080	1,302,492	493,598	9,175,170
Travel and conferences	1,747,817	465,580	49,651	2,263,048
Printing expense	66,761	62,369	1,945	131,075
Bank charges	2,369	26,058	4	28,431
Program material supplies and permits	19,538,798	43,404	12,002	19,594,204
Program consultants	710,577	-	-	710,577
Insurance	36,132	916,249	317	952,698
Telecommunication	343,957	112,483	19,531	475,971
Staff development	368,232	50,530	32,220	450,982
Facilities	2,190,832	501,050	64,359	2,756,241
Professional fees	7,173,325	4,049,484	57,830	11,280,639
Postage	98,895	41,897	1,418	142,210
Office expenses	152,040	328,585	2,377	483,002
Depreciation	248,676	10,965	-	259,641
Taxes and licenses	202,482	45,868	351	248,701
Bad debt expense	113,715	7,671	136,184	257,570
Interest expense	76,627	44,627	-	121,254
Donations and awards	6,463,556	527,387	391,506	7,382,449
	<u>\$ 73,966,479</u>	<u>\$ 14,916,798</u>	<u>\$ 3,674,064</u>	<u>\$ 92,557,341</u>

The accompanying notes are an integral part of this consolidated financial statement.

GRID Alternatives

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Years ended December 31,

	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (15,945,953)	\$ (4,911,358)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	281,093	258,090
Loss (gain) on investments	(207,718)	(595,684)
Changes in operating assets and liabilities:		
Grants and contracts receivable	4,394,161	8,427,539
Construction in process	(905,723)	3,632,295
Prepaid expenses and other assets	152,344	(24,033)
Operating lease ROU asset	502,272	(150,462)
Deposits	(7,804)	494,814
Accounts payable	6,401,931	(1,649,699)
Accrued expenses	530,745	2,016,382
Deferred revenue	254,530	1,300,668
Refundable advances	(1,346,669)	(217,721)
Warranty liability	228,033	177,662
Asset retirement obligations	3,997	1,551
Operating lease liability, net	(505,596)	145,809
	<u>(6,170,358)</u>	<u>8,905,853</u>
Net cash (used in) provided by operating activities		
<b>Cash flows from investing activities:</b>		
Purchase of investments	(30,428,965)	(103,723,383)
Proceeds from sale of investments	41,388,641	97,923,383
Capital Expenditures - solar energy systems	(9,157,903)	(195,083)
Purchase of property and equipment	(9,357)	(117,009)
Purchase of solar energy systems	(1,488,336)	-
	<u>304,080</u>	<u>(6,112,092)</u>
Net cash provided by (used in) investing activities		
<b>Cash flows from financing activities:</b>		
Principal payments on long-term debt	(683,170)	(3,137,329)
Borrowings of short-term debt	2,000,000	-
Borrowings of long-term debt	3,600,000	1,783,092
	<u>4,916,830</u>	<u>(1,354,237)</u>
Net cash provided by (used in) financing activities		
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(949,448)</u>	<u>1,439,524</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>8,290,832</u>	<u>6,851,308</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 7,341,384</u>	<u>\$ 8,290,832</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the year for interest	<u>\$ 205,126</u>	<u>\$ 103,754</u>
<b>Supplemental schedule of noncash investing and financing activities:</b>		
Operating lease ROU asset obtained in exchange for lease liabilities	<u>\$ 1,687,501</u>	<u>\$ 1,830,192</u>

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

## GRID Alternatives

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

#### NOTE 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 Puerto Rico, 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. In 2024, GRID Alternatives established GRID Alternatives Holdings, Inc. as a separate legal entity to own and manage renewable energy assets developed for the benefit of underserved communities, including those supported by the Inflation Reduction Act. The holding company oversees asset ownership, operations and maintenance, and performance monitoring of long-term revenue-generating projects. The financial activity of these organizations is included in the accompanying consolidated financial statements of the Organization. In 2024, GRID Alternatives established GRID Development, Inc. as a separate legal entity to develop and implement sustainable energy projects. There was no activity in this entity in fiscal year ended 2025 and 2024.

#### NOTE 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, 2025 and 2024 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.

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

## GRID Alternatives

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

#### ***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., GRID Alternatives Holdings, Inc., GRID Alternatives Development 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.

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 \$194,142 and \$263,691 for the years ended December 31, 2025 and 2024, 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

## GRID Alternatives

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at measurement date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.
- Level 2 - Valuations based on significant inputs that are observable, either directly or indirectly or quoted prices in markets that are not active, that is, markets in which there are few transactions, the prices are not current or price quotations vary substantially either over time or among market makers.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

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

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

#### ***Inventory***

Inventory purchases are recognized as expense when the related project has met criteria for revenue recognition. Inventory balances consist primarily of solar panels, inverters, batteries, and electric vehicle chargers associated with projects that have not yet been completed.

#### ***Construction in Process***

Costs incurred during the development and construction of GRID-owned solar projects are capitalized as solar systems in progress. These costs include, but are not limited to, subcontractor fees, equipment and materials, direct labor, and an allocation of indirect costs such as project management and support functions. Upon project completion and readiness for intended use, these costs are transferred from solar systems in progress and capitalized as Solar Energy Systems..

#### ***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

## GRID Alternatives

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

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.

#### ***Impairment of Long-Lived Assets***

The Organization regularly evaluates its Solar Systems, property and equipment, and other long-lived 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, 2025 and 2024, 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 \$92,827 and \$36,023 at December 31, 2025 and December 31, 2024 respectively, is presented in asset retirement obligations in the statements of financial position.

#### ***Deferred Revenue***

The Organization records deferred revenue and contract liabilities for amounts received in advance of providing services.

Deferred revenue primarily relates to advances received under funding agreements, including the DAC-SASH and SOMAH programs and other program revenue. These amounts are recognized as revenue as the related program services are performed.

Contract liabilities relate to long-term solar agreements, including power purchase agreements (PPAs). In some cases, customers do not make ongoing cash payments but instead assign incentives or rebates, or make upfront prepayments. These amounts are included in the total transaction price and recorded as a contract liability.

Contract liabilities are recognized as revenue over time as the Organization fulfills its obligations under the solar agreements, including PPAs, generally over the contract term.

#### ***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,

## GRID Alternatives

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

warranty period and historical payment experience. The liability represents the estimated amount of future service expenses to be incurred for all solar panel installations and battery installations.

#### ***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.

The Organization recognizes revenue for long-term projects based on the percentage of completion method, which measures progress toward completion based on costs incurred relative to total estimated costs and revenues are recognized as cost are incurred.

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 has been fulfilled. If collectability is not reasonably assured, the Organization recognizes revenue only upon collection of cash. The Organization recognized \$93,840 and \$72,658 in revenue from the sale of renewable energy credits for the year ended December 31, 2025 and 2024, respectively, and is included in the service contracts in the statements of activities.

## GRID Alternatives

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2025 and 2024

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, 2025 and 2024. There was \$443,948 of elective or direct pay revenue recognized for the year ended December 31, 2025 and no revenue recognized for the year ended December 31, 2024.

#### ***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 ("IRC") 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, 2025, there are no uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the consolidated financial statements. The Organization is subject to routine audits by the taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

#### ***Concentrations***

One donor comprises 10% of the Organization's grants and contracts receivable balance as of December 31, 2025. One donor comprises 36% of the Organization's grants and contracts receivable balance as of December 31, 2024.

Revenues from Disadvantaged Communities – Single Family Solar Homes (DAC-SASH) programs, including incentives received from installation of solar electric systems and administration of programs, totaled approximately 19% and 30% of the Organization's service contracts revenue for the years ended December 31, 2025, and 2024, respectively. Revenues from two customers comprise of approximately 21% of the Organization's service contracts revenue for the year ended December 31, 2025 and three customers comprise approximately 38% for the year ended December 31, 2024.

Contribution revenue from three donors comprises approximately 34% of the Organization's total contribution revenue for the year ended December 31, 2025. Contribution revenue from one donor comprises approximately 43% of the Organization's total contribution revenue for the year ended December 31, 2024.

**GRID Alternatives**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**

Government contract revenue from two customers comprises approximately 30% of the Organization's total Government contract revenue for the year ended December 31, 2025 and 28% for the year ended December 31, 2024.

**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. The Organization does not have any finance leases.

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.

**NOTE 3 - GRANTS AND CONTRACTS RECEIVABLE**

Grants and contracts receivable consisted of the following as of December 31:

	2025	2024
Grants and contributions receivables	\$ 11,011,813	\$ 18,219,819
Service contract receivables	10,929,122	8,881,016
Employee retention credit receivable	-	205,324
Grants and contracts long term	1,621,674	720,160
	23,562,609	28,026,319
Allowance for credit losses	(194,142)	(263,691)
	\$ 23,368,467	\$ 27,762,628

These receivables are due as follows as of December 31, 2025.

Due in less than one year	\$ 21,746,793
Due in one to five years	1,621,674
	\$ 23,368,467

**GRID Alternatives**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**

**NOTE 4 - INVESTMENTS**

Investments consisted of the following as of December 31:

	2025	2024
Certificates of deposit	\$ 17,148	\$ 16,824
Insured deposits	29,926	44,010
Fixed income funds	527,753	11,336,342
Equity securities	1,075,863	1,006,589
Other assets	19,293	18,176
	\$ 1,669,983	\$ 12,421,941

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2025:

	Level 1	Level 2	Level 3	Fair Value
Fixed income funds	\$ 527,753	\$ -	\$ -	\$ 527,753
Equity securities	1,075,863	-	-	1,075,863
Other assets	-	-	19,293	19,293
	\$ 1,603,616	\$ -	\$ 19,923	1,622,909
Investments not measured at fair value on recurring basis				47,074
				\$ 1,669,983

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2024:

	Level 1	Level 2	Level 3	Fair Value
Fixed income funds	\$ 11,336,342	\$ -	\$ -	\$ 11,336,342
Equity securities	1,006,589	-	-	1,006,589
Other assets	-	-	18,176	18,176
	\$ 1,006,589	\$ -	\$ 18,176	12,361,106
Investments not measured at fair value on recurring basis				60,834
				\$ 12,421,941

**GRID Alternatives**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of December 31:

	2025	2024
Furniture and fixtures	\$ 1,937,203	\$ 1,949,870
Accumulated depreciation	(1,591,661)	(1,396,363)
	\$ 345,542	\$ 553,507

Depreciation expense for the years ended December 31, 2025 and 2024 was \$285,090 and \$259,641, respectively.

**NOTE 6 - SOLAR SYSTEM**

Solar energy property consists of the following as of December 31:

	2025	2024
Solar System	\$ 2,166,642	\$ 678,306
Accumulated depreciation - Solar System	(104,574)	(46,722)
	2,062,068	631,584
Asset retirement obligation	32,987	32,987
Accumulated amortization	(9,217)	(3,299)
	\$ 2,138,645	\$ 661,272

Depreciation expense is calculated according to the straight-line method over an estimated useful life of 10-20 years, commencing from the COD. The Solar System achieved COD on various dates. Total depreciation expense was \$57,852 and \$33,916 for the years ended December 31, 2025 and 2024 respectively. Amortization expense on the asset retirement obligation amounted to \$5,919 \$1,650 for the years ended December 31, 2025 and 2024, respectively.

**NOTE 7 - LINE OF CREDIT**

On March 23, 2021, the Organization entered into a \$7,000,000 asset-based revolving line of credit agreement, bearing interest at 1.00% over the Prime Rate (3.25% at inception) and secured by certain assets of the Organization, which has been renewed periodically, most recently on September 15, 2025, extending the maturity date to September 15, 2026; the line of credit bears interest at a variable rate equal to the Wall Street Journal Prime Rate minus 0.50%, subject to a minimum interest rate of 6.50%, and at the time of the most recent extension the Prime Rate was 7.25%, resulting in an initial rate of 6.75%; the Organization had an outstanding balance of \$2,000,000 as of December 31, 2025 and no outstanding balance as of December 31, 2024. The Organization's credit facility is secured by a continuing security interest of the Organization's assets as required under the loan agreement. The Organization was in compliance with the terms of the credit agreement as of December 31, 2025.

**GRID Alternatives**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**

The Organization had an outstanding balance of \$2,000,000 as of December 31, 2025 and no outstanding balance on the line of credit as of December 31, 2024, and is included in the current portion of notes payable on the accompanying consolidated statement of financial position.

**NOTE 8 - NOTES PAYABLE**

During 2020 and 2021, GRID Alternatives and certain of its affiliates entered into agreements with the U.S. Small Business Administration 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 \$970,225 and \$988,824 at December 31, 2025 and 2024, respectively.

In June 2020, the Organization entered into a purchase agreement for a vehicle and financed the purchase with a note for \$35,580, with monthly payments of \$494 due through 2026. 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 \$19,898 and \$25,050 at December 31, 2025 and 2024, 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 3% per annum and mature at various dates from 2026 to 2032. The outstanding balance on the project loan and grant agreements amounted to \$6,950,000 and \$4,009,418 at December 31, 2025 and 2024, respectively.

Notes payable consist of the following as of December 31:

	2025	2024
Economic Injury Disaster Loan	\$ 970,225	\$ 988,824
Vehicle loans	19,898	25,050
Line of Credit	2,000,000	-
Project loans and recoverable grants	6,950,000	4,009,418
	9,940,123	5,023,292
Current portion	(7,069,022)	(728,440)
	\$ 2,871,101	\$ 4,294,852

**GRID Alternatives**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**

The future maturities of the notes payable as of December 31 are as follows:

2026	\$ 7,069,022
2027	125,907
2028	1,775,127
2029	24,326
2030	23,503
Thereafter	922,238
	\$ 7,940,123

**NOTE 9 - LEASES**

The Organization leases office spaces and equipment under non-cancelable operating lease agreements expiring in various dates through September 2030. The leases call for monthly payments of varying amounts up to \$37,224 for one of the office leases. At December 31, 2025, the operating lease ROU asset and liability amounted to \$4,726,776 and \$4,864,565, respectively. At December 31, 2024, the operating lease ROU asset and liability amounted to \$5,229,048 and \$5,370,161, respectively.

Additional information related to leases as of December 31 are as follows:

	2025
Operating lease cost	\$ 2,267,594
Operating cash flows from operating leases	\$ 2,273,659
ROU assets obtained in exchange for lease obligations	\$ 1,687,501
Weighted-average remaining lease term	2.72 Years
Weighted-average discount rate	4.5%

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

2026	\$ 2,161,098
2027	1,734,127
2028	818,690
2029	411,304
2030	35,513
	5,160,732
Less: imputed interest	(296,167)
	\$ 4,864,565

**NOTE 10 - COMMITMENTS AND CONTINGENCIES**

The Organization may be involved in legal proceedings, regulatory matters, and claims arising from the normal course of operations. Management evaluates such matters and records accruals for probable losses. Management believes that there are no 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 - CONTINUED

December 31, 2025 and 2024

#### NOTE 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 \$687,823 and \$230,730 during the years ended December 31, 2025 and 2024, 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 IRS 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.

#### NOTE 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 and consulting services with a value of \$291,675 and \$150,506 from firms that employ members of the Board of Directors for the years ended December 31, 2025 and 2024, respectively.

#### NOTE 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 as of December 31, are as follows:

	<u>2025</u>	<u>2024</u>
Construction materials	\$ 2,244,074	\$ 1,581,826
Legal services	879,551	525,875
Other	<u>199,718</u>	<u>353,151</u>
	<u>\$ 3,323,343</u>	<u>\$ 2,460,852</u>

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.

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.

**GRID Alternatives**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**

**NOTE 14 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are for the following purposes:

	2025	2024
Tribal Solar Accelerator Fund	\$ 7,360,335	\$ 16,867,368
Workforce development	3,748,834	4,732,670
Time restricted	567,681	1,662,847
Solar installation projects	759,629	1,206,524
Single family solar installation	2,085,416	414,722
Region	190,000	442,333
Clean mobility	552,000	654,167
International	30,833	42,500
Capacity building	70,000	80,000
Commercial solar installation	597,500	-
Program and Policy	171,667	-
Solar fellowship	-	198,526
Workday	-	15,000
	\$ 16,133,895	\$ 26,316,657

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

	2025	2024
Tribal Solar Accelerator Fund	\$ 9,583,783	\$ 8,527,025
Workforce development	5,785,805	3,563,220
Time restricted	2,165,168	1,428,402
Solar installation projects	3,446,895	1,431,895
Single family solar installation	1,009,305	897,898
Region	941,333	748,692
Solar fellowship	198,526	141,474
Clean mobility	1,302,167	820,833
International	184,807	265,900
Capacity building	10,000	63,214
Commercial solar installation	383,500	-
Program and Policy	186,333	-
Workday	33,000	45,000
Equity	-	26,250
	\$ 25,230,622	\$ 17,959,803

**NOTE 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, 2025 and 2024 was \$1,500,000.

**GRID Alternatives**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**

**NOTE 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.

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. The Organization has met the program’s eligibility requirements, thereby fulfilling the conditions related to the barrier and the right of return. 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. There are no outstanding amounts to be received from the ERC as of December 31, 2025.

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.

**NOTE 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, 2025 and 2024 to fund general expenditures and other obligations as they become due:

	2025	2024
Financial assets		
Cash and cash equivalents	\$ 7,341,384	\$ 8,290,832
Investments	1,669,983	12,421,941
Contributions and contracts receivable	21,746,793	27,306,159
	\$ 30,758,160	\$ 48,018,932
Less: amounts unavailable for general expenditures within one year due to		
Donor restrictions	(16,133,895)	(26,316,657)
Board designation	(1,500,000)	(1,500,000)
	(17,633,895)	(27,816,657)
	\$ 13,124,265	\$ 20,202,275

## **GRID Alternatives**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2025 and 2024**

The Organization has financial assets available at December 31, 2025 to cover approximately 55 days of operating expenses based on the fiscal year 2026 budget. In the event of an unanticipated liquidity need, the Organization may draw up to \$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.

#### **NOTE 18 - SUBSEQUENT EVENTS**

Management has evaluated material subsequent events through June 26, 2026, the date the consolidated financial statements were available to be issued. No subsequent events, other than those described below have occurred that would have a material impact on the presentation of the Organization's consolidated financial statements.

SUPPLEMENTARY INFORMATION

GRID Alternatives

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2025

	Grid Alternatives, Inc.	Grid Alternatives Affiliates	Eliminating Entries	Total
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 4,440,052	\$ 2,901,332	\$ -	\$ 7,341,384
Grants and contracts receivable	20,359,861	5,852,118	(4,465,186)	21,746,793
Intercompany receivable	2,600,414	2,034,503	(4,634,917)	-
Investments	1,669,983	-	-	1,669,983
Inventories	3,697,666	35,031	-	3,732,697
Prepaid expenses and other assets	830,226	11,272	-	841,498
	<u>33,598,202</u>	<u>10,834,256</u>	<u>(9,100,103)</u>	<u>35,332,355</u>
<b>Noncurrent assets</b>				
Grants and contracts receivable, net of current portion	1,621,674	-	-	1,621,674
Deposits	294,213	-	-	294,213
Note receivable	-	217,826	(217,826)	-
Operating lease ROU assets	4,630,142	96,634	-	4,726,776
Solar systems in progress	8,805,199	547,787	-	9,352,986
Solar energy systems, net	-	2,138,645	-	2,138,645
Property and equipment, net	287,055	58,487	-	345,542
Investment in subsidiary	644,142	-	(644,142)	-
	<u>16,282,425</u>	<u>3,059,379</u>	<u>(861,968)</u>	<u>18,479,836</u>
Total noncurrent assets	<u>16,282,425</u>	<u>3,059,379</u>	<u>(861,968)</u>	<u>18,479,836</u>
Total assets	<u>\$ 49,880,627</u>	<u>\$ 13,893,635</u>	<u>\$ (9,962,071)</u>	<u>\$ 53,812,191</u>

This schedule should be read in conjunction with the accompanying consolidated statements and notes thereto.

GRID Alternatives

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED

December 31, 2025

	Grid Alternatives, Inc.	Grid Alternatives Affiliates	Eliminating Entries	Total
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 9,191,095	\$ 325,568	\$ (25,954)	\$ 9,490,709
Accrued expenses	4,454,515	131,697	-	4,586,212
Deferred revenue	1,883,941	352,765	-	2,236,706
Refundable advances	-	-	-	-
Intercompany payable	1,961,844	2,673,073	(4,634,917)	-
Current portion of notes payable	6,508,254	5,000,000	(4,439,232)	7,069,022
Current portion of operating lease liability	1,933,529	59,851	-	1,993,380
	<u>25,933,178</u>	<u>8,542,954</u>	<u>(9,100,103)</u>	<u>25,376,029</u>
Warranty liability	1,617,812	23,853	-	1,641,665
Asset retirement obligations	-	92,827	-	92,827
Notes payable, net of current portion	1,138,927	1,950,000	(217,826)	2,871,101
Operating lease liability, net of current portion	2,822,693	48,492	-	2,871,185
	<u>5,579,432</u>	<u>2,115,172</u>	<u>(217,826)</u>	<u>7,476,778</u>
Total long-term liabilities	<u>5,579,432</u>	<u>2,115,172</u>	<u>(217,826)</u>	<u>7,476,778</u>
Total liabilities	<u>31,512,610</u>	<u>10,658,126</u>	<u>(9,317,929)</u>	<u>32,852,807</u>
<b>Net assets</b>				
Without donor restrictions	2,234,122	3,235,509	(644,142)	4,825,489
With donor restrictions	16,133,895	-	-	16,133,895
	<u>18,368,017</u>	<u>3,235,509</u>	<u>(644,142)</u>	<u>20,959,384</u>
Total net assets	<u>18,368,017</u>	<u>3,235,509</u>	<u>(644,142)</u>	<u>20,959,384</u>
Total liabilities and net assets	<u>\$ 49,880,627</u>	<u>\$ 13,893,635</u>	<u>\$ (9,962,071)</u>	<u>\$ 53,812,191</u>

This schedule should be read in conjunction with the accompanying consolidated statements and notes thereto.

GRID Alternatives

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2024

	Grid Alternatives, Inc.	Grid Alternatives Affiliates	Eliminating Entries	Total
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 4,529,928	\$ 3,760,904	\$ -	\$ 8,290,832
Grants and contracts receivable	17,934,762	10,423,377	(1,315,671)	27,042,468
Intercompany receivable	21,943,882	19,077,921	(41,021,803)	-
Investments	12,421,941	-	-	12,421,941
Inventories	1,165,316	1,661,658	-	2,826,974
Prepaid expenses and other assets	648,120	345,722	-	993,842
	<u>58,643,949</u>	<u>35,269,582</u>	<u>(42,337,474)</u>	<u>51,576,057</u>
<b>Noncurrent assets</b>				
Grants and contracts receivable, net of current portion	614,570	189,023	(83,433)	720,160
Deposits	70,815	215,594	-	286,409
Operating lease ROU assets	321,004	4,908,044	-	5,229,048
Solar Systems in Progress	77,498	117,585	-	195,083
Solar energy systems, net	-	661,272	-	661,272
Property and equipment, net	121,012	432,495	-	553,507
Investment in subsidiary	497,262	-	(497,262)	-
	<u>1,702,161</u>	<u>6,524,013</u>	<u>(580,695)</u>	<u>7,645,479</u>
Total noncurrent assets	<u>1,702,161</u>	<u>6,524,013</u>	<u>(580,695)</u>	<u>7,645,479</u>
Total assets	<u>\$ 60,346,110</u>	<u>\$ 41,793,595</u>	<u>\$ (42,918,169)</u>	<u>\$ 59,221,536</u>

This schedule should be read in conjunction with the accompanying consolidated statements and notes thereto.

GRID Alternatives

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - CONTINUED

December 31, 2024

	Grid Alternatives, Inc.	Grid Alternatives Affiliates	Eliminating Entries	Total
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 1,983,006	\$ 1,380,640	\$ (274,868)	\$ 3,088,778
Accrued expenses	1,257,909	2,797,558	-	4,055,467
Deferred revenue	1,730,026	252,150	-	1,982,176
Refundable advances	1,346,669	-	-	1,346,669
Intercompany payable	16,312,919	24,708,884	(41,021,803)	-
Current portion of notes payable	1,707,913	61,330	(1,040,803)	728,440
Current portion of operating lease liability	108,338	1,720,694	-	1,829,032
	<u>24,446,780</u>	<u>30,921,256</u>	<u>(42,337,474)</u>	<u>13,030,562</u>
Warranty liability	432,409	981,224	-	1,413,633
Asset retirement obligations	-	36,023	-	36,023
Notes payable, net of current portion	203,672	4,174,613	(83,433)	4,294,852
Operating lease liability, net of current portion	231,840	3,309,289	-	3,541,129
	<u>867,921</u>	<u>8,501,149</u>	<u>(83,433)</u>	<u>9,285,637</u>
Total liabilities	<u>25,314,701</u>	<u>39,422,405</u>	<u>(42,420,907)</u>	<u>22,316,199</u>
<b>Net assets</b>				
Without donor restrictions	10,703,681	382,261	(497,262)	10,588,680
With donor restrictions	24,327,727	1,988,930	-	26,316,657
	<u>35,031,408</u>	<u>2,371,191</u>	<u>(497,262)</u>	<u>36,905,337</u>
Total liabilities and net assets	<u>\$ 60,346,109</u>	<u>\$ 41,793,596</u>	<u>\$ (42,918,169)</u>	<u>\$ 59,221,536</u>

This schedule should be read in conjunction with the accompanying consolidated statements and notes thereto.

GRID Alternatives

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended December 31, 2025

	GRID Alternatives		GRID Affiliates		Eliminating Entries	Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
<b>Revenues, gains (losses), and other support</b>						
Government grants	\$ 18,859,493	\$ -	\$ 2,881,880	\$ -	\$ -	\$ 21,741,373
Contributions	5,336,668	15,047,860	118,252	-	-	20,502,780
Service contracts	31,708,353	-	10,417,000	-	(489,072)	41,636,281
In-kind contributions	3,323,343	-	-	-	-	3,323,343
Investment income (loss)	308,002	-	230,554	-	(150,637)	387,919
Other income	293,221	-	-	-	-	293,221
Net assets released from restriction	23,241,692	(23,241,692)	1,988,930	(1,988,930)	-	-
Total revenues, gains (losses), and other support	83,070,772	(8,193,832)	15,636,616	(1,988,930)	(639,709)	87,884,917
<b>Functional expenses</b>						
Program services	73,794,421	-	9,832,593	-	(639,709)	82,987,305
Management and general	15,721,129	-	871,984	-	-	16,593,113
Fundraising	3,989,106	-	261,346	-	-	4,250,452
Total functional expenses	93,504,656	-	10,965,923	-	(639,709)	103,830,870
<b>CHANGE IN NET ASSETS</b>	(10,433,884)	(8,193,832)	4,670,693	(1,988,930)	-	(15,945,953)
<b>Net assets, beginning of year</b>	10,703,681	24,327,727	382,261	1,988,930	(497,262)	36,905,337
<b>Capital contributions</b>	1,964,325	-	(1,817,445)	-	(146,880)	-
<b>Net assets, end of year</b>	\$ 2,234,122	\$ 16,133,895	\$ 3,235,509	\$ -	\$ (644,142)	\$ 20,959,384

This schedule should be read in conjunction with the accompanying consolidated statements and notes thereto.

GRID Alternatives

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended December 31, 2024

	GRID Alternatives		GRID Affiliates		Eliminating Entries	Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
<b>Revenues, gains (losses), and other support</b>						
Government grants	\$ 4,628,795	\$ -	\$ 10,668,697	\$ -	\$ -	\$ 15,297,492
Contributions	23,004,294	8,497,485	1,062,969	2,536,208	-	35,100,956
Service contracts	8,514,707	-	31,508,445	-	(6,078,319)	33,944,833
In-kind contributions	2,165,512	-	295,340	-	-	2,460,852
Investment income (loss)	647,410	-	145,911	-	(88,726)	704,595
Other income	103,870	-	33,385	-	-	137,255
Net assets released from restriction	15,415,060	(15,415,060)	2,544,743	(2,544,743)	-	-
Total revenues, gains (losses), and other support	54,479,648	(6,917,575)	46,259,490	(8,535)	(6,167,045)	87,645,983
<b>Functional expenses</b>						
Program services	32,389,177	-	45,438,471	-	(3,861,169)	73,966,479
General and administrative	10,350,990	-	6,111,283	-	(1,545,475)	14,916,798
Fundraising	2,770,357	-	1,664,108	-	(760,401)	3,674,064
Total functional expenses	45,510,524	-	53,213,862	-	(6,167,045)	92,557,341
<b>CHANGE IN NET ASSETS</b>	8,969,124	(6,917,575)	(6,815,109)	(8,535)	(139,263)	(4,911,358)
<b>Net assets, beginning of year</b>	1,734,557	31,245,302	7,197,370	1,997,465	(357,999)	41,816,695
<b>Net assets, end of year</b>	\$ 10,703,681	\$ 24,327,727	\$ 382,261	\$ 1,988,930	\$ (497,262)	\$ 36,905,337

This schedule should be read in conjunction with the accompanying consolidated statements and notes thereto.

**GRID Alternatives**

**STATEMENTS OF FINANCIAL POSITION - GRID ALTERNATIVES MID-ATLANTIC, INC.**

**December 31,**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ -	\$ 101,358
Grants and contracts receivable	-	494,223
Intercompany receivable	-	169,870
Construction in process	-	31,993
Prepaid expenses	-	37,793
	-	835,237
<b>Property and equipment, net</b>	-	8,976
<b>Other assets</b>		
Contributions receivable, net of current portion	-	85,590
Deposits	-	39,665
Solar systems in progress	-	117,585
Solar energy systems, net	625,708	661,272
ROU assets	-	207,181
	625,708	1,111,293
Total other assets	625,708	1,111,293
Total assets	\$ 625,708	\$ 1,955,506
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	\$ -	\$ 26,909
Accrued expenses	-	25,446
Intercompany payable	625,250	6,253,556
Operating lease obligations, net of current portion	-	139,744
	625,250	6,445,655
Total current liabilities	625,250	6,445,655
<b>Long-term liabilities</b>		
Warranty liability	-	151,151
Asset retirement obligations	37,644	36,023
Operating lease liability, net of current portion	-	73,298
	37,644	260,472
Total long-term liabilities	37,644	260,472
Total liabilities	662,894	6,706,127
<b>Net assets</b>		
Without donor restrictions	(37,186)	(4,780,771)
With donor restrictions	-	30,150
	(37,186)	(4,750,621)
Total net assets	(37,186)	(4,750,621)
Total liabilities and net assets	\$ 625,708	\$ 1,955,506

This schedule should be read in conjunction with the accompanying consolidated statements and notes thereto.

GRID Alternatives

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

Year ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, gains, and other support</b>			
Government grants			
Contributions	\$ -	\$ -	\$ -
Program revenue	-	-	-
In-kind contributions	-	-	-
Investment income	-	-	-
Other income	-	-	-
Net assets released from restriction	30,150	(30,150)	-
	30,150	(30,150)	-
Total revenues, gains, and other support	30,150	(30,150)	-
<b>Functional expenses</b>			
Program services	37,186	-	37,186
General and administrative	-	-	-
Fundraising	-	-	-
	37,186	-	37,186
Total functional expenses	37,186	-	37,186
<b>CHANGE IN NET ASSETS</b>	(7,036)	(30,150)	(37,186)
<b>Net assets, beginning of year</b>	(4,780,771)	30,150	(4,750,621)
Transfer to Parent Organization	4,750,621	-	4,750,621
<b>Net assets, end of year</b>	\$ (37,186)	\$ -	\$ (37,186)

This schedule should be read in conjunction with the accompanying consolidated statements and notes thereto.

GRID Alternatives

STATEMENTS OF FINANCIAL POSITION - BHE 1.5MW CSG PUEBLO WEST 2025 LLC

December 31,

	2025	2024
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ -	\$ -
Grants and contracts receivable	-	-
Intercompany receivable	-	-
Construction in process	-	-
Prepaid expenses	-	-
	-	-
<b>Property and equipment, net</b>	-	-
<b>Noncurrent assets</b>		
Contributions receivable, net of current portion	-	-
Deposits	-	-
Solar systems in progress	547,787	-
Solar energy systems, net	-	-
ROU assets	-	-
	-	-
Total other assets	547,787	-
Total assets	\$ 547,787	\$ -
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	\$ -	\$ -
Accrued expenses	-	-
Intercompany payable	547,787	-
Operating lease obligations, net of current portion	-	-
	-	-
Total current liabilities	547,787	-
<b>Long-term liabilities</b>		
Warranty liability	-	-
Asset retirement obligations	-	-
Operating lease liability, net of current portion	-	-
	-	-
Total long-term liabilities	-	-
Total liabilities	547,787	-
<b>Net assets</b>		
Without donor restrictions	-	-
With donor restrictions	-	-
	-	-
Total net assets	-	-
Total liabilities and net assets	\$ 547,787	\$ -

This schedule should be read in conjunction with the accompanying consolidated statements and notes thereto.

GRID Alternatives

STATEMENT OF ACTIVITIES - BHE 1.5MW CSG PUEBLO WEST 2025 LLC

Year ended December 31, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues, gains, and other support</b>			
Government grants			
Contributions	\$ -	\$ -	\$ -
Program revenue	-	-	-
In-kind contributions	-	-	-
Investment income	-	-	-
Other income	-	-	-
Net assets released from restriction	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues, gains, and other support	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Functional expenses</b>			
Program services	-	-	-
General and administrative	-	-	-
Fundraising	-	-	-
	<hr/>	<hr/>	<hr/>
Total functional expenses	-	-	-
	<hr/>	<hr/>	<hr/>
<b>CHANGE IN NET ASSETS</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Net assets, beginning of year</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Net assets, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This schedule should be read in conjunction with the accompanying consolidated statements and notes thereto.

GRID Alternatives

STATEMENTS OF FINANCIAL POSITION - ENERGY RESILIENCE FUND

December 31,

	2025	2024
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 2,719,948	\$ 2,559,972
Intercompany receivable	4,465,100	1,040,803
Note receivable	51,509	-
Total current assets	7,236,557	3,600,775
Contributions receivable, net of current portion	-	-
Deposits and LT Assets	217,826	83,433
ROU assets	-	-
Total other assets	217,826	83,433
Total assets	\$ 7,454,383	\$ 3,684,208
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 589	\$ -
Current portion of notes payable	5,000,000	-
Notes payable, net of current portion	6,950,000	3,350,000
Total long-term liabilities	1,950,000	3,350,000
Total liabilities	6,950,589	3,350,000
<b>Net assets</b>		
Without donor restrictions	334,208	334,208
Total net assets	503,794	334,208
Total liabilities and net assets	\$ 7,454,383	\$ 3,684,208

This schedule should be read in conjunction with the accompanying consolidated statements and notes thereto.

GRID Alternatives

STATEMENT OF ACTIVITIES - ENERGY RESILIENCE FUND

Year ended December 31, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues, gains, and other support</b>			
Government grants	\$ -	\$ -	\$ -
Government grants - PPP	-	-	-
Contributions	-	-	-
Program revenue	-	-	-
In-kind contributions	-	-	-
Investment income (loss), net	230,513	-	230,513
Other income	-	-	-
	<u>230,513</u>	<u>-</u>	<u>230,513</u>
Total revenues, gains, and other support	<u>230,513</u>	<u>-</u>	<u>230,513</u>
<b>Functional expenses</b>			
Program services	207,807	-	207,807
General and administrative	-	-	-
	<u>207,807</u>	<u>-</u>	<u>207,807</u>
Total functional expenses	<u>207,807</u>	<u>-</u>	<u>207,807</u>
<b>CHANGE IN NET ASSETS</b>	22,706	-	22,706
<b>Net assets, beginning of year</b>	334,208	-	334,208
<b>Capital contributions</b>	<u>146,880</u>	<u>-</u>	<u>146,880</u>
<b>Net assets, end of year</b>	<u>\$ 503,794</u>	<u>\$ -</u>	<u>\$ 503,794</u>

This schedule should be read in conjunction with the accompanying consolidated statements and notes thereto.

GRID Alternatives

STATEMENTS OF FINANCIAL POSITION - GRID Alternatives Holdings, Inc.

December 31,

	2025	2024
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 72,982	\$ -
Grants and contracts receivables	439,508	-
Intercompany receivable	72,658	72,658
Construction in process	-	-
Prepaid expenses	-	-
	585,148	72,658
<b>Property and equipment, net</b>	-	-
<b>Other assets</b>		
Solar energy systems, net	1,512,937	-
Total other assets	1,512,937	-
Total assets	\$ 2,098,085	\$ 72,658
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 2,374	\$ -
Intercompany payable	1,500,036	-
Current portion of capital lease obligations	-	-
Total current liabilities	1,502,410	-
<b>Long-term liabilities</b>		
Deferred PPA prepayment	352,765	-
Asset retirement obligations	55,183	-
Total long-term liabilities	407,948	-
Total liabilities	1,910,358	-
<b>Net assets</b>		
Without donor restrictions	72,658	72,658
With donor restrictions	-	-
Total net assets	187,727	72,658
Total liabilities and net assets	\$ 2,098,085	\$ 72,658

This schedule should be read in conjunction with the accompanying consolidated statements and notes thereto.

GRID Alternatives

STATEMENT OF ACTIVITIES - GRID Alternatives Holdings, Inc.

Year ended December 31, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues, gains, and other support</b>			
Program revenue	\$ 158,385	\$ -	\$ 158,385
Investment income	3	-	3
Other income	-	-	-
Net assets released from restriction	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues, gains, and other support	158,388	-	158,388
	<hr/>	<hr/>	<hr/>
Program services	43,319	-	43,319
General and administrative	-	-	-
Fundraising	-	-	-
	<hr/>	<hr/>	<hr/>
Total functional expenses	43,319	-	43,319
	<hr/>	<hr/>	<hr/>
<b>CHANGE IN NET ASSETS</b>	115,069	-	115,069
	<hr/>	<hr/>	<hr/>
<b>Net assets, beginning of year</b>	72,658	-	72,658
	<hr/>	<hr/>	<hr/>
<b>Net assets, end of year</b>	<u>\$ 187,727</u>	<u>\$ -</u>	<u>\$ 187,727</u>

This schedule should be read in conjunction with the accompanying consolidated statements and notes thereto.

GRID Alternatives

STATEMENTS OF FINANCIAL POSITION - Tribal Energy Alternatives Inc.

December 31,

	2025	2024
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 108,403	\$ -
Grants and contracts receivable	847,208	-
Intercompany receivable	1,961,845	-
Construction in process	35,031	-
Prepaid expenses	60,064	-
	3,012,551	-
<b>Property and equipment, net</b>	58,487	-
<b>Other assets</b>		
Contributions receivable, net of current portion	-	-
Deposits	-	-
Solar systems in progress	-	-
Solar energy systems, net	-	-
ROU assets	96,633	-
	96,633	-
Total other assets	96,633	-
Total assets	\$ 3,167,671	\$ -
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 322,605	\$ -
Accrued expenses	131,696	-
Intercompany payable	-	-
Operating lease obligations, net of current portion	59,852	-
	514,153	-
Total current liabilities	514,153	-
<b>Long-term liabilities</b>		
Warranty liability	23,852	-
Operating lease liability, net of current portion	48,492	-
	72,344	-
Total long-term liabilities	72,344	-
Total liabilities	586,497	-
<b>Net assets</b>		
Without donor restrictions	-	-
With donor restrictions	-	-
	2,581,174	-
Total net assets	2,581,174	-
Total liabilities and net assets	\$ 3,167,671	\$ -

This schedule should be read in conjunction with the accompanying consolidated statements and notes thereto.

**GRID Alternatives**

**STATEMENT OF ACTIVITIES - Tribal Energy Alternatives Inc.**

**Year ended December 31, 2025**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues, gains, and other support</b>			
Government grants	\$ 2,881,880	\$ -	\$ 2,881,880
Contributions	118,252	-	118,252
Program revenue	10,258,615	-	10,258,615
Investment income	38	-	38
Other income	-	-	-
Net assets released from restriction	-	-	-
	<b>13,258,785</b>	<b>-</b>	<b>13,258,785</b>
Total revenues, gains, and other support			
<b>Functional expenses</b>			
Program services	9,544,281	-	9,544,281
General and administrative	871,984	-	871,984
Fundraising	261,346	-	261,346
	<b>10,677,611</b>	<b>-</b>	<b>10,677,611</b>
Total functional expenses			
	<b>2,581,174</b>	<b>-</b>	<b>2,581,174</b>
<b>CHANGE IN NET ASSETS</b>			
	<b>2,581,174</b>	<b>-</b>	<b>2,581,174</b>
<b>Net assets, beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets, end of year</b>	<b>\$ 2,581,174</b>	<b>\$ -</b>	<b>\$ 2,581,174</b>

This schedule should be read in conjunction with the accompanying consolidated statements and notes thereto.

**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, 2025

BUDGET		FISCAL YEAR ENDED DECEMBER 31, 2025					
CONTRACT PERIOD: 04/2019-12/31/2032		Q1	Q2	Q3	Q4	TOTAL	
<b>ADMINISTRATION AND MARKETING AND OUTREACH (M&amp;O)</b>							
Budget	Annual	ADMINISTRATION EXPENSE					
\$ 1,000,000	\$ 12,000,000	Q1	Q2	Q3	Q4	Total	
\$ 400,000	\$ 4,800,000	Administration	364,249	459,615	325,208	329,104	1,508,175
\$ 1,400,000	\$ 16,800,000	M&O	15,457	26,772	43,635	15,136	101,002
		TOTAL	409,706	486,387	368,843	344,241	1,609,177
<b>ADMINISTRATION AND M&amp;O PAYMENT OR ADVANCE RECEIVED</b>							
Administration	Incentive	452,843	380,793	406,176	150,534	1,400,351	
560,472	976,354	2,033,652	1,868,757	5,441,415	2,019,291	6,841,766	
1,023,315	1,359,352	2,439,829	2,019,291	2,019,291	2,019,291	6,841,766	
<b>Difference</b>							
Administration	Incentive (SCE)	\$ (83,138)	\$ 105,589	\$ (37,333)	\$ 193,707	208,926	
\$ (187,938)	\$ (119,522)	\$ (342,522)	\$ (880,638)	\$ (350,694)	\$ (1,591,533)	\$ (1,591,533)	
\$ (143,549)	\$ 148,142	\$ (390,215)	\$ 679,458	\$ 293,636	\$ (1,382,707)	\$ (1,382,707)	
<b>ADMINISTRATION AND M&amp;O PAYMENT OR ADVANCE RECEIVED</b>							
Administration	Incentive	378,040	466,447	411,192	201,180	1,456,859	
547,009	327,405	1,304,244	586,914	2,765,571	788,094	4,222,429	
925,049	793,852	1,715,438	788,094	4,222,429	4,222,429	4,222,429	
<b>Difference</b>							
Administration	Incentive (SCE)	\$ (24,349)	\$ 167,666	\$ (47,693)	\$ (201,180)	\$ (66,859)	
\$ (107,938)	\$ (119,522)	\$ (342,522)	\$ (880,638)	\$ (350,694)	\$ (1,591,533)	\$ (1,591,533)	
\$ (143,549)	\$ 148,142	\$ (390,215)	\$ 679,458	\$ 293,636	\$ (1,382,707)	\$ (1,382,707)	
<b>ADMINISTRATION AND M&amp;O PAYMENT OR ADVANCE RECEIVED</b>							
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<b>Difference</b>							
Administration	Incentive (SCE)	\$ (24,349)	\$ 167,666	\$ (47,693)	\$ (201,180)	\$ (66,859)	
\$ (107,938)	\$ (119,522)	\$ (342,522)	\$ (880,638)	\$ (350,694)	\$ (1,591,533)	\$ (1,591,533)	
\$ (143,549)	\$ 148,142	\$ (390,215)	\$ 679,458	\$ 293,636	\$ (1,382,707)	\$ (1,382,707)	
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<b>Difference</b>							
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<b>Difference</b>							
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<b>ADMINISTRATION AND M&amp;O PAYMENT OR ADVANCE RECEIVED</b>							
Administration	Incentive						