

**GRID ALTERNATIVES**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

# GRID ALTERNATIVES

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## CONSOLIDATED FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION DECEMBER 31, 2016 AND 2015

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## INDEPENDENT AUDITORS' REPORT

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To the Board of Directors of  
GRID Alternatives

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of GRID Alternatives and its Affiliates (collectively, the Organization), which comprise the consolidated statements of financial position as of December 31, 2016 and 2015; the related consolidated statements of activities, of cash flows and of functional expenses for the years then ended; and the related notes to the consolidated financial statements.

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, which includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness

To the Board of Directors of  
GRID Alternatives  
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of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

#### OPINION

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

#### EMPHASIS OF MATTER

The previously issued financial statements have been restated for the correction of a material misstatement. The explanation for the restatement is disclosed at Note 16 to these financial statements. Our opinion is not modified with respect to that matter.

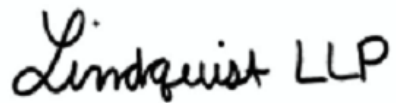
#### OTHER MATTERS - SUPPLEMENTAL INFORMATION

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying schedule of expenditures of federal awards as required by Title 2 *U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purpose 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 subject to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

To the Board of Directors of  
GRID Alternatives  
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OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2017, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

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

San Ramon, California  
July 31, 2017

## GRID ALTERNATIVES

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,399,222	\$ 3,503,233
Grants and contracts receivable	8,152,207	4,966,916
Certificates of deposit	15,947	36,057
Investments	1,068,979	1,187,838
Construction-in-process	2,489,125	1,152,399
Prepaid expenses	1,698,317	1,112,531
Total current assets	<u>15,823,797</u>	<u>11,958,974</u>
NON-CURRENT ASSETS		
Property and equipment, net of accumulated depreciation	786,310	608,920
Deposits	95,804	81,651
Total non-current assets	<u>882,114</u>	<u>690,571</u>
Total assets	<u>\$ 16,705,911</u>	<u>\$ 12,649,545</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and other accrued expenses	\$ 2,374,759	\$ 1,242,745
Deferred revenue	616,396	859,570
Accrued payroll liabilities	781,601	590,400
Line of credit	1,000,000	1,000,000
Total current liabilities	<u>4,772,756</u>	<u>3,692,715</u>
NET ASSETS		
Unrestricted, as restated	6,683,977	3,471,009
Unrestricted - Board-designated reserve	1,500,000	1,500,000
Temporarily restricted, as restated	3,749,178	3,985,821
Total net assets	<u>11,933,155</u>	<u>8,956,830</u>
Total liabilities and net assets	<u>\$ 16,705,911</u>	<u>\$ 12,649,545</u>

See accompanying notes to consolidated financial statements.

## GRID ALTERNATIVES

### CONSOLIDATED STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Grants			
Government	\$ -	\$ 16,390,521	\$ 16,390,521
Foundation	1,117,236	3,339,622	4,456,858
Corporation	1,394,917	-	1,394,917
Donations - individual and events	440,088	-	440,088
Service contracts	16,796,730	-	16,796,730
Dividend income	33,385	-	33,385
In-kind revenue	3,628,978	-	3,628,978
Net assets released from restrictions	19,966,786	(19,966,786)	-
Total revenue and support	<u>43,378,120</u>	<u>(236,643)</u>	<u>43,141,477</u>
<b>EXPENSES</b>			
Program services	32,347,023	-	32,347,023
General and administrative	4,487,012	-	4,487,012
Fundraising	3,331,117	-	3,331,117
Total expenses	<u>40,165,152</u>	<u>-</u>	<u>40,165,152</u>
<b>CHANGE IN NET ASSETS</b>	3,212,968	(236,643)	2,976,325
<b>NET ASSETS</b>			
Beginning of year, as restated	<u>4,971,009</u>	<u>3,985,821</u>	<u>8,956,830</u>
End of year	<u>\$ 8,183,977</u>	<u>\$ 3,749,178</u>	<u>\$ 11,933,155</u>

See accompanying notes to consolidated financial statements.



## GRID ALTERNATIVES

### CONSOLIDATED STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants			
Government	\$ -	\$ 6,314,888	\$ 6,314,888
Foundation	91,469	4,702,500	4,793,969
Corporation	1,197,186	-	1,197,186
Donations - individual and events	375,699	-	375,699
Service contracts	16,574,364	-	16,574,364
Dividend income	38,643	-	38,643
In-kind revenue	5,376,648	-	5,376,648
Net assets released from restrictions	7,731,567	(7,731,567)	-
Total revenue and support	<u>31,385,576</u>	<u>3,285,821</u>	<u>34,671,397</u>
EXPENSES			
Program services	26,980,818	-	26,980,818
General and administrative	3,063,548	-	3,063,548
Fundraising	4,443,768	-	4,443,768
Total expenses	<u>34,488,134</u>	<u>-</u>	<u>34,488,134</u>
CHANGE IN NET ASSETS	(3,102,558)	3,285,821	183,263
NET ASSETS			
Beginning of year	8,073,567	700,000	8,773,567
End of year, as restated	<u>\$ 4,971,009</u>	<u>\$ 3,985,821</u>	<u>\$ 8,956,830</u>

See accompanying notes to consolidated financial statements.

## GRID ALTERNATIVES

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2016

	General and Administrative <u>Expenses</u>	<u>Fundraising</u>	Program <u>Services</u>	<u>Total</u>
Salaries and wages	\$ 2,424,125	\$ 1,935,372	\$ 9,688,908	\$ 14,048,405
Payroll taxes and fringe benefits	673,443	436,960	2,826,304	3,936,707
Travel and conferences	262,098	168,580	1,275,660	1,706,338
Printing	26,447	54,823	75,602	156,872
Bank charges	91,964	-	1,619	93,583
Program material - supplies and permits	21,814	26,186	9,561,920	9,609,920
Program consultants	-	-	2,252,954	2,252,954
Insurance	16,602	17,048	106,123	139,773
Telecommunication	42,796	38,417	215,745	296,958
Staff development	12,107	15,321	115,805	143,233
Facilities	126,590	128,406	705,443	960,439
Professional fees	325,294	457,571	1,690,250	2,473,115
Postage	12,191	5,825	20,461	38,477
Office expenses	86,908	34,129	46,795	167,832
Depreciation	16,472	11,628	180,302	208,402
Miscellaneous taxes and fees	10,346	851	264,444	275,641
External grants/awards	-	-	27,525	27,525
Donations/awards	337,815	-	3,291,163	3,628,978
	<u>\$ 4,487,012</u>	<u>\$ 3,331,117</u>	<u>\$ 32,347,023</u>	<u>\$ 40,165,152</u>

See accompanying notes to consolidated financial statements.

## GRID ALTERNATIVES

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2015

	General and Administrative <u>Expenses</u>	<u>Fundraising</u>	Program <u>Services</u>	<u>Total</u>
Salaries and wages	\$ 1,673,361	\$ 2,301,517	\$ 6,443,594	\$ 10,418,472
Payroll taxes and fringe benefits	306,979	618,798	1,757,558	2,683,335
Travel and conferences	229,653	229,235	852,258	1,311,146
Printing	19,815	72,557	52,107	144,479
Bank charges	55,257	1,115.00	1,550	57,922
Program material - supplies and permits	12,457	25,143	6,257,593	6,295,193
Program consultants	710.00	300.00	4,275,427	4,276,437
Insurance	18,395	13,375	183,078	214,848
Telecommunication	48,123	67,895	115,332	231,350
Staff development	11,554	11,405	59,540	82,499
Facilities	88,279	254,747	411,788	754,814
Professional fees	300,164	793,938	789,638	1,883,740
Postage	10,611	5,599	15,194	31,404
Office expenses	66,103	37,281	78,729	182,113
Depreciation	10,005	10,013	130,875	150,893
Miscellaneous taxes and fees	4,342	850	387,649	392,841
External grants/awards	-	-	-	-
Donations/awards	207,740	-	5,168,908	5,376,648
	<u>\$ 3,063,548</u>	<u>\$ 4,443,768</u>	<u>\$ 26,980,818</u>	<u>\$ 34,488,134</u>

See accompanying notes to consolidated financial statements.

## GRID ALTERNATIVES

### CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	\$ 2,976,325	\$ 183,263
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	208,402	150,893
Net gain/loss on investments	(31,141)	67,069
Changes in assets and liabilities		
Deposits	(14,153)	(28,426)
Current grants and contracts receivable	(3,185,291)	(2,282,203)
Construction-in-process	(1,336,726)	62,125
Prepaid expenses	(585,786)	(875,780)
Accounts payable and accrued expenses	1,132,014	(4,054)
Accrued payroll liabilities	191,201	251,275
Deferred revenue	(243,174)	(342,647)
Net cash used in operating activities	<u>(888,329)</u>	<u>(2,818,485)</u>
Cash flows from investing activities		
Purchase of equipment	(385,792)	(464,927)
Sale of certificates of deposit	20,110	1,895,093
Sale of investments	150,000	-
Net cash provided by (used in) investing activities	<u>(215,682)</u>	<u>1,430,166</u>
Cash flows from financing activities		
Principal borrowing on line of credit	-	1,000,000
Net cash provided by financing activities	<u>-</u>	<u>1,000,000</u>
Net change in cash and cash equivalents	(1,104,011)	(388,319)
Cash and cash equivalents		
Beginning of year	3,503,233	3,891,552
End of year	<u>\$ 2,399,222</u>	<u>\$ 3,503,233</u>
Supplemental information		
Interest paid	<u>\$ 61,507</u>	<u>\$ 93,104</u>
No income taxes were paid in either year.		

See accompanying notes to consolidated financial statements.

## GRID ALTERNATIVES

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

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#### NOTE 1. ORGANIZATION AND TAX STATUS

GRID Alternatives and its Affiliates (collectively, the Organization) is a non-profit, tax-exempt service organization makes renewable energy technology and job training accessible to underserved communities. The Organization is exempt from federal and state income tax liability under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. GRID Alternatives is a nationally recognized non-profit organization headquartered in Oakland, California. It operated four regional branch offices under its entity, located in the Bay Area, Central Coast, Central Valley and Inland Empire regions of California, during the year ended December 31, 2015. Effective January 2016, Central Valley spun off as a separate affiliate. The Organization also conducts work in tribal communities in South Dakota, Arizona, Montana, New Mexico and operated an international branch office in Nicaragua during 2015 and 2016.

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

Accounting principles generally accepted in the United States of America require management to evaluate the tax positions taken by the Organization and to recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has analyzed the tax positions taken by the Organization and has concluded that, as of December 31, 2016, 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. The Organization believes it is no longer subject to income tax examinations for the fiscal years prior to 2013.

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

During the year ended December 31, 2016, the IRS revoked the tax exempt status for the following three affiliates: Grid Alternatives Greater Los Angeles, Grid Alternatives Colorado, Grid Alternatives Tri-State. The Organization believes the revocation was made by the IRS in error and has been assigned a tax payer advocate by the IRS. The Organization is in the process of working with the IRS to rectify the error and reinstate the tax exempt status retroactively. Management does not believe that there will be any material tax effects to these Affiliates or the Organization as a whole.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**Net Asset Categories** - Resources are classified into three net asset categories according to the existence or absence of donor-imposed restrictions. Descriptions of the three net asset categories and types of transactions affecting each category follow:

*Unrestricted net assets:* These represent net assets that are not subject to donor-imposed restrictions.

*Temporarily restricted net assets:* These represent net assets that are subject to donor-imposed time or use restrictions that have not been met. When a donor-imposed restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restrictions.

*Permanently restricted net assets:* These represent net assets that are subject to donor-imposed restrictions to be maintained permanently by the Organization as donor-restricted endowments. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

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

Revenue is reported as increases in unrestricted net assets unless uses of the related assets are limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor stipulation purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassification between the applicable classes of net assets.

**Investment Valuation, Transactions and Income Recognition -**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Deferred Revenue** - The Organization records deferred revenue in connection with advance(s) provided by a funding source's contractual disbursement agreement. Deferred revenue is reclassified to revenue when it is



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

earned. Advances at December 31, 2016 and 2015, are the administrative portion of the Single-Family Affordable Homes (SASH) program and the Cap and Trade Incentives Program under an agreement with the State of California.

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

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

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

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

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

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

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

**NOTE 3. GRANTS AND CONTRACTS RECEIVABLE**

Generally accepted accounting principles require the recognition of unconditional promises to give in the period of the award, even if the donor has restricted the use and the restriction will not be met until a future reporting period. Grants receivable at December 31, 2016, consists of grants, contracts and unconditional promises to give, which management believes are fully collectible. Two funders represent 63% of the total receivable (35% and 28%) at December 31, 2016. Four funders represent 62% of the total receivable (21%, 19%, 12% and 10%) at December 31, 2015. The solvency of the funders is not of concern to management at this time.

**NOTE 4. CASH AND CASH EQUIVALENTS**

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

During 2015 and 2016, the Organization maintained additional certificates of deposit, which are no longer considered cash and cash equivalents due to their liquidity and are presented as separate asset accounts on the consolidated statements of financial position.

**NOTE 5. INVESTMENTS**

The following summary presents the fair value for each of the Organization's investment categories as of December 31, 2016 and 2015:

	Years Ended	
	December 31,	
	<u>2016</u>	<u>2015</u>
Investments at fair value, as determined by quoted prices		
Equity securities	\$ 1,009,351	\$ 973,985
Investments at fair value, as otherwise determined		
Money market mutual funds	59,628	213,853
Total	<u>\$ 1,068,979</u>	<u>\$ 1,187,838</u>

**NOTE 6. INVESTMENTS AT FAIR VALUE HIERARCHY**

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at December 31, 2016 and 2015, are as follows:

<u>Description</u>	December 31, <u>2016</u>	<u>Fair Value Measurements at Reporting Date Using:</u>	
		Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>
Equity securities			
Domestic equities	\$ 592,041	\$ 592,041	\$ -
International equities	417,310	417,310	-
Total equity securities	<u>1,009,351</u>	<u>1,009,351</u>	<u>-</u>
Money market mutual funds	<u>59,628</u>	<u>-</u>	<u>59,628</u>
Total	<u>\$ 1,068,979</u>	<u>\$ 1,009,351</u>	<u>\$ 59,628</u>

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

**NOTE 7. PROPERTY AND EQUIPMENT**

The following is a summary of property and equipment at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Property and equipment	\$ 1,224,805	\$ 827,741
Less: Accumulated depreciation	<u>(438,495)</u>	<u>(218,821)</u>
Total	<u>\$ 786,310</u>	<u>\$ 608,920</u>

Depreciation expense for the years ended December 31, 2016 and 2015, totaled \$208,402 and \$150,893, respectively.

**NOTE 8. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are as follows:

	<u>December 31,</u>	
	<u>2016</u>	<u>2015</u>
HDR Foundation	\$ -	\$ 20,000
The Schmidt Family Foundation	105,000	50,000
Max Family Factor Foundation	-	17,500
The JPB Foundation	988,404	2,000,000
Sun Edison Foundation	-	767,500
All Points North Foundation	-	40,000
Energy Foundation	43,750	25,000
Wells Fargo Foundation	250,000	708,333
Wells Fargo Foundation - National Expansion Award	-	350,000
Wells Fargo Foundation - Multi-year grant	2,000,000	-
The Community Foundation	1,876	7,488
Clif Bar Family Foundation	5,000	-
Silicon Valley Community Foundation	40,000	-
The Grove Foundation	25,000	-
The San Francisco Foundation	25,000	-
The San Francisco Foundation	125,000	-
Flex Foundation	11,250	-
Oak Hill Fund	37,500	-
PG&E	10,000	-
Rexel Foundation	15,534	-
America Honda Foundation	15,864	-
Golden State Environmental Justice	50,000	-
Total	<u>\$ 3,749,178</u>	<u>\$ 3,985,821</u>

**NOTE 9. BOARD-DESIGNATED FUNDS**

Board-designated funds represent unrestricted net assets that are subject to conditions placed by the governing board such as for future programs, investments, contingencies, purchases, construction of fixed assets, or other uses. These funds are considered unrestricted because the condition is not specified by a donor. The following represents Board-designated funds by net asset type, as of December 31, 2016 and 2015:

<u>December 31, 2016</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board-designated funds	<u>\$ 1,500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500,000</u>

<u>December 31, 2015</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board-designated funds	<u>\$ 1,500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500,000</u>

**NOTE 10. LINE OF CREDIT**

During 2016, the Organization replaced its existing line of credit facility from one financial institution to another. The Organization's established maximum and available line of credit balance is \$6,000,000 and \$3,000,000 as of December 31, 2016 and 2015, respectively. The line of credit bears interest at the U.S. Prime Index Rate plus 1.25%. The interest rate at December 31, 2016 and 2015, was 4.75%. The Organization had an outstanding principal balance of \$1,000,000 as of December 31, 2016 and 2015. The line of credit is secured by assets of the Organization. The Organization was in compliance with all debt covenants as of December 31, 2016 and 2015. The line of credit is scheduled to mature in September 2017.

**NOTE 11. OBLIGATIONS UNDER OPERATING LEASES**

The Organization leases various office spaces. Rental expense for the years ending December 31, 2016 and 2015, totaled \$766,048 and \$568,891, respectively. The following schedule reflects future minimum commitments associated with the leases.

<u>Years Ended</u> <u>December 31,</u>	<u>Amount</u>
2017	\$ 838,571
2018	753,544
2019	566,874
2020	390,500
2021	183,269
Total	<u>\$ 2,732,758</u>

**NOTE 12. IN-KIND REVENUE AND IN-KIND EXPENDITURES**

Donated materials, services performed or expenditures paid by donors are recorded as in-kind revenues and are expensed as in-kind expenditures in off-set value in the year in which they occur. For the years ended December 31, 2016 and 2015, the in-kind revenue and in-kind expenditures are as follows:

	<u>Years Ended December 31,</u>	
	<u>2016</u>	<u>2015</u>
Construction materials	\$ 3,179,963	\$ 5,052,613
Legal services	337,815	291,265
Volunteer services	111,200	32,770
Total	<u>\$ 3,628,978</u>	<u>\$ 5,376,648</u>

**NOTE 13. CONTINGENCY**

Grant awards require the fulfillment of certain conditions as set forth in the instruments of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote because, by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

**NOTE 14. RETIREMENT PLAN**

The Organization offers a 403(b) retirement plan to all of its employees. The Organization offers Employer Contributions to employees who have established 18 months of employment. The Organization has contributed \$45,805 and \$0 during the years ended December 31, 2016 and 2015, respectively.

**NOTE 15. RELATED PARTIES**

The Organization engaged in transactions with the employers of two members of the Organization's Board of Directors. The Organization received in-kind legal services with a value of \$85,889 and \$111,621 from law firms that employ members of the Board of Directors for the years ended December 31, 2016 and 2015, respectively.

**NOTE 16. RESTATEMENT**

The December 31, 2015, financial statements reflected the correct amount of total net assets. However, one donation of \$1,000,000 was classified as unrestricted, when in fact, it was temporarily restricted. As a result, the 2015 financial statements have been restated to reclassify a portion of unrestricted net assets into temporarily restricted net assets. The following table presents the effects of the correction on the statements of financial position:

	As previously stated <u>December 31, 2015</u>	<u>Restatement</u>	As restated <u>December 31, 2015</u>
Unrestricted net assets	\$ <u>4,471,009</u>	\$ <u>(1,000,000)</u>	\$ <u>3,471,009</u>
Unrestricted - Board - designated reserve	\$ <u>1,500,000</u>	\$ <u>-</u>	\$ <u>1,500,000</u>
Temporarily restricted net assets	\$ <u>2,985,821</u>	\$ <u>1,000,000</u>	\$ <u>3,985,821</u>

**NOTE 17. SUBSEQUENT EVENTS**

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

## ADDITIONAL INFORMATION





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## INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

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To the Board of Directors of  
GRID Alternatives

We have audited the consolidated financial statements of GRID Alternatives and its Affiliates (collectively, the Organization) for the years ended December 31, 2016 and 2015, and have issued our reports thereon dated July 31, 2017, and September 27, 2016, respectively, which contained an unmodified opinion on those consolidated financial statements. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying supplementary information, which appears on pages 22 through 39, is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. The supplementary information referenced on page 40 is an analysis detailing expenditures, advances and incentives under the Single-family Affordable Solar Homes (SASH) program and is provided at the request of the California Public Utilities Commission as part of their monitoring and oversight of the SASH program.

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

*Lindquist LLP*

San Ramon, California  
July 31, 2017

## GRID ALTERNATIVES

### CONSOLIDATING SCHEDULE OF FINANCIAL POSITION YEAR ENDED DECEMBER 31, 2016

	<u>GRID Alternatives</u>	<u>GRID Affiliates</u>	<u>Total</u>	<u>Eliminating Entries</u>	<u>Consolidated Totals</u>
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 1,637,485	\$ 761,737	\$ 2,399,222	\$ -	\$ 2,399,222
Grants and contracts receivable	4,386,107	3,766,100	8,152,207	-	8,152,207
Intercompany receivable	14,183,368	11,079,510	25,262,878	(25,262,878)	-
Certificates of deposit	15,947	-	15,947	-	15,947
Investments	1,068,979	-	1,068,979	-	1,068,979
Construction-in-process	1,089,224	1,399,901	2,489,125	-	2,489,125
Prepaid expenses	1,056,554	641,763	1,698,317	-	1,698,317
Total current assets	<u>23,437,664</u>	<u>17,649,011</u>	<u>41,086,675</u>	<u>(25,262,878)</u>	<u>15,823,797</u>
NON-CURRENT ASSETS					
Property and equipment, net of accumulated depreciation	245,872	540,438	786,310	-	786,310
Deposits	33,510	62,294	95,804	-	95,804
Total non-current assets	<u>279,382</u>	<u>602,732</u>	<u>882,114</u>	<u>-</u>	<u>882,114</u>
Total assets	<u>\$23,717,046</u>	<u>\$18,251,743</u>	<u>\$41,968,789</u>	<u>\$ (25,262,878)</u>	<u>\$16,705,911</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable and other accrued expenses	\$ 949,572	\$ 1,425,187	\$ 2,374,759	\$ -	\$ 2,374,759
Deferred revenue	616,396	-	616,396	-	616,396
Accrued payroll liabilities	343,395	438,206	781,601	-	781,601
Intercompany payable	10,901,500	14,361,378	25,262,878	(25,262,878)	-
Line of credit	1,000,000	-	1,000,000	-	1,000,000
Total current liabilities	<u>13,810,863</u>	<u>16,224,771</u>	<u>30,035,634</u>	<u>(25,262,878)</u>	<u>4,772,756</u>
NET ASSETS					
Unrestricted	4,762,005	1,921,972	6,683,977	-	6,683,977
Unrestricted - Board-designated reserve	1,500,000	-	1,500,000	-	1,500,000
Temporarily restricted	3,644,178	105,000	3,749,178	-	3,749,178
Total net assets	<u>9,906,183</u>	<u>2,026,972</u>	<u>11,933,155</u>	<u>-</u>	<u>11,933,155</u>
Total liabilities and net assets	<u>\$23,717,046</u>	<u>\$18,251,743</u>	<u>\$41,968,789</u>	<u>\$ (25,262,878)</u>	<u>\$16,705,911</u>

## GRID ALTERNATIVES

### CONSOLIDATING SCHEDULE OF FINANCIAL POSITION YEAR ENDED DECEMBER 31, 2015

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

## GRID ALTERNATIVES

### CONSOLIDATING SCHEDULE OF ACTIVITIES YEAR ENDED DECEMBER 31, 2016

	GRID Alternatives		GRID Affiliates		Total	Eliminating Entries	Consolidated Total
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted			
<b>REVENUE AND SUPPORT</b>							
Grants							
Government	\$ -	5,071,812	\$ -	\$11,318,709	\$16,390,521	\$ -	\$16,390,521
Foundation	1,008,518	3,144,622	108,718	195,000	4,456,858	-	4,456,858
Corporation	992,316	-	402,601	-	1,394,917	-	1,394,917
Donations - individual and events	304,336	-	135,752	-	440,088	-	440,088
Service contracts	5,222,026	-	14,625,813	-	19,847,839	(3,051,109)	16,796,730
Dividend income	217,414	-	18	-	217,432	(184,047)	33,385
In-kind revenue	1,403,942	-	2,225,036	-	3,628,978	-	3,628,978
Net assets released from restrictions	8,470,577	(8,470,577)	11,496,209	(11,496,209)	-	-	-
Total revenue and support	<u>17,619,129</u>	<u>(254,143)</u>	<u>28,994,147</u>	<u>17,500</u>	<u>46,376,633</u>	<u>(3,235,156)</u>	<u>43,141,477</u>
<b>EXPENSES</b>							
Program services	14,035,233	-	21,323,632	-	35,358,865	(3,011,842)	32,347,023
General and administrative	2,374,702	-	2,221,249	-	4,595,951	(108,939)	4,487,012
Fundraising	2,166,363	-	1,279,129	-	3,445,492	(114,375)	3,331,117
Total expenses	<u>18,576,298</u>	<u>-</u>	<u>24,824,010</u>	<u>-</u>	<u>43,400,308</u>	<u>(3,235,156)</u>	<u>40,165,152</u>
CHANGE IN NET ASSETS	(957,169)	(254,143)	4,170,137	17,500	2,976,325	-	2,976,325
<b>NET ASSETS</b>							
Beginning of year, as restated	<u>7,219,174</u>	<u>3,898,321</u>	<u>(2,248,165)</u>	<u>87,500</u>	<u>8,956,830</u>	<u>-</u>	<u>8,956,830</u>
End of year	<u>\$ 6,262,005</u>	<u>\$ 3,644,178</u>	<u>\$ 1,921,972</u>	<u>\$ 105,000</u>	<u>\$11,933,155</u>	<u>\$ -</u>	<u>\$11,933,155</u>

## GRID ALTERNATIVES

### CONSOLIDATING SCHEDULE OF ACTIVITIES YEAR ENDED DECEMBER 31, 2015

	GRID Alternatives		GRID Affiliates		Total	Eliminating Entries	Consolidated Total
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted			
<b>REVENUE AND SUPPORT</b>							
Grants							
Government	\$ -	\$ 3,269,894	\$ -	\$ 3,196,681	\$ 6,466,575	\$ (151,687)	\$ 6,314,888
Foundation	69,000	4,415,000	22,469	287,500	4,793,969	-	4,793,969
Corporation	744,114	-	453,072	-	1,197,186	-	1,197,186
Donations - individual and events	209,553	-	166,146	-	375,699	-	375,699
Service contracts	11,522,600	-	6,870,868	-	18,393,468	(1,819,104)	16,574,364
Dividend income	100,143	-	-	-	100,143	(61,500)	38,643
In-kind revenue	2,455,221	-	2,921,427	-	5,376,648	-	5,376,648
Net assets released							
from restrictions	4,486,573	(4,486,573)	3,396,681	(3,396,681)	-	-	-
Total revenue and support	<u>19,587,204</u>	<u>3,198,321</u>	<u>13,830,663</u>	<u>87,500</u>	<u>36,703,688</u>	<u>(2,032,291)</u>	<u>34,671,397</u>
<b>EXPENSES</b>							
Program services	14,445,089	-	12,785,729	-	27,230,818	(250,000)	26,980,818
General and administrative	3,510,575	-	1,335,264	-	4,845,839	(1,782,291)	3,063,548
Fundraising	2,322,205	-	2,121,563	-	4,443,768	-	4,443,768
Total expenses	<u>20,277,869</u>	<u>-</u>	<u>16,242,556</u>	<u>-</u>	<u>36,520,425</u>	<u>(2,032,291)</u>	<u>34,488,134</u>
CHANGE IN NET ASSETS	(690,665)	3,198,321	(2,411,893)	87,500	183,263	-	183,263
<b>NET ASSETS</b>							
Beginning of year	<u>7,909,839</u>	<u>700,000</u>	<u>163,728</u>	<u>-</u>	<u>8,773,567</u>	<u>-</u>	<u>8,773,567</u>
End of year, as restated	<u>\$ 7,219,174</u>	<u>\$ 3,898,321</u>	<u>\$ (2,248,165)</u>	<u>\$ 87,500</u>	<u>\$ 8,956,830</u>	<u>\$ -</u>	<u>\$ 8,956,830</u>

## GRID ALTERNATIVES

### SCHEDULES OF FINANCIAL POSITION - GRID ALTERNATIVES GREATER LOS ANGELES, INC. DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 28,457	\$ 621,582
Grants and contracts receivable	604,424	275,320
Intercompany loan and receivable	1,910,283	241,500
Construction-in-process	456,390	187,894
Prepaid expenses	136,099	199,773
Total current assets	<u>3,135,653</u>	<u>1,526,069</u>
NON-CURRENT ASSETS		
Property and equipment, net of accumulated depreciation	107,864	82,412
Deposits	17,366	17,366
Total non-current assets	<u>125,230</u>	<u>99,778</u>
Total assets	<u>\$ 3,260,883</u>	<u>\$ 1,625,847</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and other accrued expenses	\$ 485,627	\$ 177,203
Accrued payroll liabilities	78,421	67,470
Intercompany loan and payable	765,995	7,710
Total current liabilities	<u>1,330,043</u>	<u>252,383</u>
NET ASSETS		
Unrestricted	1,825,840	1,305,964
Temporarily restricted	105,000	67,500
Total net assets	<u>1,930,840</u>	<u>1,373,464</u>
Total liabilities and net assets	<u>\$ 3,260,883</u>	<u>\$ 1,625,847</u>

## GRID ALTERNATIVES

### SCHEDULES OF ACTIVITIES - GRID ALTERNATIVES GREATER LOS ANGELES, INC. YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>						
Grants						
Government	\$ -	\$ 3,252,656	\$ 3,252,656	\$ -	\$ 1,648,197	\$ 1,648,197
Foundation	1,000	90,000	91,000	6,350	107,500	113,850
Corporation	69,000	-	69,000	64,413	-	64,413
Donations - individual and events	18,763	-	18,763	21,846	-	21,846
Service contracts	1,502,801	-	1,502,801	2,305,194	-	2,305,194
In-kind revenue	547,066	-	547,066	673,285	-	673,285
Net assets released from restrictions	3,305,155	(3,305,155)	-	1,688,197	(1,688,197)	-
Total revenue and support	<u>5,443,785</u>	<u>37,501</u>	<u>5,481,286</u>	<u>4,759,285</u>	<u>67,500</u>	<u>4,826,785</u>
<b>EXPENSES</b>						
Program services	4,576,153	-	4,576,153	3,770,056	-	3,770,056
General and administrative	307,646	-	307,646	237,561	-	237,561
Fundraising	40,111	-	40,111	581,536	-	581,536
Total expenses	<u>4,923,910</u>	<u>-</u>	<u>4,923,910</u>	<u>4,589,153</u>	<u>-</u>	<u>4,589,153</u>
CHANGE IN NET ASSETS	519,875	37,501	557,376	170,132	67,500	237,632
<b>NET ASSETS</b>						
Beginning of year	1,305,964	67,500	1,373,464	1,135,832	-	1,135,832
End of year	<u>\$ 1,825,839</u>	<u>\$ 105,001</u>	<u>\$ 1,930,840</u>	<u>\$ 1,305,964</u>	<u>\$ 67,500</u>	<u>\$ 1,373,464</u>

## GRID ALTERNATIVES

### SCHEDULES OF FINANCIAL POSITION - GRID ALTERNATIVES COLORADO, INC. DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 340,758	\$ 117,295
Grants and contracts receivable	839,998	96,106
Intercompany loan and receivable	251,708	1,398
Construction-in-process	56,310	31,349
Prepaid expenses	19,341	15,954
Total current assets	<u>1,508,115</u>	<u>262,102</u>
NON-CURRENT ASSETS		
Property and equipment, net of accumulated depreciation	65,108	36,465
Deposits	5,053	2,000
Total non-current assets	<u>70,161</u>	<u>38,465</u>
Total assets	<u>\$ 1,578,276</u>	<u>\$ 300,567</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and other accrued expenses	\$ 259,099	\$ 30,423
Accrued payroll liabilities	69,324	36,299
Intercompany loan and payable	3,294,789	1,803,235
Total current liabilities	<u>3,623,212</u>	<u>1,869,957</u>
NET ASSETS		
Unrestricted	(2,044,936)	(1,589,390)
Temporarily restricted	-	20,000
Total net assets	<u>(2,044,936)</u>	<u>(1,569,390)</u>
Total liabilities and net assets	<u>\$ 1,578,276</u>	<u>\$ 300,567</u>



## GRID ALTERNATIVES

### SCHEDULES OF ACTIVITIES - GRID ALTERNATIVES GREATER COLORADO, INC. YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>						
Grants						
Government	\$ -	\$ 173,497	\$ 173,497	\$ -	\$ 97,070	\$ 97,070
Foundation	6,500	90,000	96,500	15,000	65,000	80,000
Corporation	92,451	-	92,451	100,598	-	100,598
Donations - individual and events	31,422	-	31,422	9,656	-	9,656
Service contracts	2,479,032	-	2,479,032	580,025	-	580,025
In-kind revenue	203,540	-	203,540	519,119	-	519,119
Net assets released from restrictions	283,497	(283,497)	-	142,070	(142,070)	-
Total revenue and support	<u>3,096,442</u>	<u>(20,000)</u>	<u>3,076,442</u>	<u>1,366,468</u>	<u>20,000</u>	<u>1,386,468</u>
<b>EXPENSES</b>						
Program services	2,819,715	-	2,819,715	1,461,381	-	1,461,381
General and administrative	402,422	-	402,422	231,090	-	231,090
Fundraising	329,851	-	329,851	484,803	-	484,803
Total expenses	<u>3,551,988</u>	<u>-</u>	<u>3,551,988</u>	<u>2,177,274</u>	<u>-</u>	<u>2,177,274</u>
CHANGE IN NET ASSETS	(455,546)	(20,000)	(475,546)	(810,806)	20,000	(790,806)
<b>NET ASSETS</b>						
Beginning of year	(1,589,390)	20,000	(1,569,390)	(778,584)	-	(778,584)
End of year	<u>\$ (2,044,936)</u>	<u>\$ -</u>	<u>\$ (2,044,936)</u>	<u>\$ (1,589,390)</u>	<u>\$ 20,000</u>	<u>\$ (1,569,390)</u>

## GRID ALTERNATIVES

### SCHEDULES OF FINANCIAL POSITION - GRID ALTERNATIVES TRI-STATE, INC. DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 49,861	\$ 207,421
Grants and contracts receivable	136,422	85,352
Intercompany loan and receivable	341,596	18,107
Construction-in-process	104,225	92,094
Prepaid expenses	36,034	68,409
Total current assets	<u>668,138</u>	<u>471,383</u>
NON-CURRENT ASSETS		
Property and equipment, net of accumulated depreciation	44,937	50,137
Deposits	11,000	11,000
Total non-current assets	<u>55,937</u>	<u>61,137</u>
Total assets	<u>\$ 724,075</u>	<u>\$ 532,520</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and other accrued expenses	\$ 24,054	\$ 32,487
Accrued payroll liabilities	29,331	39,036
Intercompany loan and payable	3,093,023	2,002,534
Total current liabilities	<u>3,146,408</u>	<u>2,074,057</u>
NET ASSETS		
Unrestricted	<u>(2,422,333)</u>	<u>(1,541,537)</u>
Total net assets	<u>(2,422,333)</u>	<u>(1,541,537)</u>
Total liabilities and net assets	<u>\$ 724,075</u>	<u>\$ 532,520</u>

## GRID ALTERNATIVES

### SCHEDULES OF ACTIVITIES - GRID ALTERNATIVES GREATER TRI-STATE, INC. YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>						
Grants						
Government	\$ -	\$ 2,659	\$ 2,659	\$ -	\$ 154,442	\$ 154,442
Foundation		-	-		50,000	50,000
Corporation	19,500	-	19,500	45,715	-	45,715
Donations - individual and events	9,882	-	9,882	5,860	-	5,860
Service contracts	646,646	-	646,646	218,230	-	218,230
In-kind revenue	78,293	-	78,293	310,721	-	310,721
Net assets released from restrictions	2,659	(2,659)	-	204,442	(204,442)	-
Total revenue and support	<u>756,980</u>	<u>-</u>	<u>756,980</u>	<u>784,968</u>	<u>-</u>	<u>784,968</u>
<b>EXPENSES</b>						
Program services	1,290,654	-	1,290,654	1,612,150	-	1,612,150
General and administrative	331,816	-	331,816	255,886	-	255,886
Fundraising	15,306	-	15,306	264,949	-	264,949
Total expenses	<u>1,637,776</u>	<u>-</u>	<u>1,637,776</u>	<u>2,132,985</u>	<u>-</u>	<u>2,132,985</u>
CHANGE IN NET ASSETS	(880,796)	-	(880,796)	(1,348,017)	-	(1,348,017)
<b>NET ASSETS</b>						
Beginning of year	(1,541,537)	-	(1,541,537)	(193,520)	-	(193,520)
End of year	<u>\$ (2,422,333)</u>	<u>\$ -</u>	<u>\$ (2,422,333)</u>	<u>\$ (1,541,537)</u>	<u>\$ -</u>	<u>\$ (1,541,537)</u>

## GRID ALTERNATIVES

### SCHEDULES OF FINANCIAL POSITION - GRID ALTERNATIVES SAN DIEGO, INC. DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 22,206	\$ 37,564
Grants and contracts receivable	303,152	184,933
Intercompany loan and receivable	840,063	26,668
Construction-in-process	113,628	76,275
Prepaid expenses	72,176	111,783
Total current assets	<u>1,351,225</u>	<u>437,223</u>
NON-CURRENT ASSETS		
Property and equipment, net of accumulated depreciation	24,488	27,108
Deposits	8,250	6,550
Total non-current assets	<u>32,738</u>	<u>33,658</u>
Total assets	<u>\$ 1,383,963</u>	<u>\$ 470,881</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and other accrued expenses	\$ 61,353	\$ 37,422
Accrued payroll liabilities	49,275	54,865
Intercompany loan and payable	887,312	100,631
Total current liabilities	<u>997,940</u>	<u>192,918</u>
NET ASSETS		
Unrestricted	386,023	277,963
Total net assets	<u>386,023</u>	<u>277,963</u>
Total liabilities and net assets	<u>\$ 1,383,963</u>	<u>\$ 470,881</u>

## GRID ALTERNATIVES

### SCHEDULES OF ACTIVITIES - GRID ALTERNATIVES SAN DIEGO, INC. YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>						
Grants						
Government	\$ -	\$ 870,395	\$ 870,395	\$ -	\$ 562,154	\$ 562,154
Foundation	51,218	-	51,218	1,119	-	1,119
Corporation	54,500	-	54,500	150,567	-	150,567
Donations - individual and events	16,722	-	16,722	112,778	-	112,778
Service contracts	1,639,963	-	1,639,963	1,407,592	-	1,407,592
In-kind revenue	227,781	-	227,781	512,285	-	512,285
Net assets released from restrictions	870,395	(870,395)	-	562,154	(562,154)	-
Total revenue and support	<u>2,860,579</u>	<u>-</u>	<u>2,860,579</u>	<u>2,746,495</u>	<u>-</u>	<u>2,746,495</u>
<b>EXPENSES</b>						
Program services	2,258,967	-	2,258,967	2,056,902	-	2,056,902
General and administrative	200,723	-	200,723	160,482	-	160,482
Fundraising	292,829	-	292,829	251,148	-	251,148
Total expenses	<u>2,752,519</u>	<u>-</u>	<u>2,752,519</u>	<u>2,468,532</u>	<u>-</u>	<u>2,468,532</u>
CHANGE IN NET ASSETS	108,060	-	108,060	277,963	-	277,963
<b>NET ASSETS</b>						
Beginning of year	277,963	-	277,963	-	-	-
End of year	<u>\$ 386,023</u>	<u>\$ -</u>	<u>\$ 386,023</u>	<u>\$ 277,963</u>	<u>\$ -</u>	<u>\$ 277,963</u>

## GRID ALTERNATIVES

### SCHEDULES OF FINANCIAL POSITION - GRID ALTERNATIVES NORTH VALLEY, INC. DECEMBER 31, 2016 AND 2015

ASSETS	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 52,473	\$ 49,723
Grants and contracts receivable	747,584	127,238
Intercompany loan and receivable	1,285,495	19,990
Construction-in-process	94,073	29,259
Prepaid expenses	116,613	141,676
Total current assets	<u>2,296,238</u>	<u>367,886</u>
NON-CURRENT ASSETS		
Property and equipment, net of accumulated depreciation	92,558	76,125
Deposits	6,865	6,865
Total non-current assets	<u>99,423</u>	<u>82,990</u>
Total assets	<u>\$ 2,395,661</u>	<u>\$ 450,876</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and other accrued expenses	\$ 142,898	\$ 119,357
Accrued payroll liabilities	79,872	60,012
Intercompany loan and payable	2,016,411	267,923
Total current liabilities	<u>2,239,181</u>	<u>447,292</u>
NET ASSETS		
Unrestricted	156,480	3,584
Total net assets	<u>156,480</u>	<u>3,584</u>
Total liabilities and net assets	<u>\$ 2,395,661</u>	<u>\$ 450,876</u>

## GRID ALTERNATIVES

### SCHEDULES OF ACTIVITIES - GRID ALTERNATIVES NORTH VALLEY, INC. YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>						
Grants						
Government	\$ -	\$ 2,955,469	\$ 2,955,469	\$ -	\$ 718,529	\$ 718,529
Foundation	50,000	15,000	65,000	-	50,000	50,000
Corporation	88,073	-	88,073	24,622	-	24,622
Donations - individual and events	24,001	-	24,001	8,048	-	8,048
Service contracts	1,102,839	-	1,102,839	1,899,727	-	1,899,727
In-kind revenue	458,247	-	458,247	621,347	-	621,347
Net assets released from restrictions	2,970,469	(2,970,469)	-	768,529	(768,529)	-
Total revenue and support	<u>4,693,629</u>	<u>-</u>	<u>4,693,629</u>	<u>3,322,273</u>	<u>-</u>	<u>3,322,273</u>
<b>EXPENSES</b>						
Program services	3,704,875	-	3,704,875	2,752,030	-	2,752,030
General and administrative	400,989	-	400,989	185,568	-	185,568
Fundraising	434,869	-	434,869	381,091	-	381,091
Total expenses	<u>4,540,733</u>	<u>-</u>	<u>4,540,733</u>	<u>3,318,689</u>	<u>-</u>	<u>3,318,689</u>
CHANGE IN NET ASSETS	152,896	-	152,896	3,584	-	3,584
<b>NET ASSETS</b>						
Beginning of year	3,584	-	3,584	-	-	-
End of year	<u>\$ 156,480</u>	<u>\$ -</u>	<u>\$ 156,480</u>	<u>\$ 3,584</u>	<u>\$ -</u>	<u>\$ 3,584</u>

## GRID ALTERNATIVES

### SCHEDULES OF FINANCIAL POSITION - GRID ALTERNATIVES MID-ATLANTIC, INC. DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 199,454	\$ 50,316
Grants and contracts receivable	70,453	59,335
Intercompany loan and receivable	108,018	3,312
Construction-in-process	137,522	26,177
Prepaid expenses	47,712	11,982
Total current assets	<u>563,159</u>	<u>151,122</u>
NON-CURRENT ASSETS		
Property and equipment, net of accumulated depreciation	75,804	52,259
Deposits	-	-
Total non-current assets	<u>75,804</u>	<u>52,259</u>
Total assets	<u>\$ 638,963</u>	<u>\$ 203,381</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and other accrued expenses	\$ 85,235	\$ 12,165
Accrued payroll liabilities	47,752	28,031
Intercompany loan and payable	2,327,358	867,934
Total current liabilities	<u>2,460,345</u>	<u>908,130</u>
NET ASSETS		
Unrestricted	(1,821,382)	(704,749)
Total net assets	<u>(1,821,382)</u>	<u>(704,749)</u>
Total liabilities and net assets	<u>\$ 638,963</u>	<u>\$ 203,381</u>



## GRID ALTERNATIVES

### SCHEDULES OF ACTIVITIES - GRID ALTERNATIVES MID-ATLANTIC, INC. YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>						
Grants						
Government	\$ -	\$ 51,129	\$ 51,129	\$ -	\$ 16,289	\$ 16,289
Foundation	-	-	-	-	15,000	15,000
Corporation	40,927	-	40,927	67,157	-	67,157
Donations - individual and events	33,650	-	33,650	7,958	-	7,958
Service contracts	1,066,132	-	1,066,132	460,100	-	460,100
In-kind revenue	158,333	-	158,333	284,670	-	284,670
Net assets released from restrictions	51,129	(51,129)	-	31,289	(31,289)	-
Total revenue and support	<u>1,350,171</u>	<u>-</u>	<u>1,350,171</u>	<u>851,174</u>	<u>-</u>	<u>851,174</u>
<b>EXPENSES</b>						
Program services	2,041,349	-	2,041,349	1,133,210	-	1,133,210
General and administrative	396,238	-	396,238	264,677	-	264,677
Fundraising	29,217	-	29,217	158,036	-	158,036
Total expenses	<u>2,466,804</u>	<u>-</u>	<u>2,466,804</u>	<u>1,555,923</u>	<u>-</u>	<u>1,555,923</u>
CHANGE IN NET ASSETS	(1,116,633)	-	(1,116,633)	(704,749)	-	(704,749)
<b>NET ASSETS</b>						
Beginning of year	(704,749)	-	(704,749)	-	-	-
End of year	<u>\$ (1,821,382)</u>	<u>\$ -</u>	<u>\$ (1,821,382)</u>	<u>\$ (704,749)</u>	<u>\$ -</u>	<u>\$ (704,749)</u>

## GRID ALTERNATIVES

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### SCHEDULE OF FINANCIAL POSITION - GRID ALTERNATIVES CENTRAL VALLEY, INC. DECEMBER 31, 2016

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#### ASSETS

##### CURRENT ASSETS

Cash and cash equivalents	\$ 68,528
Grants and contracts receivable	1,064,067
Intercompany loan and receivable	6,342,347
Construction-in-process	437,753
Prepaid expenses	213,788
Total current assets	<u>8,126,483</u>

##### NON-CURRENT ASSETS

Property and equipment, net of accumulated depreciation	129,679
Deposits	13,760
Total non-current assets	<u>143,439</u>
Total assets	<u>\$ 8,269,922</u>

#### LIABILITIES AND NET ASSETS

##### CURRENT LIABILITIES

Accounts payable and other accrued expenses	\$ 366,921
Accrued payroll liabilities	84,231
Intercompany loan and payable	1,976,490
Total current liabilities	<u>2,427,642</u>

##### NET ASSETS

Unrestricted	5,842,280
Total net assets	<u>5,842,280</u>
Total liabilities and net assets	<u>\$ 8,269,922</u>

GRID Alternatives Central Valley, Inc., became an affiliate in 2016.  
There is no schedule for 2015.

## GRID ALTERNATIVES

### SCHEDULE OF ACTIVITIES - GRID ALTERNATIVES CENTRAL VALLEY, INC. YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants			
Government	\$ -	\$ 4,012,904	\$ 4,012,904
Foundation	-	-	-
Corporation	38,150	-	38,150
Donations - individual and events	1,312	-	1,312
Service contracts	6,188,400	-	6,188,400
In-kind revenue	551,776	-	551,776
Interest income	18	-	18
Net assets released from restrictions	4,012,904	(4,012,904)	-
Total revenue and support	<u>10,792,560</u>	<u>-</u>	<u>10,792,560</u>
EXPENSES			
Program services	4,631,919	-	4,631,919
General and administrative	181,415	-	181,415
Fundraising	136,946	-	136,946
Total expenses	<u>4,950,280</u>	<u>-</u>	<u>4,950,280</u>
CHANGE IN NET ASSETS	5,842,280	-	5,842,280
NET ASSETS			
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 5,842,280</u>	<u>\$ -</u>	<u>\$ 5,842,280</u>

GRID Alternatives Central Valley, Inc., became an affiliate in 2016.

There is no schedule for 2015.

**GRID ALTERNATIVES**  
 CALIFORNIA PUBLIC UTILITIES COMMISSION - SINGLE-FAMILY AFFORDABLE SOLAR HOMES PROGRAM  
 SASH EXPENDITURES, ADVANCES, AND INCENTIVES  
 YEAR ENDED DECEMBER 31, 2016

<b>BUDGET</b>		<b>FISCAL YEAR ENDED DECEMBER 31, 2016</b>					<b>FISCAL YEAR ENDED DECEMBER 31, 2015</b>					<b>TOTAL CONTRACT PERIOD TO DECEMBER 31, 2016</b>	
CONTRACT PERIOD: 12/12/08-12/31/2022		Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL		
<b>ADMINISTRATION</b>		<b>ADMINISTRATION EXPENSE</b>					<b>ADMINISTRATION EXPENSE</b>					<b>TOTAL EXPENDED CONTRACT FROM 12/08 TO 12/31/16</b>	<b>UNEXPENDED ADMINISTRATIVE EXPENSE AS OF DECEMBER 31, 2016</b>
TASK 1												14,478	
TASK 2		405,003	297,545	372,467	354,742	1,429,757	488,854	521,768	472,392	613,968	2,096,981	11,096,190	
TASK 4		-	0	-	-	-	31,101	0	-	-	31,101	577,483	
SASH Program Administration Services	16,230,000	405,003	297,545	372,467	354,742	1,429,757	519,955	521,768	472,392	613,968	2,128,082	11,688,151	4,541,849
Marketing & Outreach (M&O)	6,490,000	126,116	122,233	86,643	103,738	438,730	184,384	184,035	182,802	90,886	642,107	4,716,165	1,773,835
<b>TOTAL</b>	<b>\$ 22,720,000</b>	<b>\$ 531,120</b>	<b>\$ 419,778</b>	<b>\$ 459,110</b>	<b>\$ 458,480</b>	<b>\$ 1,868,488</b>	<b>\$ 704,339</b>	<b>\$ 705,803</b>	<b>\$ 655,194</b>	<b>\$ 704,854</b>	<b>\$ 2,770,189</b>	<b>\$ 16,404,317</b>	<b>\$ 6,315,683</b>
<b>ADMINISTRATION ADVANCE RECEIVED</b>		<b>ADMINISTRATION ADVANCE RECEIVED</b>					<b>ADMINISTRATION ADVANCE RECEIVED</b>					<b>TOTAL ADVANCE RECEIVED FROM 12/08 -12/31/16</b>	
		\$ 110,709	\$ -	\$ 1,580,258	\$ -	\$ 1,690,967	\$ 332,122	\$ 737,728	\$ 1,046,391	\$ 307,037	\$ 2,423,278	\$ 17,082,101	
<b>EARNED &amp; UNEARNED PORTION OF ADVANCE</b>		<b>EARNED &amp; UNEARNED PORTION OF ADVANCE</b>					<b>EARNED &amp; UNEARNED PORTION OF ADVANCE</b>					<b>UNEARNED INCOME AS OF DECEMBER 31,2016</b>	
		\$ 420,411	\$ 419,778	\$ (1,121,148)	\$ 458,480	\$ 177,521	\$ 372,217	\$ (31,925)	\$ (391,197)	\$ 397,817	\$ 346,911	\$ (677,784)	
<b>BUDGET</b>		<b>INCENTIVES INVOICED</b>					<b>INCENTIVES INVOICED</b>					<b>TOTAL INCENTIVES INVOICED</b>	<b>UNEXPENDED INCENTIVES AS OF DECEMBER 31, 2016</b>
CONTRACT PERIOD: 12/12/08-12/31/2022		<b>INCENTIVES PAID</b>					<b>INCENTIVES PAID</b>						
PG&E	60,297,300	445,979	930,416	1,519,848	523,407	3,419,650	1,463,372	1,866,735	1,261,920	1,237,072	5,829,099	44,942,115	15,355,185
SDG&E	14,247,700	233,862	230,025	316,584	294,975	1,075,446	192,842	110,210	247,188	257,445	807,685	11,035,053	3,212,647
SCE	63,444,000	1,527,489	1,081,404	909,646	319,734	3,838,273	1,717,052	1,636,524	1,847,182	2,252,579	7,453,337	44,402,857	19,041,143
<b>TOTAL</b>	<b>\$ 137,989,000</b>	<b>\$ 2,207,330</b>	<b>\$ 2,241,845</b>	<b>\$ 2,746,078</b>	<b>\$ 1,138,116</b>	<b>\$ 8,333,369</b>	<b>\$ 3,373,266</b>	<b>\$ 3,613,469</b>	<b>\$ 3,356,290</b>	<b>\$ 3,747,096</b>	<b>\$ 14,090,121</b>	<b>\$ 100,380,025</b>	<b>\$ 37,608,975</b>
<b>TOTAL BUDGET</b>	<b>\$ 160,709,000</b>												

**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