

## **GRID Alternatives**

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

December 31, 2020 and 2019



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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
GRID Alternatives  
Oakland, California

We have audited the accompanying consolidated financial statements of GRID Alternatives (a California nonprofit corporation) (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, 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.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this 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.

### **Auditor's 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 GRID Alternatives as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



An independent firm  
associated with Moore  
Global Network Limited

## **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 25 - 56 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Additionally, the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

## **Restatement of Prior Period Consolidated Financial Statements**

As described in Note 3 to the consolidated financial statements, the Organization restated its 2019 consolidated financial statements during the current year to properly recognize contributions of materials and equipment. Our opinion is not modified with respect to this matter.



Armanino<sup>LLP</sup>  
San Francisco, California

September 30, 2021

GRID Alternatives  
Consolidated Statements of Financial Position  
December 31, 2020 and 2019

	<u>2020</u>	<u>(Restated) 2019</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 5,094,768	\$ 2,115,939
Grants and contracts receivable	11,377,081	10,744,165
Investments	1,624,023	1,541,155
Construction in process	3,297,898	6,679,858
Prepaid expenses	<u>1,080,966</u>	<u>1,813,332</u>
Total current assets	<u>22,474,736</u>	<u>22,894,449</u>
Property and equipment, net	<u>505,651</u>	<u>613,397</u>
Other assets		
Grants and contracts receivable, net of current portion	3,079,349	300,000
Note receivable	57,000	57,000
Deposits	<u>1,292,371</u>	<u>832,664</u>
Total other assets	<u>4,428,720</u>	<u>1,189,664</u>
 Total assets	 <u>\$ 27,409,107</u>	 <u>\$ 24,697,510</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 2,270,925	\$ 2,690,702
Accrued expenses	1,527,216	1,449,419
Deferred revenue	2,598,870	2,773,516
Line of credit	-	4,684,500
Current portion of notes payable	<u>626,499</u>	<u>-</u>
Total current liabilities	<u>7,023,510</u>	<u>11,598,137</u>
Long-term liabilities		
Notes payable, net of current portion	1,021,609	-
Warranty liability	<u>770,870</u>	<u>644,283</u>
Total long-term liabilities	<u>1,792,479</u>	<u>644,283</u>
Total liabilities	<u>8,815,989</u>	<u>12,242,420</u>
Net assets		
Without donor restrictions	7,785,203	6,271,726
With donor restrictions	<u>10,807,915</u>	<u>6,183,364</u>
Total net assets	<u>18,593,118</u>	<u>12,455,090</u>
 Total liabilities and net assets	 <u>\$ 27,409,107</u>	 <u>\$ 24,697,510</u>

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

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

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

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

GRID Alternatives  
Consolidated Statement of Activities  
For the Year Ended December 31, 2019

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>(Restated)</u> <u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 11,947,859	\$ -	\$ 11,947,859
Contributions	1,592,237	4,612,220	6,204,457
Service contracts	31,492,802	-	31,492,802
In-kind contributions	2,026,947	-	2,026,947
Investment income (loss)	280,636	-	280,636
Rental income	38,383	-	38,383
Net assets released from restriction	<u>7,965,059</u>	<u>(7,965,059)</u>	<u>-</u>
Total revenues, gains, and other support	<u>55,343,923</u>	<u>(3,352,839)</u>	<u>51,991,084</u>
Functional expenses			
Program services	49,303,236	-	49,303,236
Management and general	8,350,197	-	8,350,197
Fundraising	<u>3,055,546</u>	<u>-</u>	<u>3,055,546</u>
Total functional expenses	<u>60,708,979</u>	<u>-</u>	<u>60,708,979</u>
Change in net assets	(5,365,056)	(3,352,839)	(8,717,895)
Net assets, beginning of year	<u>11,636,782</u>	<u>9,536,203</u>	<u>21,172,985</u>
Net assets, end of year	<u>\$ 6,271,726</u>	<u>\$ 6,183,364</u>	<u>\$ 12,455,090</u>

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

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

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

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

GRID Alternatives  
Consolidated Statement of Functional Expenses  
For the Year Ended December 31, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>(Restated) Total</u>
Salaries and wages	\$ 16,523,107	\$ 4,761,997	\$ 2,135,685	\$ 23,420,789
Payroll taxes and fringe benefits	4,612,932	620,503	447,780	5,681,215
Travel and conferences	1,428,532	328,960	116,986	1,874,478
Printing expense	96,518	49,823	12,289	158,630
Bank charges	64,863	-	-	64,863
Program material supplies and permits	15,155,533	48,202	13,186	15,216,921
Program consultants	883,380	-	-	883,380
Insurance	381,200	332,423	27,539	741,162
Telecommunication	304,280	160,756	29,646	494,682
Staff development	166,500	82,784	9,465	258,749
Facilities	1,215,859	471,291	102,496	1,789,646
Professional fees	4,934,870	1,261,517	147,064	6,343,451
Postage	32,670	17,007	4,431	54,108
Office expenses	90,132	180,652	6,151	276,935
Depreciation	281,635	10,715	2,828	295,178
Taxes and licenses	104,657	23,567	-	128,224
Interest expense	294,323	-	-	294,323
Donations and awards	2,732,245	-	-	2,732,245
	<u>\$ 49,303,236</u>	<u>\$ 8,350,197</u>	<u>\$ 3,055,546</u>	<u>\$ 60,708,979</u>

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

GRID Alternatives  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>(Restated) 2019</u>
Cash flows from operating activities		
Change in net assets	\$ 6,138,028	\$ (8,717,895)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	264,658	295,178
(Gain) loss on investments	242,493	(280,636)
Changes in operating assets and liabilities		
Contributions and contracts receivable	(3,412,265)	2,663,427
Construction in process	3,381,960	(1,104,610)
Prepaid expenses	732,366	832,780
Deposits	(459,707)	(362,924)
Accounts payable	(419,777)	60,195
Accrued expenses	77,797	323,291
Deferred revenue	(174,646)	1,825,875
Warranty liability	126,587	(47,162)
Net cash provided by (used in) operating activities	<u>6,497,494</u>	<u>(4,512,481)</u>
Cash flows from investing activities		
Purchase of investments	(3,364,081)	(2,148,891)
Proceeds from sale of investments	3,038,720	2,186,675
Purchase of property and equipment	(156,912)	(166,065)
Repayment (issuance) of note receivable	-	(57,000)
Net cash used in investing activities	<u>(482,273)</u>	<u>(185,281)</u>
Cash flows from financing activities		
Net repayment on line of credit	(4,684,500)	3,684,500
Borrowings of long-term debt	1,648,108	-
Net cash provided by (used in) financing activities	<u>(3,036,392)</u>	<u>3,684,500</u>
Net increase (decrease) in cash and cash equivalents	2,978,829	(1,013,262)
Cash and cash equivalents, beginning of year	<u>2,115,939</u>	<u>3,129,201</u>
Cash and cash equivalents, end of year	<u>\$ 5,094,768</u>	<u>\$ 2,115,939</u>

Supplemental disclosure of cash flow information

Cash paid during the year interest	\$ 180,555	\$ 294,323
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The accompanying notes are an integral part of these consolidated financial statements.

GRID Alternatives  
Notes to Consolidated Financial Statements  
December 31, 2020 and December 31, 2019

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. During 2017, it operated three regional branch offices under its entity, located in the Bay Area, Central Coast and Inland Empire regions of California. During the year ended December 31, 2018, these three branch offices spun-off as separate affiliates. The Organization also conducts work in tribal communities in North and South Dakota, Arizona, Montana, New Mexico and Washington, and conducts work in Nicaragua, Nepal and Mexico.

The Organization is affiliated with GRID Alternatives Colorado, Inc., GRID Alternatives Greater Los Angeles, Inc., GRID Alternatives San Diego, Inc., GRID Alternatives North Valley, Inc., GRID Alternatives Mid-Atlantic, Inc., GRID Alternatives Central Valley, Inc., GRID Alternatives Bay Area, Inc., GRID Alternatives Central Coast, Inc., and GRID Alternatives Inland Empire, Inc. These affiliates install solar electric systems for low-income families and affordable housing providers throughout their region, providing families with needed savings and training workers for jobs in the growing solar industry. The financial activity of these organizations is included in the accompanying consolidated financial statements of the Organization. GRID Alternatives Central Coast, Inc. ceased operations in 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

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

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

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

GRID Alternatives  
Notes to Consolidated Financial Statements  
December 31, 2020 and December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Principles of consolidation

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

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual events and results could differ from those assumptions and estimates.

Cash and cash equivalents

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

Receivables

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

An allowance for doubtful accounts is provided based upon management's judgment, past experiences and other circumstances. Account balances are charged off against the allowance for doubtful accounts after all means of collection have been exhausted and the potential for recovery is considered remote. There is no allowance for doubtful accounts at December 31, 2020 and 2019 as management has determined all outstanding accounts receivable balances to be collectible.

GRID Alternatives  
Notes to Consolidated Financial Statements  
December 31, 2020 and December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and fair value measurements

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

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

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

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

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

GRID Alternatives  
Notes to Consolidated Financial Statements  
December 31, 2020 and December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Construction in process

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

Prepaid expenses

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

Property and equipment

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

Deferred revenue

The Organization records deferred revenue in connection with advances provided by a funding source's contractual disbursement agreement. Deferred revenue is reclassified to revenue when it is earned. Advances at December 31, 2020 and 2019 consist of the administrative portion of the Single-Family Affordable Solar Homes (SASH) program, Disadvantaged Communities - Single-family Solar Homes (DAC-SASH) program, and the Solar on Multifamily Affordable Housing (SOMAH) program under agreements with the State of California and Southern California Edison (SCE) program, Department of Community Services and Development (CSD), California Air Resources Board, Tribal Solar Projects, and other program revenue.

Warranties

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

GRID Alternatives  
Notes to Consolidated Financial Statements  
December 31, 2020 and December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

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

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

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

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

Functional expenses

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

GRID Alternatives  
Notes to Consolidated Financial Statements  
December 31, 2020 and December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional expenses (continued)

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

Income tax status

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

U.S. GAAP requires management to evaluate the tax positions taken by the Organization and to recognize a tax liability if the Organization has taken an uncertain position that, more likely than not, would not be sustained upon examination by the Internal Revenue Service ("IRS"). Management has analyzed the tax positions taken by the Organization and has concluded that, as of December 31, 2020, there are no uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the consolidated financial statements. The Organization is subject to routine audits by the taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Concentrations

A contribution receivable from one donor comprises 41% of the Organization's grants and contracts receivable balance as of December 31, 2020. Contracts receivable from two customers comprise 28% of the Organization's grants and contracts receivable balance as of December 31, 2019.

Revenues from SASH and DAC-SASH programs, including incentives received from installation of solar electric systems and administration of programs, totaled approximately 41% and 47% of the Organization's service contracts revenue for the years ended December 31, 2020 and 2019, respectively. Revenues from one customer comprises approximately 10% and 20% of the Organization's service contracts revenue for the years ended December 31, 2020 and 2019, respectively.

Contribution revenue from one donor comprises approximately 30% and 10% of the Organization's total contribution revenue for the years ended December 31, 2020 and 2019, respectively.

GRID Alternatives  
Notes to Consolidated Financial Statements  
December 31, 2020 and December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain amounts in the 2019 financial statements have been reclassified to conform to the 2020 financial statement presentation.

3. RESTATEMENT OF 2019 FINANCIAL STATEMENTS

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

The effects of the correction on amounts previously reported in the consolidated financial statements as of and for the year ended December 31, 2019 are as follows:

	<u>As Previously Reported</u>	<u>Correction</u>	<u>Restated Amount</u>
Construction in process	\$ 4,825,637	\$ 1,854,221	\$ 6,679,858
Donations and awards expense	\$ 3,375,094	\$ (642,849)	\$ 2,732,245
Net assets at December 31, 2019	\$ 10,600,874	\$ 1,854,216	\$ 12,455,090
Net assets at December 31, 2018	\$ 19,961,618	\$ 1,211,367	\$ 21,172,985
Change in net assets	\$ (9,360,744)	\$ 642,849	\$ (8,717,895)

4. INVESTMENTS

Investments consisted of the following:

	<u>2020</u>	<u>2019</u>
Certificates of deposit	\$ 16,151	\$ 15,947
Insured deposits	489,789	35,151
Fixed income funds	658,402	516,373
Government and corporate bonds	454,493	-
Equity securities	<u>5,188</u>	<u>973,684</u>
	<u>\$ 1,624,023</u>	<u>\$ 1,541,155</u>

GRID Alternatives  
Notes to Consolidated Financial Statements  
December 31, 2020 and December 31, 2019

4. INVESTMENTS (continued)

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

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

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Certificates of deposit	\$ 15,947	\$ -	\$ -	\$ 15,947
Insured deposits	35,151	-	-	35,151
Fixed income funds	516,373	-	-	516,373
Equity securities	<u>973,684</u>	<u>-</u>	<u>-</u>	<u>973,684</u>
	<u>\$ 1,541,155</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,541,155</u>

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>2020</u>	<u>2019</u>
Furniture and fixtures	\$ 1,724,036	\$ 1,601,260
Accumulated depreciation	<u>(1,218,385)</u>	<u>(987,863)</u>
	<u>\$ 505,651</u>	<u>\$ 613,397</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$264,658 and \$295,178, respectively.

GRID Alternatives  
Notes to Consolidated Financial Statements  
December 31, 2020 and December 31, 2019

6. LINE OF CREDIT

The Organization's established maximum available line of credit balance was \$9,000,000 as of December 31, 2019. The line of credit bore interest at the U.S. Prime Index Rate plus 1.25%, and matured in March 2020. On February 10, 2020, the line of credit was renewed to extend the term through June 5, 2020. On June 18, 2020, the line of credit was renewed again with a maturity date of January 5, 2021, and a maximum line of credit amount of \$5,804,254. This line of credit was not renewed upon its maturity in January 2021.

On March 23, 2021, the Organization entered into a new line of credit agreement with a maximum line amount of \$7,000,000 and a maturity date of March 23, 2022. The line of credit bears interest at 1.00% over the Prime Rate which was 3.25% at the date of the agreement. The note is secured by certain assets of the Organization.

The Organization had an outstanding line of credit balance of \$0 and \$4,684,500 as of December 31, 2020 and 2019, respectively.

7. NOTES PAYABLE

During April to June of 2020, GRID Alternatives and certain of its affiliates entered into agreements with the U.S. Small Business Administration (SBA) to obtain funding from the Economic Injury Disaster Loan ("EIDL") program for a total amount of \$950,000. The loans accrue interest at 2.75% per annum and monthly payments begin on varying dates between April to June 2021 with total principal and interest due on varying dates between April to June 2050. The 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 amounted to \$950,000 at December 31, 2020.

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

In June 2020, the Organization entered into a purchase agreement for a vehicle and financed the purchase with a note for \$35,580. Monthly payments are due through 2026. The outstanding balance on the note amounted to \$33,108 at December 31, 2020.

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

GRID Alternatives  
Notes to Consolidated Financial Statements  
December 31, 2020 and December 31, 2019

7. NOTES PAYABLE (continued)

Notes payable consist of the following:

	2020	2019
EIDL - GRID Alternatives	\$ 150,000	\$ -
EIDL - GRID Alternatives Bay Area	500,000	-
EIDL - GRID Alternatives San Diego	150,000	-
EIDL - GRID Alternatives Central Valley	150,000	-
Loan from a related party	80,000	-
Truck loan	33,108	-
Grant loan	585,000	-
	1,648,108	-
Current portion	(626,499)	-
	\$ 1,021,609	\$ -

The future maturities of the notes payable are as follows:

Year ending December 31,

2021		\$ 626,499
2022		49,165
2023		49,751
2024		50,354
2025		30,974
Thereafter		841,365
		\$ 1,648,108

GRID Alternatives  
Notes to Consolidated Financial Statements  
December 31, 2020 and December 31, 2019

8. PAYCHECK PROTECTION PROGRAM

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

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

As of December 31, 2020, the Organization has used the full amount of PPP proceeds to fund eligible payroll, rent, and utility expenses under the terms of the PPP loan and believes that it will qualify for forgiveness. As a result, the Organization has accounted for the PPP loan in accordance with the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") 958-605 as a conditional contribution. The Organization initially recorded the amount received as a refundable advance followed by a reduction in the advance and recognition of revenue as the aforementioned conditions were substantially met. Accordingly, the Organization has recognized total PPP loan proceeds of \$4,975,400 as conditional grant revenue in the accompanying consolidated statement of activities.

Subsequent to year end, the Organization received notification that all PPP loans were forgiven by the SBA.

9. COMMITMENTS AND CONTINGENCIES

Operating leases

The Organization leases various office spaces under non-cancelable operating leases through 2026. Rental expense for the years ending December 31, 2020 and 2019 was \$1,456,704 and \$1,430,631, respectively.

GRID Alternatives  
Notes to Consolidated Financial Statements  
December 31, 2020 and December 31, 2019

9. COMMITMENTS AND CONTINGENCIES (continued)

Operating leases (continued)

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

Year ending December 31,

2021	\$ 1,033,999
2022	589,566
2023	381,158
2024	324,231
2025	182,421
Thereafter	<u>33,228</u>
	<u><u>\$ 2,544,603</u></u>

10. RETIREMENT PLAN

The Organization offers a 403(b) retirement plan to all of its employees. The Organization offers Employer Contribution to employees who have established 18 months of employment. The Organization contributed \$106,714 and \$103,833 during the years ended December 31, 2020 and 2019, respectively.

11. RELATED PARTY

The Organization engaged in transactions with the employers of two members of the Organization's Board of Directors. The Organization received in-kind legal services with a value of \$69,058 and \$74,211 from law firms that employ members of the Board of Directors members for the years ended December 31, 2020 and 2019, respectively.

12. IN-KIND CONTRIBUTIONS

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

GRID Alternatives  
Notes to Consolidated Financial Statements  
December 31, 2020 and December 31, 2019

12. IN-KIND CONTRIBUTIONS (continued)

In-kind contributions are as follows:

	<u>2020</u>	<u>2019</u>
Construction materials	\$ 917,729	\$ 1,221,726
Legal services	789,075	363,680
Volunteer services	-	23,142
Other	<u>56,340</u>	<u>418,399</u>
	<u>\$ 1,763,144</u>	<u>\$ 2,026,947</u>

13. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are for the following purposes:

	<u>2020</u>	<u>2019</u>
Workforce	\$ 9,003,037	\$ 494,740
Tribal	688,212	2,560,000
Solar installation	522,950	2,248,334
Time restricted	307,500	225,000
Fiscal agent	99,244	81,790
International	86,167	4,000
Workday	65,000	-
COVID	25,000	-
Region	5,000	17,500
Staff time	5,000	-
Clean mobility	-	40,000
Consultation	805	-
Solar Spring break	-	500,000
Energy for all	-	2,000
Solar futures	<u>-</u>	<u>10,000</u>
	<u>\$ 10,807,915</u>	<u>\$ 6,183,364</u>

Net assets of \$9,108,264 and \$7,965,059 were released from restriction during the years ended December 31, 2020 and 2019, respectively, in accordance with the donors intent.

14. DESIGNATED NET ASSETS

The Organization maintains a reserve, designated from net assets without donor restrictions. Board designated net assets are included in net assets without donor restrictions, but are subject to conditions placed by the governing board, such as for future programs, investments, contingencies, purchases, construction of fixed assets, or other uses. As of December 31, 2020 and 2019, the designated net assets were \$1,500,000.

GRID Alternatives  
Notes to Consolidated Financial Statements  
December 31, 2020 and December 31, 2019

15. 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, 2020 and 2019 to fund general expenditures and other obligations as they become due:

	2020	2019
Financial assets		
Cash and cash equivalents	\$ 5,094,768	\$ 2,115,939
Investments	1,624,023	1,541,155
Contributions and contracts receivable, current portion	<u>11,377,081</u>	<u>10,744,165</u>
	<u>18,095,872</u>	<u>14,401,259</u>
Less: amounts unavailable for general expenditures within one year due to:		
Donor restrictions	(10,807,915)	(6,183,364)
Board designation	<u>(1,500,000)</u>	<u>(1,500,000)</u>
	<u>(12,307,915)</u>	<u>(7,683,364)</u>
	<u>\$ 5,787,957</u>	<u>\$ 6,717,895</u>

The Organization has financial assets available at December 31, 2020 to cover approximately 39 days of operating expenses based on the fiscal year 2021 budget. In the event of an unanticipated liquidity need, the Organization may draw upon its \$7 million available line of credit. See Note 6 for further description of the line of credit. In addition, the Organization is able to utilize the board designated funds as deemed necessary to assist with the Organization's liquidity needs.

16. RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. The Organization has adjusted certain aspects of the Organization's operations to protect its employees and customers. Because the Organization's operations are directly impacted by these events, the pandemic has negatively impacted the Organization. However, the continued financial impact and duration cannot be reasonably estimated at this time.

GRID Alternatives  
Notes to Consolidated Financial Statements  
December 31, 2020 and December 31, 2019

17. SUBSEQUENT EVENTS

Management has evaluated material subsequent events through September 30, 2021, the date the consolidated financial statements were available to be issued. No subsequent events, other than as previously noted and as described below, have occurred that would have a material impact on the presentation of the Organization's consolidated financial statements.

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

On July 12, 2021, GRID Alternatives Colorado, Inc. entered into an agreement for an EIDL loan in the amount of \$150,000 with installment payments of \$641 to begin 12 months from the date of the promissory note and continuing over a 30-year term. The loan bears interest at 2.75% per annum.

SUPPLEMENTARY INFORMATION

GRID Alternatives  
Consolidating Statement of Financial Position  
December 31, 2020

ASSETS

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

GRID Alternatives  
Consolidating Statement of Financial Position  
December 31, 2020

LIABILITIES AND NET ASSETS

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

GRID Alternatives  
Consolidating Statement of Financial Position  
December 31, 2019

ASSETS

	GRID Alternatives, Inc.	GRID Alternatives Affiliates	Eliminating Entries	Total
Current assets				
Cash and cash equivalents	\$ 795,727	\$ 1,320,212	\$ -	\$ 2,115,939
Grants and contracts receivable	4,820,659	6,156,486	(232,980)	10,744,165
Intercompany receivable	15,673,620	16,818,070	(32,491,690)	-
Investments	1,541,155	-	-	1,541,155
Construction in process	3,719,078	2,960,780	-	6,679,858
Prepaid expenses	393,842	1,419,490	-	1,813,332
Total current assets	<u>26,944,081</u>	<u>28,675,038</u>	<u>(32,724,670)</u>	<u>22,894,449</u>
Property and equipment, net	<u>102,777</u>	<u>510,620</u>	<u>-</u>	<u>613,397</u>
Other assets				
Grants and contracts receivable, net of current portion	100,000	200,000	-	300,000
Deposits	109,153	723,511	-	832,664
Note receivable	57,000	-	-	57,000
Total other assets	<u>266,153</u>	<u>923,511</u>	<u>-</u>	<u>1,189,664</u>
Total assets	<u>\$ 27,313,011</u>	<u>\$ 30,109,169</u>	<u>\$ (32,724,670)</u>	<u>\$ 24,697,510</u>

LIABILITIES AND NET ASSETS

	GRID Alternatives, Inc.	GRID Alternatives Affiliates	Eliminating Entries	Total
Current liabilities				
Accounts payable	\$ 1,113,921	\$ 1,809,761	\$ (232,980)	\$ 2,690,702
Accrued expenses	574,749	874,670	-	1,449,419
Deferred revenue	1,733,046	1,040,470	-	2,773,516
Intercompany payable	15,879,073	16,612,617	(32,491,690)	-
Line of credit	4,684,500	-	-	4,684,500
Total current liabilities	<u>23,985,289</u>	<u>20,337,518</u>	<u>(32,724,670)</u>	<u>11,598,137</u>
Warranty liability	<u>11,594</u>	<u>632,689</u>	<u>-</u>	<u>644,283</u>
Total liabilities	<u>23,996,883</u>	<u>20,970,207</u>	<u>(32,724,670)</u>	<u>12,242,420</u>
Net assets				
Without donor restrictions	(1,269,542)	7,541,268	-	6,271,726
With donor restrictions	4,585,670	1,597,694	-	6,183,364
Total net assets	<u>3,316,128</u>	<u>9,138,962</u>	<u>-</u>	<u>12,455,090</u>
Total liabilities and net assets	<u>\$ 27,313,011</u>	<u>\$ 30,109,169</u>	<u>\$ (32,724,670)</u>	<u>\$ 24,697,510</u>

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

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

GRID Alternatives  
Consolidating Statement of Activities  
For The Year Ended December 31, 2019

	GRID Alternatives		GRID Affiliates		Eliminating Entries	Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
Revenues, gains, and other support						
Government grants	\$ 4,271,931	\$ -	\$ 7,675,928	\$ -	\$ -	\$ 11,947,859
Contributions	743,349	1,832,300	848,888	2,779,920	-	6,204,457
Service contracts	9,282,608	-	29,915,764	-	(7,705,570)	31,492,802
In-kind contributions	1,248,172	-	778,775	-	-	2,026,947
Investment income	280,514	-	122	-	-	280,636
Rental income	38,383	-	-	-	-	38,383
	15,864,957	1,832,300	39,219,477	2,779,920	(7,705,570)	51,991,084
Net assets released from restriction	6,128,050	(6,128,050)	1,837,008	(1,837,008)	-	-
Total revenues, gains, and other support	21,993,007	(4,295,750)	41,056,485	942,912	(7,705,570)	51,991,084
Functional expenses						
Program services	14,217,913	-	34,312,977	-	772,346	49,303,236
General and administrative	6,558,636	-	10,269,477	-	(8,477,916)	8,350,197
Fundraising	1,345,198	-	1,710,348	-	-	3,055,546
Total functional expenses	22,121,747	-	46,292,802	-	7,705,570	60,708,979
Changes in net assets	(128,740)	(4,295,750)	(5,236,317)	942,912	-	(8,717,895)
Net assets, beginning of year	(1,140,802)	8,881,420	12,777,584	654,783	-	21,172,985
Net assets, end of year	\$ (1,269,542)	\$ 4,585,670	\$ 7,541,267	\$ 1,597,695	\$ -	\$ 12,455,090

GRID Alternatives  
Schedules of Financial Position - GRID Alternatives Greater Los Angeles, Inc.  
December 31, 2020 and 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Current assets		
Cash and cash equivalents	\$ 164,668	\$ 165,293
Grants and contracts receivables	589,079	370,606
Intercompany receivable	83,426	88,157
Construction in process	240,516	400,771
Prepaid expenses	43,064	220,085
Total current assets	<u>1,120,753</u>	<u>1,244,912</u>
Property and equipment, net	<u>13,217</u>	<u>30,915</u>
Other assets		
Deposits	<u>17,366</u>	<u>17,366</u>
Total other assets	<u>17,366</u>	<u>17,366</u>
Total assets	<u>\$ 1,151,336</u>	<u>\$ 1,293,193</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 148,047	\$ 156,059
Accrued expenses	80,511	86,057
Intercompany payable	1,693,368	1,635,476
Total current liabilities	<u>1,921,926</u>	<u>1,877,592</u>
Warranty liability	<u>6,097</u>	<u>12,755</u>
Total liabilities	<u>1,928,023</u>	<u>1,890,347</u>
Net assets		
Without donor restriction	(1,219,187)	(978,894)
With donor restrictions	442,500	381,740
Total net assets	<u>(776,687)</u>	<u>(597,154)</u>
Total liabilities and net assets	<u>\$ 1,151,336</u>	<u>\$ 1,293,193</u>

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

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

GRID Alternatives  
Schedule of Activities - GRID Alternatives Greater Los Angeles, Inc.  
For The Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Contributions	\$ 179,566	\$ 640,540	\$ 820,106
Program revenue	3,144,099	-	3,144,099
In-kind contributions	<u>84,358</u>	<u>-</u>	<u>84,358</u>
Net assets released from restriction	<u>770,585</u>	<u>(770,585)</u>	<u>-</u>
Total revenues, gains, and other support	<u>4,178,608</u>	<u>(130,045)</u>	<u>4,048,563</u>
Functional expenses			
Program services	5,116,983	-	5,116,983
General and administrative	612,101	-	612,101
Fundraising	<u>220,237</u>	<u>-</u>	<u>220,237</u>
Total functional expenses	<u>5,949,321</u>	<u>-</u>	<u>5,949,321</u>
Changes in net assets	(1,770,713)	(130,045)	(1,900,758)
Net assets, beginning of year	<u>791,819</u>	<u>511,785</u>	<u>1,303,604</u>
Net assets (deficit), end of year	<u>\$ (978,894)</u>	<u>\$ 381,740</u>	<u>\$ (597,154)</u>

GRID Alternatives  
Schedules of Financial Position - GRID Alternatives Colorado, Inc.  
December 31, 2020 and 2019

ASSETS

	2020	2019
Current assets		
Cash and cash equivalents	\$ 179,787	\$ 100,908
Grants and contracts receivable	1,705,709	946,248
Intercompany receivable	39,120	63,613
Construction in process	107,704	169,089
Prepaid expenses	32,909	13,727
Total current assets	2,065,229	1,293,585
Property and equipment, net	49,151	22,824
Other assets		
Deposits	600,556	146,749
Total other assets	600,556	146,749
 Total assets	 \$ 2,714,936	 \$ 1,463,158

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 532,525	\$ 366,135
Accrued expenses	86,079	75,295
Intercompany payable	4,810,464	4,283,329
Current portion of notes payable	5,930	-
Total current liabilities	5,434,998	4,724,759
Long-term liabilities		
Warranty liability	131,537	124,915
Notes payable, net of current portion	27,178	-
Total long-term liabilities	158,715	124,915
Total liabilities	5,593,713	4,849,674
Net assets		
Without donor restrictions	(2,805,226)	(3,588,516)
With donor restrictions	(73,551)	202,000
Total net assets	(2,878,777)	(3,386,516)
 Total liabilities and net assets	 \$ 2,714,936	 \$ 1,463,158

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

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

GRID Alternatives  
Schedule of Activities - GRID Alternatives Colorado, Inc.  
For the Year Ended December 31, 2019

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 1,667,871	\$ -	\$ 1,667,871
Contributions	120,185	286,000	406,185
Program revenue	2,420,351	-	2,420,351
In-kind Contributions	<u>45,161</u>	<u>-</u>	<u>45,161</u>
Net assets released from restriction	<u>117,000</u>	<u>(117,000)</u>	<u>-</u>
Total revenues, gains, and other support	<u>4,370,568</u>	<u>169,000</u>	<u>4,539,568</u>
Functional expenses			
Program services	4,556,591	-	4,556,591
General and administrative	312,942	-	312,942
Fundraising	<u>99,081</u>	<u>-</u>	<u>99,081</u>
Total functional expenses	<u>4,968,614</u>	<u>-</u>	<u>4,968,614</u>
Changes in net assets	(598,046)	169,000	(429,046)
Net assets, beginning of year	<u>(2,990,470)</u>	<u>33,000</u>	<u>(2,957,470)</u>
Net assets, end of year	<u>\$ (3,588,516)</u>	<u>\$ 202,000</u>	<u>\$ (3,386,516)</u>

GRID Alternatives  
Schedules of Financial Position - GRID Alternatives San Diego, Inc.  
December 31, 2020 and 2019

ASSETS

	2020	2019
Current assets		
Cash and cash equivalents	\$ 151,463	\$ 95,547
Grants and contracts receivable	973,421	715,428
Intercompany receivable	208,631	99,236
Construction in process	87,074	213,752
Prepaid expenses	29,383	94,484
Total current assets	1,449,972	1,218,447
Property and equipment, net	23,289	26,575
Other assets		
Deposits	8,250	8,250
Total other assets	8,250	8,250
Total assets	\$ 1,481,511	\$ 1,253,272

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 179,972	\$ 137,507
Accrued expenses	96,434	75,579
Deferred revenue	183,861	230,634
Intercompany payable	818,144	962,233
Current portion of notes payable	2,395	-
Total current liabilities	1,280,806	1,405,953
Long-term liabilities		
Warranty liability	20,650	20,883
Notes payable, net of current portion	147,605	-
Total long-term liabilities	168,255	20,883
Total liabilities	1,449,061	1,426,836
Net assets		
Without donor restriction	(118,743)	(297,021)
With donor restriction	151,193	123,457
Total net assets	32,450	(173,564)
Total liabilities and net assets	\$ 1,481,511	\$ 1,253,272

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

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

GRID Alternatives  
Schedule of Activities - GRID Alternatives San Diego, Inc.  
For The Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 316,354	\$ -	\$ 316,354
Contributions	152,379	357,580	509,959
Program revenue	1,718,933	-	1,718,933
In-kind contributions	<u>32,412</u>	<u>-</u>	<u>32,412</u>
Net assets released from restriction	<u>234,123</u>	<u>(234,123)</u>	<u>-</u>
Total revenues, gains, and other support	<u>2,454,201</u>	<u>123,457</u>	<u>2,577,658</u>
Functional expenses			
Program services	2,650,972	-	2,650,972
General and administrative	242,280	-	242,280
Fundraising	<u>111,893</u>	<u>-</u>	<u>111,893</u>
Total functional expenses	<u>3,005,145</u>	<u>-</u>	<u>3,005,145</u>
Changes in net assets	(550,944)	123,457	(427,487)
Net assets, beginning of year	<u>253,923</u>	<u>-</u>	<u>253,923</u>
Net assets, end of year	<u>\$ (297,021)</u>	<u>\$ 123,457</u>	<u>\$ (173,564)</u>

GRID Alternatives  
Schedules of Financial Position - GRID Alternatives North Valley, Inc.  
December 31, 2020

ASSETS

	2020	2019
Current assets		
Cash and cash equivalents	\$ 148,886	\$ 212,255
Grants and contracts receivable	784,867	896,539
Intercompany receivable	460,077	527,669
Construction in process	151,691	443,812
Prepaid expenses	135,027	304,225
Total current assets	1,680,548	2,384,500
Property and equipment, net	60,769	91,632
Other assets		
Contributions receivable, net of current portion	-	100,000
Deposits	19,695	19,695
Total other assets	19,695	119,695
Total assets	\$ 1,761,012	\$ 2,595,827

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 88,344	\$ 80,986
Accrued expenses	171,422	154,996
Deferred revenue	250,000	-
Intercompany payable	1,339,683	2,909,294
Total current liabilities	1,849,449	3,145,276
Warranty liability	101,504	69,220
Total liabilities	1,950,953	3,214,496
Net assets		
Without donor restriction	(450,746)	(863,669)
With donor restriction	260,805	245,000
Total net assets	(189,941)	(618,669)
Total liabilities and net assets	\$ 1,761,012	\$ 2,595,827

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

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

GRID Alternatives  
Schedule of Activities - GRID Alternatives North Valley, Inc.  
For The Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 852,863	\$ -	\$ 852,863
Contributions	36,036	513,000	549,036
Program revenue	4,468,111	-	4,468,111
In-kind contributions	<u>68,029</u>	<u>-</u>	<u>68,029</u>
Net assets released from restriction	<u>293,000</u>	<u>(293,000)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,718,039</u>	<u>220,000</u>	<u>5,938,039</u>
Functional expenses			
Program services	4,939,247	-	4,939,247
General and administrative	746,488	-	746,488
Fundraising	<u>500,042</u>	<u>-</u>	<u>500,042</u>
Total functional expenses	<u>6,185,777</u>	<u>-</u>	<u>6,185,777</u>
Changes in net assets	(467,738)	220,000	(247,738)
Net assets, beginning of year	<u>(395,931)</u>	<u>25,000</u>	<u>(370,931)</u>
Net assets, end of year	<u>\$ (863,669)</u>	<u>\$ 245,000</u>	<u>\$ (618,669)</u>

GRID Alternatives  
Schedules of Financial Position - GRID Alternatives Mid-Atlantic, Inc.  
December 31, 2020 and 2019

ASSETS

	2020	2019
Current assets		
Cash and cash equivalents	\$ 119,607	\$ 8,504
Grants and contracts receivable	460,287	1,607,481
Intercompany receivable	103,967	105,222
Construction in process	48,110	192,531
Prepaid expenses	23,939	24,947
Total current assets	755,910	1,938,685
Property and equipment, net	12,749	21,146
Other assets		
Contributions receivable, net of current portion	22,349	-
Deposits	514,094	514,094
Total other assets	536,443	514,094
Total assets	\$ 1,305,102	\$ 2,473,925

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 90,033	\$ 414,198
Accrued expenses	64,770	104,586
Intercompany payable	5,511,911	6,395,290
Total current liabilities	5,666,714	6,914,074
Warranty liability	173,807	53,095
Total liabilities	5,840,521	6,967,169
Net assets		
Without donor restriction	(4,610,419)	(4,493,244)
With donor restriction	75,000	-
Total net assets	(4,535,419)	(4,493,244)
Total liabilities and net assets	\$ 1,305,102	\$ 2,473,925

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

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

GRID Alternatives  
Schedule of Activities - GRID Alternatives Mid-Atlantic, Inc.  
For The Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 2,984,128	\$ -	\$ 2,984,128
Contributions	52,131	5,300	57,431
Program revenue	1,955,655	-	1,955,655
In-kind contributions	<u>40,048</u>	<u>-</u>	<u>40,048</u>
Net assets released from restriction	<u>5,300</u>	<u>(5,300)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,037,262</u>	<u>-</u>	<u>5,037,262</u>
Functional expenses			
Program services	4,908,458	-	4,908,458
General and administrative	822,399	-	822,399
Fundraising	<u>241,325</u>	<u>-</u>	<u>241,325</u>
Total functional expenses	<u>5,972,182</u>	<u>-</u>	<u>5,972,182</u>
Changes in net assets	(934,920)	-	(934,920)
Net assets, beginning of year	<u>(3,558,324)</u>	<u>-</u>	<u>(3,558,324)</u>
Net assets, end of year	<u>\$ (4,493,244)</u>	<u>\$ -</u>	<u>\$ (4,493,244)</u>

GRID Alternatives  
Schedules of Financial Position - GRID Alternatives Central Valley, Inc.  
December 31, 2020 and 2019

ASSETS

	2020	2019
Current assets		
Cash and cash equivalents	\$ 149,637	\$ 45,162
Grants and contracts receivable	614,649	458,055
Intercompany receivable	8,456,837	7,950,171
Construction in process	253,291	511,838
Prepaid expenses	114,188	186,110
Total current assets	9,588,602	9,151,336
Property and equipment, net	108,333	181,419
Other assets		
Deposits	17,357	17,357
Total other assets	17,357	17,357
Total assets	\$ 9,714,292	\$ 9,350,112

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 81,663	\$ 277,508
Accrued expenses	144,634	136,439
Intercompany payable	297,286	285,944
Current portion of notes payable	2,094	-
Total current liabilities	525,677	699,891
Long-term liabilities		
Warranty liability	110,131	100,503
Notes payable, net of current portion	147,906	-
Total long-term liabilities	258,037	100,503
Total liabilities	783,714	800,394
Net assets		
Without donor restriction	8,920,578	8,499,718
With donor restriction	10,000	50,000
Total net assets	8,930,578	8,549,718
Total liabilities and net assets	\$ 9,714,292	\$ 9,350,112

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

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

GRID Alternatives  
Schedule of Activities - GRID Alternatives Central Valley, Inc.  
For The Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 211,024	\$ -	\$ 211,024
Contributions	(3,517)	60,000	56,483
Program revenue	5,992,830	-	5,992,830
In-kind contributions	<u>175,080</u>	<u>-</u>	<u>175,080</u>
Total grant	6,375,417	60,000	6,435,417
Net assets released from restriction	<u>10,000</u>	<u>(10,000)</u>	<u>-</u>
Total revenues, gains, and other support	<u>6,385,417</u>	<u>50,000</u>	<u>6,435,417</u>
Functional expenses			
Program services	6,516,820	-	6,516,820
General and administrative	287,943	-	287,943
Fundraising	<u>243,150</u>	<u>-</u>	<u>243,150</u>
Total functional expenses	<u>7,047,913</u>	<u>-</u>	<u>7,047,913</u>
Changes in net assets	(662,496)	50,000	(612,496)
Net assets, beginning of year	<u>9,162,214</u>	<u>-</u>	<u>9,162,214</u>
Net assets, end of year	<u>\$ 8,499,718</u>	<u>\$ 50,000</u>	<u>\$ 8,549,718</u>

GRID Alternatives  
Schedules of Financial Position - GRID Alternatives Bay Area, Inc.  
December 31, 2020 and 2019

ASSETS

	2020	2019
Current assets		
Cash and cash equivalents	\$ 274,144	\$ 467,189
Grants and contracts receivable	638,433	398,964
Intercompany receivable	5,042,196	3,670,095
Construction in process	339,885	367,180
Prepaid expenses	55,155	173,648
Total current assets	6,349,813	5,077,076
Property and equipment, net	46,605	64,729
Other assets		
Contributions receivable, net of current portion	-	100,000
Total other assets	-	100,000
Total assets	\$ 6,396,418	\$ 5,241,805

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 95,000	\$ 78,613
Accrued expenses	108,072	116,832
Deferred revenue	291,684	414,633
Intercompany payable	139,339	51,847
Current portion of notes payable	8,986	-
Total current liabilities	643,081	661,925
Long-term liabilities		
Warranty liability	54,005	77,808
Notes payable, net of current portion	491,014	-
Total long-term liabilities	545,019	77,808
Total liabilities	1,188,100	739,733
Net assets		
Without donor restriction	4,920,818	4,097,072
With donor restriction	287,500	405,000
Total net assets	5,208,318	4,502,072
Total liabilities and net assets	\$ 6,396,418	\$ 5,241,805

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

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

GRID Alternatives  
Schedule of Activities - GRID Alternatives Bay Area, Inc.  
For The Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 374,705	\$ -	\$ 374,705
Contributions	244,790	600,000	844,790
Program revenue	4,608,785	-	4,608,785
In-kind contributions	148,093	-	148,093
Investment income (loss)	<u>21</u>	<u>-</u>	<u>21</u>
Net assets released from restriction	<u>210,000</u>	<u>(210,000)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,586,394</u>	<u>390,000</u>	<u>5,976,394</u>
Functional expenses			
Program services	4,408,039	-	4,408,039
General and administrative	393,081	-	393,081
Fundraising	<u>349,546</u>	<u>-</u>	<u>349,546</u>
Total functional expenses	<u>5,150,666</u>	<u>-</u>	<u>5,150,666</u>
Changes in net assets	435,728	390,000	825,728
Net assets, beginning of year	<u>3,661,344</u>	<u>15,000</u>	<u>3,676,344</u>
Net assets, end of year	<u>\$ 4,097,072</u>	<u>\$ 405,000</u>	<u>\$ 4,502,072</u>

GRID Alternatives  
Schedules of Financial Position - GRID Alternatives Central Coast, Inc.  
December 31, 2020 and 2019

ASSETS

	2020		2019
Current assets			
Cash	\$ -		\$ 122,534
Grants and contracts receivable	-		287,097
Intercompany receivable	-		1,018,096
Construction in process	-		105,915
Prepaid expenses	-		99,300
Total current assets	-		1,632,942
Property and equipment, net	-		34,024
Other assets			
Total assets	\$ -		\$ 1,666,966

LIABILITIES AND NET ASSETS

Accounts payable	\$ -		\$ 70,267
Accrued expenses	-		46,470
Intercompany payable	-		35,691
Warranty liability	-		69,182
Total liabilities	-		221,610
Net assets			
Without donor restriction	-		1,446,356
With donor restriction	-		(1,000)
Total net assets	-		1,445,356
Total liabilities and net assets	\$ -		\$ 1,666,966

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Contributions	\$ 15,551	\$ -	\$ 15,551
Service contracts	<u>(1,204,606)</u>	<u>-</u>	<u>(1,204,606)</u>
Total revenues, gains, and other support	<u>(1,189,055)</u>	<u>-</u>	<u>(1,189,055)</u>
Functional expenses			
Program services	188,763	-	188,763
General and administrative	52,920	-	52,920
Fundraising	<u>14,618</u>	<u>-</u>	<u>14,618</u>
Total functional expenses	<u>256,301</u>	<u>-</u>	<u>256,301</u>
Changes in net assets	(1,445,356)	-	(1,445,356)
Net assets, beginning of year	<u>1,445,356</u>	<u>-</u>	<u>1,445,356</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GRID Alternatives  
Schedule of Activities - GRID Alternatives Central Coast, Inc.  
For The Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 269,372	\$ -	\$ 269,372
Contributions	37,527	67,500	105,027
Program revenue	2,473,265	-	2,473,265
In-kind contributions	<u>21,728</u>	<u>-</u>	<u>21,728</u>
Net assets released from restriction	<u>68,500</u>	<u>(67,500)</u>	<u>1,000</u>
Total revenues, gains, and other support	<u>2,870,392</u>	<u>-</u>	<u>2,870,392</u>
Functional expenses			
Program services	2,432,789	-	2,432,789
General and administrative	303,266	-	303,266
Fundraising	<u>145,041</u>	<u>-</u>	<u>145,041</u>
Total functional expenses	<u>2,881,096</u>	<u>-</u>	<u>2,881,096</u>
Changes in net assets	(10,704)	-	(10,704)
Net assets, beginning of year	<u>1,456,060</u>	<u>-</u>	<u>1,456,060</u>
Net assets, end of year	<u>\$ 1,445,356</u>	<u>\$ -</u>	<u>\$ 1,445,356</u>

GRID Alternatives  
Schedule of Financial Position - GRID Alternatives Inland Empire, Inc.  
December 31, 2020

ASSETS

	2020	2019
Current assets		
Cash and cash equivalents	\$ 476,505	\$ 102,820
Grants and contracts receivable	1,072,015	476,068
Intercompany receivable	2,989,049	3,295,810
Construction in process	462,710	555,892
Prepaid expenses	89,411	302,963
Total current assets	5,089,690	4,733,553
Property and equipment, net	29,040	37,356
Other assets		
Deposits	11,500	-
Total other assets	11,500	-
Total assets	\$ 5,130,230	\$ 4,770,909

LIABILITIES AND NET ASSETS

Accounts payable	\$ 136,560	\$ 228,482
Accrued expenses	88,120	78,416
Deferred revenue	346,297	395,203
Intercompany payable	67,105	53,517
Warranty liability	108,559	104,328
Total liabilities	746,641	859,946
Net assets		
Without donor restriction	4,316,089	3,720,463
With donor restriction	67,500	190,500
Total net assets	4,383,589	3,910,963
Total liabilities and net assets	\$ 5,130,230	\$ 4,770,909

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

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

GRID Alternatives  
Schedule of Activities - GRID Alternatives Inland Empire, Inc.  
For The Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Government grants	\$ 999,611	\$ -	\$ 999,611
Contributions	28,791	250,000	278,791
Program revenue	3,133,735	-	3,133,735
In-kind contributions	163,866	-	163,866
Investment income (loss)	<u>101</u>	<u>-</u>	<u>101</u>
Net assets released from restriction	<u>129,500</u>	<u>(129,500)</u>	<u>-</u>
Total revenues, gains, and other support	<u>4,455,604</u>	<u>120,500</u>	<u>4,576,104</u>
Functional expenses			
Program services	4,665,235	-	4,665,235
General and administrative	268,103	-	268,103
Fundraising	<u>198,750</u>	<u>-</u>	<u>198,750</u>
Total functional expenses	<u>5,132,088</u>	<u>-</u>	<u>5,132,088</u>
Changes in net assets	(676,484)	120,500	(555,984)
Net assets, beginning of year	<u>4,396,947</u>	<u>70,000</u>	<u>4,466,947</u>
Net assets, end of year	<u>\$ 3,720,463</u>	<u>\$ 190,500</u>	<u>\$ 3,910,963</u>

GRID Alternatives  
 California Public Utilities Commission - Single-Family Affordable Solar Homes Program  
 SASH Expenditures, Advances and Incentives  
 Year Ended December 31, 2020

BUDGET		FISCAL YEAR ENDED DECEMBER 31, 2020					FISCAL YEAR ENDED DECEMBER 31, 2019					TOTAL CONTRACT PERIOD TO DECEMBER 31, 2020	
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 12/31/20</b>	<b>UNEXPENDED ADMINISTRATIVE EXPENSE AS OF DECEMBER 31, 2020</b>
TASK 1												14,478	
TASK 2		213,183	209,277	163,795	144,544	730,799	295,719	208,827	213,765	202,016	920,327	15,355,414	
TASK 4		-	-	-	-	-	-	-	-	-	-	577,483	
SASH Program Administration Services	16,230,000	213,183	209,277	163,795	144,544	730,799	295,719	208,827	213,765	202,016	920,327	\$15,947,374	282,626
Marketing & Outreach (M&O)	6,490,000	167,812	239,619	181,538	108,986	\$697,955	70,366	55,050	175,671	179,834	\$480,921	5,975,878	514,122
<b>TOTAL</b>	<b>\$ 22,720,000</b>	<b>\$380,995</b>	<b>\$ 448,896</b>	<b>\$ 345,332</b>	<b>\$ 253,530</b>	<b>\$ 1,428,754</b>	<b>\$366,085</b>	<b>\$ 263,878</b>	<b>\$ 389,436</b>	<b>\$ 381,850</b>	<b>\$ 1,401,249</b>	<b>\$21,923,252</b>	<b>\$796,748</b>
		<b>ADMINISTRATION ADVANCE RECEIVED</b>					<b>ADMINISTRATION ADVANCE RECEIVED</b>					<b>TOTAL ADVANCE RECEIVED FROM 12/08 -12/31/20</b>	
		\$ 317,721	\$ 222,718	\$ 457,023	\$ 572,240	\$ 1,569,702	\$ -	\$ 32,283	\$ 429,454	\$ 308,480	\$ 770,217	<b>\$ 22,380,809</b>	
		<b>EARNED &amp; UNEARNED PORTION OF ADVANCE</b>					<b>EARNED &amp; UNEARNED PORTION OF ADVANCE</b>					<b>UNEARNED INCOME AS OF DECEMBER 31, 2020</b>	
		\$ 63,274	\$ 226,178	\$ (111,691)	\$ (318,710)	\$ (140,948)	\$ 366,085	\$ 231,595	\$ (40,018)	\$ 73,370	\$ 631,032	<b>\$ (457,557)</b>	
<b>BUDGET</b>		<b>INCENTIVES INVOICED</b>					<b>INCENTIVES INVOICED</b>					<b>TOTAL INCENTIVES INVOICED</b>	<b>UNEXPENDED INCENTIVES AS OF DECEMBER 31, 2020</b>
CONTRACT PERIOD: 12/12/08-12/31/2022												60,290,043	7,257
PG&E	60,297,300	271,782	16,137			287,919	1,080,666	1,417,635	1,167,999	575,067	4,241,367	14,136,837	110,863
SDG&E	14,247,700	187,926	91,074	53,340	14,910	347,250	166,065	235,200	53,367	501,105	955,737	57,807,253	5,636,747
SCE	63,444,000	1,176,990	752,208	699,636	401,703	3,030,537	1,053,024	1,375,968	1,535,922	776,718	4,741,632		
<b>TOTAL</b>	<b>\$ 137,989,000</b>	<b>1,636,698</b>	<b>\$ 859,419</b>	<b>\$ 752,976</b>	<b>\$ 416,613</b>	<b>\$ 3,665,706</b>	<b>2,299,755</b>	<b>\$ 3,028,803</b>	<b>\$ 2,757,288</b>	<b>\$ 1,852,890</b>	<b>\$ 9,938,736</b>	<b>\$132,234,133</b>	<b>\$ 5,754,867</b>
		<b>INCENTIVES PAID</b>					<b>INCENTIVES PAID</b>						
		342,267	16,137			358,404	408,942	2,286,513	993,489	937,203	4,626,147		
		147,474	112,416	72,450	14,910	347,250	243,711	70,089	288,567	38,343	640,710		
		834,642	1,031,838	586,185	577,872	3,030,537	997,545	513,564	2,501,115	811,452	4,823,676		
		<b>\$ 1,324,383</b>	<b>\$ 1,160,391</b>	<b>\$ 658,635</b>	<b>\$ 592,782</b>	<b>\$ 3,736,191</b>	<b>\$ 1,650,198</b>	<b>\$ 2,870,166</b>	<b>\$ 3,783,171</b>	<b>\$ 1,786,998</b>	<b>\$ 10,090,533</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

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, 2020

BUDGET		
CONTRACT PERIOD: 04/2019-12/31/2032		
ADMINISTRATION and MARKETING AND OUTREACH (M&O)		
Budget	Annual	Total Contract Period
Administration	\$ 1,000,000	\$ 12,000,000
M&O	\$ 400,000	\$ 4,800,000
<b>TOTAL</b>	<b>\$ 1,400,000</b>	<b>\$ 16,800,000</b>

FISCAL YEAR ENDED DECEMBER 31, 2020				
Q1	Q2	Q3	Q4	TOTAL

ADMINISTRATION EXPENSE					
	Q1	Q2	Q3	Q4	Total
Administration	435,881	335,962.50	242,224.61	195,296.45	1,209,364
M&O	112,195	141,275.25	135,314.50	114,183.71	502,969
<b>TOTAL</b>	<b>548,076</b>	<b>477,238</b>	<b>377,539</b>	<b>309,480</b>	<b>1,712,333</b>

<b>TOTAL CONTRACT PERIOD TO DECEMBER 31, 2020</b>
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<b>TOTAL EXPENDED CONTRACT FROM 03/19 to 12/31/2020</b>
1,965,013
772,902
<b>\$ 2,737,915</b>

<b>UNEXPENDED ADMINISTRATIVE AND M&amp;O YEAR ONE BUDGET AS OF DECEMBER 31, 2020</b>
10,034,987
\$ 4,027,098
<b>\$ 14,062,085</b>

ADMINISTRATION AND M&O PAYMENT OR ADVANCE RECEIVED				
443,401	316,386	522,984	390,622	\$ 1,673,393

<b>TOTAL ADVANCE RECEIVED FROM 04/19 -12/31/20</b>
<b>\$ 2,799,747</b>

Difference				
\$ 104,675	\$ 160,852	\$ (145,445)	\$ (81,142)	\$ 38,940

<b>TOTAL UNEARNED INCOME AS OF DECEMBER 31,2020</b>
<b>\$ (61,833)</b>

BUDGET		
CONTRACT PERIOD: 04/2019-12/31/2032		
INCENTIVES		
	Annual	Total Contract Period
PG&E	3,714,500	44,574,000
SDG&E	875,500	10,506,000
SCE	3,910,000	46,920,000
<b>TOTAL</b>	<b>\$ 8,500,000</b>	<b>\$ 102,000,000</b>

INCENTIVES INVOICED					
	Q1	Q2	Q3	Q4	Total
PG&E	501,780	803,202	1,100,007	571,335	2,976,324
SDG&E	40,377	47,916	21,333	14,046	123,672
SCE	460,812	357,897	680,706	332,802	1,832,217
<b>TOTAL</b>	<b>1,002,969</b>	<b>1,209,015</b>	<b>1,802,046</b>	<b>918,183</b>	<b>4,932,213</b>

<b>TOTAL INCENTIVES INVOICED</b>
4,690,576
152,550
2,224,953
<b>\$ 7,068,079</b>

<b>UNEXPENDED YEAR ONE INCENTIVES AS OF DECEMBER 31, 2020</b>
39,883,424
10,353,450
44,695,047
<b>\$ 94,931,921</b>

TOTAL BUDGET: \$ 9,900,000 \$ 118,800,000

INCENTIVES PAID					
PG&E	696,069	637,626	1,128,438	842,340	3,304,473
SDG&E	69,255	47,916	21,333	14,046	152,550
SCE	353,211	265,398	357,897	743,430	1,719,936
<b>TOTAL</b>	<b>1,118,535</b>	<b>950,940</b>	<b>1,507,668</b>	<b>1,599,816</b>	<b>5,176,959</b>

**Notes:**

Unused annual allocations "roll over" to subsequent calendar year  
 GRID did not receive an Advance payment for Administrative and Marketing/Outreach expenses until Q4 2019 as it was developing invoice procedures with the CPUC  
 Administration = all work performed by GRID staff to deliver on the administrative functions of the program, including financial tracking, reporting, program requirements, QC, etc.  
 Marketing and Outreach = all work performed by GRID staff to market and conduct outreach for the program statewide including developing marketing collateral and working with clients  
 The %s of the program budget dedicated to Incentives by utility, Administration, M&O and Program Evaluation was determined in Decision 18-06-028 that created the program.  
 The program budget is set at 85% Incentives; 10% Administration; 4% M&O, 1% Program Evaluation  
 The 1% of the program budget for "Program Evaluation" is managed by the CPUC and not included in GRID's budget tables above

SINGLE AUDIT REPORTS AND SCHEDULES

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

Board of Directors  
GRID Alternatives  
Oakland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of GRID Alternatives (a California nonprofit corporation) (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 30, 2021.

### **Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies.

We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a material weakness.

## **Compliance and Other Matters**

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

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

## **The Organization's Response to Findings**

The Organization's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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



Armanino<sup>LLP</sup>  
San Francisco, California

September 30, 2021

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

Board of Directors  
GRID Alternatives  
Oakland, California

### **Report on Compliance for Each Major Federal Program**

We have audited GRID Alternatives (a California nonprofit corporation) (the "Organization")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2020. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

## Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weakness or significant deficiencies.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Armanino<sup>LLP</sup>  
San Francisco, California

September 30, 2021

GRID Alternatives  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<u>Expenditures of Federal Awards</u>			
Department of Housing and Urban Development (HUD)			
Community Development Block Grants/ Entitlement Grants			
Pass-through program from:			
City of Thornton	14.218	84-6009903	\$ 5,648
City of Santa Cruz	14.218	94-6000427	13,910
City of Moreno Valley	14.218	95-3786047	65,773
City of San Diego	14.218	95-6000776	<u>768,775</u>
Total Department of Housing and Urban Development (HUD)			<u>854,106</u>
Department of Transportation			
Highway Planning and Construction			
Pass-through program from:			
Bay Area Air Quality Management District - Clean Cars For All	20.205	94-2761976	<u>48,027</u>
Total Department of Transportation			<u>48,027</u>
Department of Energy (DOE)			
Renewable Energy Research and Development			
Direct awards			
Revolving PRI Energy Savings Fund	81.087		<u>102,277</u>
Pass-through program from:			
Ute Mountain Ute Tribe	81.087	84-0404385	98,504
Bishop Paiute Tribe	81.087	95-1905064	24,610
Total Department of Energy (DOE)			<u>225,391</u>
Corporation for National and Community Service			
Direct awards			
AmeriCorps	94.006		<u>340,725</u>
Total Corporation for National and Community Service			<u>340,725</u>
Small Business Administration			
Disaster Assistance Loans			
EIDL - GRID Alternatives (COVID-19)	59.008		150,000
EIDL - GRID Alternatives Bay Area (COVID-19)	59.008		500,000
EIDL - GRID Alternatives San Diego (COVID-19)	59.008		150,000
EIDL - GRID Alternatives Central Valley (COVID-19)	59.008		<u>150,000</u>
Total Small Business Administration			<u>950,000</u>
Department of Labor			
Reentry Employment Opportunities	17.270		<u>217,474</u>
Total Department of Labor			<u>217,474</u>

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

GRID Alternatives  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
Department of Treasury			
Coronavirus Relief Fund (COVID-19)	21.019		<u>113,783</u>
Total Department of Treasury			<u>113,783</u>
Department of State			
Public Diplomacy Programs	19.040		<u>28,100</u>
Total Employment Service			<u>28,100</u>
Program Name			
Direct awards			
Pass-through program from:			
Total Department of State			<u>28,100</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,777,606</u></u>

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

GRID Alternatives  
Notes to Schedule of Expenditures of Federal Awards  
December 31, 2020

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of GRID Alternatives (the "Organization") under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3. FEDERAL LOAN PROGRAMS

The accompanying schedule of expenditures of federal awards includes loan balances for which continuing compliance is required. The balances of the loans as of December 31, 2020 amounted to \$950,000.

4. INDIRECT COSTS

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

GRID Alternatives  
 Schedule of Findings and Questioned Costs  
 For the Year Ended December 31, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Community Development Block Grants/ Entitlement Grants	14.218
Disaster Assistance Loans	59.008
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

GRID Alternatives  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2020

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

<b>Finding number:</b>	<b>2020-001</b>
Criteria:	In-kind contributions of material and equipment that are used to produce inventory should be recognized as in-kind revenue and inventory at fair value on the date of receipt.
Condition:	The Organization receives contributions of materials and equipment that are utilized in the construction and installation of solar electric systems. During 2020, the Organization discovered that certain solar panels and inverters that were donated during 2019 and 2018 were recognized as donations and awards expense rather than construction in process. These contributions of solar panels and inverters should have been recorded as construction in process upon receipt and then expensed once utilized in the installation of a solar electric system.
Cause:	The Organization does not have the policies and procedures in place to ensure that contributed goods and materials are properly recognized in accordance with GAAP,
Effect or potential effect:	The 2019 financial statements were restated to properly account for the contributions of solar panels and inverters.
Recommendation:	We recommend that the Organization establish accounting policies and procedures surrounding the receipt and recognition of contributed materials and equipment.
Views of responsible officials	Management concurs with the finding and will implement accounting policies and procedures to ensure that contributions of materials and equipment are properly accounted for in accordance with GAAP.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

GRID Alternatives  
Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2020

There were no prior year findings.

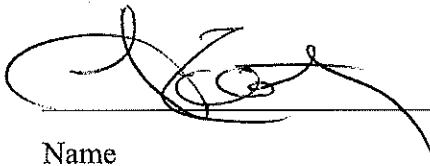
**Corrective Action Plan  
For the Year Ended December 31, 2020**

Finding 2020-001

Corrective Action Plan:                    The Organization will implement accounting policies and procedures to ensure that contributions of materials and equipment are properly accounted for in accordance with GAAP.

Name of Responsible Person:            Tamara Robinson, Controller

Anticipated Completion Date:        October 2021

  
\_\_\_\_\_

Name

10/1/2021  
\_\_\_\_\_

Date