

GRID Alternatives

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

December 31, 2022 and 2021



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
GRID Alternatives
Oakland, California

Opinion

We have audited the accompanying consolidated financial statements of GRID Alternatives (a California nonprofit corporation) (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GRID Alternatives as of December 31, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GRID Alternatives and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Organization adopted FASB Topic 842, *Leases*, and ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GRID Alternatives's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GRID Alternatives's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GRID Alternatives's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 28 - 59 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Additionally, the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Armanino^{LLP}
San Francisco, California

July 28, 2023

GRID Alternatives
Consolidated Statements of Financial Position
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,711,321	\$ 5,516,654
Grants and contracts receivable	12,881,498	12,481,209
Investments	1,790,697	11,461,786
Construction in process	7,542,444	6,873,307
Prepaid expenses	<u>1,080,533</u>	<u>961,057</u>
Total current assets	<u>27,006,493</u>	<u>37,294,013</u>
Noncurrent assets		
Grants and contracts receivable, net	1,477,030	472,349
Note receivable	-	53,514
Deposits	795,203	759,819
Operating lease right-of-use assets, net	5,340,801	-
Property and equipment, net	<u>796,506</u>	<u>616,909</u>
Total noncurrent assets	<u>8,409,540</u>	<u>1,902,591</u>
Total assets	<u><u>\$ 35,416,033</u></u>	<u><u>\$ 39,196,604</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 2,237,355	\$ 2,561,834
Accrued expenses	1,747,384	1,511,793
Deferred revenue	1,586,475	1,087,978
Current portion of notes payable	4,559,021	1,373,018
Current portion of operating lease liability	<u>1,306,336</u>	<u>-</u>
Total current liabilities	<u>11,436,571</u>	<u>6,534,623</u>
Long-term liabilities		
Warranty liability	1,039,751	818,771
Notes payable, net of current portion	1,919,632	2,470,946
Operating lease liability, net of current portion	<u>3,997,155</u>	<u>-</u>
Total long-term liabilities	<u>6,956,538</u>	<u>3,289,717</u>
Total liabilities	<u>18,393,109</u>	<u>9,824,340</u>
Net assets		
Without donor restrictions	5,070,735	8,017,070
With donor restrictions	<u>11,952,189</u>	<u>21,355,194</u>
Total net assets	<u>17,022,924</u>	<u>29,372,264</u>
Total liabilities and net assets	<u><u>\$ 35,416,033</u></u>	<u><u>\$ 39,196,604</u></u>

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

GRID Alternatives
Consolidated Statement of Activities
For the Year Ended December 31, 2022

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

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

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

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

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

GRID Alternatives
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2022

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

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

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

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

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

GRID Alternatives
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (12,349,340)	\$ 10,779,146
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	252,511	248,257
Amortization of operating lease right-of-use asset	983,712	-
Loss on investments	352,617	151,190
Changes in operating assets and liabilities		
Contributions and contracts receivable	(1,404,970)	1,502,872
Construction in process	(669,137)	(3,575,409)
Prepaid expenses	(119,476)	119,909
Deposits	(35,384)	532,552
Accounts payable	(324,479)	290,904
Accrued expenses	235,591	(15,423)
Deferred revenue	498,497	(1,510,892)
Warranty liability	220,980	47,901
Operating lease liability, net	<u>(1,021,022)</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>(13,379,900)</u>	<u>8,571,007</u>
Cash flows from investing activities		
Purchase of investments	(13,873,747)	(37,138,660)
Proceeds from sale of investments	23,192,219	27,149,707
Purchase of property and equipment	(432,108)	(359,507)
Payments received on note receivable	<u>53,514</u>	<u>3,486</u>
Net cash provided by (used in) investing activities	<u>8,939,878</u>	<u>(10,344,974)</u>
Cash flows from financing activities		
Principal payments on long-term debt	(1,633,318)	(659,175)
Borrowings of long-term debt	<u>4,268,007</u>	<u>2,855,028</u>
Net cash provided by financing activities	<u>2,634,689</u>	<u>2,195,853</u>
Net increase (decrease) in cash and cash equivalents	(1,805,333)	421,886
Cash and cash equivalents, beginning of year	<u>5,516,654</u>	<u>5,094,768</u>
Cash and cash equivalents, end of year	<u><u>\$ 3,711,321</u></u>	<u><u>\$ 5,516,654</u></u>

Supplemental disclosure of cash flow information

Cash paid during the year for interest	\$ 89,260	\$ 30,667
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Supplemental schedule of noncash investing and financing activities

Operating lease right-of-use asset obtained in exchange for lease liabilities	\$ 6,324,513	\$ -
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The accompanying notes are an integral part of these consolidated financial statements.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

1. NATURE OF OPERATIONS

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

The Organization is affiliated with GRID Alternatives Colorado, Inc., GRID Alternatives Greater Los Angeles, Inc., GRID Alternatives San Diego, Inc., GRID Alternatives North Valley, Inc., GRID Alternatives Mid-Atlantic, Inc., GRID Alternatives Central Valley, Inc., GRID Alternatives Bay Area, Inc., 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

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

- *Net assets without donor restrictions* - net assets not subject to donor-imposed stipulations. Net asset without donor restrictions at December 31, 2022 and 2021 include \$1,500,000 of board designated net assets (see Note 13).
- *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, 2022 and 2021

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., 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.

Grants and contracts receivable

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

An allowance for 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. The allowance for doubtful accounts was \$143,526 at December 31, 2022. There was no allowance for doubtful accounts at December 31, 2021.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021 consist of the administrative and incentive portions of the Single-Family Affordable Solar Homes (SASH) program, Disadvantaged Communities - Single-family Solar Homes (DAC-SASH) program, and the Solar on Multifamily Affordable Housing (SOMAH) program under agreements with the State of California and Southern California Edison (SCE) program, California Air Resources Board, Tribal Solar Projects, and other program revenue.

Warranty liability

The Organization offers certain limited warranties on the installation of solar panel systems. These warranties include: a system warranty; roof warranty; and repair promise. The warranty period varies based on the type of warranty. The warranty liability is calculated based on the date of installation, system size, warranty period and historical payment experience. The liability represents the estimated amount of future service expenses to be incurred for all solar panel installations completed through December 31, 2022 and 2021.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

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

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

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

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

The Organization's revenues from exchange transactions is primarily from contracts to install solar electric systems for low-income families and affordable housing providers. Service 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.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional expenses

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

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

Income tax status

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

U.S. GAAP requires management to evaluate the tax positions taken by the Organization and to recognize a tax liability if the Organization has taken an uncertain position that, more likely than not, would not be sustained upon examination by the Internal Revenue Service ("IRS"). Management has analyzed the tax positions taken by the Organization and has concluded that, as of December 31, 2022, 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

No donor comprised more than 10% of the Organization's grants and contracts receivable balance as of December 31, 2022. A contribution receivable from one donor comprises 23% of the Organization's grants and contracts receivable balance as of December 31, 2021.

Revenues from SASH and DAC-SASH programs, including incentives received from installation of solar electric systems and administration of programs, totaled approximately 33% and 32% of the Organization's service contracts revenue for the years ended December 31, 2022 and 2021, respectively. Revenues from one customer comprises approximately 15% of the Organization's service contracts revenue for the years ended December 31, 2022 and 2021.

Contribution revenue from one donor comprises approximately 19% and 49% of the Organization's total contribution revenue for the years ended December 31, 2022 and 2021, respectively.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 842, *Leases*, to increase transparency and comparability among organizations by requiring the recognition of right-of-use ("ROU") assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective January 1, 2022 and recognized and measured leases existing at, or entered into after, January 1, 2022 with certain practical expedients available. Lease disclosures for the year ended December 31, 2021 are made under prior lease guidance in FASB ASC 840.

The Organization elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on January 1, 2022, an initial lease liability of \$6,324,513 which represents the present value of the remaining operating lease payments discounted using the incremental borrowing rate of 4.5%, and a right-of-use asset of \$6,324,513.

The standard had a material impact to Organization's statement of financial position as of December 31, 2022, but did not have a material impact on the Organization's statement of activities, nor statement of cash flows for the year then ended. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases on the statement of financial position as of December 31, 2022.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle (continued)

In September 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-07, Not-for-Profit Entities (Topic 958): *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 addresses stakeholder requests for more transparent disclosures of how a nonprofit organization values and utilizes contributed nonfinancial assets. ASU 2020-07 amends presentation and disclosure requirements for contributed nonfinancial assets, without changing recognition and measurement principles. Specifically, in the statement of activities, a nonprofit organization must present contributed nonfinancial assets separately from cash contributions or other financial assets. Furthermore, certain information must be disclosed for each category of contributed nonfinancial asset recognized within the statement of activities during the reporting period (see Note 8). The Organization adopted ASU 2020-07 with a date of initial application of January 1, 2022 using the modified retrospective method.

Leases

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

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

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

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

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

3. INVESTMENTS

Investments consisted of the following:

	<u>2022</u>	<u>2021</u>
Certificates of deposit	\$ 16,157	\$ 16,154
Insured deposits	52,885	130,164
Fixed income funds	960,270	-
Government and corporate bonds	-	10,321,499
Equity securities	733,560	960,175
Other assets	<u>27,825</u>	<u>33,794</u>
	<u>\$ 1,790,697</u>	<u>\$ 11,461,786</u>

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Certificates of deposit	\$ 16,157	\$ -	\$ -	\$ 16,157
Insured deposits	52,885	-	-	52,885
Fixed income funds	960,270	-	-	960,270
Equity securities	733,560	-	-	733,560
Other assets	<u>-</u>	<u>-</u>	<u>27,825</u>	<u>27,825</u>
	<u>\$ 1,762,872</u>	<u>\$ -</u>	<u>\$ 27,825</u>	<u>\$ 1,790,697</u>

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

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

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>2022</u>	<u>2021</u>
Furniture and fixtures	\$ 1,970,365	\$ 1,590,622
Accumulated depreciation	<u>(1,173,859)</u>	<u>(973,713)</u>
	<u>\$ 796,506</u>	<u>\$ 616,909</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was \$252,511 and \$248,257, respectively.

5. LINE OF CREDIT

The Organization had a line of credit that bore interest at the U.S. Prime Index Rate plus 1.25%, with a maturity date of January 5, 2021, and a maximum line of credit amount of \$5,804,254. This line of credit was not renewed upon its maturity in January 2021.

On March 23, 2021, the Organization entered into an asset-based revolving line of credit agreement with a maximum line amount of \$7,000,000 and a maturity date of March 23, 2022. The line of credit bears interest at 1.00% over the Prime Rate which was 3.25% at the date of the agreement. The note is secured by certain assets of the Organization. The line of credit was renewed with a maximum line amount of \$7,000,000 on April 28, 2022 and matured on March 23, 2023. The note was renewed again with a maximum line amount of \$7,000,000 on March 23, 2023 and matured on May 23, 2023. On May 23, 2023 the asset-based line of credit was renewed with a maximum line amount of \$7,000,000 and a maturity date of September 15, 2024. The line of credit bears interest at 1.00% over the Prime Rate, which is a rate of 9.25% at the date of the agreement.

The Organization did not have an outstanding balance on the line of credit at December 31, 2022 and 2021.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

6. NOTES PAYABLE

During April to June of 2020, GRID Alternatives and certain of its affiliates entered into agreements with the U.S. Small Business Administration (SBA) to obtain funding from the Economic Injury Disaster Loan ("EIDL") program for a total amount of \$950,000. The loans accrue interest at 2.75% per annum and monthly payments begin on varying dates between April to June 2021 with total principal and interest due on varying dates between April to June 2050. On July 12, 2021, GRID Alternatives Colorado, Inc. entered into an agreement for an EIDL loan in the amount of \$150,000 with installment payments of \$641 to begin 12 months from the date of the promissory note and continuing over a 30-year term. The loan bears interest at 2.75% per annum. The EIDL loans are to be used solely as working capital to alleviate economic injury caused by disaster occurring in the month of January 2020 and continuing thereafter, and to pay the Uniform Commercial Code ("UCC") lien filing fees and third-party UCC handling charge. All tangible and intangible personal property of each respective entity with a loan will be used as collateral on the respective loan. The total outstanding balance on the EIDL program loans, which includes accrued interest, is \$1,047,609 and \$1,096,567 at December 31, 2022 and 2021, respectively.

In March 2020, the Organization entered into a promissory note with a related party to borrow \$100,000. The promissory note requires annual payments of \$20,000 and does not accrue any interest. The outstanding balance on the promissory note amounted to \$20,000 and \$60,000 at December 31, 2022 and 2021, respectively.

In June 2020, the Organization entered into a purchase agreement for a vehicle and financed the purchase with a note for \$35,580, with monthly payments of \$494 due through 2026. In August 2021, the Organization entered into a purchase agreement for another vehicle with a note amount of \$27,819 with monthly payments of \$558 and a term of 72 months. The outstanding balance on the vehicle notes amounted to \$40,672 and \$53,294 at December 31, 2022 and 2021, respectively.

In 2021, the Organization entered into six project loan agreements to support various projects with a total maximum loan amount to be funded of \$3,966,676. The loans bear interest at 1% per annum and mature at various dates in 2022 and 2023. In 2022, the Organization entered into four new project loan agreements with an initial principal amount of \$1,034,358. The loans bear interest at 1% per annum and mature at various dates in 2023 and 2024. The outstanding balance on the project loans amounted to \$2,408,502 and \$2,634,103 at December 31, 2022 and 2021, respectively.

In 2021 and 2022, the Organization entered into grant agreements with a nonprofit organization to provide funding for solar projects on multifamily affordable housing properties. The agreements are subject to repayment and accrue interest at rates ranging from 1.9% to 2% with varying maturity dates in 2023 and 2024. The outstanding balance on the grant agreements amounted to \$2,961,870 at December 31, 2022. There was no outstanding balance on the grant agreements at December 31, 2021.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

6. NOTES PAYABLE (continued)

Notes payable consist of the following:

	<u>2022</u>	<u>2021</u>
EIDL - GRID Alternatives	\$ 135,037	\$ 141,949
EIDL - GRID Alternatives Bay Area	483,548	502,109
EIDL - GRID Alternatives San Diego	145,370	151,106
EIDL - GRID Alternatives Central Valley	145,335	151,403
EIDL - GRID Alternatives Colorado	138,319	150,000
Loan from a related party	20,000	60,000
Truck loans	40,672	53,294
Project loans and recoverable grants	<u>5,370,372</u>	<u>2,634,103</u>
	6,478,653	3,843,964
Current portion	<u>(4,559,021)</u>	<u>(1,373,018)</u>
	<u><u>\$ 1,919,632</u></u>	<u><u>\$ 2,470,946</u></u>

The future maturities of the notes payable are as follows:

Year ending December 31,

2023	\$ 4,559,021
2024	941,250
2025	41,037
2026	33,169
2027	30,467
Thereafter	<u>873,709</u>
	<u><u>\$ 6,478,653</u></u>

7. LEASES

The Organization leases office spaces and equipment under non-cancelable operating lease agreements expiring in various dates through November 2027. The leases call for monthly payments of varying amounts up to \$35,087 for one of the office leases. At December 31, 2022 the operating lease ROU asset and operating liability amounted to \$5,340,801 and \$5,303,491, respectively.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

7. LEASES (continued)

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

Operating lease cost	\$1,137,062
Short-term lease cost	\$25,077
Operating cash flows from operating leases	\$1,174,374
ROU assets obtained in exchange for lease obligations	\$6,324,513
Weighted-average remaining lease term	4.04 years
Weighted-average discount rate	4.5%

Lease expense for the year ended December 31, 2021 was \$1,437,856.

Future minimum lease payments under non-cancelable operating leases as of December 31, 2022 are as follows:

Year ending December 31,

2023	\$ 1,552,996
2024	1,432,863
2025	1,294,583
2026	996,551
2027	<u>565,004</u>
	5,841,997
Less: imputed interest	<u>(538,506)</u>
	<u><u>\$ 5,303,491</u></u>

8. COMMITMENTS AND CONTINGENCIES

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

9. RETIREMENT PLAN

The Organization offers a 403(b) retirement plan to all of its employees. The Organization offers an employer contribution to employees who have achieved 18 months of employment. The Organization contributed \$133,935 and \$123,809 during the years ended December 31, 2022 and 2021, respectively.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

10. RELATED PARTY

The Organization engaged in transactions with the employers of three members of the Organization's Board of Directors. The Organization received in-kind legal services with a value of \$278,321 and \$171,521 from law firms that employ members of the Board of Directors members for the years ended December 31, 2022 and 2021, respectively.

11. IN-KIND CONTRIBUTIONS

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

In-kind contributions are as follows:

	<u>2022</u>	<u>2021</u>
Construction materials	\$ 2,106,025	\$ 1,150,694
Legal services	752,311	356,601
Other	<u>191,861</u>	<u>215,508</u>
	<u>\$ 3,050,197</u>	<u>\$ 1,722,803</u>

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

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

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are for the following purposes:

	2022	2021
Tribal Solar Accelerator Fund	\$ 4,886,413	\$ 11,178,692
Workforce development	3,704,675	6,507,191
Solar installation projects	1,732,500	701,160
Solar fellowship	510,000	50,000
International	410,475	232,039
Region	338,667	809,250
Tribal	146,667	508,168
EV Program	-	594,796
Time restricted	-	295,000
Clean mobility	-	128,512
Multi-family projects	-	100,000
IBT	100,000	77,500
Job training	47,000	70,000
Internship	35,000	20,000
Research	16,667	50,000
Workday	19,125	27,500
Equity	5,000	-
Solar futures	-	5,000
Consultation	-	386
	<u>\$ 11,952,189</u>	<u>\$ 21,355,194</u>

Net assets of \$16,172,266 and \$10,323,218 were released from restriction during the years ended December 31, 2022 and 2021, respectively, in accordance with the donors intent.

13. DESIGNATED NET ASSETS

The Organization maintains a reserve, designated from net assets without donor restrictions. Board designated net assets are included in net assets without donor restrictions, but are subject to conditions placed by the governing board, such as for future programs, investments, contingencies, purchases, construction of fixed assets, or other uses. As of December 31, 2022 and 2021, the designated net assets were \$1,500,000.

14. LIQUIDITY AND FUNDS AVAILABLE

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

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

14. LIQUIDITY AND FUNDS AVAILABLE (continued)

The following is a quantitative disclosure which describes assets that are available within one year of December 31, 2022 and 2021 to fund general expenditures and other obligations as they become due:

	<u>2022</u>	<u>2021</u>
Financial assets		
Cash and cash equivalents	\$ 3,711,321	\$ 5,516,654
Investments	1,790,697	11,461,786
Contributions and contracts receivable, current portion	<u>12,881,498</u>	<u>12,481,209</u>
	<u>18,383,516</u>	<u>29,459,649</u>
Less: amounts unavailable for general expenditures within one year due to:		
Donor restrictions	(11,952,189)	(21,355,194)
Board designation	<u>(1,500,000)</u>	<u>(1,500,000)</u>
	<u>(13,452,189)</u>	<u>(22,855,194)</u>
	<u>\$ 4,931,327</u>	<u>\$ 6,604,455</u>

The Organization has financial assets available at December 31, 2022 to cover approximately 22 days of operating expenses based on the fiscal year 2023 budget. In the event of an unanticipated liquidity need, the Organization may draw upon its \$7 million available line of credit (see Note 5). In addition, the Organization is able to utilize the board designated funds as deemed necessary to assist with any liquidity needs.

15. SUBSEQUENT EVENTS

Management has evaluated material subsequent events through July 28, 2023, the date the consolidated financial statements were available to be issued.

In February 2023, the Organization filed a claim for refunds of payroll tax credit through the Employee Retention Credit ("ERC") program. The ERC provides a refundable payroll tax credit for "qualified wages" paid to employees after March 12, 2020, and before January 1, 2022. The ERC provides a refundable payroll tax credit to employers who continued to pay employees despite COVID-19 business difficulties and interruptions that either render certain non-essential employees unproductive or cause a significant decline in receipts. The Organization determined that it qualifies for the ERC for the 1st and 2nd quarters of 2021 based on a partial suspension of operations and calculated a total ERC of \$4,419,399.

GRID Alternatives
Notes to Consolidated Financial Statements
December 31, 2022 and 2021

15. SUBSEQUENT EVENTS (continued)

The ERC program is subject to inspection and audit by the IRS. The purpose of such audits is to determine whether entities met eligibility requirements under the program and that funds were used in accordance with guidelines and regulations. While management believes the Organization met the ERC requirements, it is possible that ERC funds recognized could ultimately be disallowed. The ultimate liability, if any, which may result from a governmental audit cannot be reasonably estimated.

On May 23, 2023, the Organization's line of credit was renewed with a maximum line amount of \$7,000,000 and a maturity date of September 15, 2024 (see Note 5).

No other subsequent events have occurred that would have a material impact on the presentation of the Organization's consolidated financial statements.

SUPPLEMENTARY INFORMATION

GRID Alternatives
Consolidating Statement of Financial Position
December 31, 2022

ASSETS

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

GRID Alternatives
Consolidating Statement of Financial Position
December 31, 2022

LIABILITIES AND NET ASSETS

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

GRID Alternatives
Consolidating Statement of Financial Position
December 31, 2021

ASSETS

	GRID Alternatives, Inc.	GRID Alternatives Affiliates	Eliminating Entries	Total
Current assets				
Cash and cash equivalents	\$ 3,104,719	\$ 2,411,935	\$ -	\$ 5,516,654
Grants and contracts receivable	6,534,859	6,032,102	(85,752)	12,481,209
Intercompany receivable	14,982,962	18,868,842	(33,851,804)	-
Investments	11,461,786	-	-	11,461,786
Construction in process	3,337,713	3,535,594	-	6,873,307
Prepaid expenses	704,013	257,044	-	961,057
Total current assets	<u>40,126,052</u>	<u>31,105,517</u>	<u>(33,937,556)</u>	<u>37,294,013</u>
Noncurrent assets				
Grants and contracts receivable, net of current portion	503,514	22,349	-	525,863
Deposits	95,866	663,953	-	759,819
Property and equipment, net	<u>138,936</u>	<u>477,973</u>	<u>-</u>	<u>616,909</u>
Total noncurrent assets	<u>738,316</u>	<u>1,164,275</u>	<u>-</u>	<u>1,902,591</u>
Total assets	<u>\$ 40,864,368</u>	<u>\$ 32,269,792</u>	<u>\$ (33,937,556)</u>	<u>\$ 39,196,604</u>

LIABILITIES AND NET ASSETS

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

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

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

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

	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	\$ 4,049,124	\$ -	\$ 5,716,169	\$ -	\$ -	\$ 9,765,293
Government grants - PPP	-	-	1,517,774	-	-	1,517,774
Contributions	2,624,941	18,241,048	785,692	2,629,449	-	24,281,130
Service contracts	11,772,935	-	23,057,902	-	(5,007,214)	29,823,623
In-kind contributions	1,589,545	-	133,258	-	-	1,722,803
Investment income	(165,004)	-	13,814	-	-	(151,190)
Rental income	<u>29,315</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,315</u>
	19,900,856	18,241,048	31,224,609	2,629,449	(5,007,214)	66,988,748
Net assets released from restriction	<u>8,036,306</u>	<u>(8,036,306)</u>	<u>2,286,913</u>	<u>(2,286,913)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	<u>27,937,162</u>	<u>10,204,742</u>	<u>33,511,522</u>	<u>342,536</u>	<u>(5,007,214)</u>	<u>66,988,748</u>
Functional expenses						
Program services	21,051,434	-	27,478,345	-	(2,694,563)	45,835,216
General and administrative	6,298,330	-	3,761,365	-	(1,941,263)	8,118,432
Fundraising	<u>1,171,087</u>	<u>-</u>	<u>1,456,255</u>	<u>-</u>	<u>(371,388)</u>	<u>2,255,954</u>
Total functional expenses	<u>28,520,851</u>	<u>-</u>	<u>32,695,965</u>	<u>-</u>	<u>5,007,214</u>	<u>56,209,602</u>
Changes in net assets	(583,689)	10,204,742	815,557	342,536	-	10,779,146
Net assets, beginning of year	<u>(854,064)</u>	<u>9,273,071</u>	<u>8,639,266</u>	<u>1,534,845</u>	<u>-</u>	<u>18,593,118</u>
Net assets, end of year	<u>\$ (1,437,753)</u>	<u>\$ 19,477,813</u>	<u>\$ 9,454,823</u>	<u>\$ 1,877,381</u>	<u>\$ -</u>	<u>\$ 29,372,264</u>

GRID Alternatives
Statements of Financial Position - GRID Alternatives Greater Los Angeles, Inc.
December 31, 2022 and 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 196,650	\$ 371,764
Grants and contracts receivables	1,027,968	728,556
Intercompany receivable	572,823	378,472
Construction in process	621,919	870,683
Prepaid expenses	<u>24,670</u>	<u>39,852</u>
Total current assets	<u>2,444,030</u>	<u>2,389,327</u>
Property and equipment, net	<u>58,264</u>	<u>6,031</u>
Other assets		
Contributions receivable, net of current portion	317,333	-
Deposits	89,980	17,366
Operating lease right-of-use assets, net	<u>2,118,543</u>	<u>-</u>
Total other assets	<u>2,525,856</u>	<u>17,366</u>
Total assets	<u>\$ 5,028,150</u>	<u>\$ 2,412,724</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 202,635	\$ 368,820
Accrued expenses	166,404	113,652
Intercompany payable	4,197,640	2,768,019
Current portion of capital lease obligations	<u>360,250</u>	<u>-</u>
Total current liabilities	<u>4,926,929</u>	<u>3,250,491</u>
Long-term liabilities		
Warranty liability	54,385	23,170
Capital lease obligations, net of current portion	<u>1,671,661</u>	<u>-</u>
Total long-term liabilities	<u>1,726,046</u>	<u>23,170</u>
Total liabilities	<u>6,652,975</u>	<u>3,273,661</u>
Net assets		
Without donor restriction	(2,268,492)	(1,342,603)
With donor restrictions	<u>643,667</u>	<u>481,666</u>
Total net assets	<u>(1,624,825)</u>	<u>(860,937)</u>
Total liabilities and net assets	<u>\$ 5,028,150</u>	<u>\$ 2,412,724</u>

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

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

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

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

GRID Alternatives
Statements of Financial Position - GRID Alternatives Colorado, Inc.
December 31, 2022 and 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 441,274	\$ 325,291
Grants and contracts receivable	637,234	793,212
Intercompany receivable	174,752	89,143
Construction in process	427,794	224,102
Prepaid expenses	<u>15,578</u>	<u>25,484</u>
Total current assets	<u>1,696,632</u>	<u>1,457,232</u>
Property and equipment, net	<u>87,012</u>	<u>77,561</u>
Other assets		
Deposits	33,195	83,194
Operating lease right-of-use assets, net	<u>216,328</u>	<u>-</u>
Total other assets	<u>249,523</u>	<u>83,194</u>
Total assets	<u>\$ 2,033,167</u>	<u>\$ 1,617,987</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 42,392	\$ 61,549
Accrued expenses	70,887	75,888
Intercompany payable	3,473,669	3,436,594
Current portion of notes payable	20,314	16,266
Current portion of capital lease obligations	<u>89,122</u>	<u>-</u>
Total current liabilities	<u>3,696,384</u>	<u>3,590,297</u>
Long-term liabilities		
Warranty liability	168,033	148,660
Notes payable, net of current portion	158,677	187,028
Capital lease obligations, net of current portion	<u>131,481</u>	<u>-</u>
Total long-term liabilities	<u>458,191</u>	<u>335,688</u>
Total liabilities	<u>4,154,575</u>	<u>3,925,985</u>
Net assets		
Without donor restrictions	(2,156,408)	(2,458,831)
With donor restrictions	<u>35,000</u>	<u>150,833</u>
Total net assets	<u>(2,121,408)</u>	<u>(2,307,998)</u>
Total liabilities and net assets	<u>\$ 2,033,167</u>	<u>\$ 1,617,987</u>

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

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

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

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

GRID Alternatives
Statements of Financial Position - GRID Alternatives San Diego, Inc.
December 31, 2022 and 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 149,001	\$ 466,520
Grants and contracts receivable	1,604,681	1,008,616
Intercompany receivable	281,065	279,657
Construction in process	268,569	205,278
Prepaid expenses	<u>18,428</u>	<u>18,297</u>
Total current assets	<u>2,321,744</u>	<u>1,978,368</u>
Property and equipment, net	<u>103,902</u>	<u>74,869</u>
Other assets		
Deposits	<u>5,700</u>	<u>6,550</u>
Total other assets	<u>5,700</u>	<u>6,550</u>
Total assets	<u><u>\$ 2,431,346</u></u>	<u><u>\$ 2,059,787</u></u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 20,551	\$ 100,569
Accrued expenses	126,714	110,578
Deferred revenue	490,798	446,960
Intercompany payable	1,631,857	1,175,993
Current portion of notes payable	<u>7,692</u>	<u>7,692</u>
Total current liabilities	<u>2,277,612</u>	<u>1,841,792</u>
Long-term liabilities		
Warranty liability	32,985	7,818
Notes payable, net of current portion	<u>137,678</u>	<u>143,414</u>
Total long-term liabilities	<u>170,663</u>	<u>151,232</u>
Total liabilities	<u>2,448,275</u>	<u>1,993,024</u>
Net assets		
Without donor restriction	(63,554)	(433,237)
With donor restriction	<u>46,625</u>	<u>500,000</u>
Total net assets	<u>(16,929)</u>	<u>66,763</u>
Total liabilities and net assets	<u><u>\$ 2,431,346</u></u>	<u><u>\$ 2,059,787</u></u>

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

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

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

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

GRID Alternatives
Statements of Financial Position - GRID Alternatives North Valley, Inc.
December 31, 2022

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 205,917	\$ 121,649
Grants and contracts receivable	491,090	1,221,715
Intercompany receivable	464,299	458,169
Construction in process	539,070	657,547
Prepaid expenses	<u>33,631</u>	<u>52,204</u>
Total current assets	<u>1,734,007</u>	<u>2,511,284</u>
Property and equipment, net	<u>178,293</u>	<u>139,956</u>
Other assets		
Deposits	21,944	19,695
ROU Assets	<u>113,938</u>	<u>-</u>
Total other assets	<u>135,882</u>	<u>19,695</u>
Total assets	<u>\$ 2,048,182</u>	<u>\$ 2,670,935</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 68,819	\$ 50,046
Accrued expenses	143,774	169,569
Deferred revenue	198,717	-
Intercompany payable	2,489,567	2,769,620
Current portion of capital lease obligations	<u>105,526</u>	<u>-</u>
Total current liabilities	<u>3,006,403</u>	<u>2,989,235</u>
Long-term liabilities		
Warranty liability	160,343	117,202
Operating lease liability, net of current portion	<u>9,089</u>	<u>-</u>
Total long-term liabilities	<u>169,432</u>	<u>117,202</u>
Total liabilities	<u>3,175,835</u>	<u>3,106,437</u>
Net assets		
Without donor restriction	(1,190,987)	(500,053)
With donor restriction	<u>63,334</u>	<u>64,551</u>
Total net assets	<u>(1,127,653)</u>	<u>(435,502)</u>
Total liabilities and net assets	<u>\$ 2,048,182</u>	<u>\$ 2,670,935</u>

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

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

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

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

GRID Alternatives
Statements of Financial Position - GRID Alternatives Mid-Atlantic, Inc.
December 31, 2022 and 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 115,105	\$ 256,007
Grants and contracts receivable	738,166	496,471
Intercompany receivable	141,871	144,659
Construction in process	112,162	43,380
Prepaid expenses	<u>23,126</u>	<u>26,495</u>
Total current assets	<u>1,130,430</u>	<u>967,012</u>
Property and equipment, net	<u>14,088</u>	<u>9,420</u>
Other assets		
Contributions receivable, net of current portion	106,183	22,349
Deposits	526,481	514,094
ROU Assets	<u>388,012</u>	<u>-</u>
Total other assets	<u>1,020,676</u>	<u>536,443</u>
Total assets	<u><u>\$ 2,165,194</u></u>	<u><u>\$ 1,512,875</u></u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 43,958	\$ 37,267
Accrued expenses	69,006	50,404
Intercompany payable	5,737,620	5,470,307
Current portion of operating lease liability	<u>111,011</u>	<u>-</u>
Total current liabilities	<u>5,961,595</u>	<u>5,557,978</u>
Long-term liabilities		
Warranty liability	170,680	168,168
Operating lease liability, net of current portion	<u>283,012</u>	<u>-</u>
Total long-term liabilities	<u>453,692</u>	<u>168,168</u>
Total liabilities	<u>6,415,287</u>	<u>5,726,146</u>
Net assets		
Without donor restriction	(4,366,760)	(4,238,271)
With donor restriction	<u>116,667</u>	<u>25,000</u>
Total net assets	<u>(4,250,093)</u>	<u>(4,213,271)</u>
Total liabilities and net assets	<u><u>\$ 2,165,194</u></u>	<u><u>\$ 1,512,875</u></u>

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

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

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

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

GRID Alternatives
Statements of Financial Position - GRID Alternatives Central Valley, Inc.
December 31, 2022 and 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 127,815	\$ 203,003
Grants and contracts receivable	456,486	451,897
Intercompany receivable	8,278,206	8,414,149
Construction in process	607,176	339,303
Prepaid expenses	<u>40,222</u>	<u>44,558</u>
Total current assets	<u>9,509,905</u>	<u>9,452,910</u>
Property and equipment, net	<u>57,769</u>	<u>82,866</u>
Other assets		
Deposits	18,238	17,357
ROU Assets	<u>957,199</u>	<u>-</u>
Total other assets	<u>975,437</u>	<u>17,357</u>
Total assets	<u><u>\$ 10,543,111</u></u>	<u><u>\$ 9,553,133</u></u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 124,157	\$ 77,393
Accrued expenses	134,209	132,635
Intercompany payable	351,675	313,764
Current portion of notes payable	7,692	7,692
Current portion of operating lease liability	<u>247,284</u>	<u>-</u>
Total current liabilities	<u>865,017</u>	<u>531,484</u>
Long-term liabilities		
Warranty liability	93,363	101,696
Notes payable, net of current portion	137,643	143,711
Operating lease liability, net of current portion	<u>719,044</u>	<u>-</u>
Total long-term liabilities	<u>950,050</u>	<u>245,407</u>
Total liabilities	<u>1,815,067</u>	<u>776,891</u>
Net assets		
Without donor restriction	8,640,544	8,726,242
With donor restriction	<u>87,500</u>	<u>50,000</u>
Total net assets	<u>8,728,044</u>	<u>8,776,242</u>
Total liabilities and net assets	<u><u>\$ 10,543,111</u></u>	<u><u>\$ 9,553,133</u></u>

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

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Government grants	\$ 835,528	\$ -	\$ 835,528
Contributions	155,063	115,500	270,563
Program revenue	4,158,631	-	4,158,631
In-kind contributions	252,000	-	252,000
Investment loss	<u>42</u>	<u>-</u>	<u>42</u>
Total grant	5,401,264	115,500	5,516,764
Net assets released from restriction	<u>78,000</u>	<u>(78,000)</u>	<u>-</u>
Total revenues, gains, and other support	<u>5,479,264</u>	<u>37,500</u>	<u>5,516,764</u>
Functional expenses			
Program services	4,798,837	-	4,798,837
General and administrative	640,983	-	640,983
Fundraising	<u>125,142</u>	<u>-</u>	<u>125,142</u>
Total functional expenses	<u>5,564,962</u>	<u>-</u>	<u>5,564,962</u>
Changes in net assets	(85,698)	37,500	(48,198)
Net assets, beginning of year	<u>8,726,242</u>	<u>50,000</u>	<u>8,776,242</u>
Net assets, end of year	<u><u>\$ 8,640,544</u></u>	<u><u>\$ 87,500</u></u>	<u><u>\$ 8,728,044</u></u>

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

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

GRID Alternatives
Statements of Financial Position - GRID Alternatives Bay Area, Inc.
December 31, 2022 and 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 413,686	\$ 267,091
Grants and contracts receivable	165,400	453,912
Intercompany receivable	5,139,596	5,332,947
Construction in process	609,939	385,187
Prepaid expenses	<u>40,883</u>	<u>24,148</u>
Total current assets	<u>6,369,504</u>	<u>6,463,285</u>
Property and equipment, net	<u>124,419</u>	<u>54,608</u>
Other assets		
Deposits	7,350	-
ROU Assets	<u>890,043</u>	<u>-</u>
Total other assets	<u>897,393</u>	<u>-</u>
Total assets	<u><u>\$ 7,391,316</u></u>	<u><u>\$ 6,517,893</u></u>

GRID Alternatives
Statements of Financial Position - GRID Alternatives Bay Area, Inc.
December 31, 2022 and 2021

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 34,336	\$ 26,348
Accrued expenses	142,908	129,173
Deferred revenue	119,405	58,695
Intercompany payable	195,627	137,276
Current portion of notes payable	25,632	25,632
Current portion of operating lease liability	230,991	-
Total current liabilities	<u>748,899</u>	<u>377,124</u>
Long-term liabilities		
Warranty liability	355	16,138
Notes payable, net of current portion	457,916	476,477
Operating lease liability, net of current portion	668,385	-
Total long-term liabilities	<u>1,126,656</u>	<u>492,615</u>
Total liabilities	<u>1,875,555</u>	<u>869,739</u>
Net assets		
Without donor restriction	5,361,779	5,373,154
With donor restriction	153,982	275,000
Total net assets	<u>5,515,761</u>	<u>5,648,154</u>
Total liabilities and net assets	<u>\$ 7,391,316</u>	<u>\$ 6,517,893</u>

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

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

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

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

GRID Alternatives
Statements of Financial Position - GRID Alternatives Inland Empire, Inc.
December 31, 2022

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets		
Cash and cash equivalents	\$ 188,742	\$ 400,610
Grants and contracts receivable	777,308	877,723
Intercompany receivable	4,874,431	3,771,645
Construction in process	1,179,029	810,114
Prepaid expenses	<u>22,723</u>	<u>26,006</u>
Total current assets	<u>7,042,233</u>	<u>5,886,098</u>
Property and equipment, net	<u>18,741</u>	<u>32,662</u>
Other assets		
Deposits	11,500	5,697
ROU Assets	<u>386,450</u>	<u>-</u>
Total other assets	<u>397,950</u>	<u>5,697</u>
Total assets	<u>\$ 7,458,924</u>	<u>\$ 5,924,457</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 251,039	\$ 236,398
Accrued expenses	131,460	83,506
Deferred revenue	376,835	126,145
Intercompany payable	1,172,896	687,658
Current portion of operating lease liability	<u>109,682</u>	<u>-</u>
Warranty liability	150,723	131,997
Operating lease liability, net of current portion	<u>290,600</u>	<u>-</u>
Total long-term liabilities	<u>441,323</u>	<u>131,997</u>
Total liabilities	<u>2,483,235</u>	<u>1,265,704</u>
Net assets		
Without donor restriction	4,761,189	4,328,419
With donor restriction	<u>214,500</u>	<u>330,334</u>
Total net assets	<u>4,975,689</u>	<u>4,658,753</u>
Total liabilities and net assets	<u>\$ 7,458,924</u>	<u>\$ 5,924,457</u>

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

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

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

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

GRID Alternatives
California Public Utilities Commission - Single-Family Affordable Solar Homes Program
Sash Expenditures, Advances, and Incentives
Year Ended December 31, 2022

BUDGET		FISCAL YEAR ENDED DECEMBER 31, 2022					FISCAL YEAR ENDED DECEMBER 31, 2021					TOTAL CONTRACT PERIOD TO DECEMBER 31, 2022
CONTRACT PERIOD: 12/12/08-12/31/2022		Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL	
ADMINISTRATION		ADMINISTRATION EXPENSE					ADMINISTRATION EXPENSE					TOTAL EXPENDED CONTRACT FROM 12/08 to 12/31/22
TASK 1		91,038				91,038	113,338	105,270	85,805	68,474	372,887	14,478
TASK 2		-	-	-	-	-	-	-	-	-	-	15,819,339
TASK 4												577,483
SASH Program												
Administration Services	16,230,000	91,038	-	-	-	91,038	113,338	105,270	85,805	68,474	372,887	\$16,411,300
Marketing & Outreach (M&O)	6,490,000						87,739	91,444	83,921	76,548	\$339,653	6,315,530
TOTAL	\$ 22,720,000	\$91,038	\$ -	\$ -	\$ -	\$ 91,038	\$201,077	\$ 196,714	\$ 169,726	\$ 145,023	\$ 712,540	\$22,726,830
		ADMINISTRATION ADVANCE RECEIVED					ADMINISTRATION ADVANCE RECEIVED					TOTAL ADVANCE RECEIVED FROM 12/08 -12/31/22
		\$ 108,615				\$ 108,615	\$ 28,905	\$ 32,853	\$ 110,486	\$ 65,163	\$ 237,407	\$ 22,726,831
		EARNED & UNEARNED PORTION OF ADVANCE					EARNED & UNEARNED PORTION OF ADVANCE					TOTAL UNEARNED INCOME AS OF DECEMBER 31,2022
		\$ (17,577)	\$ -	\$ -	\$ -	\$ (17,577)	\$ 172,172	\$ 163,861	\$ 59,240	\$ 79,860	\$ 475,133	\$ (1)
BUDGET		INCENTIVES INVOICED					INCENTIVES INVOICED					TOTAL INCENTIVES INVOICED
CONTRACT PERIOD: 12/12/08-12/31/2022		-	-	-	-	-	-	5,850		11,115	11,115	60,301,158
PG&E	60,297,300											(3,858)
SDG&E	14,247,700	1,027,446	777,159	473,985	260,262	2,538,852	862,410	752,400	696,351	514,848	2,826,009	14,142,886
SCE	63,444,000											105,014
TOTAL	\$ 137,989,000	1,027,446	\$ 777,159	\$ 473,985	\$ 260,262	\$ 2,538,852	862,410	\$ 758,250	\$ 696,351	\$ 525,963	\$ 2,842,974	63,172,114
		INCENTIVES PAID					INCENTIVES PAID					TOTAL INCENTIVES AS OF DECEMBER 31, 2022
		11,115				11,115						271,886
			5,850			5,850						
		817,293	865,341	504,069	352,149	2,538,852	795,762	618,387	767,562	644,298	2,826,009	\$137,615,959
		\$ 828,408	\$ 865,341	\$ 509,919	\$ 352,149	\$ 2,555,817	\$ 795,762	\$ 618,387	\$ 767,562	\$ 644,298	\$ 2,826,009	\$ 373,041
TOTAL BUDGET												
		\$ 160,709,000										

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 Stakeholder
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, 2022

BUDGET			FISCAL YEAR ENDED DECEMBER 31, 2022						FISCAL YEAR ENDED DECEMBER 31, 2021						TOTAL CONTRACT PERIOD TO DECEMBER 31, 2022			
CONTRACT PERIOD: 04/2019-12/31/2032			Q1	Q2	Q3	Q4	TOTAL		Q1	Q2	Q3	Q4	TOTAL					
ADMINISTRATION AND MARKETING AND OUTREACH (M&O)			ADMINISTRATION EXPENSE						ADMINISTRATION EXPENSE						TOTAL EXPENDED CONTRACT FROM 03/19 TO 12/31/2022		UNEXPENDED ADMINISTRATIVE AND M&O YEAR ONE BUDGET AS OF DECEMBER 31, 2022	
			Q1	Q2	Q3	Q4	Total		Q1	Q2	Q3	Q4	Total					
			Administration	299,498	391,256.65	430,010.42	416,588.00	1,537,353		Administration	224,381	231,999.36	196,354.50	172,478.02	825,213		4,327,579	
			M&O	5,516	15,907.18	83,093.96	63,174.86	167,692		M&O	89,766	97,843.76	61,820.70	70,312.54	319,743		1,260,338	
TOTAL	\$ 1,400,000	\$ 16,800,000	305,014	407,164	513,104	479,763	\$ 1,705,046		314,147	329,843	258,175	242,791	\$ 1,144,956	\$ 5,587,916	\$ 11,212,084			
			ADMINISTRATION AND M&O PAYMENT OR ADVANCE RECEIVED						ADMINISTRATION AND M&O PAYMENT OR ADVANCE RECEIVED						TOTAL ADVANCE RECEIVED FROM 04/19 -12/31/22			
			Administration	260,949	419,509	446,031	467,256	1,593,745		Administration	324,214	368,996	287,009	195,082	1,175,302		5,568,794	
			Incentive	276,635	306,397	580,750	544,827	1,708,609		Incentive	-	-	-	423,185	423,185		2,131,794	
				537,584	725,906	1,026,781	1,012,083	\$ 3,302,354			324,214	368,996	287,009	618,267	\$ 1,598,487		\$ 7,700,588	
			Difference						Difference						TOTAL (UNEARNED) INCOME OR AMOUNT DUE AS OF DECEMBER 31, 2022			
			Administration	\$ 44,065	\$ (12,345)	\$ 67,073	\$ 12,507	111,300		Administration	\$ (10,067)	\$ (39,153)	\$ (28,834)	\$ 47,708	(30,346)		19,122	
			Incentive (SCE)	\$ (50,435)	\$ 28,049	\$ 364,613	\$ 168,135	510,362		Incentive	\$ (10,067)	\$ (39,153)	\$ (28,834)	\$ (21,438)	(\$ 99,492)		441,216	
				\$ (6,370)	\$ 15,704	\$ 431,686	\$ 180,642	\$ 621,662			\$ (10,067)	\$ (39,153)	\$ (28,834)	\$ (21,438)	\$ (99,492)		\$ 460,338	
BUDGET															TOTAL INCENTIVES INVOICED		UNEXPENDED YEAR ONE INCENTIVES AS OF DECEMBER 31, 2022	
CONTRACT PERIOD: 04/2019-12/31/2032			INCENTIVES INVOICED						INCENTIVES INVOICED									
INCENTIVES																		
	Annual	Total Contract Period	PG&E	SDG&E	SCE			PG&E	SDG&E	SCE			PG&E	SDG&E	SCE			
	3,714,500	44,574,000	618,879	1,051,869	1,233,600	774,231		553,650	716,856	909,270	697,023		11,245,954	524,808	6,207,591	33,328,046		
	875,500	10,506,000	100,431	28,677	10,839	88,032			61,866	37,485	44,928		524,808			9,981,192		
	3,910,000	46,920,000	226,200	334,446	945,363	712,962		465,717	452,988	490,923	354,039		6,207,591			40,712,409		
TOTAL	\$ 8,500,000	\$ 102,000,000	945,510	1,414,992	2,189,802	1,575,225		1,019,367	1,231,710	1,437,678	1,095,990		\$ 17,978,353	\$ 17,978,353	\$ 84,021,647			
TOTAL BUDGET:			INCENTIVES PAID						INCENTIVES PAID						TOTAL INCENTIVES PAID			
			PG&E	SDG&E	SCE			PG&E	SDG&E	SCE			PG&E	SDG&E	SCE			
	807,711	1,041,972	1,243,164	773,697	3,868,544			469,119	540,786	1,124,553	525,219		11,146,438					
	90,591	67,185	3,997	24,930	186,603				29,877	55,677	26,160		450,867					
	226,200	164,652	169,794	1,217,103	1,777,749			545,889	420,108	384,222	683,526		5,766,369					
	1,124,502	1,273,809	1,416,855	2,015,730	\$ 5,830,896			1,015,008	990,771	1,564,452	1,234,905		\$ 17,363,674					

Notes:

Unused annual allocations "roll over" to subsequent calendar year

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

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

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

The %s of the program budget dedicated to Incentives by utility, Administration, M&O and Program Evaluation was determined in Decision 18-06-028 that created the program.

The program budget is set at 85% Incentives; 10% Administration; 4% M&O; 1% Program Evaluation

The 1% of the program budget for "Program Evaluation" is managed by the CPUC and not included in GRID's budget tables above

SINGLE AUDIT REPORTS AND SCHEDULES

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

Board of Directors
GRID Alternatives
Oakland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of GRID Alternatives (a California nonprofit corporation) (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the consolidated financial statements, and have issued our report thereon dated July 28, 2023.

Report on Internal Control over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

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

Purpose of this Report

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

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

Armanino^{LLP}
San Francisco, California

July 28, 2023

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

Board of Directors
GRID Alternatives
Oakland, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited GRID Alternatives (a California nonprofit corporation) (the "Organization")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2022. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

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

Armanino^{LLP}
San Francisco, California

July 28, 2023

GRID Alternatives
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<u>Expenditures of Federal Awards</u>			
Department of Housing and Urban Development (HUD)			
Community Development Block Grants/ Entitlement Grants			
Pass-through program from:			
City of Thornton	14.218	84-6009903	\$ 43,873
City of Moreno Valley	14.218	95-3786047	120,089
City of San Diego	14.218	95-6000776	32,457
Arapahoe County	14.218		239,640
Adams County	14.218		<u>27,494</u>
Total Department of Housing and Urban Development (HUD)			<u>463,553</u>
Department of Energy (DOE)			
Renewable Energy Research and Development			
Direct awards			
Revolving PRI Energy Savings Fund	81.087		<u>255,422</u>
Pass-through program from:			
Ute Mountain Ute Tribe	81.087	84-0404385	508,222
Bishop Paiute Tribe	81.087	95-1905064	138,764
National Rural Electric Cooperative Association	81.087		9,463
Dry Creek Rancheria	81.087		32,550
Spokane Indian Housing Authority	81.087		152,457
Blue Lake Rancheria	81.087		89,000
University of New Hampshire	81.087		<u>5,000</u>
Total Department of Energy (DOE)			<u>1,190,878</u>
Corporation for National and Community Service			
Direct awards			
AmeriCorps	94.006		<u>76,553</u>
Pass-through program from:			
Local Initiative Support Corporation - AmeriCorps	94.006		<u>1,124</u>
Total Corporation for National and Community Service			<u>77,677</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, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
Department of Labor			
Direct awards			
Reentry Employment Opportunities	17.270		516,186
Pass-through program from:			
Fresno Economic Opportunities Commission Local Conservation Corps - WIOA Cluster	17.259		2,062
Fresno Regional Workforce Development Board - WIOA Cluster	17.259		6,185
Proteus, Inc. - WIOA Cluster	17.259		4,123
Fresno Regional Workforce Development Board - WIOA Cluster	17.258		12,369
America Works California - WIOA Cluster	17.258		12,369
Fresno Regional Workforce Development Board - WIOA Cluster	17.278		4,123
Total WIOA Cluster			557,417
Pass-through program from:			
Fresno Regional Workforce Development Board - WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277		8,246
Total Program Name			8,246
Total Department of Labor			565,663
Department of Treasury			
Coronavirus State and Local Fiscal Recovery Funds			
Pass-through program from:			
Colorado Workforce Development Council (CWDC)	21.027		186,015
SWDC-District of Columbia	21.027		1,384,921
Total Department of Treasury			1,570,936
Total Expenditures of Federal Awards			\$ 3,868,707

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, 2022

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of GRID Alternatives (a California nonprofit corporation) (the "Organization") under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3. INDIRECT COSTS

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

GRID Alternatives
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

GRID Alternatives
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

GRID Alternatives
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2022

There were no prior year findings.