



COMMUNITY OFFICE FOR RESOURCE EFFICIENCY

AUDITED FINANCIAL STATEMENTS

December 31, 2024 and 2023

COMMUNITY OFFICE FOR RESOURCE EFFICIENCY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Office for Resource Efficiency

Opinion

We have audited the accompanying financial statements of Community Office for Resource Efficiency (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Office for Resource Efficiency as of December 31, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Community Office for Resource Efficiency and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Office for Resource Efficiency's ability to continue as a going concern within one year after the date that the 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 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 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Community Office for Resource Efficiency'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Office for Resource Efficiency'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.

Report on Summarized Comparative Information

We have previously audited Community Office for Resource Efficiency's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 28, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Reese Henry & Company, Inc.

Reese Henry & Company, Inc.
Aspen, Colorado
May 10, 2025

COMMUNITY OFFICE FOR RESOURCE EFFICIENCY
STATEMENT OF FINANCIAL POSITION
December 31, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Operating Cash	\$ 1,853,473	\$ 1,668,783
Accounts Receivable	2,500	6,921
Contributions Receivable	221,658	40,000
Grants Receivable	116,800	453,895
Cash Restricted to Projects	891,534	1,652,639
Investments	500,000	331,619
Investments Restricted to Projects	1,440,200	1,078,137
Investments Held as Collateral	27,270	27,205
Prepaid Expenses and Other Assets	5,875	3,875
Right of Use Lease Asset	-	34,998
Property and Equipment, net	17,648	23,078
TOTAL ASSETS	<u>\$ 5,076,958</u>	<u>\$ 5,321,150</u>
 LIABILITIES		
Accounts Payable	\$ 168,660	\$ 152,482
Accrued Expenses	29,033	9,025
Right of Use Lease Liability	-	36,340
Note Payable	16,443	22,967
TOTAL LIABILITIES	<u>214,136</u>	<u>220,814</u>
 NET ASSETS		
Without Donor Restrictions		
Undesignated	1,485,789	1,869,560
Designated by the Board for Operating Reserve	500,000	500,000
Total Without Donor Restrictions	1,985,789	2,369,560
With Donor Restrictions	2,877,033	2,730,776
TOTAL NET ASSETS	<u>4,862,822</u>	<u>5,100,336</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,076,958</u>	<u>\$ 5,321,150</u>

The accompanying notes are an integral part of the financial statements.

COMMUNITY OFFICE FOR RESOURCE EFFICIENCY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024
(With Comparative Totals for 2023)

	2024			
	Without Donor Restrictions	With Donor Restrictions	Total	2023
REVENUES, GAINS AND OTHER SUPPORT				
Grant Income	\$ 101,615	\$ 2,264,845	\$ 2,366,460	\$ 1,319,799
Contributions	31,398	201,658	233,056	476,779
Fees for Services	320,400	-	320,400	520,535
Investment Return, Net	224,969	-	224,969	148,164
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	2,320,246	(2,320,246)	-	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	2,998,628	146,257	3,144,885	2,465,277
EXPENSES				
Program Expenses	2,600,153	-	2,600,153	2,104,909
General and Administrative	529,271	-	529,271	317,005
Fundraising	252,975	-	252,975	167,906
TOTAL EXPENSES	3,382,399	-	3,382,399	2,589,820
CHANGE IN NET ASSETS	(383,771)	146,257	(237,514)	(124,543)
NET ASSETS, Beginning of Year	2,369,560	2,730,776	5,100,336	5,224,879
NET ASSETS, End of Year	\$ 1,985,789	\$ 2,877,033	\$ 4,862,822	\$ 5,100,336

The accompanying notes are an integral part of the financial statements.

COMMUNITY OFFICE FOR RESOURCE EFFICIENCY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024
(With Comparative Totals for 2023)

	2024				
	Program Expenses	General and Administrative	Fundraising	Total	2023
Grants	\$ 456,896	\$ -	\$ -	\$ 456,896	\$ 402,239
Contract Expenses	880,974	191,764	63,269	1,136,007	368,090
Rebates	656,130	-	-	656,130	496,205
Bank and Payment Processing Fees	-	715	-	715	463
Payroll Processing Costs	13,703	4,786	3,019	21,508	18,052
Salaries and Wages	419,006	160,046	86,596	665,648	597,003
Retirement Contributions	11,406	3,631	2,282	17,319	15,150
Employee Benefits	36,904	13,561	6,927	57,392	49,558
Payroll Taxes	37,019	13,749	7,590	58,358	51,089
Professional Fees	50	116,292	46,212	162,554	333,764
Energy Assessments	18,485	-	-	18,485	44,298
Advertising	24,413	888	9,464	34,765	101,647
Office Expenses	11,727	6,954	2,176	20,857	42,382
Information Technology	594	353	5,712	6,659	14,241
Occupancy	22,460	2,194	1,316	25,970	27,110
Insurance	5,675	7,064	576	13,315	8,761
Travel	4,711	759	3,534	9,004	9,314
Conferences, Conventions, and Meetings	-	42	14,302	14,344	5,580
Depreciation	-	5,430	-	5,430	4,073
Interest	-	1,043	-	1,043	801
Totals	\$ 2,600,153	\$ 529,271	\$ 252,975	\$ 3,382,399	\$ 2,589,820

The accompanying notes are an integral part of the financial statements.

COMMUNITY OFFICE FOR RESOURCE EFFICIENCY
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024
(With Comparative Totals for 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (237,514)	\$ (124,543)
Adjustments to Reconcile Changes in Net Assets to Net Cash from Operating Activities:		
Amortization of Right of Use Lease Asset	34,998	21,308
Depreciation Expense	5,430	4,073
Unrealized Loss	(755)	32,714
Decrease (Increase) in:		
Accounts Receivable	4,421	32,883
Contributions Receivable	(181,658)	(40,000)
Grants Receivable	337,095	909,290
Prepaid Expenses and Other Assets	(2,000)	1,000
Increase (Decrease) in:		
Accounts Payable	16,178	40,028
Accrued Expenses	20,008	223
Right of Use Lease Liability	(36,340)	(20,508)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>(40,137)</u>	<u>856,468</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturity of Certificate of Deposit	-	429,000
Payments for the Purchase of Investments	(529,754)	(1,470,298)
NET CASH USED IN INVESTING ACTIVITIES	<u>(529,754)</u>	<u>(1,041,298)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Note Payable	(6,524)	(4,183)
NET CASH USED BY FINANCING ACTIVITIES	<u>(6,524)</u>	<u>(4,183)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(576,415)</u>	<u>(189,013)</u>
CASH, Beginning of Year	<u>3,321,422</u>	<u>3,510,435</u>
CASH, End of Year	<u><u>\$ 2,745,007</u></u>	<u><u>\$ 3,321,422</u></u>
SUPPLEMENTAL SCHEDULE OF NON-CASH FINANCING ACTIVITIES		
Vehicle Acquired Through Financing	<u><u>\$ -</u></u>	<u><u>\$ 27,151</u></u>
Cash Consists of:		
Operating Cash	1,853,473	1,668,783
Cash Restricted to Projects	891,534	1,652,639
TOTAL CASH AND CASH EQUIVALENTS	<u><u>\$ 2,745,007</u></u>	<u><u>\$ 3,321,422</u></u>

The accompanying notes are an integral part of the financial statements.

COMMUNITY OFFICE FOR RESOURCE EFFICIENCY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

1. ORGANIZATION AND PURPOSE

Community Office for Resource Efficiency (CORE) was established in September 1994 to help the Roaring Fork Valley save energy and cut carbon emissions to mitigate climate change. CORE promotes the values of clean air, stable climate, a strong economy, healthy communities, and sustainable energy.

CORE provides advising services and rebates to residents and businesses for energy efficiency and renewable energy projects, grants for energy efficiency, design assistance and community grants. CORE offers similar services to income-qualified homeowners in the upper Roaring Fork Valley. CORE also works with communities in the Roaring Fork Valley providing policy options that will reduce carbon emissions.

2. DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, CORE has evaluated events and transactions for potential recognition or disclosure through May 10, 2025, the date that the financial statements were available to be issued.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of CORE have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and accordingly reflect all significant receivables, payables, and other liabilities. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

FINANCIAL STATEMENT PRESENTATION

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions: Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

Net Assets with Donor Restrictions: Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of December 31, 2024, there were no net assets to be held in perpetuity.

CASH AND CASH EQUIVALENTS

For purposes of the Statements of Cash Flows, CORE considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

CONTRIBUTIONS AND GRANTS RECEIVABLE

Unconditional contributions and grants are recognized as contributed or grant revenue in the period the donor or grantor makes a promise to CORE, and as assets, decreases of liabilities, or expenses depending on the form

of the benefit received. Contributions and grants receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional contributions and grants are recognized when the conditions on which they depend are substantially met. CORE considers all receivables to be collectible; therefore, no allowance for uncollectible receivables have been booked as of December 2024.

As of December 31, 2024 all contributions and grants receivable are due within one year.

INVESTMENTS

Investments in marketable equity securities with readily determinable fair values and are measured at fair market value in the Statement of Financial Position. The unrealized gain or loss in investments is reflected in the Statement of Activities.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost when purchased. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Vehicles have a useful life of 5 years, and equipment has a useful life of 5 years.

REVENUE AND REVENUE RECOGNITION

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Fees for services unrelated to cost-reimbursable contracts and received in advance are deferred to the applicable period in which the related services are performed.

INCOME TAXES

CORE is organized as a Colorado nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(c)(3) of the Internal Revenue Code, qualify for charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi).

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Accordingly, salaries, wages, benefits, payroll taxes, professional fees, and contract expenses are allocated among the programs and supporting services benefited on the basis of estimates of time and effort.

USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

COMPARATIVE FINANCIAL INFORMATION

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in

conformity with accounting principles (GAAP). Accordingly, such information should be read in conjunction with CORE's audited financial statements for the year ended December 31, 2023, from which the summarized information was derived.

RECLASSIFICATIONS

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year's financial statements.

4. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date comprise of the following as of December 31, 2024 and 2023:

	2024	2023
Operating Cash	\$ 1,853,473	\$ 1,668,783
Operating Investments	500,000	331,619
Accounts Receivable	2,500	6,921
Contributions Receivable	221,658	-
	<u>\$ 2,355,973</u>	<u>\$ 2,007,323</u>

As part of CORE'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. Additionally, CORE has board designated funds of \$500,000. These funds can be drawn upon in the event of unanticipated liquidity needs. Although CORE does not intend to spend from its board designated fund, the funds could be made available if necessary. CORE has a goal to maintain financial assets, which consist of cash on hand, to meet six months of operating expenses.

5. INVESTMENTS

Investments are stated at fair value and consist of the following as of December 31, 2024 and 2023:

	2024	2023
Certificates of Deposit	\$ 27,270	\$ 27,205
U.S Treasury Bills	1,135,898	1,087,574
U.S Treasury Notes	804,302	322,182
	<u>\$ 1,967,470</u>	<u>\$ 1,436,961</u>

Investment return is summarized as follows as of December 31, 2024 and 2023:

	2024	2023
Bank Interest	\$ 141,722	\$ 70,176
Interest on U.S Treasury Bills	82,492	110,702
Unrealized Loss	755	(32,714)
	<u>\$ 224,969</u>	<u>\$ 148,164</u>

6. FAIR VALUE MEASUREMENTS

CORE is subject to the provisions of *Fair Value Measurements and Disclosures* Topic of FASB ASC. This standard requires use of a hierarchy of fair value that prioritizes the inputs to valuation techniques used to measure fair

value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).
assets.

As of December 31, 2024 and 2023, all CORE's Investments are classified as Level 1 investments.

7. PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following as of December 31, 2024 and 2023:

	2024	2023
Equipment	\$ 2,250	\$ 2,250
Vehicles	27,151	27,151
	29,401	29,401
Accumulated Depreciation	(11,753)	(6,323)
	<u>\$ 17,648</u>	<u>\$ 23,078</u>

8. BOARD DESIGNATED NET ASSETS

In 2018, the Board approved a \$500,000 board reserve fund. The funds have been set aside to create a six-month operating reserve.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2024 and 2023 are restricted for the following purpose:

	2024	2023
Energy Efficiency Programs	\$ 2,770,233	\$ 2,512,682
Coal Basin Project	106,800	218,094
	<u>\$ 2,877,033</u>	<u>\$ 2,730,776</u>

Net assets released from donor or grantor restrictions by incurring expenses satisfying the purpose specified by donors or grantors are as follows:

	2024	2023
Energy Efficiency Programs	\$ 1,924,107	\$ 1,207,385
Coal Basin Project	396,139	420,167
	<u>\$ 2,320,246</u>	<u>\$ 1,627,552</u>

10. CONCENTRATIONS

Cash

CORE maintains its cash in bank deposit accounts and brokerage accounts which, at times, may exceed the U.S. Federal Deposit Insurance Corporation (FDIC) limits and the U.S. Securities Investor Protection Corporation (SIPC) limits. CORE has not experienced any losses in such accounts and believes it is not exposed to any significant risk with respect to these accounts. On December 31, 2024 and 2023, CORE had \$2,550,253 and \$2,717,393 respectively, of its cash deposits not covered by FDIC insurance.

Concentration of Grant Revenue

A grant receivable totaling \$106,799 or 91% of grants receivable, is due from one grantor at December 31, 2024. Grants of \$1,644,845 were received from three grantors and comprised 83% of CORE's grant revenue and 52% of CORE's revenue and support in 2024.

Grants receivable totaling \$359,145 or 79% of grant receivables, are due from two grantors at December 31, 2023. In addition, grants of \$1,060,150 were received from three grantors and comprised 80% of CORE's grant revenue and 43% of CORE's revenue and support in 2023.

The grants from these grantors is not guaranteed each year. Any significant reduction in the level of support from these grantors could negatively impact CORE's ability to fund grants for local residential and commercial grant and rebate requests as well as program services.

Fees for Services Revenue

Fees for services of \$642,500 were received from two local governments and comprised 90% of total fees for services revenue and 20% of CORES revenue and support in 2024.

Fees for services of \$495,000 were received from two local governments and comprised 95% of total fees for services revenue and 20% of CORES revenue and support in 2023.

Any significant reduction in revenue for fees for services received could have an effect on the current level of program services.

Contributions Receivable

Contributions receivable totaling \$200,000 or 90% of contributions receivable, are due from one donor on December 31, 2024.