

FINANCIAL STATEMENTS



**FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2022**

CLASP

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
CLASP
Washington, D.C.

Opinion

We have audited the accompanying financial statements of CLASP, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and change in net assets, 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 CLASP as of December 31, 2023, and the change in its net assets, functional expenses 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 CLASP 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 CLASP'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.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

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 CLASP'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 CLASP'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 CLASP's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 18, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expense with Allocation of Management and General on pages 16 - 17 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.



April 29, 2024

CLASP

**STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

ASSETS

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 18,170,110	\$ 20,176,020
Grants receivable	1,139,854	448,297
Prepaid expenses	<u>583,854</u>	<u>594,139</u>
Total current assets	<u>19,893,818</u>	<u>21,218,456</u>
PROPERTY AND EQUIPMENT		
Furniture	70,674	70,674
Computer equipment	127,840	127,840
Leasehold improvements	<u>753,840</u>	<u>749,682</u>
	952,354	948,196
Less: Accumulated depreciation and amortization	<u>(667,651)</u>	<u>(529,083)</u>
Net property and equipment	<u>284,703</u>	<u>419,113</u>
OTHER ASSETS		
Deposits	93,633	91,136
Right-of-use assets - operating leases, net	715,008	993,695
Right-of-use asset - finance leases, net	<u>3,179</u>	<u>7,725</u>
Total other assets	<u>811,820</u>	<u>1,092,556</u>
TOTAL ASSETS	<u>\$ 20,990,341</u>	<u>\$ 22,730,125</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Operating lease liabilities	\$ 346,534	\$ 318,267
Finance lease liability	3,179	4,546
Accounts payable and accrued liabilities	2,985,605	1,961,575
Refundable advances	<u>12,550,738</u>	<u>16,311,539</u>
Total current liabilities	<u>15,886,056</u>	<u>18,595,927</u>
LONG-TERM LIABILITIES		
Operating lease liabilities, net	542,142	888,676
Finance lease liability, net	<u>-</u>	<u>3,179</u>
Total long-term liabilities	<u>542,142</u>	<u>891,855</u>
Total liabilities	<u>16,428,198</u>	<u>19,487,782</u>
NET ASSETS		
Without donor restrictions	3,171,804	2,309,850
With donor restrictions	<u>1,390,339</u>	<u>932,493</u>
Total net assets	<u>4,562,143</u>	<u>3,242,343</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 20,990,341</u>	<u>\$ 22,730,125</u>

See accompanying notes to financial statements.

CLASP

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
International grants	\$ 889,048	\$ -	\$ 889,048	\$ 2,938,243
Foundation grants	23,339,190	850,000	24,189,190	17,087,477
U.S. Government grants	-	-	-	49,624
Contracts	304,824	-	304,824	789,706
Interest income	385,769	-	385,769	42,103
Project administrative fee	467,068	-	467,068	191,289
Other revenue	20,092	-	20,092	5,160
Net assets released from donor restrictions	<u>392,154</u>	<u>(392,154)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>25,798,145</u>	<u>457,846</u>	<u>26,255,991</u>	<u>21,103,602</u>
EXPENSES				
Program Services:				
Climate	11,745,491	-	11,745,491	10,062,555
Clean Energy Access	9,922,355	-	9,922,355	8,578,351
Research	<u>1,146,078</u>	<u>-</u>	<u>1,146,078</u>	<u>160,112</u>
Total program services	<u>22,813,924</u>	<u>-</u>	<u>22,813,924</u>	<u>18,801,018</u>
Supporting Services:				
Management and General	<u>2,122,267</u>	<u>-</u>	<u>2,122,267</u>	<u>2,090,057</u>
Total expenses	<u>24,936,191</u>	<u>-</u>	<u>24,936,191</u>	<u>20,891,075</u>
Change in net assets	861,954	457,846	1,319,800	212,527
Net assets at beginning of year	<u>2,309,850</u>	<u>932,493</u>	<u>3,242,343</u>	<u>3,029,816</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,171,804</u>	<u>\$ 1,390,339</u>	<u>\$ 4,562,143</u>	<u>\$ 3,242,343</u>

CLASP

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023				2022		
	Program Services				Supporting Services		
	Clean		Total	Management	Total	Total	
	Energy	Research	Program	and	Expenses	Expenses	
	Access		Services	General			
	Climate						
Salaries and benefits	\$ 2,697,334	\$ 1,960,420	\$ 786,614	\$ 5,444,368	\$ 1,115,429	\$ 6,559,797	\$ 5,897,222
Contractors	6,549,696	4,390,446	66,319	11,006,461	19,965	11,026,426	9,958,377
Subgrants	21,600	1,647,510	-	1,669,110	-	1,669,110	578,950
Result based financing payments	166,432	829,939	-	996,371	-	996,371	84,771
Professional services	491,792	370,018	110,962	972,772	206,632	1,179,404	1,082,380
Legal and accounting	44,801	10,506	231	55,538	220,197	275,735	251,785
Non-personnel expense	802,851	358,372	76,008	1,237,231	113,518	1,350,749	1,188,283
Occupancy	211,644	129,469	51,788	392,901	60,405	453,306	439,094
Travel and meetings	691,382	194,475	51,639	937,496	187,363	1,124,859	1,129,592
Depreciation and amortization	47,266	20,762	1,368	69,396	69,172	138,568	123,659
Miscellaneous expenses	20,693	10,438	1,149	32,280	129,586	161,866	156,962
TOTAL	\$ 11,745,491	\$ 9,922,355	\$ 1,146,078	\$ 22,813,924	\$ 2,122,267	\$ 24,936,191	\$ 20,891,075

See accompanying notes to financial statements.

CLASP

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,319,800	\$ 212,527
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	138,568	123,659
Amortization of right-of-use asset - Finance lease	4,546	4,293
Amortization of right-of-use assets - Operating leases	278,687	45,306
(Increase) decrease in:		
Grants receivable	(691,557)	(328,739)
Prepaid expenses	10,285	(128,287)
Deposits	(2,497)	5,197
Increase (decrease) in:		
Accounts payable and accrued liabilities	1,024,030	129,857
Deferred revenue	-	(84,000)
Refundable advances	(3,760,801)	7,080,130
Operating lease liabilities	(318,267)	(69,812)
Finance lease liability	<u>(4,546)</u>	<u>(4,293)</u>
Net cash (used) provided by operating activities	<u>(2,001,752)</u>	<u>6,985,838</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(4,158)</u>	<u>(127,628)</u>
Net cash used by investing activities	<u>(4,158)</u>	<u>(127,628)</u>
Net (decrease) increase in cash and cash equivalents	(2,005,910)	6,858,210
Cash and cash equivalents at beginning of year	<u>20,176,020</u>	<u>13,317,810</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 18,170,110</u>	<u>\$ 20,176,020</u>

CLASP

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

CLASP is the leading global authority on appliance energy efficiency, which drives climate change mitigation and adaptation, and alleviates energy poverty. With 25 years' expertise and offices on four continents, CLASP collaborates with policymakers, industry, and leading experts to deliver clear pathways to a more sustainable world for people and the planet.

CLASP has programs and staff in the European Union, China, India, Indonesia, Kenya and the United States, and ongoing projects Brazil, South Africa, Bangladesh and Pakistan.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with CLASP's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Cash and cash equivalents -

CLASP considers all cash and other highly liquid investments with initial maturities of six months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, CLASP maintains cash balances in excess of the FDIC insurance limits.

CLASP

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Cash and cash equivalents (continued) -

Additionally, as of December 31, 2023, CLASP maintained \$350,525 of cash on hand and in banks overseas. The majority of funds invested in foreign countries are uninsured. Management believes the risk in these situations to be minimal. CLASP is required to maintain separate bank accounts for funding received from certain donors, including GIZ, SIDA and World Bank. As of December 31, 2023, the balance in the GIZ bank account was \$111, the balance in the SIDA bank account was \$1,957,524 and the balance in the World Bank account was \$452,141, respectively.

Foreign currency -

The U.S. Dollar is the functional currency of CLASP. Transactions in currencies other than Dollars are translated into Dollars at the rates when the funds are transferred from PNC dollar account to the foreign currency bank accounts. Transactions in foreign currencies for office-related expenses, equipment purchased, filed withholding vendors taxes, net payroll along with payroll taxes, and 403b funding with non-U.S. currency are tracked and translated into Dollars at the exchange rate in the funding transfer tracking sheets. Assets and liabilities denominated in non-U.S. currency are translated into Dollars at the exchange rate in effect at the financial statement date.

The exchange rates ranges for the year ended December 31, 2023 are as follows:

		<u>January 1, 2023</u>	<u>December 31, 2023</u>
Euro	EURO/USD	1.2005	1.2005
Indian Rupee	USD/INR	81.5529	81.9598
Kenyan Shilling	USD/KES	114.4823	145.5302
Indonesian Rupiah	USD/IDR	14,954.3891	15,290.4276

Grants receivable -

Grants receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established. Grants receivable are expected to be collected within one year.

Property and equipment -

Property and equipment in excess of \$5,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally five to seven years. Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended December 31, 2023 totaled \$138,568.

Income taxes -

CLASP is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. CLASP is not a private foundation. During the year ended December 31, 2023, CLASP was subject to certain taxes in the country of Kenya in accordance with local regulations.

CLASP

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Grants -

CLASP's activities are supported by grants from the U.S. and foreign governments, international organizations and other entities. Grants are recognized in the appropriate category of net assets in the period received. CLASP performs an analysis of the individual grant agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from grants is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor imposed restrictions and satisfaction of time restrictions. Grants with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements. Grants that are both received and released from restrictions in the same year are classified as without donor restrictions.

Conditional grants contain a right of return and a measurable barrier. These grants are recognized when conditions have been satisfied. Conditional grants received in advance of meeting specified conditions established by donors are recorded as refundable advances. CLASP's refundable advances totaled \$12,550,738 as of December 31, 2023.

In addition, CLASP may obtain funding source agreements related to conditional contributions, which will be received in future years. CLASP's unrecognized conditional contributions to be received in future years totaled approximately \$19,995,000 as of December 31, 2023.

Contracts and project administrative fee -

Contracts and project administrative fees are treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts and project administrative fees is recorded when the performance obligations are met. CLASP has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is a fixed fee percentage. Amounts received in advance of satisfying performance obligations are recorded as refundable advance. CLASP's contracts and project administrative fees generally have initial terms of one year or less. For the year ended December 31, 2023, CLASP did not have any contract assets or contract liabilities.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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 and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

CLASP

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

Functional allocation of expenses (continued) -

Expenses directly attributed to a specific functional area of CLASP are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

CLASP's donors allow management and general expenditures to be charged to the respective projects they support. Accordingly, management and general expenditures are allocated to CLASP's programs on a basis of time and effort. In accordance with U.S. GAAP, such allocations have been excluded from the accompanying Statement of Functional Expenses. Refer to Schedule 1 for a summary of management and general expenditures charged to each of CLASP's programs for the year ended December 31, 2023.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

2. **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at December 31, 2023:

Climate	\$ <u>1,390,339</u>
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The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Climate	\$ <u>392,154</u>
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3. **LINE OF CREDIT**

CLASP has a \$100,000 bank line of credit, which matures on March 12th of each year and renews annually. Amounts borrowed under this agreement bear interest at the highest prime rate published by the Wall Street Journal and the rate is subject to change (there was a variable rate at December 31, 2023). There were no outstanding borrowings as of December 31, 2023. The line is secured by cash held in accounts at the same financial institution.

4. **LIQUIDITY AND AVAILABILITY**

Financial assets available for use for general expenditures within one year of the Statement of Financial Position comprise the following at December 31, 2023:

Cash and cash equivalents	\$ 18,170,110
Grants receivable	1,139,854
Financial assets restricted by donor	<u>(1,390,339)</u>

FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ <u>17,919,625</u>
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CLASP

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

4. LIQUIDITY AND AVAILABILITY (Continued)

CLASP has a policy to structure its financial assets to be available and liquid as its obligations become due. In addition, CLASP has a line of credit agreement (as further discussed in Note 3) which allows for additional available borrowings up to \$100,000.

5. LEASE COMMITMENTS

CLASP follows FASB ASC 842 for leases. CLASP has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. CLASP has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

Operating Leases

On April 27, 2016, CLASP entered into a lease agreement for space in Washington, D.C. The lease term is one hundred twenty (120) full calendar months, beginning on January 2, 2017, which was the date the Landlord delivered possession. The initial base rent for the first year is \$186,507, plus CLASP's share of the annual operating costs and real estate taxes. The lease includes a 2.5% annual escalation clause.

During 2019, CLASP entered into an agreement for additional office space in Washington, D.C. The lease term is ninety two (92) full calendar months, beginning on May 1, 2019. The initial base rent for the first year is \$113,750, plus CLASP's share of the annual operating costs and real estate taxes. The lease also includes a 2.5% annual escalation clause.

During 2019, CLASP entered into an agreement for office space in Nairobi, Kenya. The lease term is sixty one (61) full calendar months, beginning on November 1, 2019. The initial base rent for the first year is \$34,242, with an annual escalation of 7.5%.

During 2022, CLASP entered into an agreement for office space in New Delhi, India. The lease term is thirty six (36) full calendar months, beginning on March 1, 2022. The initial base rent for the first year is 4,25,000 Rupee per month (approximately \$5,696), with an annual escalation of 6%.

For the year ended December 31, 2023, total lease cost was \$448,434 and total cash paid was \$374,311 for all operating leases. As of December 31, 2023, the weighted-average remaining lease term and rate for operating leases is 1.73 years and 5.40%, respectively.

Financing Lease

During 2019, CLASP entered into a finance lease for a copier for a term of 64 months beginning on May 1, 2019. The annual base rent is \$4,872 for the entire lease term. In connection with this lease CLASP recorded a right of use asset and a corresponding finance lease liability in the amount of \$22,139 using an interest rate 5.75%. The right-of-use asset and finance lease liability are being amortized over the life of the lease agreement. Total payments and lease expense was \$4,546 for the year ended December 31, 2023.

CLASP

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

5. LEASE COMMITMENTS (Continued)

Financing Lease (continued)

The following is a schedule of the future minimum lease payments under the leases described above:

<u>Year Ended December 31,</u>	<u>Operating Lease Liabilities</u>	<u>Finance Lease Liability</u>	<u>Total Lease Liabilities</u>
2024	\$ 386,440	\$ 3,248	\$ 389,688
2025	289,232	-	289,232
2026	<u>285,503</u>	<u>-</u>	<u>285,503</u>
	961,175	3,248	964,423
Less: Imputed interest	(72,499)	(69)	(72,568)
Less: Current portion	<u>(346,534)</u>	<u>(3,179)</u>	<u>(349,713)</u>
TOTAL LONG TERM PORTION	\$ <u>542,142</u>	\$ <u>-</u>	\$ <u>542,142</u>

6. RETIREMENT PLAN

CLASP provides retirement benefits to its U.S. employees through a defined contribution plan covering all full-time employees with one year of eligible experience. CLASP contributes 1% of gross wages and matches 100% of employee contributions up to 6% of gross wages. Contributions to the Plan during the year ended December 31, 2023 totaled \$258,393. CLASP provides Provident Funds to its Kenya and India full-time employees. The total funded Provident Funds during the year ended December 31, 2023 totaled \$40,915.

7. CONTINGENCY

CLASP receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. CLASP did not meet the threshold to require an audit under Uniform Guidance for the year ended December 31, 2023.

8. FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE GRANT

Included in the total program services and management and general expenses in the Statement of Activities and Change in Net Assets are the Foreign, Commonwealth and Development Office (FCDO) costs to support the Low-Energy Inclusive Appliances (LEIA) initiative.

Expenses associated with this award for the year ended December 31, 2023 were as follows:

Result based financing payments	\$ 75,000
Legal and accounting	<u>6,518</u>
TOTAL	\$ <u>81,518</u>

CLASP

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

9. AWARDS FROM DOEN FOUNDATION

Effective March 1, 2021, CLASP was awarded \$190,000 from DOEN Foundation under project number 201249 for a project entitled "Driving Off-Grid Cold Storage Innovation: 2021 Global LEAP Awards Off-Grid Cold Chain Challenge". The project's original period is from March 1, 2021 to September 31, 2022. The grant agreement was amended to extend the project to February 28, 2023. During the year ended December 31, 2023, CLASP incurred expenditures of \$48,855 under the award and recognized a corresponding amount of revenue, which is included in International grants in the accompanying Statement of Activities and Change in Net Assets. All expenditures incurred are allowed costs under the grant.

10. AWARDS FROM IKEA FOUNDATION

Effective October 6, 2021, CLASP was awarded \$1,154,945 from IKEA Foundation under agreement number G-2105-01765 for a project entitled "Resilient Appliances - Delivering Rural Economic Growth & Emissions Reductions". The project is September 1, 2021 to August 31, 2023. The grant agreement was amended in July 2023, the grant ending period was extended from August 31, 2023 to December 31, 2023. During the year ended December 31, 2023, CLASP incurred expenditures of \$959,117 under the award and recognized a corresponding amount of revenue, which is included in Foundation grants in the accompanying Statement of Activities and Change in Net Assets. The full awarded amount of \$1,154,945 was completed at the end of the grant extended period in December 2023.

Effective November 15, 2021, CLASP was awarded \$850,000 from IKEA Foundation under agreement number G-2107-01859 for a project entitled "Kenya PURE Anchor Programme Design". The project period is November 1, 2021 to October 31, 2022. The grant agreement was amended in October 2022, additional funding of \$80,000 was added to the grant to increase the award amount from \$850,000 to \$930,000, and the grant ending period was extended from October 31, 2021 to March 31, 2023. During the year ended December 31, 2023, CLASP incurred expenditures of \$68,357 under the award and recognized a corresponding amount of revenue, which is included in Foundation grants in the accompanying Statement of Activities and Change in Net Assets. The full awarded amount of \$930,000 was completed at the end of the grant extended period in December 2023.

Effective April 1, 2022, CLASP was awarded \$17,000,000 from IKEA Foundation under agreement number G-2110-02012 for a project entitled "Efficiency for Access Coalition". The project period is April 1, 2022 to March 31, 2025. The grant agreement was amended in June 2023, and Clause 2.3, requiring a funding match from FCDO, was removed. While negotiating this amendment, IKEA committed to covering CLASP's expenses until March 31, 2023, using the previous advance payment stipulated in the original agreement. This adjustment resulted in \$58 of actual expenses not covered by IKEA. Consequently, for the year ending December 31, 2023, CLASP incurred expenditures totaling \$3,317,363. However, only \$3,317,304 was under the award and recognized as a corresponding amount of revenue, which is included in Foundation grants in the accompanying Statement of Activities and Change in Net Assets.

Effective July 1, 2022, CLASP was awarded \$2,310,715 from IKEA Foundation under agreement number G-2112-02077 for a project entitled "Green for Access First Loss Facility". The project period is July 1, 2022 to June 30, 2025. During the year ended December 31, 2023, CLASP incurred expenditures of \$1,169,253 under the award and recognized a corresponding amount of revenue, which is included in Foundation grants in the accompanying Statement of Activities and Change in Net Assets.

CLASP

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

10. AWARDS FROM IKEA FOUNDATION (Continued)

Following is a summary of expenditures incurred under the awards for the year ended December 31, 2023:

	Resilient Appliances	Anchor	Efficiency for Access 2.0	G for A	Total
Salaries and benefits	\$ 245,012	\$ 33,490	\$ 498,623	\$ 60,442	\$ 837,567
Contractors	239,212	-	2,199,699	-	2,438,911
Subgrants	-	-	62,000	1,050,000	1,112,000
Result based financing payments	166,432	-	-	-	166,432
Professional services	50,329	6,978	178,561	3,355	239,223
Legal and accounting	131	-	2,178	-	2,309
Non-personnel expenses	56,480	11,922	115,978	26,660	211,040
Occupancy	29,128	2,053	25,315	4,550	61,046
Travel and meeting	56,433	1,204	34,511	548	92,696
Depreciation and amortization	17,657	588	3,336	23	21,604
Miscellaneous expenses	2,500	373	2,193	41	5,107
Sub-total	863,314	56,608	3,122,394	1,145,619	5,187,935
Allocation of management and general expenses	95,803	11,749	194,969	23,634	326,155
IKEA FUNDED EXPENSES	\$ 959,117	\$ 68,357	\$ 3,317,363	\$ 1,169,253	\$ 5,514,090

During the year ended December 31, 2023, CLASP received payments from the IKEA Foundation of \$7,627,325. The agreement of G-2110-02012's 2022 total payment was \$2,140,000, but total expenses was \$2,328,991, resulting an receivable balance of \$188,991 which is covered by the 2023 IKEA payment. The Inception to Date unspent balance as of December 31, 2023, was \$4,045,129, which is included in refundable advance in the accompanying Statement of Financial Position.

Grant ID	Grant Name	2022 Refundable Advance (Grants Receivable) Balance	2023 Amount Paid	Total Advance Payment Available for 2023	2023 Expenditures	2023 Amount Covered by IKEA Expenditures	2023 Refundable Advance Balance
2105-01765	Resilient Appliances	\$ 959,119	\$ -	\$ 959,119	\$ (959,119)	\$ (959,119)	\$ -
2107-01859	Anchor	68,357	-	68,357	(68,357)	(68,357)	-
G-2110-02012	Efficiency for Access 2.0	(188,991)	7,528,000	7,339,009	(3,317,362)	(3,317,304)	4,021,705
G-2112-02077	G for A	1,093,351	99,325	1,192,676	(1,169,252)	(1,169,252)	23,424
TOTAL		\$ 1,931,836	\$ 7,627,325	\$ 9,559,161	\$ (5,514,090)	\$ (5,514,032)	\$ 4,045,129

11. SUBSEQUENT EVENTS

In preparing these financial statements, CLASP has evaluated events and transactions for potential recognition or disclosure through April 29, 2024, the date the financial statements were issued.

SUPPLEMENTAL INFORMATION

CLASP

**SCHEDULE OF EXPENSES WITH ALLOCATION OF MANAGEMENT AND GENERAL
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Services				
	Climate	Clean Energy Access	Research	IKEA	FCDO
Salaries and benefits	\$ 2,452,322	\$ 1,303,914	\$ 786,614	\$ 837,567	\$ -
Contractors	6,310,484	1,695,383	66,319	2,438,910	-
Subgrants	21,600	523,910	-	1,112,000	-
Result based financing payments	-	754,939	-	166,432	75,000
Professional services	441,463	175,834	110,962	239,223	-
Legal and accounting	634,949	126,487	51,639	92,697	6,518
Non-personnel expense	44,670	4,206	231	2,309	-
Occupancy	650,568	283,722	76,008	211,039	-
Travel and meetings	182,516	92,773	51,788	61,046	-
Depreciation and amortization	29,610	16,569	1,368	21,604	-
Miscellaneous expenses	18,192	7,583	1,149	5,108	-
Subtotal	10,786,374	4,985,320	1,146,078	5,187,935	81,518
Allocation of management and general	958,415	507,810	307,578	326,155	-
TOTAL	\$ 11,744,789	\$ 5,493,130	\$ 1,453,656	\$ 5,514,090	\$ 81,518

CLASP

SCHEDULE OF EXPENSES WITH ALLOCATION OF MANAGEMENT AND GENERAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services (Continued)			Supporting Services	Total Expenses
	World Bank	DOEN	Total Program Services	Management and General	
Salaries and benefits	\$ 40,845	\$ 23,107	\$ 5,444,369	\$ 1,115,429	\$ 6,559,798
Contractors	495,364	-	11,006,460	19,965	11,026,425
Subgrants	-	11,600	1,669,110	-	1,669,110
Result based financing payments	-	-	996,371	-	996,371
Professional services	3,517	1,772	972,771	206,632	1,179,403
Legal and accounting	22,519	2,689	937,498	187,363	1,124,861
Non-personnel expense	4,121	-	55,537	220,197	275,734
Occupancy	14,696	1,198	1,237,231	113,518	1,350,749
Travel and meetings	3,051	1,727	392,901	60,405	453,306
Depreciation and amortization	220	25	69,396	69,172	138,568
Miscellaneous expenses	236	12	32,280	129,586	161,866
Subtotal	584,569	42,130	22,813,924	2,122,267	24,936,191
Allocation of management and general	15,584	6,725	2,122,267	(2,122,267)	-
TOTAL	\$ 600,153	\$ 48,855	\$ 24,936,191	\$ -	\$ 24,936,191