
GREEN MOUNTAIN ENERGY SUN CLUB

REPORT ON FINANCIAL STATEMENTS
FROM INCEPTION (MAY 20, 2015) TO DECEMBER 31, 2015

BREEDLOVE & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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CERTIFIED PUBLIC ACCOUNTANTS

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RICHARD W. BREEDLOVE, CPA
President

INDEPENDENT AUDITORS' REPORT

October 24, 2016

Board of Directors
Green Mountain Energy Sun Club

We have audited the accompanying financial statements of Green Mountain Energy Sun Club (a non-profit organization) which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows from inception (May 20, 2015) to December 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Green Mountain Energy Sun Club as of December 31, 2015, and the changes in its net assets and its cash flows from inception (May 20, 2015) to December 31, 2015 in conformity with accounting principles generally accepted in the United States of America.

Breedlove & Co., P.C.

GREEN MOUNTAIN ENERGY SUN CLUB

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

ASSETS

| | |
|---------------------------------------------|---------------------|
| Current Assets | |
| Cash | \$ 1 111 480 |
| Unconditional contributions receivable, net | <u>163 395</u> |
| Total Current Assets | <u>1 274 875</u> |
| Total Assets | <u>\$ 1 274 875</u> |

LIABILITIES AND NET ASSETS

| | |
|----------------------------------|---------------------|
| Current Liabilities | |
| Unconditional promises to give | \$ <u>449 550</u> |
| Total Current Liabilities | <u>449 550</u> |
| Net Assets | |
| Unrestricted | <u>825 325</u> |
| Total Net Assets | <u>825 325</u> |
| Total Liabilities and Net Assets | <u>\$ 1 274 875</u> |

GREEN MOUNTAIN ENERGY SUN CLUB

STATEMENT OF ACTIVITIES
FOR THE PERIOD FROM INCEPTION (MAY 20, 2015) TO DECEMBER 31, 2015

| | |
|---------------------------------------------------|--------------------------|
| Unrestricted change in net assets: | |
| Revenues | |
| Contributions | \$ 1 524 875 |
| Total Revenues | <u>1 524 875</u> |
| Expenses | - |
| Other Expenses | |
| Grants and Donations | <u>699 550</u> |
| Total Other Expenses | <u>699 550</u> |
| Increase in Unrestricted Net Assets | 825 325 |
| Unrestricted Net Assets as of Beginning of Period | <u>-</u> |
| Unrestricted Net Assets as of End of Period | <u><u>\$ 825 325</u></u> |

See Independent Auditors' Report and Accompanying Notes to Financial Statements

GREEN MOUNTAIN ENERGY SUN CLUB

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM INCEPTION (MAY 20, 2015) TO DECEMBER 31, 2015

| | |
|----------------------------------------------------|----------------------------|
| Cash Flows Provided for Operating Activities: | |
| Increase in net assets | \$ 825 325 |
| Changes in Operating Assets and Liabilities | |
| Increase in unconditional contributions receivable | (163 395) |
| Increase in promises to give | <u>449 550</u> |
| Net cash provided by operating activities | <u>1 111 480</u> |
| | |
| Net Increase in Cash and Cash Equivalents | 1 111 480 |
| | |
| Cash - May 20, 2015 | <u>-</u> |
| | |
| Cash - December 31, 2015 | <u><u>\$ 1 111 480</u></u> |

See Independent Auditors' Report and Accompanying Notes to Financial Statements

GREEN MOUNTAIN ENERGY SUN CLUB

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Green Mountain Energy Sun Club (the “Club”) is a non-profit organization, which was incorporated on May 20, 2015 for charitable, religious, literary, educational, and scientific purposes, and for the prevention of cruelty to children and animals, including, for such purposes, the making of distributions to other charitable organizations. The Club is supported primarily through contributions from Green Mountain Energy Company and NRG Energy, Inc. (“NRG”), both of which are related parties of the Club. Thus, changes in the economy may potentially impact the amounts of contributions received. The Club commenced operations in October 2015.

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of three months or less. During the period from inception (May 20, 2015) to December 31, 2015 the Club did not have any cash equivalents.

Receivables and Allowance for Uncollectible Accounts

Receivables are recorded when a promise is made but the funds are not yet received. Management considers accounts receivable to be fully collectible at December 31, 2015. Accordingly, no allowance for doubtful accounts is required.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Federal Income Tax Status

The Club is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Club is classified as a public charity under sections 590(a)(1), 170(b)(1)(A) and 170(c). The Club files an annual federal information return and is subject to routine examinations of its return. However, there are no returns for tax years ending before December 31, 2015.

Fair Value Measurement

The fair value of donated assets is the purchase price less accumulated depreciation at the time of donation.

GREEN MOUNTAIN ENERGY SUN CLUB

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 (Continued)

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

Expenses are charged directly to program or management in general categories based on specific identification. For the period from inception (May 20, 2015) to December 31, 2015 the Club did not incur any operating or program expenses.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE (2) CONCENTRATIONS OF CREDIT RISK

The Club maintains cash balances at one financial institution. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. In the normal course of business, the Club may have deposits that exceed the insured balance.

NOTE (3) CONTRIBUTIONS RECEIVABLE

The following is a summary of contributions receivable due from related parties at December 31, 2015:

| | |
|--------------------------------|-------------------|
| Green Mountain Energy Company | \$ 163 155 |
| NRG Energy, Inc. | <u>240</u> |
| Total contributions receivable | <u>\$ 163 395</u> |

NOTE (4) UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give that were authorized and unpaid at December 31, 2015 are reported as liabilities. All unconditional promises to give are expected to be paid within one year. The following is a summary of unconditional promises to give authorized and payable at December 31, 2015:

| | |
|-------------------------------------------------------|-------------------|
| Wesley Community Center | \$ 149 550 |
| SEARCH Homeless Services | <u>300 000</u> |
| Unconditional promises to give, authorized and unpaid | <u>\$ 449 550</u> |

GREEN MOUNTAIN ENERGY SUN CLUB

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 (Continued)

NOTE (5) RELATED PARTY TRANSACTIONS

The Club was created and organized by Green Mountain Energy Company for the benefit of the community. The Club is operated by employees of Green Mountain Energy Company and its affiliate NRG.

The related parties contribute financial assets to the Club. The following is a summary of contributions received from related parties for the period from inception (May 20, 2015) to December 31, 2015:

| | |
|-------------------------------|---------------------|
| Green Mountain Energy Company | \$ 1 360 101 |
| NRG Energy, Inc. | <u>941</u> |
| Total contributions | <u>\$ 1 361 042</u> |

NOTE (6) SUBSEQUENT EVENTS

In May of 2016 and September of 2016, the Board of Directors reviewed and authorized promises to give in the amount of \$273,000 and \$592,000, respectively. As of October 24, 2016 the Club's promises to give amounted to \$865,000. The Club believes that its contribution income is adequate to fully cover its unconditional promises to give.

| | |
|-------------------------------------------------------------|-------------------|
| Evelyn's Park | \$ 223 000 |
| Groundwork Hudson Valley, Science Barge | 50 000 |
| Brookfield Zoo | 300 000 |
| Institute of Sustainability & Global Impact at UTA | 58 000 |
| Mission Waco URBAN R.E.A.P. | <u>234 000</u> |
| Authorized promises to give subsequent to December 31, 2015 | <u>\$ 865 000</u> |

Subsequent events were evaluated through October 24, 2016 (the financial statements were available to be issued) and concluded that no additional subsequent events have occurred that would require recognition in the financial statement or disclosure in the notes to the financial statements.