



Report of Independent Auditors
and Financial Statements

Energy Trust of Oregon, Inc.

December 31, 2024 and 2023

Table of Contents

	Page
Report of Independent Auditors	1
Financial Statements	
Statements of Financial Position	4
Statements of Activities	5
Statement of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9

Report of Independent Auditors

The Board of Directors
Energy Trust of Oregon, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Energy Trust of Oregon, Inc., which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Energy Trust of Oregon, Inc., as of December 31, 2024 and 2023, and the results of its operations and its 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 (GAAS). 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 Energy Trust of Oregon, Inc., 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.

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 Energy Trust of Oregon, Inc.'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 GAAS 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 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 GAAS, 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 Energy Trust of Oregon, Inc.'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 Energy Trust of Oregon, Inc.'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.



Portland, Oregon
April 1, 2025

Financial Statements

Energy Trust of Oregon, Inc.
Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 89,937,938	\$ 120,487,305
Other receivables	823,124	473,768
Notes receivable, net of allowance	1,288,151	1,288,151
Advances paid to contractor	-	2,230,377
Prepaid expenses	1,009,520	577,633
Property and equipment, net	634,946	416,632
Right of use lease asset - operating	751,093	1,534,640
Other assets	1,551,510	1,511,998
	\$ 95,996,282	\$ 128,520,504
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 41,655,776	\$ 36,131,569
Accrued payroll and related expenses	2,383,538	2,088,322
Deferred revenue	1,864,003	1,532,447
Lease liability - operating	1,061,520	2,123,041
	46,964,837	41,875,379
COMMITMENTS AND CONTINGENCIES (NOTE 11)		
NET ASSETS		
Without donor restrictions		
Undesignated	37,344,932	75,857,471
Designated	11,686,513	10,787,654
	49,031,445	86,645,125
Total net assets	49,031,445	86,645,125
Total liabilities and net assets	\$ 95,996,282	\$ 128,520,504

See accompanying notes.

Energy Trust of Oregon, Inc.
Statements of Activities
Years Ended December 31, 2024 and 2023

	2024	2023
Funding revenue		
OPUC grant agreement	\$ 241,100,076	\$ 214,839,674
NW Natural for Washington	3,433,935	3,160,185
Contracts and grants	1,974,643	1,469,565
Other revenue	11,215	19,449
	246,519,869	219,488,873
Interest income and investment returns		
Interest and dividend income, net of amortization	4,608,022	3,210,718
Interest on notes receivable	12,250	13,000
Unrealized loss on deferred compensation assets	(5,258)	(197)
	4,615,014	3,223,521
	251,134,883	222,712,394
Expenses		
Program expenses		
OPUC energy efficiency programs	249,008,741	191,770,139
OPUC renewable resources programs	20,187,441	16,461,115
Washington program	2,631,551	2,804,206
Contracts and grants	1,862,366	1,379,507
	273,690,099	212,414,967
Administrative expenses		
Management and general	9,360,995	7,417,386
Communication and general outreach	5,603,807	5,309,649
	14,964,802	12,727,035
Fund development expenses	93,662	235,456
	288,748,563	225,377,458
CHANGE IN NET ASSETS	(37,613,680)	(2,665,064)
NET ASSETS, beginning of year	86,645,125	89,310,189
NET ASSETS, end of year	\$ 49,031,445	\$ 86,645,125

See accompanying notes.

Energy Trust of Oregon, Inc.
Statement of Functional Expenses
Year Ended December 31, 2024

	OPUC Energy Efficiency Programs	OPUC Renewable Resources Programs	Washington Program	Contracts and Grants	Total Program Expenses	Management and General	Communication and General Outreach	Total Administrative Expenses	Fund Development	Total Expenses
EXPENSES										
Incentives	\$ 147,327,018	\$ 13,091,543	\$ 1,232,431	\$ 786,339	\$ 162,437,331	\$ -	\$ -	\$ -	\$ -	\$ 162,437,331
Program delivery subcontracts	80,210,312	1,660,319	866,829	114,490	82,851,950	-	-	-	-	82,851,950
Employee salaries and fringe benefits	10,782,164	3,340,306	389,128	740,666	15,252,264	6,613,025	3,622,364	10,235,389	63,191	25,550,844
Agency contractor services	118,962	308,010	3,377	59,087	489,436	886,059	46,220	932,279	627	1,422,342
Planning and evaluation services	3,156,658	36,298	9,766	-	3,202,722	-	14,648	14,648	-	3,217,370
Advertising and marketing services	1,842,429	247,595	40	23,693	2,113,757	-	1,421,575	1,421,575	-	3,535,332
Other professional services	4,187,624	911,476	36,100	67,484	5,202,684	1,132,925	55,649	1,188,574	1,099	6,392,357
Travel, meetings, trainings, and conferences	237,049	61,489	2,534	5,062	306,134	190,752	115,474	306,226	24,111	636,471
Dues, licenses, and fees	101,367	10,929	60,209	26	172,531	32,585	55,608	88,193	-	260,724
Software and hardware	281,049	316,284	8,343	17,694	623,370	137,112	75,490	212,602	1,268	837,240
Depreciation and amortization	167,117	28,461	3,204	6,767	205,549	53,089	29,227	82,316	523	288,388
Office rent and equipment	486,559	162,768	18,297	38,609	706,233	283,019	156,009	439,028	2,662	1,147,923
Materials, postage, and telephone	38,420	11,963	1,293	2,449	54,125	28,361	11,543	39,904	181	94,210
Miscellaneous expenses	72,013	-	-	-	72,013	4,068	-	4,068	-	76,081
Total expenses	\$ 249,008,741	\$ 20,187,441	\$ 2,631,551	\$ 1,862,366	\$ 273,690,099	\$ 9,360,995	\$ 5,603,807	\$ 14,964,802	\$ 93,662	\$ 288,748,563

See accompanying notes.

Energy Trust of Oregon, Inc.
Statement of Functional Expenses
Year Ended December 31, 2023

	OPUC Energy Efficiency Programs	OPUC Renewable Resources Programs	Washington Program	Contracts and Grants	Total Program Expenses	Management and General	Communication and General Outreach	Total Administrative Expenses	Fund Development	Total Expenses
EXPENSES										
Incentives	\$ 110,834,095	\$ 10,773,561	\$ 1,318,194	\$ 196,745	\$ 123,122,595	\$ -	\$ -	\$ -	\$ -	\$ 123,122,595
Program delivery subcontracts	64,869,202	1,562,755	905,830	96,949	67,434,736	-	-	-	-	67,434,736
Employee salaries and fringe benefits	8,437,091	2,466,713	412,281	690,442	12,006,527	5,423,371	3,327,500	8,750,871	214,441	20,971,839
Agency contractor services	237,153	140,750	6,016	83,000	466,919	571,473	14,951	586,424	771	1,054,114
Planning and evaluation services	2,025,059	13,469	17,786	1,373	2,057,687	981	12,160	13,141	-	2,070,828
Advertising and marketing services	1,880,719	263,554	203	29,784	2,174,260	-	1,420,918	1,420,918	-	3,595,178
Other professional services	2,128,538	705,200	37,192	199,100	3,070,030	775,140	98,378	873,518	1,317	3,944,865
Travel, meetings, trainings, and conferences	139,516	47,394	7,285	3,027	197,222	124,314	85,077	209,391	891	407,504
Dues, licenses, and fees	94,258	11,845	60,230	675	167,008	21,665	45,331	66,996	3	234,007
Software and hardware	459,650	297,287	10,471	21,414	788,822	131,520	82,816	214,336	4,180	1,007,338
Depreciation and amortization	184,515	32,127	5,109	10,353	232,104	67,106	42,081	109,187	2,198	343,489
Office rent and equipment	444,067	138,530	22,347	44,142	649,086	268,650	168,796	437,446	8,681	1,095,213
Materials, postage, and telephone	25,550	7,930	1,262	2,503	37,245	21,999	11,641	33,640	2,974	73,859
Miscellaneous expenses	10,726	-	-	-	10,726	11,167	-	11,167	-	21,893
Total expenses	\$ 191,770,139	\$ 16,461,115	\$ 2,804,206	\$ 1,379,507	\$ 212,414,967	\$ 7,417,386	\$ 5,309,649	\$ 12,727,035	\$ 235,456	\$ 225,377,458

See accompanying notes.

Energy Trust of Oregon, Inc.
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Cash received from OPUC grant agreement	\$ 241,100,076	\$ 214,839,674
Cash received from NW Natural for Washington	3,433,935	3,160,185
Interest received	4,620,272	3,223,718
Cash received from other sources	1,985,858	1,489,014
Cash paid to contractors, suppliers, and employees	(281,182,808)	(215,312,955)
Net cash from (used in) operating activities	(30,042,667)	7,399,636
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of property and equipment	(506,700)	(189,007)
Net cash used in investing activities	(506,700)	(189,007)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(30,549,367)	7,210,629
CASH AND CASH EQUIVALENTS, beginning of year	120,487,305	113,276,676
CASH AND CASH EQUIVALENTS, end of year	\$ 89,937,938	\$ 120,487,305
RECONCILIATION OF DECREASE IN NET ASSETS TO NET CASH FROM (USED IN) OPERATING ACTIVITIES		
Decrease in net assets	\$ (37,613,680)	\$ (2,665,064)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	288,386	343,489
Noncash operating lease expense	(277,974)	(245,513)
Loss on disposal of property and equipment	-	89,173
Unrealized loss on deferred compensation assets	5,258	197
Allowance for notes receivable	-	(5,820)
Net changes in		
Other receivables	(349,356)	(255,181)
Advances paid to contractor	2,230,377	(195,080)
Prepaid expenses	(431,887)	2,498
Other assets	(44,770)	(34,182)
Accounts payable and accrued expenses	5,524,207	10,786,932
Accrued payroll and related expenses	295,216	(95,435)
Deferred revenue	331,556	(326,378)
Net cash from operating activities	\$ (30,042,667)	\$ 7,399,636

See accompanying notes.

Energy Trust of Oregon, Inc.

Notes to Financial Statements

Note 1 – Organization

Energy Trust of Oregon, Inc. (Energy Trust), a nonprofit 501(c)(3) organization, began collecting public purpose revenues in 2001. By the terms of its grant agreement with the Oregon Public Utility Commission (OPUC), it is charged with investing in cost-effective energy conservation, funding above-market costs of small-scale renewable energy resources, and encouraging energy efficiency market transformation efforts in Oregon.

All Energy Trust funds originally came from a 1999 energy restructuring law which required Oregon's two largest investor-owned electric utilities, Portland General Electric (PGE) and Pacific Power, to collect a three percent public purpose charge (PPC) from their customers. Energy Trust launched its electric energy efficiency and renewable energy programs in 2002 for the benefit of PGE and Pacific Power customers.

In 2007, the PPC legislation was amended to allow electric utilities to increase rates for retail electricity customers of less than one average megawatt for amounts necessary to pursue additional cost-effective energy conservation opportunities not reachable with PPC funds only. This additional tariff-based funding was used for conservation efforts in addition to activity funded by the PPC charge, but it was not available to serve some larger commercial and industrial customers. In 2021, the Oregon Legislature extended and modernized the PPC legislation, by (i) updating and expanding the public purposes for PPC funding to include support for renewable energy to low- and moderate-income customers and "distribution system-connected technologies," primarily solar installation battery storage; and (ii) moving the entire funding mechanism for conservation programs from PPC to utility tariffs approved by the OPUC.

In addition to its electric energy efficiency work, Energy Trust administers natural gas conservation programs for residential and commercial customers of NW Natural. Under the terms of the 2003 agreement with the OPUC, NW Natural collects and transfers to Energy Trust a surcharge of the total monthly amount billed to non-industrial customers. Energy Trust uses these funds for energy efficiency efforts to benefit NW Natural's Oregon residential and commercial customers. In 2009, Energy Trust began administering energy efficiency programs for qualified industrial customers of NW Natural.

In 2006 and 2017, respectively, Energy Trust began administering natural gas conservation programs for residential and commercial customers of Cascade Natural Gas Corporation-Oregon and Avista Oregon, each under similar public purpose charge funding agreements. In 2009, Energy Trust began serving NW Natural customers in Southwest Washington as well.

Current PPC funding is set to expire January 1, 2036, and electric and natural gas energy efficiency tariffs do not have a legislatively required sunset.

Energy Trust of Oregon, Inc.

Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies

Basis of accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of 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-imposed stipulations. The Board of Directors has designated, from net assets without donor restrictions, amounts for various purposes. These designations can be released at any time with Board approval. See Note 8.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of Energy Trust and/or the passage of time. When a restriction is met, 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 restrictions. Also included in this category are net assets subject to donor-imposed stipulations which must be maintained in perpetuity by Energy Trust. Generally, the donors of these assets permit the use of all, or part of the income earned on any related investments for general or specific purposes. There were no net assets under this category as of December 31, 2024 or 2023.

Concentrations of credit risk – Energy Trust’s cash and cash equivalents may subject Energy Trust to concentrations of credit risk, as the fair value of securities is dependent on the ability of the issuer to honor its contractual commitments. Energy Trust’s noninterest-bearing cash balances may exceed federally insured limits of \$250,000 per account. Energy Trust has not experienced any losses in such accounts to date.

Cash and cash equivalents – For purposes of financial statement classification, Energy Trust considers all unrestricted, highly-liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

Interest income and investment returns – Interest income is recognized from notes receivable and from funds available on demand that are held with Umpqua Bank and First Interstate Bank. Investments are measured at fair value in the statements of financial position. Investment return includes realized and unrealized gains and losses, interest and dividends, net of investment expenses, and is included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law. Energy Trust did not have any funds considered investments at December 31, 2024 and 2023, other than mutual funds associated with the deferred compensation asset which are disclosed in Note 6.

Property and equipment – Property and equipment are stated at cost less accumulated depreciation and are depreciated using the straight-line method over their estimated useful lives, which generally range from three to eight years. It is Energy Trust’s policy to capitalize property and equipment over \$5,000.

Energy Trust of Oregon, Inc. Notes to Financial Statements

Leases – Energy Trust determines whether the arrangement is or contains a lease at inception. Operating and finance leases will be recognized on the balance sheets as Right of Use (ROU) assets and lease liabilities. ROU assets represent Energy Trust’s right to use an underlying asset for the lease term and lease liabilities represent the Energy Trust’s obligation to make lease payments arising from the lease. Lease liabilities and their corresponding ROU assets are recorded based on the present value of lease payments over the expected remaining lease term. For this purpose, the Energy Trust considers only payments that are fixed and determinable at the time of commencement. The lease ROU assets also include any lease payments made and adjustments for prepayments and lease incentives. Energy Trust has elected the private company alternative to use the risk-free rate as the discount rate in determining the present value of future payments.

Revenue and revenue recognition – All funding is considered available for general use unless specifically restricted by the donor. Funding revenue is recognized when funds are received from the funding source.

A portion of Energy Trust’s revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Energy Trust has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position. There was \$1,864,003 and \$1,532,447 reported as deferred revenue in the statement of financial position at December 31, 2024 and 2023, respectively.

Energy Trust accounts for grants and contributions under ASU 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of Energy Trust’s financial reporting.

Expense allocation – The costs of Energy Trust’s various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. Depreciation and amortization of property and equipment is allocated on a square footage basis or directly according to the program it supports. All other expenses are allocated on the basis of estimates of time and effort or directly to the programs benefited.

Advertising – Energy Trust expenses advertising costs as incurred. Advertising costs include activities to create or stimulate a desire to use Energy Trust’s services that are provided without charge. Advertising expense amounted to \$1,839,524 and \$1,680,671 for the years ended December 31, 2024 and 2023, respectively.

Income taxes – Energy Trust is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is made in the accompanying financial statements, as Energy Trust has no activities subject to unrelated business income tax. Energy Trust is not a private foundation.

Energy Trust of Oregon, Inc. Notes to Financial Statements

Energy Trust recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Energy Trust recognizes interest and penalties related to income tax matters, if any, in management and general expense.

Energy Trust had no unrecognized tax benefits at December 31, 2024 or 2023. No interest and penalties were accrued for the years ended December 31, 2024 or 2023. Energy Trust files an exempt organization return in the U.S. federal jurisdiction.

Renewable energy certificates – In the process of funding above-market costs of renewable energy resources, Energy Trust negotiates the contractual ownerships of Renewable Energy Certificates (REC) with funding recipients. However, Energy Trust does not hold ownership of the RECs, and as such, no value has been reported at December 31, 2024 or 2023.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications – Certain account reclassifications and adjustments have been made to the financial statements of the prior year in order to conform with current year presentation. These reclassifications have no effect on the previously reported net assets.

Note 3 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 89,937,938	\$ 120,487,305
Less: restricted cash	-	(14,000,000)
Other receivables	823,124	473,768
Deferred compensation asset	<u>1,270,611</u>	<u>1,243,689</u>
	<u>\$ 92,031,673</u>	<u>\$ 108,204,762</u>

Energy Trust was required to maintain an aggregate deposit balance of no less than \$14,000,000 at First Interstate Bank for the year ended December 31, 2023, as a result of a loan agreement that matured on July 31, 2024.

Energy Trust of Oregon, Inc.
Notes to Financial Statements

Note 4 – Property and Equipment

Property and equipment consist of the following at December 31:

	2024	2023
Computer equipment and software	\$ 5,357,069	\$ 5,053,081
Office equipment and furniture	803,492	803,492
Leasehold improvements	654,214	654,214
	6,814,775	6,510,787
Less accumulated depreciation	6,321,284	6,094,155
	493,491	416,632
Work in process	141,455	-
	\$ 634,946	\$ 416,632

At December 31, 2024, work in process consisted of various software development projects and leasehold improvements.

Note 5 – Right of Use (ROU) Lease

Energy Trust has entered into a facility lease for a Portland, OR building which qualifies as an operating lease under GAAP. The building lease has terms extending through 2025. Energy Trust determines if contracts with vendors represent a lease or have a lease component under GAAP at contract inception. For purposes of calculating lease liabilities, lease terms include options to extend or terminate the lease when it is reasonably certain that Energy Trust will exercise such options.

ROU assets and lease liabilities by lease type, and the associated statements of financial position classification are as follows:

	Statements of Financial Position Classification	2024	2023
Right-of-use assets			
Operating lease	Right of use lease asset	\$ 751,093	\$ 1,534,640
Lease liabilities			
Operating lease	Lease liability	\$ 1,061,520	\$ 2,123,041

Energy Trust of Oregon, Inc. Notes to Financial Statements

Future undiscounted fixed lease payments for the operating lease as of December 31, 2024, are as follows:

<u>Years Ending December 31,</u>	<u>Operating Lease</u>
2025	\$ 1,169,160
Total future lease payments	1,169,160
Less imputed interest	<u>107,640</u>
Present value of lease liability	<u>\$ 1,061,520</u>

The remaining term and the discount rate on the operating lease as of December 31, 2024, is as follows:

	<u>2024</u>	<u>2023</u>
Operating lease remaining term (years)	1.00	2.00
Operating lease discount rate	4.31%	4.43%

Energy Trust incurred operating lease expenses of \$936,513 and \$899,092 during the years ended December 31, 2024 and 2023, which were recorded within office rent and equipment on the statements of functional expenses.

Note 6 – Fair Value Measurements

Accounting literature defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Energy Trust determines fair value based on quoted prices when available or through the use of alternative approaches, such as matrix or model pricing, when market quotes are not readily accessible or available. The valuation techniques used are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect Energy Trust's market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available. Energy Trust's own data used to develop unobservable inputs is adjusted for market consideration when reasonably available.

Energy Trust used the following methods and significant assumptions to estimate fair value for its assets measured and carried at fair value in the financial statements:

Energy Trust of Oregon, Inc. Notes to Financial Statements

Deferred compensation assets and liabilities – Deferred compensation assets are comprised of U.S. mutual funds for which the fair value is obtained from an independent pricing service. The fair value measurements consider observable data that may include dealer quotes, cash flows, or the U.S. Treasury yield curve. Deferred compensation assets and liabilities are recorded in other assets and accrued payroll and related expenses, respectively, within the statements of financial position.

There were no changes in the valuation methodologies or assumptions used by Energy Trust for the years ended December 31, 2024 or 2023.

It is Energy Trust's policy to recognize transfers of investments between levels in the fair value hierarchy on December 31 of each year.

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis, and indicates the fair value hierarchy of the valuation techniques utilized by Energy Trust to determine such fair value:

Fair Value Measurements at Report Date Using:				
	Fair Value at December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Deferred compensation assets				
U.S. mutual funds	\$ 1,270,611	\$ 1,270,611	\$ -	\$ -
Total deferred compensation assets	\$ 1,270,611	\$ 1,270,611	\$ -	\$ -
Fair Value Measurements at Report Date Using:				
	Fair Value at December 31, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Deferred compensation assets				
U.S. mutual funds	\$ 1,243,689	\$ 1,243,689	\$ -	\$ -
Total deferred compensation assets	\$ 1,243,689	\$ 1,243,689	\$ -	\$ -

Assets are to be classified in the table above by recurring or nonrecurring measurement status. Recurring assets are initially measured at fair value and are required to be remeasured at fair value in the financial statements at each reporting date. There were no assets measured on a nonrecurring basis at December 31, 2024 or 2023.

As of December 31, 2024 and 2023, Energy Trust does not have any liabilities that are required to be measured in accordance with fair value standards.

Note 7 – Notes Receivable

Energy Trust has entered into agreements with Craft3 to loan up to \$1,300,000 in support of the Savings Within Reach Loan Program. At December 31, 2024 and 2023, Energy Trust had loaned \$1,300,000, which accrues interest at 1% and is payable quarterly. On June 30, 2025, \$800,000 is due and payable and on December 31, 2031, \$500,000 is due and payable.

Energy Trust of Oregon, Inc. Notes to Financial Statements

In 2018, Energy Trust entered into a second agreement with Craft3 to loan up to \$1,000,000 in support of the Manufactured Home Loan Pilot. At December 31, 2024 and 2023, no amounts were outstanding in connection with this agreement. Effective January 1, 2024, the maximum loan amount was reduced to \$200,000.

Energy Trust's exposure to uncollectible accounts related to its notes receivable is limited by its contract with Craft3. Craft3 monitors loan performance and establishes a reserve for loans meeting certain criteria, which is reported to Energy Trust. Energy Trust records this amount as a reserve and pays Craft3 for loans written off. Energy Trust has no obligation to Craft3 beyond the then-outstanding reserve fund balance. Balances are written off only when they are deemed to be uncollectible. The allowance for credit losses was \$11,849 for the years ended December 31, 2024 and 2023.

Note 8 – Designated Net Assets Without Donor Restrictions

The following funds have been designated by the Board of Directors at December 31:

	<u>2024</u>	<u>2023</u>
Emergency contingency reserve	\$ 3,000,000	\$ 3,000,000
Operational contingency reserve	7,186,513	5,487,654
Loans made or reserved (see Note 7)	<u>1,500,000</u>	<u>2,300,000</u>
	<u>\$ 11,686,513</u>	<u>\$ 10,787,654</u>

Energy Trust of Oregon, Inc.
Notes to Financial Statements

Note 9 – Funding Revenue

Funding revenue recognized is as follows for the years ended December 31:

	<u>2024</u>	<u>2023</u>
OPUC grant agreement		
Portland General Electric		
Energy efficiency	\$ 98,575,977	\$ 88,414,166
Renewable resources	<u>13,301,701</u>	<u>11,818,372</u>
	<u>111,877,678</u>	<u>100,232,538</u>
PacifiCorp		
Energy efficiency	76,425,347	59,491,999
Renewable resources	<u>8,934,724</u>	<u>7,940,198</u>
	<u>85,360,071</u>	<u>67,432,197</u>
Cascade		
Energy efficiency	<u>3,217,738</u>	<u>3,726,872</u>
Avista		
Energy efficiency	<u>4,536,734</u>	<u>2,753,290</u>
Northwest Natural – Oregon		
Energy efficiency	<u>36,107,855</u>	<u>40,694,777</u>
Total OPUC grant agreement	<u>\$ 241,100,076</u>	<u>\$ 214,839,674</u>
Northwest Natural – Washington		
Energy efficiency	<u>\$ 3,433,935</u>	<u>\$ 3,160,185</u>

Energy Trust of Oregon, Inc.
Notes to Financial Statements

	2024	2023
Contracts and grants		
FEMA		
Contract	\$ 17,947	\$ -
Illinois Valley Community Development Organization		
ODOE Grant	173,919	-
Landlord Provided Cooling		
ODOE Grant	345,688	326,378
NWU		
ODOE Grant	6,021	-
Oregon Community Solar Program		
Contract	644,618	472,414
Portland General Electric		
Smart Battery Pilot Contract	415,632	118,712
Smart Inverter Pilot Contract	3,307	30,852
Flex Feeder Contract	111,575	111,403
	530,514	260,967
SALMON		
US DOE Grant	253,886	288,500
Solar Ambassadors		
NREL Grant	-	111,970
Solar with Justice		
US DOE Grant	2,050	9,336
Total contracts and grants	\$ 1,974,643	\$ 1,469,565
Other revenue	\$ 11,215	\$ 19,449
Total funding revenue	\$ 246,519,869	\$ 219,488,873

Energy Trust of Oregon, Inc. Notes to Financial Statements

Note 10 – Retirement Plans

Retirement plan – Energy Trust provides all employees with a qualified profit sharing retirement plan as prescribed under Section 401(k) of the Internal Revenue Code. Generally, employees who have completed at least three consecutive months of work may elect to make voluntary contributions to the plan on a pre-tax basis, up to the limits allowed by law. Employees select from various investment options. On a discretionary basis, as determined annually by the Board of Directors, Energy Trust may make contributions to the plan. For each of the years ended December 31, 2024 and 2023, Energy Trust contributed to the plan an amount equal to 6% of the compensation earned by each eligible employee during the period. Employees are immediately vested in all contributions to the plan. Retirement plan expense recorded by Energy Trust was \$1,236,001 and \$979,299 for the years ended December 31, 2024 and 2023, respectively.

Deferred compensation plan – Energy Trust sponsors a nonqualified deferred compensation plan for selected employees. Investments are owned by Energy Trust and managed individually by each participant. At the time an employer contribution is made, the Board of Directors will, in its sole discretion, determine whether the employer contribution will be initially fully vested or will become vested in accordance with vesting terms designated by the Board of Directors. Until paid to participants, plan assets are subject to the claims of Energy Trust’s creditors.

Energy Trust did not make discretionary contributions to the plan during the years ended December 31, 2024 or 2023. Energy Trust recorded an asset and a liability in the amount of \$1,270,611 and \$1,279,492 as of December 31, 2024, respective, and \$1,243,689 and \$1,246,093 as of December 31, 2023, respectively.

The deferred compensation asset and liability are recorded in other assets and accrued payroll and related expenses, respectively, in the statements of financial position.

Note 11 – Contractual Commitments

Energy Trust enters into contract commitments for various goods and services. As of December 31, 2024, Energy Trust expects to pay approximately \$162,200,000 in future periods under these commitments. Expenditures for these commitments are recorded in the period in which they are incurred.

Energy Trust entered into incentive funding agreements for energy efficiency and renewable resource projects not completed as of December 31, 2024 totaling no more than \$67,000,000. These amounts will be paid in the period in which they are completed.

Energy Trust also has projects and incentive payment requests in progress that did not meet its recognition criteria at both December 31, 2024 and 2023. These amounts are unquantifiable and, as such, not disclosed in the notes to the financial statements.

Energy Trust of Oregon, Inc.

Notes to Financial Statements

Note 12 – Related Party Transactions

Energy Trust, along with a number of other northwest regional utilities, provides funding to Northwest Energy Efficiency Alliance (NEEA). Energy Trust benefits from the arrangement by achieving low cost, long lasting electric energy savings through NEEA's regional market transformation activities. In 2024 and 2023, Energy Trust's executive director served as chair on the NEEA's board of directors. Total payments to NEEA were approximately \$6,483,000 and \$7,401,000 for the years ended December 31, 2024 and 2023, respectively.

Energy Trust provides funding to New Buildings Institute (NBI). Energy Trust benefits from the arrangement by helping partner and guide the development of zero energy and grid-connected design standards that can be utilized in our New Buildings program. In 2024, Energy Trust's executive director served as a member of NBI's board of directors. Total payments to NBI were approximately \$13,000 for the year ended December 31, 2024.

Note 13 – Subsequent Events

Subsequent events are events or transactions that occur after the statements of financial position date, but before the financial statements are available to be issued. Energy Trust recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statements of financial position, including the estimates inherent in the process of preparing the financial statements. Energy Trust's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statements of financial position but arose after the statements of financial position date and before the financial statements are available to be issued.

Effective February 25, 2025, Energy Trust signed a lease agreement for office space with a term of 136 months and increasing monthly rent payments over the term of the lease.

Energy Trust has evaluated subsequent events through April 1, 2025, which is the date the financial statements were available to be issued.

