
GLOBAL ENERGY MONITOR

FINANCIAL STATEMENTS

December 31, 2021

(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2020)

CROSBY & KANEDA

Certified Public Accountants
for Nonprofit Organizations

GLOBAL ENERGY MONITOR

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Global Energy Monitor
San Francisco, California

Opinion

We have audited the accompanying financial statements of Global Energy Monitor (the Organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, cash flows and functional expenses, 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 Global Energy Monitor as of December 31, 2021, 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 the Organization 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 the Organization'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 the Organization'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 the Organization's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 2, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Oakland, California

April 26, 2022

GLOBAL ENERGY MONITOR

Statement of Financial Position

December 31, 2021

(With Comparative Totals as of December 31, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Assets		
Cash and cash equivalents	\$ 755,806	\$ 635,931
Contributions receivable (Note 3)	2,291,574	343,500
Prepaid expenses	1,327	2,327
Total Assets	<u>3,048,707</u>	<u>981,758</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	34,519	29,856
Accrued vacation	87,086	44,156
PPP loan	-	105,988
Total Liabilities	<u>121,605</u>	<u>180,000</u>
Net Assets		
Without donor restrictions	359,646	109,510
With donor restrictions (Note 7)	2,567,456	692,248
Total Net Assets	<u>2,927,102</u>	<u>801,758</u>
Total Liabilities and Net Assets	<u>\$ 3,048,707</u>	<u>\$ 981,758</u>

See Notes to the Financial Statements

GLOBAL ENERGY MONITOR

Statement of Activities For the Year Ended December 31, 2021 (With Comparative Totals for the Year Ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
Support and Revenue				
Grants	\$ 300,000	\$ 4,400,761	\$ 4,700,761	\$ 1,565,501
Paycheck Protection Program (Note 4)	361,204		361,204	-
Contributions	2,000		2,000	1,500
Program service fees and other	83,163		83,163	6,000
Exchange rate gain (loss) and other	14,267		14,267	(9,923)
Support provided by expiring time and purpose restrictions	2,525,553	(2,525,553)	-	-
Total Support and Revenue	<u>3,286,187</u>	<u>1,875,208</u>	<u>5,161,395</u>	<u>1,563,078</u>
Expenses				
Program	2,721,915		2,721,915	1,351,204
Management and general	258,955		258,955	129,312
Fundraising	55,181		55,181	49,453
Total Expenses	<u>3,036,051</u>	<u>-</u>	<u>3,036,051</u>	<u>1,529,969</u>
Change in net assets	250,136	1,875,208	2,125,344	33,109
Net assets, beginning of year	<u>109,510</u>	<u>692,248</u>	<u>801,758</u>	<u>768,649</u>
Net assets, end of year	<u>\$ 359,646</u>	<u>\$ 2,567,456</u>	<u>\$ 2,927,102</u>	<u>\$ 801,758</u>

See Notes to the Financial Statements

GLOBAL ENERGY MONITOR

Statement of Cash Flows For the Year Ended December 31, 2021 (With Comparative Totals for the Year Ended December 31, 2020)

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 2,125,344	\$ 33,109
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
PPP loan forgiveness	(360,250)	-
Change in assets and liabilities:		
Contributions receivable	(1,948,074)	287,185
Prepaid expenses	1,000	(1,275)
Accounts payable and accrued expenses	4,663	26,219
Accrued vacation	42,930	25,494
Net cash provided (used) by operating activities	<u>(134,387)</u>	<u>370,732</u>
Cash flows from financing activities:		
Proceeds from PPP Loan - First Draw	-	105,988
Proceeds from PPP Loan - Second Draw	254,262	
Net cash provided (used) by financing activities	<u>254,262</u>	<u>105,988</u>
Net change in cash and cash equivalents	119,875	476,720
Cash and cash equivalents, beginning of year	<u>635,931</u>	<u>159,211</u>
Cash and cash equivalents, end of year	<u>\$ 755,806</u>	<u>\$ 635,931</u>

See Notes to the Financial Statements

GLOBAL ENERGY MONITOR

Statement of Functional Expenses For the Year Ended December 31, 2021 (With Comparative Totals for the Year Ended December 31, 2020)

	Program	Management and General	Fundraising	Total	
				2021	2020
Salaries	\$ 1,681,788	\$ 174,799	\$ 45,951	\$ 1,902,538	\$ 1,025,888
Employee benefits	127,022	12,768	3,905	143,695	33,094
Retirement	18,644	1,621	683	20,948	-
Payroll taxes	133,225	13,847	3,640	150,712	79,887
Total Personnel	<u>1,960,679</u>	<u>203,035</u>	<u>54,179</u>	<u>2,217,893</u>	<u>1,138,869</u>
Grants	-	-	-	-	10,000
Fee for service	674,360	43,019	40	717,419	318,341
Advertising and promotion	323	645	6	974	-
Office expenses	3,314	677	33	4,024	42,116
Information technology	68,781	1,234	270	70,285	17,072
Travel	990	25	-	1,015	-
Interest	-	961	-	961	-
Dues, licenses, service fees	13,468	7,366	653	21,487	-
Insurance	-	1,993	-	1,993	3,571
Total Expenses	<u>\$ 2,721,915</u>	<u>\$ 258,955</u>	<u>\$ 55,181</u>	<u>\$ 3,036,051</u>	<u>\$ 1,529,969</u>

See Notes to the Financial Statements

GLOBAL ENERGY MONITOR

Notes to the Financial Statements For the Year Ended December 31, 2021 (With Comparative Totals for the Year Ended December 31, 2020)

NOTE 1: NATURE OF ACTIVITIES

Global Energy Monitor (the Organization) is a California nonprofit public benefit corporation. Its mission is to develop and share information on international energy projects in support of the worldwide movement for clean power. The Organization is a network of professional researchers and volunteers developing collaborative informational resources on fossil fuels and alternative technologies. These resources include websites, databases, maps, and other tools, all of which are made available to further public understanding of critical energy issues.

NOTE 2: 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 (GAAP).

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions – are resources available to support operations. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions – are resources that are restricted by a donor for use for a particular purpose or in a particular period. Some donor restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless

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Notes to the Financial Statements For the Year Ended December 31, 2021 (With Comparative Totals for the Year Ended December 31, 2020)

the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Accounting for Revenue

The Organization recognizes revenue as performance obligations are satisfied.

Revenue is recognized over time for cost reimbursement contracts as eligible expenses are incurred if other conditions of the contract are satisfied. Revenue from agreements that include milestones and milestone payments are recognized over time as milestones are reached. If the Organization's efforts are expended evenly throughout the performance period, the Organization may recognize revenue on a straight-line basis over such a period.

Revenue is recognized at a point in time when goods or services are provided to customers and the Organization is not required to provide additional goods or services or if the above criteria are not met. As a practical expedient the Organization disregards the effects of potential financing components if the period between payment and performance is one year or less.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless related to a donor specified restriction for a particular purpose or future period.

Program Service Fees

Program services fees consist of revenue from analysis of new coal plants and units, speaker fees, expert consultation, coal plant tracking and reporting and other activities. The Organization primarily uses fixed fee agreements, and revenue is recognized as performance obligations are satisfied. The Organization generally does not take deposits or advance fee payments, and bills on a Net 30 basis.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under IRC 501(c)(3) and California RTC 23701(d). The Organization has evaluated its current tax positions as of December 31, 2021 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively, after they are filed.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require

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Notes to the Financial Statements For the Year Ended December 31, 2021 (With Comparative Totals for the Year Ended December 31, 2020)

specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no contributed services that met the criteria for recognition for the year ended December 31, 2021.

Contributions Receivable

Contributions receivable including pledges and grants receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. The Organization has evaluated the value of the discount and concluded that it was not material for recognition. The Organization considers all contributions receivable to be fully collectible at December 31, 2021. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. Cash and cash equivalents held in investment accounts for investment purposes, if any, are treated as part of investment balances for purposes of the statement of cash flows.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

The Organization had no assets or liabilities recorded at fair value on December 31, 2021.

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Notes to the Financial Statements For the Year Ended December 31, 2021 (With Comparative Totals for the Year Ended December 31, 2020)

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs and maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment. Certain software development costs for externally marketed software may be capitalized if the Organization expects to generate revenue through the sale or lease of such software. The Organization had no property and equipment that met this capitalization policy at December 31, 2021.

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions using a reasonable allocation method that is consistently applied as follows:

Salaries and wages, benefits, and payroll taxes are allocated based on estimated staff allocations by functional area prepared at the individual staff level for all staff on an annual basis.

Information technology, insurance costs and other expenses that cannot be directly identified are allocated on the basis of staff allocation for each program and supporting activity.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct fundraising activities in conjunction with its other activities. Additionally, advertising costs are expensed as incurred. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Prior Year Summarized Information

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 GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Reclassifications

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

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**Notes to the Financial Statements
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)**

NOTE 3: CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, are expected to be realized in the following periods:

	<u>2021</u>	<u>2020</u>
Less than one year	\$ 2,110,074	\$ 343,500
One to three years	<u>181,500</u>	<u>-</u>
Total	<u>\$ 2,291,574</u>	<u>\$ 343,500</u>

NOTE 4: PAYCHECK PROTECTION PROGRAM (PPP)

The Organization received two paycheck protection program (PPP) loans totaling \$254,262 and \$105,988 bearing interest of 1% and maturing within two years, respectively, which it accounts for under FASB 470. Based on the guidance in FASB ASC 405-20-40-1, the proceeds from the loan will remain recorded as a liability until either (1) the loan is, in part or wholly, forgiven and the Organization has been “legally released” or (2) the Organization pays off the loan. During the year ended December 31, 2021, the Organization received notice of full forgiveness for both of the PPP loans funding and interest totaling \$361,204.

NOTE 5: CONTINGENCIES

Compliance with Donor Restrictions

Grant awards require the fulfillment of certain conditions as set forth in the provisions of the grants. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization’s management is of the opinion that the Organization has complied with the terms of all grants.

NOTE 6: LINE OF CREDIT

The Organization has an unsecured line of credit with a bank for a total of \$10,000 to be drawn down upon as needed, with an interest rate at eleven percent above the bank’s prime rate. As of December 31, 2021 there was no balance outstanding.

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available as follows as of December 31:

	<u>2021</u>	<u>2020</u>
Purpose restricted	\$ 1,372,341	\$ 692,248
Future use	<u>1,195,115</u>	<u>-</u>
Total	<u>\$ 2,567,456</u>	<u>\$ 692,248</u>

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**Notes to the Financial Statements
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)**

NOTE 8: CONCENTRATIONS

Revenue and Receivables

Three foundation grant funders made up 59% of the total revenue and support for the year ended December 31, 2021. Foundation grants from one funder made up 44% of the total receivables as of December 31, 2021.

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

NOTE 9: FUNDRAISING EFFORT

The Organization was able to raise \$4,700,761 by spending only \$54,483 for fundraising because several funders renewed prior awards, and board members, serving without compensation, were liaisons with foundation funders.

NOTE 10: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2021 are:

Cash and cash equivalents	\$ 755,806
Contributions receivable, current	2,110,074
Less net assets with donor restrictions – specific purpose	<u>(1,372,341)</u>
Total	<u>\$ 1,493,539</u>

Available liquid assets include both funds without donor restrictions and those with donor time restrictions available for use within one year. The Organization holds cash in excess of its immediate needs in its bank account.

NOTE 11: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and has concluded that as of April 26, 2022, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose beyond the following:

Coronavirus

In March 2020 the Organization and the area it operates in was subject to a public health order related to COVID-19 coronavirus which affected activities of the Organization. As of the date these financials were available to be issued this public health matter had not fully resolved which may result in continued impacts to the Organization's operations.