
GLOBAL ENERGY MONITOR

FINANCIAL STATEMENTS

December 31, 2023

(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2022)

CROSBY & KANEDA

Certified Public Accountants
for Nonprofit Organizations

GLOBAL ENERGY MONITOR

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
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, 2023, 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, 2023, 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 3, 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.

Crosby + Kaneda CPAs LLP

Alameda, California

June 6, 2024

GLOBAL ENERGY MONITOR

Statement of Financial Position

December 31, 2023

(With Comparative Totals as of December 31, 2022)

	<u>2023</u>	<u>2022</u>
Assets		
Assets		
Cash and cash equivalents	\$ 2,126,114	\$ 1,948,167
Contributions receivable (Note 3)	3,461,828	2,528,743
Refundable deposits and advances	187,604	18,094
Prepaid expenses	82,313	20,864
Total Assets	<u>\$ 5,857,859</u>	<u>\$ 4,515,868</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 325,682	\$ 245,065
Accrued paid time off (Note 4)	447,223	163,453
Total Liabilities	<u>772,905</u>	<u>408,518</u>
Net Assets		
Without donor restrictions (Note 6)	580,063	538,322
With donor restrictions (Note 7)	4,504,891	3,569,028
Total Net Assets	<u>5,084,954</u>	<u>4,107,350</u>
Total Liabilities and Net Assets	<u>\$ 5,857,859</u>	<u>\$ 4,515,868</u>

See Notes to the Financial Statements

GLOBAL ENERGY MONITOR

Statement of Activities For the Year Ended December 31, 2023 (With Comparative Totals for the Year Ended December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
Support and Revenue				
Grants	\$ 356,375	\$ 8,661,230	\$ 9,017,605	\$ 6,086,541
Contributions	370		370	1,700
Program service fees	245,400		245,400	198,213
Interest	46,620		46,620	-
Exchange rate gain (loss)	(164)		(164)	(5,426)
Support provided by expiring time and purpose restrictions	7,725,367	(7,725,367)	-	-
Total Support and Revenue	8,373,968	935,863	9,309,831	6,281,028
Expenses				
Program	7,050,840		7,050,840	4,399,399
Management and general	1,036,480		1,036,480	591,236
Fundraising	244,907		244,907	110,145
Total Expenses	8,332,227	-	8,332,227	5,100,780
Change in net assets	41,741	935,863	977,604	1,180,248
Net assets, beginning of year	538,322	3,569,028	4,107,350	2,927,102
Net assets, end of year	\$ 580,063	\$ 4,504,891	\$ 5,084,954	\$ 4,107,350

See Notes to the Financial Statements

GLOBAL ENERGY MONITOR

Statement of Cash Flows For the Year Ended December 31, 2023 (With Comparative Totals for the Year Ended December 31, 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 977,604	\$ 1,180,248
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Change in assets and liabilities:		
Grants receivable	(933,085)	(237,169)
Refundable deposits and advances	(169,510)	(37,631)
Prepaid expenses	(61,449)	-
Accounts payable and accrued expenses	80,617	210,546
Paid time off	283,770	76,367
Net cash provided (used) by operating activities	<u>177,947</u>	<u>1,192,361</u>
Net change in cash and cash equivalents	177,947	1,192,361
Cash and cash equivalents, beginning of year	<u>1,948,167</u>	<u>755,806</u>
Cash and cash equivalents, end of year	<u>\$ 2,126,114</u>	<u>\$ 1,948,167</u>

See Notes to the Financial Statements

GLOBAL ENERGY MONITOR

Statement of Functional Expenses For the Year Ended December 31, 2023 (With Comparative Totals for the Year Ended December 31, 2022)

	Program	Management and General	Fundraising	Total	
				2023	2022
Salaries	\$ 5,207,818	\$ 579,476	\$ 212,570	\$ 5,999,864	\$ 3,423,480
Retirement	141,260	75,044	4,415	220,719	81,223
Employee benefits	345,013	180,414	8,361	533,788	243,659
Payroll taxes	345,095	48,828	15,886	409,809	260,437
Total Personnel	<u>6,039,186</u>	<u>883,762</u>	<u>241,232</u>	<u>7,164,180</u>	<u>4,008,799</u>
Research services	232,722	-	-	232,722	506,426
Other fees for service	567,976	115,966	575	684,517	407,666
Advertising and promotion	9,882	-	-	9,882	2,032
Office expenses and supplies	37,222	4,607	153	41,982	14,153
Information technology	124,156	24,943	1,160	150,259	96,533
Travel	32,458	2,866	22	35,346	52,119
Interest	-	1	-	1	312
Insurance	3,641	541	126	4,308	3,137
Other	3,597	3,794	1,639	9,030	9,603
Total Expenses	<u>\$ 7,050,840</u>	<u>\$ 1,036,480</u>	<u>\$ 244,907</u>	<u>\$ 8,332,227</u>	<u>\$ 5,100,780</u>

See Notes to the Financial Statements

GLOBAL ENERGY MONITOR

Notes to the Financial Statements For the Year Ended December 31, 2023 (With Comparative Totals for the Year Ended December 31, 2022)

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, 2023 (With Comparative Totals for the Year Ended December 31, 2022)

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, 2023 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, 2023 (With Comparative Totals for the Year Ended December 31, 2022)

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, 2023.

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 value 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 may use net asset values as a practical expedient to determine the fair value of investments which do not have readily determinable fair value or where detailed holding information is not available and which prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

The Organization had no assets or liabilities recorded at fair value on December 31, 2023.

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.

Leases

For leases with terms greater than 12 months, the Organization records a right-of-use asset and lease obligation at the present value of lease payments over the term of the lease. The Organization expenses total lease costs on a straight-line basis over the related lease term. The Organization has elected to exclude leases that (a) have a lease term of 12 months or less and (b) do not contain a reasonably certain purchase option. The Organization has

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Notes to the Financial Statements For the Year Ended December 31, 2023 (With Comparative Totals for the Year Ended December 31, 2022)

lected to combine non-lease components with related lease components unless non-lease components are billed separately.

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, 2023.

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, 2022, from which the summarized information was derived.

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Notes to the Financial Statements For the Year Ended December 31, 2023 (With Comparative Totals for the Year Ended December 31, 2022)

Recent Accounting Pronouncement

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the probable incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses on commitments to extend credit. The adoption of this update did not have a material impact on the Organization's financial statements.

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.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of June 6, 2024, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: CONTRIBUTIONS RECEIVABLE

Grants receivable consisted of the following as of December 31, 2023:

Gross grants receivable	\$ 3,538,328
Less discount to present value at 5%	<u>(76,500)</u>
Total	<u>\$ 3,461,828</u>

Grants receivables are expected to be realized in the following periods:

Less than one year	\$ 1,931,828
One to two years	<u>1,530,000</u>
Total	<u>\$ 3,461,828</u>

NOTE 4: ACCRUED PAID TIME OFF

Accrued time off consisted of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Accrued vacation	\$ 253,223	\$ 163,453
Accrued sabbatical	<u>194,000</u>	<u>-</u>
Total	<u>\$ 447,223</u>	<u>\$ 163,453</u>

Sabbatical

During the year ending December 31, 2023, the Organization adopted a policy offering eligible employees a twelve-week paid sabbatical leave after five years of service. Sabbatical benefits do not vest and must be approved by management. The amount of accrued sabbatical is an estimate which depends on likelihood of staff reaching a five-year service period and other factors.

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**Notes to the Financial Statements
For the Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)**

NOTE 5: CONTINGENCIES AND UNCERTAINTIES

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's management is of the opinion that the Organization has complied with the terms of all grants.

Foreign Currency Exposure

Approximately 6% of receivables consist of grants with payments denominated in other currencies. The Organization is subject to currency gains or losses in the event of changes to exchange rates as a result.

NOTE 6: NET ASSETS WITHOUT DONOR RESTRICTION

Net assets without donor restriction were available as follows as of December 31:

	<u>2023</u>	<u>2022</u>
Board designated operating reserve	\$ 338,440	\$ 225,145
Undesignated	<u>241,623</u>	<u>313,177</u>
Total	<u>\$ 580,063</u>	<u>\$ 538,322</u>

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Purpose restricted	\$ 3,436,141	\$ 3,312,940
Future use	<u>1,068,750</u>	<u>256,088</u>
Total	<u>\$ 4,504,891</u>	<u>\$ 3,569,028</u>

NOTE 8: CONCENTRATIONS

Revenue and Receivables

Two foundation grant funders made up 40% of the total revenue and support for the year ended December 31, 2023. Foundation grants from two funders made up 74% of the total receivables as of December 31, 2023.

Concentration of Credit Risk

The Organization had approximately \$1,461,547 in excess of federally insured limits as of December 31, 2023.

NOTE 9: CONDITIONAL PROMISES TO GIVE

In addition to the activity reflected on the Organizations statement of activity, the Organization received certain conditional promises to give as of December 31, 2023:

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**Notes to the Financial Statements
For the Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)**

<u>Grant</u>	<u>Award</u>	<u>Recognized</u>	<u>Remaining</u>
Grant I	1,200,000	800,000	400,000
Grant II	3,000,000	2,000,000	1,000,000
Grant III	1,308,525	1,155,959	152,566
Grant IV	816,864	653,432	163,432
Grant V	1,493,057	2,000,000	995,371

NOTE 10: FUNDRAISING EFFORT

The Organization was able to raise \$9,017,605 by spending only \$241,933 for fundraising because the Organization receives larger foundation grants including from funders who continued support from prior periods which required less fundraising effort. In addition, board members, serving without compensation, were liaisons with foundation funders.

NOTE 11: RETIREMENT PLAN

The Organization has a defined contribution retirement plan (the Plan) under section 403(b) of the Internal Revenue Code. The Plan covers all employees who meet age and length of service requirements. The Organization is not required to make contributions to the Plan and made \$220,719 and \$81,223 in contributions for the year ended December 31, 2023 and 2022, respectively.

NOTE 12: 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, 2023 are:

Cash and cash equivalents	\$ 2,126,114
Contributions receivable, current	1,931,828
Less board designated reserve	(338,440)
Less net assets with donor restrictions – specific purpose	<u>(3,436,141)</u>
Total	<u>\$ 283,361</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. While board designated reserve funds are shown as unavailable for immediate use, in the event of need the Organization's board may choose to make such funds available.