
COALSWARM

dba Global Energy Monitor

FINANCIAL STATEMENTS

December 31, 2019

CROSBY & KANEDA

Certified Public Accountants
for Nonprofit Organizations

COALSWARM
dba Global Energy Monitor

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
CoalSwarm dba Global Energy Monitor
San Francisco, California

We have reviewed the accompanying financial statements of CoalSwarm dba Global Energy Monitor (the Organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Oakland, California
November 2, 2020

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Statement of Financial Position
December 31, 2019

Assets

Current Assets	
Cash and cash equivalents	\$ 159,211
Grants receivable	639,313
Prepaid expenses	<u>1,052</u>
Total Current Assets	<u>799,576</u>
Total Assets	<u><u>799,576</u></u>

Liabilities and Net Assets

Current Liabilities	
Accounts payable and accrued expenses	3,637
Accrued vacation	<u>18,662</u>
Total Liabilities	<u>22,299</u>
Net Assets	
Without donor restrictions	229,375
With donor restrictions (Note 4)	<u>547,902</u>
Total Net Assets	<u>777,277</u>
Total Liabilities and Net Assets	<u><u>\$ 799,576</u></u>

See Independent Accountants' Review Report and
Notes to the Financial Statements

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Statement of Activities
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	\$ 4,355	\$	\$ 4,355
Grants	33,708	1,057,000	1,090,708
Program service fees	46,995		46,995
Exchange rate gain (loss)	(8,395)		(8,395)
Support provided by expiring time and purpose restrictions	685,887	(685,887)	
Total Support and Revenue	762,550	371,113	1,133,663
Expenses			
Program			
Coal	416,353		416,353
Oil & Gas	223,281		223,281
Total Program	639,634		639,634
Management and general	54,340		54,340
Fundraising	47,823		47,823
Total Expenses	741,797	-	741,797
Change in net assets	20,753	371,113	391,866
Net assets, beginning of year	208,622	176,789	385,411
Net assets, end of year	\$ 229,375	\$ 547,902	\$ 777,277

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Statement of Cash Flows
For the Year Ended December 31, 2019

Cash flows from operating activities:	
Change in net assets	\$ 391,866
Adjustments to reconcile change in net assets to cash provided (used) by operating activities	
Change in assets and liabilities:	
Grants receivable	(368,414)
Prepaid expenses	(199)
Accounts payable and accrued expenses	(6,398)
Accrued vacation	<u>18,662</u>
Net cash provided (used) by operating activities	<u>35,517</u>
Net change in cash and cash equivalents	35,517
Cash and cash equivalents, beginning of year	<u>123,694</u>
Cash and cash equivalents, end of year	<u><u>\$ 159,211</u></u>

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Statement of Functional Expenses
For the Year Ended December 31, 2019

	Program	Management and General	Fundraising	Total
Salaries	\$ 388,200	\$ 18,189	\$ 41,326	\$ 447,715
Employee benefits	26,282	2,358	1,985	30,625
Payroll taxes	30,138	1,379	3,240	34,757
Total Personnel	<u>444,620</u>	<u>21,926</u>	<u>46,551</u>	<u>513,097</u>
Accounting	-	20,201	-	20,201
Program consultants	170,152	-	-	170,152
Editing, translation and design	9,604	-	-	9,604
Office expenses	-	485	-	485
Information technology	6,398	10,189	438	17,025
Travel	6,319	-	267	6,586
Insurance	2,541	142	192	2,875
Dues, licenses, service fees	-	1,397	375	1,772
Total Expenses	<u>\$ 639,634</u>	<u>\$ 54,340</u>	<u>\$ 47,823</u>	<u>\$ 741,797</u>

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Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 1: NATURE OF ACTIVITIES

CoalSwarm dba 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-imposed 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-imposed 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.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for

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For the Year Ended December 31, 2019

a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

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 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.

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.

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, 2019 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 specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

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, 2019. Accordingly, no allowance for doubtful accounts was deemed necessary. If

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For the Year Ended December 31, 2019

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 investments 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, 2019.

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.

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, 2019.

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For the Year Ended December 31, 2019

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.

NOTE 3: 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 4: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available as follows as of December 31, 2019:

Coal	\$ 18,103
News and data support	7,799
Oil and gas	322,000
Steel	<u>200,000</u>
Total	<u>\$ 547,902</u>

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Notes to the Financial Statements
For the Year Ended December 31, 2019

NOTE 5: CONDITIONAL PROMISES TO GIVE

In addition to the activity on the financials, the Organization may receive grants with future payments subject to certain conditions, performance barriers or rights of revocation. It is the Organization's policy to defer revenue recognition of conditional amounts until such conditions have been satisfied. As of December 31, 2019, conditional grants consisted of the following.

<u>Grant</u>	<u>Award</u>	<u>Recognized</u>	<u>Remaining</u>
Grant I	\$100,000	\$ 50,000	\$50,000
Grant II	\$330,000	\$297,000	\$33,000

NOTE 6: CONCENTRATIONS

Revenue and Receivables

Three foundation grants made up 69% of the total revenue and support for the year ended December 31, 2019. Two receivables from foundation grants made up 85% of the total receivables for the year ended December 31, 2019.

NOTE 7: RELATED PARTY ACTIVITY

The Organization initially operated as a fiscal project of another nonprofit. Amounts due from this related party totaled \$8,628 as of December 31, 2019.

NOTE 8: 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, 2019 are:

Cash	\$ 159,211
Grants receivable	639,313
Less net assets with donor restrictions – specific purpose	<u>(547,902)</u>
Total	<u>\$ 250,622</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 9: ACCOUNTING STANDARDS UPDATES

The Organization adopted *ASU 2018-08 - Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 updated the evaluation of contributions for conditionality, the classification of revenue between contract revenue and support, removes the exception for remote conditions as a barrier to recognition and makes certain other changes with respect to the accounting of contributions received and made. The adoption of this update did not result in a material change to the Organization's financials.

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For the Year Ended December 31, 2019

NOTE 10: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and has concluded that as of November 2, 2020 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose beyond the following:

Public Health Order - Coronavirus

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak"). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic which affected activities of the Organization. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude of the effect that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact on its financial condition, liquidity, operations and workforce.