Global Energy Monitor

(Formerly CoalSwarm)

FINANCIAL STATEMENTS

December 31, 2020

(With Comparative Totals as of December 31, 2019)

Crosby & Kaneda

Certified Public Accountants
for Nonprofit Organizations

GLOBAL ENERGY MONITOR

Contents

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Global Energy Monitor (formerly CoalSwarm)
San Francisco, California

Report on the Financial Statements

We have audited the accompanying financial statements of Global Energy Monitor (formerly CoalSwarm), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Global Energy Monitor as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The accompanying summarized comparative information as of and for the year ended December 31, 2019 is derived from financials that were previously reviewed by us and we stated that we were not aware of any material modifications that should be made to those financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America in our report dated November 2, 2020. We have not performed procedures in connection with that review engagement since that date.

Crosby & Kaneda CPAs LLP

Oakland, California
June 2, 2021

GLOBAL ENERGY MONITOR

Statement of Financial Position
December 31, 2020
(With Comparative Totals as of December 31, 2019)

	2020 (Audited)	2019 (Reviewed)
Assets		
Assets		
Cash and cash equivalents	$ 635,931	$ 159,211
Grants receivable	343,500	630,685
Prepaid expenses	2,327	1,052
Total Assets	981,758	790,948
Liabilites and Net Assets		
Liabilities		
Accounts payable and accrued expenses	29,856	3,637
Accrued vacation	44,156	18,662
PPP Loan (Note 3)	105,988	-
Total Liabilities	180,000	22,299
Net Assets		
Without donor restrictions	109,510	220,747
With donor restrictions (Note 5)	692,248	547,902
Total Net Assets	801,758	768,649
Total Liabilities and Net Assets	$ 981,758	$ 790,948

See Notes to the Financial Statements

GLOBAL ENERGY MONITOR

Statement of Activities
For the Year Ended December 31, 2020
(With Comparative Totals for the Year Ended December 31, 2019)

	Without Donor Restrictions	With Donor Restrictions	Total 2020 (Audited)	Total 2019 (Reviewed)
Support and Revenue				
Grants	$ 30,000	$ 1,535,501	$ 1,565,501	$ 1,082,080
Contributions	1,500		1,500	4,355
Program service fees	6,000		6,000	46,995
Exchange rate gain (loss)	(9,923)		(9,923)	(8,395)
Support provided by expiring time and purpose restrictions	1,391,155	(1,391,155)		
Total Support and Revenue	1,418,732	144,346	1,563,078	1,125,035
Expenses				
Program	1,351,204		1,351,204	639,634
Management and general	129,312		129,312	54,340
Fundraising	49,453		49,453	47,823
Total Expenses	1,529,969	-	1,529,969	741,797
Change in net assets	(111,237)	144,346	33,109	383,238
Net assets, beginning of year	220,747	547,902	768,649	385,411
Net assets, end of year	$ 109,510	$ 692,248	$ 801,758	$ 768,649

GLOBAL ENERGY MONITOR

Statement of Cash Flows
For the Year Ended December 31, 2020
(With Comparative Totals for the Year Ended December 31, 2019)

	2020 (Audited)	2019 (Reviewed)
Cash flows from operating activities:		
Change in net assets	$ 33,109	$ 383,238
Adjustments to reconcile change in net assets to cash provided (used) by operating activities		
Change in assets and liabilities:		
Grants receivable	287,185	(359,786)
Prepaid expenses	(1,275)	(199)
Accounts payable and accrued expenses	26,219	(6,398)
Accrued vacation	25,494	18,662
Net cash provided (used) by operating activities	370,732	35,517
Cash flows from financing activities:		
PPP Loan disbursement	105,988	-
Net cash provided (used) by financing activities	105,988	-
Net change in cash and cash equivalents	476,720	35,517
Cash and cash equivalents, beginning of year	159,211	123,694
Cash and cash equivalents, end of year	$ 635,931	$ 159,211

GLOBAL ENERGY MONITOR

Statement of Functional Expenses
For the Year Ended December 31, 2020
(With Comparative Totals for the Year Ended December 31, 2019)

	Program	Management and General	Fundraising	Total 2020 (Audited)	Total 2019 (Reviewed)
Salaries	$ 908,861	$ 72,460	$ 44,567	$ 1,025,888	$ 447,715
Employee benefits	28,207	3,857	1,030	33,094	30,625
Payroll taxes	71,272	5,077	3,538	79,887	34,757
Total Personnel	1,008,340	81,394	49,135	1,138,869	513,097
Grants	10,000	-	-	10,000	-
Fee for service	222,958	42,037	35	265,030	190,353
Editing, translation and design	53,311	-	-	53,311	9,604
Office expenses	38,212	3,710	194	42,116	2,257
Information technology	16,961	74	37	17,072	17,025
Travel	-	-	-	-	6,586
Insurance	1,422	2,097	52	3,571	2,875
Total Expenses	$ 1,351,204	$ 129,312	$ 49,453	$ 1,529,969	$ 741,797

NOTE 1: NATURE OF ACTIVITIES

Global Energy Monitor (the Organization) (formerly CoalSwarm) 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; there were no restrictions of this nature as of December 31, 2020.

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 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.

Accounting for Revenue

The Organization recognizes revenue as performance obligations are satisfied.

Revenue is recognized over time when any of the following conditions are met: The customer receives and consumes the benefits provided by the Organization’s performance as the Organization performs; the Organization’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or the work does not create an asset with an alternative use to the Organization and the entity has a right to payment for performance completed to date.

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. Revenue from agreements based on hourly rates are recognized over time as time is expended if the Organization expects it will have an enforceable right to payment for such amounts. Revenue is recognized based on estimated progress towards complete satisfaction of the performance obligation if the Organization can reasonably measure such progress. 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. Revenue from the sales of goods or merchandise are recognized at the point in time when the goods or merchandise are provided to the customer.

The Organization tracks contract assets representing earned amounts that are not yet receivable separately from accounts receivable, if any. 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.

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, 2020 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, 2020. 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 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, 2020.

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, 2020.

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.

Changes in Accounting Principles

The Organization adopted *ASU 2014-09 – Revenue from Contracts with Customers (Topic 606)* during the year ended December 31, 2020. This guidance requires an entity to recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of ASU 2014-09 did not result in a material change to timing of when revenue is recognized.

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, 2019, 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.

NOTE 3: PAYCHECK PROTECTION PROGRAM (PPP) LOAN

The Organization received a $105,988 paycheck protection program (PPP) loan bearing interest of 1% and maturing May 2022 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. The Organization may be eligible for forgiveness of some or all of this loan, and expect to receive forgiveness or repay the loan within one year.

PPP Contingency

Guidance related to this program is evolving, and it remains possible that final forgiveness amounts may vary or that no forgiveness will be offered. The SBA reserves the right to audit any forgiveness granted, and such audit activity, if any, may result in changes to amounts forgiven or a requirement to return funds received.

NOTE 4: 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 5: NET ASSETS WITH DONOR RESTRICTIONS

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

	2020 (Audited)	2019 (Reviewed)
Purpose restricted	$ 692,248	$ 347,902
Time restricted	-	200,000
Total	$ 692,248	$ 547,902

NOTE 6: CONCENTRATIONS

Revenue and Receivables

Three foundation grants made up 52% of the total revenue and support for the year ended December 31, 2020. Foundation grants from two funders made up 83% of the total receivables as of December 31, 2020.

NOTE 7: 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, 2020 are:

Cash	$ 635,931
Grants receivable	343,500
Less net assets with donor restrictions – specific purpose	(692,248)
Total	$ 287,183

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 8: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and has concluded that as of June 2, 2021, 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 workface.