

---

---

# **GLOBAL ENERGY MONITOR**

## **FINANCIAL STATEMENTS**

**December 31, 2022**

**(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2021)**

---

---

**CROSBY & KANEDA**

Certified Public Accountants  
for Nonprofit Organizations

# GLOBAL ENERGY MONITOR

## Contents

Independent Auditors' Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to the Financial Statements	7-12

**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, 2022, 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, 2022, 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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 26, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

  
Oakland, California  
May 3, 2023

## GLOBAL ENERGY MONITOR

### Statement of Financial Position

December 31, 2022

(With Comparative Totals as of December 31, 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Assets		
Cash and cash equivalents	\$ 1,948,167	\$ 755,806
Contributions receivable	2,528,743	2,291,574
Prepaid expenses, deposit and other	<u>38,958</u>	<u>1,327</u>
Total Assets	<u>\$ 4,515,868</u>	<u>\$ 3,048,707</u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 245,065	\$ 34,519
Accrued vacation	<u>163,453</u>	<u>87,086</u>
Total Liabilities	<u>408,518</u>	<u>121,605</u>
Net Assets		
Without donor restrictions	538,322	359,646
With donor restrictions (Note 5)	<u>3,569,028</u>	<u>2,567,456</u>
Total Net Assets	<u>4,107,350</u>	<u>2,927,102</u>
Total Liabilities and Net Assets	<u>\$ 4,515,868</u>	<u>\$ 3,048,707</u>

See Notes to the Financial Statements

## GLOBAL ENERGY MONITOR

### Statement of Activities For the Year Ended December 31, 2022 (With Comparative Totals for the Year Ended December 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2022	2021
<b>Support and Revenue</b>				
Grants	\$ 131,250	\$ 5,955,291	\$ 6,086,541	\$ 4,700,761
Contributions	1,700		1,700	2,000
Program service fees	198,213		198,213	83,163
Exchange rate gain (loss)	(5,426)		(5,426)	14,267
Paycheck Protection Program	-		-	361,204
Support provided by expiring time and purpose restrictions	4,953,719	(4,953,719)	-	-
Total Support and Revenue	<u>5,279,456</u>	<u>1,001,572</u>	<u>6,281,028</u>	<u>5,161,395</u>
<b>Expenses</b>				
Program	4,399,399		4,399,399	2,721,915
Management and general	591,236		591,236	258,955
Fundraising	110,145		110,145	55,181
Total Expenses	<u>5,100,780</u>	<u>-</u>	<u>5,100,780</u>	<u>3,036,051</u>
Change in net assets	178,676	1,001,572	1,180,248	2,125,344
Net assets, beginning of year	<u>359,646</u>	<u>2,567,456</u>	<u>2,927,102</u>	<u>801,758</u>
Net assets, end of year	<u>\$ 538,322</u>	<u>\$ 3,569,028</u>	<u>\$ 4,107,350</u>	<u>\$ 2,927,102</u>

See Notes to the Financial Statements

## GLOBAL ENERGY MONITOR

### Statement of Cash Flows For the Year Ended December 31, 2022 (With Comparative Totals for the Year Ended December 31, 2021)

	2022	2021
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 1,180,248	\$ 2,125,344
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	(237,169)	(1,948,074)
Prepaid expenses, deposit and other	(37,631)	1,000
Accounts payable and accrued expenses	210,546	4,663
Accrued vacation	76,367	42,930
Net cash provided (used) by operating activities	1,192,361	(134,387)
<b>Cash flows from financing activities:</b>		
Proceeds from PPP Loan - Second Draw	-	254,262
Net cash provided (used) by financing activities	-	254,262
Net change in cash and cash equivalents	1,192,361	119,875
Cash and cash equivalents, beginning of year	755,806	635,931
Cash and cash equivalents, end of year	\$ 1,948,167	\$ 755,806

See Notes to the Financial Statements

## GLOBAL ENERGY MONITOR

### Statement of Functional Expenses For the Year Ended December 31, 2022 (With Comparative Totals for the Year Ended December 31, 2021)

	Program	Management and General	Fundraising	Total	
				2022	2021
Salaries	\$ 2,956,625	\$ 373,014	\$ 93,841	\$ 3,423,480	\$ 1,902,538
Retirement	53,511	24,449	3,263	81,223	20,948
Employee benefits	172,888	68,717	2,054	243,659	140,261
Payroll taxes	225,760	30,102	4,575	260,437	150,712
Total Personnel	<u>3,408,784</u>	<u>496,282</u>	<u>103,733</u>	<u>4,008,799</u>	<u>2,214,459</u>
Research services	506,426	-	-	506,426	579,164
Other fees for service	329,968	73,640	4,058	407,666	141,689
Advertising and promotion	2,032	-	-	2,032	974
Office expenses and supplies	11,492	2,660	1	14,153	4,024
Information technology	85,879	10,353	301	96,533	70,285
Travel	45,378	6,431	310	52,119	1,015
Interest	-	312	-	312	961
Insurance	2,525	569	43	3,137	1,993
Dues, subscriptions and other	6,915	989	1,699	9,603	21,487
Total Expenses	<u>\$ 4,399,399</u>	<u>\$ 591,236</u>	<u>\$ 110,145</u>	<u>\$ 5,100,780</u>	<u>\$ 3,036,051</u>

See Notes to the Financial Statements



## GLOBAL ENERGY MONITOR

### Notes to the Financial Statements For the Year Ended December 31, 2022 (With Comparative Totals for the Year Ended December 31, 2021)

---

#### 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

## GLOBAL ENERGY MONITOR

### Notes to the Financial Statements For the Year Ended December 31, 2022 (With Comparative Totals for the Year Ended December 31, 2021)

---

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, 2022 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

## GLOBAL ENERGY MONITOR

### Notes to the Financial Statements For the Year Ended December 31, 2022 (With Comparative Totals for the Year Ended December 31, 2021)

---

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, 2022.

#### **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, 2022. 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, 2022.

## GLOBAL ENERGY MONITOR

### Notes to the Financial Statements For the Year Ended December 31, 2022 (With Comparative Totals for the Year Ended December 31, 2021)

---

#### 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, 2022.

#### 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, 2021, from which the summarized information was derived.

#### Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This update supersedes much of the existing authoritative guidance for leases. The update requires lessees, among other things, to recognize right-of-use assets and liabilities on their balance sheet for all leases with lease terms longer than twelve months. Further related updates

## GLOBAL ENERGY MONITOR

### Notes to the Financial Statements For the Year Ended December 31, 2022 (With Comparative Totals for the Year Ended December 31, 2021)

---

included *ASU No. 2018-01*, *ASU No. 2021-05* and additional modifications and clarifications.

In September 2020, the FASB issued *ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This update was designed to increase the transparency of contribution nonfinancial assets through enhancements to presentation and disclosure.

#### 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 May 3, 2023, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

#### NOTE 3: 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.

##### Coronavirus

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.

#### NOTE 4: 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 a variable current interest rate of 15%. As of December 31, 2022, there was no balance outstanding on this line of credit.

#### NOTE 5: NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
Purpose restricted	\$ 3,312,940	\$ 1,372,341
Future use	<u>256,088</u>	<u>1,195,115</u>
Total	<u>\$ 3,569,028</u>	<u>\$ 2,567,456</u>

**GLOBAL ENERGY MONITOR**

**Notes to the Financial Statements  
For the Year Ended December 31, 2022  
(With Comparative Totals for the Year Ended December 31, 2021)**

---

**NOTE 6: CONCENTRATIONS**

**Revenue and Receivables**

Two foundation grant funders made up 54% of the total revenue and support for the year ended December 31, 2022. Foundation grants from one funder made up 56% of the total receivables as of December 31, 2022.

**Concentration of Credit Risk**

The Organization had bank deposits in excess of federally insured limits.

**NOTE 7: 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, 2022:

<u>Grant</u>	<u>Award</u>	<u>Recognized</u>	<u>Remaining</u>
Grant I	1,200,000	400,000	800,000
Grant II	3,000,000	2,000,000	1,000,000

**NOTE 8: FUNDRAISING EFFORT**

The Organization was able to raise \$6,086,541 by spending only \$108,621 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 9: 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 \$81,223 in contributions for the year ended December 31, 2022.

**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, 2022 are:

Cash and cash equivalents	\$ 1,948,167
Contributions receivable, current	2,528,743
Less net assets with donor restrictions – specific purpose	<u>(3,312,940)</u>
Total	<u>\$ 1,163,970</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.