Carbon Mapper, Inc.

Financial Statements

For the Years Ended
August 31, 2024 and 2023
With Independent Auditors’ Report Thereon

REGALIA & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

(A California Non-Profit Corporation)
August 31, 2024 and 2023

Overview

Carbon Mapper is a nonprofit based in Pasadena, California, with the mission to drive greenhouse gas emissions reductions by making methane and carbon dioxide data accessible and actionable. It focuses on filling gaps in the emerging ecosystem of methane and CO2monitoring systems by delivering data at facility scale that is precise, timely, and accessible to empower decision making and direct mitigation action. The organization leads a public-private coalition that is developing and deploying a constellation of satellites capable of detecting, quantifying, and verifying methane emissions worldwide. Data from these satellites will offer the next major step in scaling up the organization's robust data portal featuring thousands of direct observations of global methane and CO2 super-emitters.

Leadership

Richard Lawrence	Board President
Marisa de Belloy	Board Member, Secretary
Richard Corey	Board Member
Riley Duren	Board Member & CEO
Mary Nichols	Board Member
Ajlun Yang	Board Member
Dr. Steve Cliff	Board Member

Carbon Mapper, Inc.
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(A California Non-Profit Corporation)
August 31, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Carbon Mapper, Inc.

Opinion
We have audited the accompanying financial statements of Carbon Mapper, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows 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 Carbon Mapper, Inc. as of August 31, 2024, 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 (GAAS). 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 Carbon Mapper, Inc. 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 Carbon Mapper, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's 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 GAAS 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 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 GAAS, 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 Carbon Mapper, Inc.'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 Carbon Mapper, Inc.'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.

Report on Summarized Comparative Information
We have previously audited Carbon Mapper, Inc.'s financial statements as of and for the year ended August 31, 2023, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 16, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Regalia & Associates

Danville, California
October 25, 2024

Statements of Financial Position
August 31, 2024 and 2023

ASSETS

	2024	2023
Current assets:		
Cash and cash equivalents	**$ 6,950,395**	$ 16,784,363
Grants and pledges receivable	**51,826**	4,005,000
Prepaid expenses and other current assets	**86,536**	92,554
Prepaid project development cost	**10,000,000**	-
Total current assets	**17,088,757**	20,881,917
Noncurrent assets:		
Property and equipment, net	**10,026**	17,782
Operating right of use asset - premises	**-**	41,191
Deposit	**8,297**	8,651
Total noncurrent assets	**18,323**	67,624
	$ 17,107,080	$ 20,949,541

LIABILITIES AND NET ASSETS

	2024	2023
Current liabilities:		
Accounts payable and accrued liabilities	**$ 420,475**	$ 129,394
Accrued payroll and related benefits	**146,780**	240,702
Grants payable	**-**	19,065
Refundable advance	**1,567,878**	1,230,823
Operating lease payable - current portion	**-**	42,474
Total current liabilities	**2,135,133**	1,662,458
Net assets:		
Without donor restrictions	**1,364,539**	10,029,620
With donor restrictions	**13,607,408**	9,257,463
Total net assets	**14,971,947**	19,287,083
	$ 17,107,080	$ 20,949,541

Statement of Activities and Changes in Net Assets
For the Year Ended August 31, 2024
(With Comparative Totals for the Year Ended August 31, 2023)

	Net Assets			
Changes in net assets:	Without Donor Restrictions	With Donor Restrictions	2024	2023
Revenue and support:				
Contributions	$ 4,836,693	$ 11,500,000	**$ 16,336,693**	$ 17,523,314
Grant adjustment	-		**-**	(2,000,000)
Project Revenue	68,629	-	**68,629**	1,600,448
Sublease Revenue	28,624		**28,624**	22,458
In-Kind donations	146,122	-	**146,122**	165,000
Investment gains (losses), net	(20,503)	-	**(20,503)**	145,600
Interest and other income	605,246	-	**605,246**	447,357
Released from restrictions	7,150,055	(7,150,055)	**-**	-
Total revenue and support	12,814,866	4,349,945	**17,164,811**	17,904,177
Expenses:				
Programs	20,052,598	-	**20,052,598**	27,475,923
Management and general	1,294,897	-	**1,294,897**	769,699
Fundraising	132,452	-	**132,452**	-
Total expenses	21,479,947	-	**21,479,947**	28,245,622
Increase (decrease) in net assets	(8,665,081)	4,349,945	**(4,315,136)**	(10,341,445)
Net assets at beginning of year	10,029,620	9,257,463	**19,287,083**	29,628,528
Net assets at end of year	$ 1,364,539	$ 13,607,408	**$ 14,971,947**	$ 19,287,083

Statements of Cash Flows
For the Years Ended August 31, 2024 and 2023

	2024	2023
Operating activities:		
Decrease in net assets	**$ (4,315,136)**	$ (10,341,445)
Adjustments to reconcile to cash provided by (used for) operating activities:		
Depreciation and amortization	**13,673**	14,453
Unrealized gains (losses)	**(20,503)**	20,503
Changes in:		
Grants and pledges receivable	**3,953,174**	26,130,667
Prepaid expenses and other assets	**(9,993,982)**	(31,402)
Deposit	**354**	(496)
Accounts payable and accrued liabilities	**291,081**	43,111
Accrued payroll and related benefits	**(93,922)**	223,043
Grants payable	**(19,065)**	(1,027,935)
Unearned revenue	**-**	(120,000)
Refundable advance	**337,055**	947,403
Right of use asset - premises	**41,191**	47,626
Cash provided by (used for) operating activities	**(9,806,080)**	15,905,528
Investing activities:		
Acquisition of property and equipment	**(5,917)**	-
Acquisition and reinvestment of fixed income funds	**20,503**	(20,503)
Cash provided by (used for) investing activities	**14,586**	(20,503)
Financing activities:		
Principal payments applied to lease payable	**(42,474)**	(46,343)
Cash used for financing activities	**(42,474)**	(46,343)
Net increase (decrease) in cash and cash equivalents	**(9,833,968)**	15,838,682
Cash and cash equivalents at beginning of year	**16,784,363**	945,681
Cash and cash equivalents at end of year	**$ 6,950,395**	$ 16,784,363
Additional cash flow information:		
Interest paid	**$ -**	$ -
State registration tax fees	**$ 2,597**	$ 643

Statement of Functional Expenses
For the Year Ended August 31, 2024
(With Comparative Totals for the Year Ended August 31, 2023)

	Programs	Management and General	Fund-raising	2024 Total	2023 Total
Salaries and related benefits	$ 4,464,596	$ 682,820	$ 105,049	**$ 5,252,465**	$ 3,860,656
Professional fees	136,400	440,454	8,903	**585,757**	291,076
Grant awards	238,832	-	-	**238,832**	686,187
Computer related expenses	489,068	33,868	3,607	**526,543**	192,131
Project fees	14,078,971	-	-	**14,078,971**	22,604,453
Office and operating expenses	128,891	52,244	2,675	**183,810**	112,012
Occupancy	75,010	15,819	1,765	**92,594**	74,482
Insurance	-	29,887	-	**29,887**	28,244
Marketing	216,091	-	-	**216,091**	144,929
Travel expense	224,739	26,132	10,453	**261,324**	236,999
Depreciation and amortization	-	13,673	-	**13,673**	14,453
	$ 20,052,598	$ 1,294,897	$ 132,452	**$ 21,479,947**	$ 28,245,622

Notes to Financial Statements
August 31, 2024 and 2023

1. Organization

Carbon Mapper, Inc. (Carbon Mapper) is a nonprofit based in Pasadena, California, with the mission to drive greenhouse gas emissions reductions by making methane and carbon dioxide data accessible and actionable. It focuses on filling gaps in the emerging ecosystem of methane and CO2monitoring systems by delivering data at facility scale that is precise, timely, and accessible to empower decision making and direct mitigation action. The organization leads a public-private coalition that is developing and deploying a constellation of satellites capable of detecting, quantifying, and verifying methane emissions worldwide. Data from these satellites will offer the next major step in scaling up the organization's robust data portal featuring thousands of direct observations of global methane and CO2 super-emitters.

2. Summary of Significant Accounting Policies

Basis of Accounting – The financial statements of Carbon Mapper have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("US GAAP").

Measure of Operations – The statement of activities and changes in net assets reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Carbon Mapper's ongoing operations which include a variety of programmatic activities. Nonoperating activities are limited to resources that generate return from interest-bearing deposits and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents – Cash and cash equivalents include all monies in FDIC-insured bank accounts and highly liquid investments with maturity dates of less than three months. Cash equivalents include short-term interest-bearing investments in money market and liquid asset accounts. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Concentrations of Credit Risk – Financial instruments that potentially subject Carbon Mapper to concentrations of credit risk consist principally of cash and cash equivalents and deposits. Carbon Mapper maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. Carbon Mapper manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy.

To date, Carbon Mapper has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and grants receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from reputable organizations and foundations supportive of Carbon Mapper's mission.

2. Summary of Significant Accounting Policies *(continued)*

Receivables and Credit Policies – Carbon Mapper determined that no allowance for doubtful uncollectible accounts receivable is needed based on historical experience, an assessment of economic conditions, and a review of subsequent collections. It is the policy of Carbon Mapper to periodically assess receivables to determine the proper carrying value.

Accounts, Grants, and Pledges Receivable – Carbon Mapper records accounts, grants, and pledges receivable which are expected to be collected within one year at net realizable value. When material, grants and pledges receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions which market participants would use in pricing the asset. In subsequent years, amortization of the discounts (when applicable) is included in contribution revenue on the statement of activities and changes in net assets.

Carbon Mapper determined that no allowance for doubtful uncollectible accounts receivable is needed based on historical experience, an assessment of economic conditions, and a review of subsequent collections. It is the policy of Carbon Mapper to periodically assess receivables to determine proper carrying value. Receivables are written off when deemed uncollectible.

Income Taxes – Financial statement presentation follows the recommendations of *ASC 740, Income Taxes*. Under ASC 740, Carbon Mapper is required to report information regarding its exposure to various tax positions taken by Carbon Mapper and requires a two-step process that separates recognition from measurement. The first step is determining whether a tax position has met the recognition threshold; the second step is measuring a tax position that meets the recognition threshold.

Management believes that Carbon Mapper has adequately addressed all tax positions and that there are no unrecorded tax liabilities. Management believes that Carbon Mapper has adequately evaluated its current tax positions and has concluded that as of August 31, 2024 Carbon Mapper does not have any uncertain tax positions for which a reserve or an accrual for a tax liability would be necessary.

Carbon Mapper has received notification from the Internal Revenue Service and the State of California that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. This exemption is subject to periodic review by the federal and state taxing authorities and management is confident that Carbon Mapper continues to satisfy all federal and state statutes in order to qualify for continued tax exemption status.

Carbon Mapper may periodically receive unrelated business income (such as sublease income) requiring the organization to file separate tax returns under federal and state statutes. Under such conditions, Carbon Mapper calculates, accrues, and remits the applicable tax liability.

Comparative Financial Information – The accompanying financial statements include certain prior-year summarized comparative information in total but not by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited financial statements for the year ended August 31, 2023, from which the summarized information was derived.

2. Summary of Significant Accounting Policies *(continued)*

Fair Value Measurements – Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions.

The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). Carbon Mapper groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2: Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3: Unobservable inputs that cannot be corroborated by observable market data.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing model of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions of Nonfinancial Assets – Contributed services and costs are reflected at the fair value of the contribution received in accordance with *ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The contributions of services and costs are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Such amounts, which are based upon information provided by third-party service providers, are recorded at their estimated fair value determined on the date of contribution and are reported as contributions in-kind and supporting services on the accompanying statement of activities and statement of functional expenses.

2. Summary of Significant Accounting Policies *(continued)*

Revenue and Revenue Recognition – Revenue is recognized in accordance with authoritative guidance, including *ASU 2018-08, Not-for-Profit Entities (Topic 605)* and *ASU No. 2014-09, Revenue from contracts with Customers (Topic 606)*. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

A transfer of funds with a conditional promise to contribute is accounted for as a refundable advance until the conditions have been substantially met. Certain payments received include both elements of contributed income and earned income (such as special events), and management evaluates such transactions to determine the proper revenue rules to apply and to bifurcate the revenue components. When applicable, revenue earned under a contractual arrangement (an "exchange transaction") is recognized when earned and therefore measured as services are provided in accordance with Topic 606.

Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

A portion of Carbon Mapper's revenue is derived from foundation grants which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses, with limited discretion over spending decisions and right of return of any unused funds. Amounts received are recognized as revenue when Carbon Mapper has incurred expenditures in compliance with specific grant provisions.

Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. Carbon Mapper has received conditional grants amounting to $1,014,356 that have not been recognized at August 31, 2024, because qualifying expenditures have not yet been realized.

Property and Equipment – Property and equipment purchased by Carbon Mapper are stated at cost. Property and equipment donated to Carbon Mapper are recorded at estimated fair value as of the date of the gift. The costs of additions and major improvements are capitalized, while maintenance and repairs are charged to expense as incurred. Property and equipment are depreciated over the estimated useful lives of the assets (between three and five years) utilizing the straight-line method. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statement of activities and changes in net assets.

Carbon Mapper reviews the carrying values of all assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated economic utility and/or future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. Carbon Mapper has determined that no long-lived assets were impaired during the years ended August 31, 2024 and 2023.

2. Summary of Significant Accounting Policies *(continued)*

Net Assets – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Thus, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets without donor restrictions represent funds which are available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has the ability to designate, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment, but it has opted not to do so as of August 31, 2024 and 2023.

Net Assets With Donor Restrictions: Net assets with donor restrictions represent funds which are subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions can be perpetual in nature, where the donor stipulates that such resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Functional Allocation of Expenses - The costs of providing program and other activities have been summarized on a functional basis in the statements of activities in accordance with the requirements of *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities,* which requires Carbon Mapper to report expenses by their natural classification. Every natural expense must be broken out into individual functional categories on an analysis of expenses by their nature and function. Accordingly, certain costs have been allocated among services and supporting services benefited. Such allocations are determined by management on an equitable basis. A majority of expenses (salaries, wages, and payroll taxes, professional services) have been allocated based on time and effort using Carbon Mapper's payroll allocations. Other common expenses which benefit all areas have been allocated in accordance with specific services received from vendors and/or other equitable and measurable methods.

Contributions Made - Carbon Mapper recognizes grants as expenses at the time recipients are entitled to receive them. Generally, this occurs when the board of directors approves a specific grant, or when management, pursuant to grant-authorization policies established by the board of directors, approves a grant. Unconditional grants approved but not yet disbursed are reported as grants payable in the statement of financial position. Conditional grants approved but contingent upon fulfillment of certain specified conditions by the grantee are not recorded until the conditions have been met. Revocable grants are recorded when grants are distributed to the grantee.

Recent and Relevant Accounting Pronouncements – The following pronouncements represent relevant current accounting guidance applicable to nonprofit organizations:

In August 2016, the FASB issued *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Carbon Mapper has followed the recommendation of the update to ensure presentation conformity of its financial statements.

2. Summary of Significant Accounting Policies *(continued)*

In February 2016, the FASB issued *ASU 2016-02, Leases (Topic 842) Accounting for Leases*, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by *ASU No. 2018-01*, *ASU No. 2018-10*, and *ASU No. 2018-11*. This standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the statements of financial position for all leases with a term longer than 12 months. Leases are required to be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statements of activities and changes in net assets.

In August 2014, the FASB issued *ASU 2014-15, Presentation of Financial Statements—Going Concern (Subtopic 205-40) Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which requires an organization's management to evaluate whether there are conditions and events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable). As of October 25, 2024 (the date of the Independent Auditors' Report), management has made this evaluation and has determined that Carbon Mapper has the ability to continue as a going concern.

In May 2014, the FASB completed its Revenue Recognition project by issuing *ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)*. This guidance establishes the principles to report useful information to users of financial statements about the nature, timing, and uncertainty of revenue from contracts with customers. The guidance (1) removes inconsistencies and weaknesses in existing revenue requirements, (2) provides a more robust framework for addressing revenue issues, (3) improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, (4) provides more useful information to users of financial statements through improved disclosure requirements, and (5) simplifies the preparation of financial statements by reducing the number of requirements to which an organization must refer.

In June 2018, the FASB issued *ASU 2018-08, Not-for-Profit Entities (Topic 605) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The FASB issued this update to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this Update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of *Topic 958, Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

In November 2016, the FASB issued *ASU 2016-18, Restricted Cash*. This guidance requires entities to show the changes in the total of cash, cash equivalents, restricted cash, and restricted cash equivalents in the statement of cash flows. As a result, entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. When cash, cash equivalents, restricted cash and restricted cash equivalents are presented in more than one line item on the statements of financial position, the new guidance requires a reconciliation of the totals in the statement of cash flows to the related captions in the statements of financial position.

2. Summary of Significant Accounting Policies *(continued)*

On September 17, 2020, the FASB issued *ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This Update increases transparency around contributed nonfinancial assets (also known as “gifts-in-kind”) received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. The Update requires that an organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires that an organization disclose:

1. A disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets.
2. For each category of contributed nonfinancial assets recognized:

- Qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, a description of the programs or other activities in which those assets were used.
- The organization’s policy (if any) about monetizing rather than utilizing contributed nonfinancial assets.
- A description of any donor-imposed restrictions associated with the contributed nonfinancial assets.
- A description of the valuation techniques and inputs used to arrive at a fair value measure in accordance with the requirements in *Topic 820, Fair Value Measurement*, at initial recognition.
- The principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient organization is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets.

3. Cash and Cash Equivalents

Cash and cash equivalents of $6,950,395 and $16,784,363 at August 31, 2024 and 2023, respectively, consist of various checking and savings accounts in local financial institutions which have a maturity date of 90 days or less. Carbon Mapper attempts to limit its credit risk by utilizing financial institutions that are well capitalized and highly rated. Interest income related to amounts on deposit amounted to $567,658 and $447,357 for the years ended August 31, 2024 and 2023, respectively.

4. Property and Equipment

Property and equipment consist of the following at August 31:

	2024	2023
Computers and equipment	**$ 42,824**	$ 36,907
Website development	**6,450**	6,450
Less: accumulated depreciation and amortization	**(39,248)**	(25,575)
Property and equipment, net	**$ 10,026**	$ 17,782

Depreciation and amortization expense amounted to $13,673 and $14,453 for the years ended August 31, 2024 and 2023, respectively.

5. Grants and Pledges Receivables

Total receivables of $51,826 and $4,005,000 at August 31, 2024 and 2023, respectively, reflect amounts due from various individuals, corporations, foundations, and governmental entities based on written commitments. Carbon Mapper uses the direct write-off method with regards to grants and pledges receivable which are deemed to be uncollectible. There were no bad debt write-offs involving grants, pledges, and accounts receivable for the years ended August 31, 2024 and 2023. Management has evaluated the accounts, grants, and pledges receivable as of August 31, 2024 and determined that such amounts are fully collectible based on the financial health of the donors and organizations involved.

6. Fair Value Measurements

Composition of assets utilizing fair value measurements at August 31, 2024 is as follows:

	Totals	Level 1	Level 2	Level 3
Grants and pledges receivable	**$ 51,826**	**$ -**	**$ 51,826**	**$ -**

Composition of assets utilizing fair value measurements at August 31, 2023 is as follows:

	Totals	Level 1	Level 2	Level 3
Grants and pledges receivable	$ 4,005,000	$ -	$ 4,005,000	**$ -**

Fair value measurements establish a fair value hierarchy that prioritizes the input used to measure fair value. This hierarchy consists of three broad levels: (a) Level 1 measurement reflects the value of the investments at quoted prices in active markets for identical assets, generally without any adjustments, (b) Level 2 assets and liabilities are valued based on "observable inputs" other than quoted active market prices, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, and interest rates and yield curves, and (c) Level 3 assets and liabilities are valued based on “unobservable inputs," such as a company’s own estimates and pricing models. Carbon Mapper had no assets classified as Level 1 or Level 3 at August 31, 2024 and 2023.

7. Investment Income

During the year ended August 31, 2023, Carbon Mapper received certain donor contributions consisting of appreciated stocks. These assets were held for a short period and then sold, generating net investment gains of $1,465. There were no stock donor contributions during the year ended August 31, 2024. Realized and unrealized gains (losses) amounted to ($20,503) and $145,600 for the years ended August 31, 2024 and 2023, respectively.

8. Contracts

Carbon Mapper is engaged with organizations to manufacture, operate satellites, and develop data products. As of August 31, 2024, the projects under these contracts are expected to be completed during 2025. The total remaining commitments from these contracts are estimated to be $13,104,646 at August 31, 2024.

9. Compensated Absences (Accrued Payroll and Related Benefits)

In accordance with company policy, employees are provided the opportunity to take approved time off whenever they like, provided they have successfully completed all assigned tasks. There is no payout of unused time when the employment relationship terminates. Accordingly, there are no accruals of accrued vacation at August 31, 2024 and 2023. Other accrued payroll liabilities amounted to $146,780 and $240,702 at August 31, 2024 and 2023, respectively, and are reflected on the statements of financial position.

10. Net Assets

Net Assets Without Donor Restrictions
Net assets without donor restrictions of $1,364,539 and $10,029,620 at August 31, 2024 and 2023, respectively, represents the cumulative operating surpluses of Carbon Mapper since its inception.

Net Assets With Donor Restrictions
Carbon Mapper recognizes support from net assets with donor restrictions when the restrictions imposed by the donors have been satisfied or expired. Net assets with donor restrictions consist of time restricted grants consist of the following at August 31:

Donor Restriction:	2024	2023
Mitigate methane and CO2 emissions	**$ 2,369,809**	$ 5,894,923
Planet Labs – greenhouse gas emissions satellite data	**10,000,000**	-
Remote Sensing Technology Improvements	**1,237,599**	3,362,540
Satellite programs	**-**	3,362,540
Net assets with donor restrictions	**$ 13,607,408**	$ 9,257,463

During the years ended August 31, 2024 and 2023, Carbon Mapper received donor restricted contributions of $11,500,000 and $8,000,000, respectively. During the years ended August 31, 2024 and 2023, net assets released from restrictions amounted to $7,150,055 and $28,878,204, respectively.

11. Concentration

Carbon Mapper receives a substantial amount of its support from individuals and foundations. During the year ended August 31, 2024, the three largest contributors provided funding of $11 million, or approximately 68%, of total contributed revenue and support. During the year ended August 31, 2023, the two largest contributors provided funding of $14.9 million, or approximately 83%, of total contributed revenue and support. A significant reduction in the level of this support, if this were to occur, could have a substantial effect on Carbon Mapper's operations. Management considers this possibility remote given its history and close working relationships with its donor partners.

12. Liquidity

Carbon Mapper regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the safeguarding of its available funds. Carbon Mapper has various sources of liquidity at its disposal, including cash and cash equivalents and other sources (including the future collection of receivables).

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Carbon Mapper considers all expenditures related to its mission, as well as the conduct of services undertaken to support those activities, to be general expenditures.

Carbon Mapper receives a substantial amount of support by way of restricted contributions. Because donor restrictions require resources to be used in a particular manner or in a future period, Carbon Mapper must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year.

The following table shows the total financial assets held by Carbon Mapper and the amounts of those financial assets readily available within one year of the balance sheet date to meet general expenditures at August 31:

	2024	2023
Cash and cash equivalents	**$ 6,950,395**	$ 16,784,363
Grants and pledges receivable, current	**51,826**	4,005,000
Total financial assets	**7,002,221**	20,789,363
Less: amounts not available to be used within one year:		
Net assets with donor restrictions for programs	**(3,607,408)**	(9,257,463)
Financial assets available to meet general expenditures over the next twelve months	**$ 3,394,813**	$ 11,531,900

In addition to financial assets available to meet general expenditures over the next 12 months, Carbon Mapper anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. As part of Carbon Mapper's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

13. Refundable Advances

Bloomberg Philanthropies grant represents financial commitments received in advance under conditional promises to provide funding for Carbon Mapper's programs. During the year ended August 31, 2024, certain portions of grant restrictions were satisfied allowing Carbon Mapper to transfer a portion of the grant proceeds to contributed support on the statement of activities and changes in net assets. The refundable portion of advanced funding amounted to $1,567,878 and $1,230,823 at August 31, 2024 and 2023, respectively, and is reflected as a short-term liability on the statements of financial position.

14. Operating Right of Use Asset and Leases

Upon expiration of its multi-year corporate office lease in Pasadena on June 30, 2024, Carbon Mapper entered into a one-year operating lease expiring May 31, 2025. In a previous year, Carbon Mapper was required to reflect the present value of future operating lease payments (discounted at an appropriate borrowing rate) as an "Operating Right of Use" asset along with a corresponding lease liability In accordance with *ASU 2016-02, Leases*.

At August 31, 2023, Carbon Mapper recorded a total lease liability in the amount of $42,474 and a corresponding operating right of use asset for the premises in the amount of $41,191. The weighted average discount rate associated with the calculation of the present value of the future lease payments as of August 31, 2024 was 4.0%, which represented an estimate of Carbon Mapper's incremental borrowing rate. Total rent expense for the years ended August 31, 2024 and 2023 amounted to $92,594 and $74,482, respectively, and is included with occupancy expense on the statement of functional expenses.

Carbon Mapper subleases space to CTrees.org, an unrelated exempt organization. Sublease rental income amounted to $28,624 and $22,458 for the years ended August 31, 2024 and 2023, respectively. The sublease rental income is regarded as unrelated business income and the net earnings derived from this revenue source are subject to Federal and California taxes, requiring Carbon Mapper to file the applicable separate tax returns.

15. Grants Payable

During the year ended August 31, 2023, the Board of Directors committed Carbon Mapper to pledge contributions totaling $38,130 to University of California Riverside. Payments of $19,065 were made under this grant during the year ended August 31, 2023. The remaining balance payable at August 31, 2023 amounted to $19,065 and is reflected as a short-term liability on the statements of financial position. There were no grants payable at August 31, 2024.

16. Commitments and Contingencies

In the normal course of business Carbon Mapper could be subject to certain commitments and contingencies which might not be fully reflected in the financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) grant restrictions and donor conditions which obligate Carbon Mapper to fulfill certain requirements as set forth in grant instruments, (b) funding levels which vary based on factors beyond Carbon Mapper's control, such as generosity of donors and general economic conditions, (c) employment and service agreements with key management personnel, and (d) financial risks associated with funds on deposit at financial institutions. Management believes that such commitments, contingencies, and risks will not have a material adverse effect on the financial statements.

17. Subsequent Events

In compliance with *ASC 855, Subsequent Events*, Carbon Mapper has evaluated subsequent events through October 25, 2024, the date the financial statements were available to be issued. In the opinion of management, there are no subsequent events which necessitate disclosure.