Carbon Mapper, Inc.

Financial Statements

For the Year Ended
August 31, 2021
With Independent Auditors' Report Thereon

REGALIA & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

(A California Non-Profit Corporation)
August 31, 2021

Overview

Carbon Mapper was formed in 2020 to spearhead a public-private partnership program to catalyze a global climate data service for the mitigation of methane and carbon dioxide emissions using satellite and airborne remote sensing data. The role of Carbon Mapper is to incubate the public-private partnership, manage the demonstration and technology transfer phase of this program, and to provide long-term stewardship of a global data portal for methane and CO2 data dissemination as well as research, outreach and advocacy programs.

In Phase 1, the Carbon Mapper program will launch two satellites in 2023 for a 9-month demonstration phase, laying the foundation for Phase 2, in which an operational constellation of 15+ satellites will provide daily to weekly real-time monitoring of methane and CO2 emissions. Meanwhile, to pave the way for the satellite program, Carbon Mapper will execute airborne surveys to collect methane and CO2 data over domestic and international targets.

Leadership

Richard Lawrence	Board President
Marisa de Belloy	Board Member, Secretary
Richard Corey	Board Member
Riley Duren	Board Member
Mary Nichols	Board Member

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(A California Non-Profit Corporation)
August 31, 2021

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Carbon Mapper, Inc.

We have audited the accompanying financial statements of Carbon Mapper, Inc. (a California nonprofit organization) which comprise the statement of financial position as of August 31, 2021 and the related statements of activities and changes in net assets, 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.

Auditors' 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 auditors' 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 Carbon Mapper, Inc. as of August 31, 2021, 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.

Regalia & Associates

Danville, California
November 30, 2021

Statement of Financial Position
August 31, 2021

ASSETS

Current assets:		
Cash and cash equivalents	$	3,330,544
Accounts receivable		286,117
Grants and pledges receivable, current portion		23,333,332
Prepaid expenses and other current assets		22,411
Total current assets		26,972,404
Noncurrent assets:		
Property and equipment, net		24,925
Right of use asset - premises		138,801
Grants and pledges receivable, net of discount		25,032,938
Deposit		8,155
Total noncurrent assets		25,204,819
	$	52,177,223

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued liabilities	$	9,904
Accrued payroll and related benefits		46,306
Unearned revenue		354,254
Operating lease payable - current portion		48,547
Total current liabilities		459,011
Long term liabilities:		
Operating lease payable - noncurrent portion		90,254
Total liabilities		549,265
Net assets:		
Without donor restrictions		3,261,688
With donor restrictions		48,366,270
Total net assets		51,627,958
	$	52,177,223

Statement of Activities and Changes in Net Assets
For the Year Ended August 31, 2021

	Net Assets		
Changes in net assets:	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions	$ 33,000,028	$ 48,666,665	$ 81,666,693
Project Revenue	864,746	-	864,746
In-Kind donations	160,800	-	160,800
Investment gains, net	298,950	-	298,950
Interest and dividends	639	-	639
Change in discount related to long-term receivables	-	(300,395)	(300,395)
Total revenue and support	34,325,163	48,366,270	82,691,433
Expenses:			
Programs	30,932,738	-	30,932,738
Management and general	130,737	-	130,737
Fundraising	-	-	-
Total expenses	31,063,475	-	31,063,475
Increase in net assets	3,261,688	48,366,270	51,627,958
Net assets at beginning of year	-	-	-
Net assets at end of year	$ 3,261,688	$ 48,366,270	$ 51,627,958

Statement of Cash Flows
For the Year Ended August 31, 2021

Operating activities:	
Increase in net assets	$ 51,627,958
Adjustments to reconcile to cash provided by (used for) operating activities:	
Depreciation and amortization	2,110
Change in discount related to long-term receivables	300,395
Changes in:	
Accounts receivabe	(286,117)
Grants and pledges receivable	(48,666,665)
Prepaid expenses and other assets	(22,411)
Deposit	(8,155)
Accounts payable and accrued liabilities	9,904
Accrued payroll and related benefits	46,306
Unearned revenue	354,254
Cash provided by operating activities	3,357,579
Investing activities:	
Acquisition of property and equipment	(27,035)
Recording of right of use asset: premises	(138,801)
Cash used for investing activities	(165,836)
Financing activities:	
Recognition of lease liability related to right of use asset	138,801
Cash provided by financing activities	138,801
Net increase in cash and cash equivalents	3,330,544
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	$ 3,330,544
Additional cash flow information:	
Interest paid	$ -
State registration tax fees	$ 150

Statement of Functional Expenses
For the Year Ended August 31, 2021

	Programs	Management and General	Fund-raising	Total
Salaries and related benefits	$ 240,785	$ 12,288	$ -	$ 253,073
Professional fees	150,800	88,302	-	239,102
Grant awards	76,650	-	-	76,650
Computer related expenses	4,851	5,749	-	10,600
Project fees	30,451,497	-	-	30,451,497
Office and operating expenses	-	18,536	-	18,536
Occupancy	8,155	-	-	8,155
Insurance	-	2,288	-	2,288
Travel expense	-	1,464	-	1,464
Depreciation and amortization	-	2,110	-	2,110
	$ 30,932,738	$ 130,737	$ -	$ 31,063,475

1. Organization

Carbon Mapper, Inc. (Carbon Mapper) was formed in 2020 to spearhead a public-private partnership program to catalyze a global climate data service for the mitigation of methane and carbon dioxide emissions using satellite and airborne remote sensing data. The role of Carbon Mapper is to incubate the public-private partnership, manage the demonstration and technology transfer phase of this program, and to provide long-term stewardship of a global data portal for methane and CO2 data dissemination as well as research, outreach and advocacy programs.

In Phase 1, the Carbon Mapper program will launch two satellites in 2023 for a 9-month demonstration phase, laying the foundation for Phase 2, in which an operational constellation of 15+ satellites will provide daily to weekly real-time monitoring of methane and CO2 emissions. Meanwhile, to pave the way for the satellite program, Carbon Mapper will execute airborne surveys to collect methane and CO2 data over domestic and international targets.

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 statements 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 – Carbon Mapper’s cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

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 the organization 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 discount is included in contribution revenue on the statement of activities.

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 the organization 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 the organization 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, 2021 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 the organization 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 will calculate, accrue and remit the applicable tax liability.

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.

Donated Services and In-Kind Contributions – Contributed services and costs are reflected at the fair value of the contribution received. 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)*

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, 2021.

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.

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.

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

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 statements of activities.

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, 2021.

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' 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 - The Organization 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. Asylum Access has adjusted the presentation of these statements accordingly.

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 15, 2021 (the date of the Independent Auditors' Report), management has made this evaluation and has determined that the Organization 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 958) – 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. Accordingly, the Organization has incorporated these clarifying standards within the audited financial statements.

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 $3,330,544 at August 31, 2021 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 $639 for the year ended August 31, 2021.

4. Property and Equipment

Property and equipment consist of the following at August 31, 2021:

Computers and equipment	$	20,585
Website development		6,450
Less: accumulated depreciation and amortization		(2,110)
Property and equipment, net	$	24,925

Depreciation and amortization expense amounted to $2,110 for the year ended August 31, 2021.

5. Receivables

Accounts receivable
Accounts receivable of $286,117 at August 31, 2021, include amounts due from project contracts. There were no bad debt expense write-offs during the year ended August 31, 2021.

Grants and pledges receivable
Grants and pledges receivable are expected to be collected as follows at August 31, 2021:

One year	$ 23,333,332
Two to three years	25,333,333
Subtotal	48,666,665
Less: Unamortized discount	(300,395)
Subtotal	48,366,270
Total amounts due within one year	(23,333,332)
Total grants and pledges receivable long-term (net)	$ 25,032,938

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 and pledges receivable for the year ended August 31, 2021. Management has evaluated the accounts, grants, and pledges receivable as of August 31, 2021 and determined that such amounts are fully collectible based on the financial health of the donors and organizations involved.

6. Investment Income

During the year ended August 31, 2021, 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 $298,950.

7. Fair Value Measurements

Composition of assets utilizing fair value measurements at August 31, 2021 is as follows:

	Totals	Level 1	Level 2	Level 3
Grants and pledges receivable	$ 48,366,270	$ -	$ 23,333,332	$ 25,032,938
Accounts receivable	286,118	-	286,118	-
Totals	$ 48,652,388	$ -	$ 48,214,919	$ 25,032,938

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 at August 31, 2021.

8. Compensated Absences (Accrued Payroll and Related Benefits)

In accordance with company policy, employees can 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 and hence, no accrual at August 31, 2021 is necessary as required under *ASC 710.25, Compensated Absences*. Accrued payroll liabilities amounted to $46,306 at August 31, 2021 and are reflected on the statement of financial position.

9. 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. Refer to the statement of cash flows which identifies the sources and uses Carbon Mapper's cash and shows positive cash generated by operations for the year ended August 31, 2021.

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, 2021:

Cash and cash equivalents	$ 3,330,544
Accounts receivable	286,118
Grants and pledges receivable (current)	23,333,332
Total financial assets	26,949,993
Less: amounts not available to be used within one year:	
Net assets with donor restrictions for programs	(4,666,666)
Financial assets available to meet general expenditures over the next twelve months	$ 22,283,327

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.

10. Right of Use Asset and Leases

Carbon Mapper leases its corporate office space in Pasadena under a multi-year operating lease with an effective date of July 1, 2021 and expiring June 30, 2024.

In accordance with *ASU 2016-02, Leases*, Carbon Mapper is required to reflect the present value of future operating lease payments (discounted at an appropriate borrowing rate) as a “Right of Use” asset along with a corresponding lease liability. Accordingly, Carbon Mapper has recorded a total lease liability in the amount of $138,801 (split between current amount of $48,547 and noncurrent amount of $90,254) and a corresponding right of use asset for the premises in the amount of $138,801. The weighted average discount rate associated with the calculation of the present value of the future lease payments as of August 31, 2021 was 4.0%. Total rent expense for the year ended August 31, 2021 amounted to $8,155, and is included with occupancy and equipment expense on the statement of functional expenses.

Future minimum lease payments representing the amortized principal balance of the lease liability as of August 31, 2021 are as follows: *Year ending August 31, 2021: $48,547*; *Year ending August 31, 2022: $47,780*; and *Year ending December 31, 2023: $42,474*.

11. Net Assets

Net Assets Without Donor Restrictions
Net assets without donor restrictions of $32,866,942 at August 31, 2021 represents the cumulative operating surpluses of Carbon Mapper from 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, 2021.

Donor Restriction:		
Mitigate methane and CO2 emissions	$	1,666,666
Satellite programs		3,000,000
Time restricted for general operations		43,999,999
Unamortized discount related to long-term receivables		(300,395)
Net assets with donor restrictions	$	48,366,270

During the year ended August 31, 2021, Carbon Mapper received donor restricted contributions of $47,928,801. There are no net assets released from restrictions for the year ended August 31, 2021.

12. Concentration

Carbon Mapper receives a substantial amount of its support from individuals and foundations. During the year ended August 31, 2021, the two largest contributors provided funding in excess of $22 million, or approximately 27% of the total revenue and support. A significant reduction in the level of this support, if this were to occur, could have an effect on Carbon Mapper’s operations. Management considers this possibility remote given its history and close working relationships with its donor partners.

13. Contracts

Carbon Mapper is engaged with organizations to manufacture, operate satellites and develop data products. As of August 31, 2021, the projects under these contracts are expected to be completed during 2024. The total remaining commitments from these contracts are estimated to be $50,568,573 at August 31, 2021.

14. Unearned Revenue

Unearned revenue consists of the following at August 31, 2021:

United Nations Foundation	$	54,254
GIST Earth		300,000
Total unearned revenue	$	354,254

Contract revenue are recognized upon percentage completion of projects. Amounts received not yet spent are treated as unearned revenue and represent funds received in advance of certain performances scheduled for the period following the statement of financial position date. Such amounts have been reflected as short-term liabilities on the statements of financial position and will be reflected as earned revenue during the subsequent fiscal year.

15. 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.

16. COVID-19

Although the COVID-19 threat has abated, the worldwide threat continues to (a) impact financial markets, (b) threaten revenue streams, and (c) impact private enterprises with which Carbon Mapper conducts business. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, continues to present challenges. Management monitors and evaluates its options. These financial statements do not contain any adjustments related to economic losses which may or may not be realized.

17. Subsequent Events

In compliance with *ASC 855, Subsequent Events*, Carbon Mapper has evaluated subsequent events through November 30, 2021, the date the financial statements were available to be issued. In the opinion of management, there are no subsequent events which are required to be disclosed.