



GLOBAL WARMING MITIGATION PROJECT
(A NOT-FOR-PROFIT ORGANIZATION)
INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS

DECEMBER 31, 2023



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Global Warming Mitigation Project
Aspen, Colorado

Opinion

We have audited the accompanying financial statements of Global Warming Mitigation Project (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, 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 Global Warming Mitigation Project as of December 31, 2023, 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.

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 Global Warming Mitigation Project 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 Global Warming Mitigation Project's ability to continue as a going concern within 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 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 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 Global Warming Mitigation Project' 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 Global Warming Mitigation Project' 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.


DAVE. V. JOHN, LLC

Tamarac, Florida
September 4, 2024

GLOBAL WARMING MITIGATION PROJECT
(A NOT-FOR-PROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

CURRENT ASSETS

Cash and cash equivalents	\$ 1,237,073
Other assets	<u>4,250</u>
Total current assets	<u>1,241,323</u>
Total assets	<u><u>1,241,323</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	<u>14,001</u>
Total current liabilities	<u>14,001</u>

NET ASSETS

Without donor restrictions	1,227,322
With donor restrictions	<u>-</u>
Total net assets	<u>1,227,322</u>
Total liabilities and net assets	<u><u>\$ 1,241,323</u></u>

The accompanying notes are an integral part of these financial statements.

GLOBAL WARMING MITIGATION PROJECT

(A NOT-FOR-PROFIT ORGANIZATION)

STATEMENT OF ACTIVITIES

FOR THE YEAR BEGINNING JANUARY 1 2023 TO THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Contributions	\$ 1,319,114	\$ -	\$ 1,319,114
Fundraising	7,200	-	7,200
Grant income	57,500	55,000	112,500
Interest income	355	-	355
Gifts in kind - goods and services	31,169	-	31,169
Net assets released from restrictions	<u>55,000</u>	<u>(55,000)</u>	<u>-</u>
Total revenues and other support	<u>1,470,338</u>	<u>-</u>	<u>1,470,338</u>
EXPENSES			
Program expenses	<u>815,267</u>	<u>-</u>	<u>815,267</u>
Supporting services:			
General and administrative	716,101	-	716,101
Fundraising	<u>9,980</u>	<u>-</u>	<u>9,980</u>
Total support services	<u>726,081</u>	<u>-</u>	<u>726,081</u>
Total expenses	<u>1,541,348</u>	<u>-</u>	<u>1,541,348</u>
Change in net assets from operations	<u>(71,010)</u>	<u>-</u>	<u>(71,010)</u>
Net assets, beginning of year	<u>1,298,332</u>	<u>-</u>	<u>1,298,332</u>
Net assets, end of year	<u>\$ 1,227,322</u>	<u>\$ -</u>	<u>\$ 1,227,322</u>

The accompanying notes are an integral part of these financial statements.

GLOBAL WARMING MITIGATION PROJECT

(A NOT-FOR-PROFIT ORGANIZATION)

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR BEGINNING JANUARY 1 2023 TO THE YEAR ENDED DECEMBER 31, 2023

	<u>Program Expenses</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Advertising	\$ 9,931	\$ 16,465	\$ -	\$ 26,396
Legal and professional fees	-	40,116	-	40,116
Salaries and benefits	84,600	570,943	-	655,543
Program award	500,000	-	-	500,000
Research and analysis	67,550	-	-	67,550
Contract services	131,915	14,723	-	146,638
Fundraising	-	-	9,980	9,980
Events	11,033	60,689	-	71,722
Bank charges	-	1,763	-	1,763
Insurance	895	-	-	895
Office expense	9,343	11,402	-	20,745
	<u>\$ 815,267</u>	<u>\$ 716,101</u>	<u>\$ 9,980</u>	<u>\$ 1,541,348</u>

The accompanying notes are an integral part of these financial statements.

GLOBAL WARMING MITIGATION PROJECT

(A NOT-FOR-PROFIT ORGANIZATION)

STATEMENT OF CASH FLOWS

FOR THE YEAR BEGINNING JANUARY 1 2023 TO THE YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (71,010)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:	
Increase in other assets	(4,000)
Decrease in accounts payable and accrued expenses	<u>(2,421)</u>
Net cash (used in) provided by operating activities	<u>(77,431)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Sale of investments	<u>139,571</u>
Net cash provided by (used in) investing activities	<u>139,571</u>

Net increase (decrease) in cash, cash equivalents and restricted cash 62,140

Cash, cash equivalents and restricted cash, beginning of year 1,174,933

Cash, cash equivalents and restricted cash, end of year \$ 1,237,073

Supplemental disclosure of cash flow information:

Interest expense \$ -

The accompanying notes are an integral part of these financial statements.

GLOBAL WARMING MITIGATION PROJECT

(A NOT-FOR-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – DESCRIPTION OF THE ORGANIZATION

The Global Warming Mitigation Project (GWMP) (the “Organization”) is a 501(c)3 not-for-profit organization that accelerates projects and programs that reduce, remove, and replace greenhouse gas emissions worldwide by providing the capital, resources, and visibility needed to scale.

GWMP envisions a world in which all ecosystems are stabilized by restoring natural balance to carbon cycles. Our community of nearly 2,000 nonprofits and for-profit climate action organizations are paving the way to a livable future with high- and low-technology, nature-based solutions, and social and financial mechanisms. By supporting land, oceans, and atmosphere emission reductions, GWMP and its network of allies aim to achieve a multiplier effect on climate change.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of operations – The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization program expenses. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Advertising expense – Advertising and publicity costs are expensed as incurred. For the year ended December 31, 2023, the Organization incurred advertising expense of \$26,396.

GLOBAL WARMING MITIGATION PROJECT

(A NOT-FOR-PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Cash and cash equivalents – For purposes of the statement of cash flows, cash equivalents consist of cash and short-term, highly liquid investments, with original maturities at time of purchase of less than ninety days. Any cash and cash equivalents held for long-term purposes are segregated from cash and cash equivalents available for operations and reported as non-current assets.

Concentrations of credit risk – Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and grant receivable. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Revenue recognition – The Organization follows ASC Topic 985-605, Revenue Recognition. In accordance with ASC 985-605, unconditional contributions are recognized when pledged and 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. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. Donations of property and equipment are recorded as noncash contributions at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Donated services and in-kind contributions – Contributed non-financial assets include donated venues, travel expenses, accommodation and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 12). We do not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, professional services are also donated on occasion.

Expense allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and statement of functional expense. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Unconditional promises to give – Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows:

GLOBAL WARMING MITIGATION PROJECT

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The discounts on those amounts are computed using interest rates applicable to the years in which the promises are received.

Use of estimates – The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Deferred lease liability – The Organization records rent expense on a straight-line basis on its facilities lease which contains fixed rental increases. The difference between rent expense and payments made under the lease are reflected as deferred lease liability.

Property and Equipment Depreciation – Property and equipment that are purchased are stated at cost. Depreciation is computed by using the straight-line method based over the estimated useful lives of the assets as follows:

Leasehold improvements	15-30 Years
Vehicles	5 Years
Furniture, Fixtures and Equipment	5-7 Years

Expenditures for major renewals and improvements that are more than \$500 and extend the useful life of the property and equipment are capitalized, while expenditures for maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

Income taxes – The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private organization within the meaning of Section 509(a).

Uncertain tax positions – The Organization files IRS Form 990. Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by the Organization in its tax returns that might be uncertain. The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management of the Organization does not believe the financial statements include any uncertain tax positions and determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Liquidity – Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

Impairment of long-lived assets – The Organization adheres to the Property, Plant and Equipment Topic of FASB ASC 360 to account for the impairment of long-lived assets. This statement requires, among other things, that entities identify events or changes in circumstances that indicate the carrying amount of an asset may not be recoverable. This statement had no

GLOBAL WARMING MITIGATION PROJECT

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

effect on the financial statements of the Organization since no assets were considered to be impaired for the years ended December 31, 2023.

Functional expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

Compensated Absences – Employees of the Organization are entitled to paid vacation and paid sick days depending on job classification, length of service, and other factors. It is not practicable for the Organization to estimate the amount of compensation for future absences. Accordingly, no liability for compensated absences has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

Donated Services – No amounts have been reflected in the financial statements for donated services, the Organization pays for most services requiring specific expertise. However, individuals volunteer their time and perform a variety of tasks including assisting the Organization with specific programs and serving on committees. Such donated services have not been quantified and do not meet the criteria for recognition in the financial statements.

Contributions – 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. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Investments – Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

GLOBAL WARMING MITIGATION PROJECT

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Fair Value Measurement – Under FASB ASC 820, Fair Value Measurements and disclosure (SFAS No.157), Fair value is defined as the exchange price that would be received for an asset or paid to transfer (an exit price) in the principal or most advantageous market for the asset or liability in an order transaction between market participants on the measurement date.

The Organization has determined that there were no material differences between the carrying value and the fair value of its financial assets and liabilities at December 31, 2023, and therefore, no adjustment for the effect of FASB ASC 820 was made to the Organization' financial statements at December 31, 2023.

Going Concern Evaluation – Management evaluated whether there were conditions or events that raised substantial doubt about the entity's ability to continue as a going concern for a period of one year from the date the financial statements were issued.

NOTE 3 – DATE OF MANAGEMENT REVIEW

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosures through September 4, 2024, the date that the financial statements were available to be issued.

NOTE 4 – CONCENTRATIONS AND CREDIT RISK

Financial Instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents. Cash on deposit with two financial institutions at December 31, 2023 was approximately \$1,237,073. All accounts per institution are insured up to \$250,000 by the U.S Federal Deposit Insurance Corporation. At December 31, 2023, the Organization had \$947,171 in excess of FDIC insured limits.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

The Organization could be party to various legal actions normally associated in the course of its operation, the aggregate effect of which, in management's opinion would not be material to the future financial condition of the Organization.

Financial assistance from various awarding agencies is subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. Management is aware of no disallowable costs or instances of noncompliance with grantor restrictions. Consequently, no provision has been made for liabilities, if any, that may arise from such audits.

GLOBAL WARMING MITIGATION PROJECT

(A NOT-FOR-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 – AVAILABILITY AND LIQUIDITY

The following represents Global Warming Mitigation Project's financial assets at December 31, 2023:

Financial assets at year end:	
Cash and cash equivalents	1,237,073
Total financial assets	<u>1,237,073</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,237,073</u>

NOTE 7 – NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by events specified by the donors as follows for the year ended December 31, 2023:

Constellations fellowship program	\$ 50,000
Yale University intern	<u>5,000</u>
Total	<u>\$ 55,000</u>

NOTE 8 – CONCENTRATION OF REVENUE

A significant portion of the Organizations funding is received from contributions. A significant reduction in the level of this funding, if this was to occur, may have a material effect on the Organization's programs and activities. Revenue received under these contributions represents 97% of the Organization's total support and revenue for the year ended December 31, 2023.

NOTE 9 – RELATED PARTY TRANSACTIONS

Related party transactions with the Organization were as follows:

Contributions from Directors and affiliates	<u>\$1,065,300</u>
Total	<u>\$1,065,300</u>

GLOBAL WARMING MITIGATION PROJECT
(A NOT-FOR-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10 – DONATED GOODS AND PROFESSIONAL SERVICES

For the year ended December 31, 2023, contributed non-financial assets recognized within the statement of activities included the following:

Accommodation and venue	\$17,909
Professional maintenance services	10,000
Food	2,850
Travel	410
Total	<u>\$31,169</u>

NOTE 11 – SUBSEQUENT EVENTS

Under FASB ASC 855, subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or ready to be issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements.

The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are issued. The Organization is not aware of any material subsequent events.