

**CENTER FOR CARBON REMOVAL  
DBA CARBON180  
FINANCIAL STATEMENTS  
DECEMBER 31, 2024 AND 2023**

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## **Independent Auditor's Report**

To the Board of Directors  
Center for Carbon Removal  
dba Carbon180

### **Opinion**

We have audited the accompanying financial statements of Center for Carbon Removal dba Carbon180 (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years 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 Center for Carbon Removal dba Carbon180 as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits 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 Center for Carbon Removal dba Carbon180 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Center for Carbon Removal dba Carbon180's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Independent Auditor's Report (Continued)

### **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 Center for Carbon Removal dba Carbon180'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 Center for Carbon Removal dba Carbon180's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Gross, Mendelsohn & Associates, P.A.*

Baltimore, Maryland  
August 25, 2025

**CENTER FOR CARBON REMOVAL**  
**DBA CARBON180**  
**Statements of Financial Position**  
**December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 4,289,325	\$ 6,116,541
Accounts receivable	80,973	107,582
Contributions receivable, current	2,217,511	2,803,987
Investments	17,892,594	15,583,364
Accrued interest	28,902	37,214
Prepaid expenses	100,893	42,699
Total Current Assets	<u>24,610,198</u>	<u>24,691,387</u>
<b>Other Assets</b>		
Contributions receivable, net of current portion	551,531	959,417
Security deposits	16,772	46,256
Total Other Assets	<u>568,303</u>	<u>1,005,673</u>
<b>Total Assets</b>	<u><u>\$ 25,178,501</u></u>	<u><u>\$ 25,697,060</u></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 715,155	\$ 620,791
Grants payable	847,514	-0-
Total Current Liabilities	<u>1,562,669</u>	<u>620,791</u>
<b>Commitments and Contingencies (Notes 8, 9 and 10)</b>		
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	17,696,654	17,961,180
Board designated reserve	2,500,000	2,500,000
Total Without Donor Restrictions	<u>20,196,654</u>	<u>20,461,180</u>
With donor restrictions	3,419,178	4,615,089
Total Net Assets	<u>23,615,832</u>	<u>25,076,269</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 25,178,501</u></u>	<u><u>\$ 25,697,060</u></u>

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

**CENTER FOR CARBON REMOVAL**  
**DBA CARBON180**  
**Statements of Activities**  
**Years Ended December 31, 2024 and 2023**

	<b>2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and Revenue</b>			
Foundation and corporate grants	\$ 2,473,856	\$ 5,156,430	\$ 7,630,286
Contributions	1,639,126	-0-	1,639,126
In-kind contributions	-0-	-0-	-0-
Contract service revenue	381,327	-0-	381,327
Net investment return	862,376	-0-	862,376
Other income	6,276	-0-	6,276
Net assets released from restrictions:			
Satisfaction of program restrictions	3,777,341	(3,777,341)	-0-
Satisfaction of time restrictions	2,575,000	(2,575,000)	-0-
Total Support and Revenue	<u>11,715,302</u>	<u>(1,195,911)</u>	<u>10,519,391</u>
<b>Expenses</b>			
Program services	10,337,925	-0-	10,337,925
Support services:			
Management and general	875,936	-0-	875,936
Fundraising	765,967	-0-	765,967
Total Support Services	<u>1,641,903</u>	<u>-0-</u>	<u>1,641,903</u>
Total Expenses	<u>11,979,828</u>	<u>-0-</u>	<u>11,979,828</u>
<b>Change in Net Assets</b>	<b>(264,526)</b>	<b>(1,195,911)</b>	<b>(1,460,437)</b>
<b>Net Assets at Beginning of Year</b>	<u>20,461,180</u>	<u>4,615,089</u>	<u>25,076,269</u>
<b>Net Assets at End of Year</b>	<u>\$ 20,196,654</u>	<u>\$ 3,419,178</u>	<u>\$ 23,615,832</u>

**CENTER FOR CARBON REMOVAL**  
**DBA CARBON180**  
**Statements of Activities (Continued)**  
**Years Ended December 31, 2024 and 2023**

	<b>2023</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and Revenue</b>			
Foundation and corporate grants	\$ 6,792,654	\$ 4,603,247	\$ 11,395,901
Contributions	1,790,607	-0-	1,790,607
In-kind contributions	2,109	-0-	2,109
Contract service revenue	384,901	-0-	384,901
Net investment return	723,733	-0-	723,733
Other income	2,559	-0-	2,559
Net assets released from restrictions:			
Satisfaction of program restrictions	2,016,252	(2,016,252)	-0-
Satisfaction of time restrictions	2,033,334	(2,033,334)	-0-
Total Support and Revenue	<u>13,746,149</u>	<u>553,661</u>	<u>14,299,810</u>
<b>Expenses</b>			
Program services	7,529,205	-0-	7,529,205
Support services:			
Management and general	1,082,591	-0-	1,082,591
Fundraising	33,687	-0-	33,687
Total Support Services	<u>1,116,278</u>	<u>-0-</u>	<u>1,116,278</u>
Total Expenses	<u>8,645,483</u>	<u>-0-</u>	<u>8,645,483</u>
<b>Change in Net Assets</b>	5,100,666	553,661	5,654,327
<b>Net Assets at Beginning of Year</b>	<u>15,360,514</u>	<u>4,061,428</u>	<u>19,421,942</u>
<b>Net Assets at End of Year</b>	<u>\$ 20,461,180</u>	<u>\$ 4,615,089</u>	<u>\$ 25,076,269</u>

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

**CENTER FOR CARBON REMOVAL**  
**DBA CARBON180**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2024**

	Program Services				Total Program Services
	Research & Analysis	Innovation	Communications	Other	
Personnel expenses:					
Salaries and wages	\$ 4,138,706	\$ 354,535	\$ 681,265	\$ 17,449	\$ 5,191,955
Payroll taxes	301,851	26,047	49,957	1,317	379,172
Pension	204,344	17,772	33,985	873	256,974
Employee benefits	469,568	40,531	78,040	1,955	590,094
Total personnel expenses	5,114,469	438,885	843,247	21,594	6,418,195
Grants	1,892,197	-0-	-0-	-0-	1,892,197
Professional fees	683,174	17,566	392,496	72,861	1,166,097
Travel	241,502	15,073	52,603	1,018	310,196
Occupancy	154,203	12,956	25,564	645	193,368
Conferences and meetings	124,014	10,385	73,504	228	208,131
Information technology	70,608	6,192	30,570	107	107,477
Office expenses	31,551	1,382	4,709	40	37,682
Accounting	-0-	-0-	-0-	-0-	-0-
Insurance	-0-	-0-	-0-	-0-	-0-
Legal	-0-	-0-	-0-	-0-	-0-
Dues and subscriptions	1,521	54	3,004	3	4,582
Total Expenses	\$ 8,313,239	\$ 502,493	\$ 1,425,697	\$ 96,496	\$ 10,337,925

**CENTER FOR CARBON REMOVAL**  
**DBA CARBON180**  
**Statement of Functional Expenses (Continued)**  
**Year Ended December 31, 2024**

	<b>Support Services</b>			
	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Support Services</b>	<b>Total Expenses</b>
Personnel expenses:				
Salaries and wages	\$ 536,385	\$ 447,559	\$ 983,944	\$ 6,175,899
Payroll taxes	47,735	33,130	80,865	460,037
Pension	26,263	22,822	49,085	306,059
Employee benefits	62,740	51,391	114,131	704,225
Total personnel expenses	<u>673,123</u>	<u>554,902</u>	<u>1,228,025</u>	<u>7,646,220</u>
Grants	-0-	-0-	-0-	1,892,197
Professional fees	53,364	121,796	175,160	1,341,257
Travel	20,522	18,797	39,319	349,515
Occupancy	20,005	16,831	36,836	230,204
Conferences and meetings	9,857	10,460	20,317	228,448
Information technology	27,003	29,000	56,003	163,480
Office expenses	14,957	12,419	27,376	65,058
Accounting	24,120	-0-	24,120	24,120
Insurance	19,252	-0-	19,252	19,252
Legal	12,500	-0-	12,500	12,500
Dues and subscriptions	1,233	1,762	2,995	7,577
Total Expenses	<u>\$ 875,936</u>	<u>\$ 765,967</u>	<u>\$ 1,641,903</u>	<u>\$ 11,979,828</u>

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

**CENTER FOR CARBON REMOVAL**  
**DBA CARBON180**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2023**

	<b>Program Services</b>				<b>Total Program Services</b>
	<b>Research &amp; Analysis</b>	<b>Innovation</b>	<b>Communications</b>	<b>Other</b>	
Personnel expenses:					
Salaries and wages	\$ 2,858,406	\$ 510,414	\$ 656,008	\$ 26,363	\$ 4,051,191
Payroll taxes	203,293	36,513	46,712	1,923	288,441
Pension	136,488	24,199	29,968	1,204	191,859
Employee benefits	297,419	52,698	69,059	2,614	421,790
Total personnel expenses	3,495,606	623,824	801,747	32,104	4,953,281
Professional fees	394,174	13,273	488,698	100,660	996,805
Grants	675,500	-0-	2,700	-0-	678,200
Conferences and meetings	141,759	16,685	87,299	492	246,235
Occupancy	155,574	27,841	37,343	1,565	222,323
Travel	166,038	50,338	38,704	1,020	256,100
Office expenses	52,312	5,267	9,612	96	67,287
Information technology	40,862	4,208	5,891	216	51,177
Dues and subscriptions	55,924	-0-	1,873	-0-	57,797
Accounting	-0-	-0-	-0-	-0-	-0-
Insurance	-0-	-0-	-0-	-0-	-0-
Legal	-0-	-0-	-0-	-0-	-0-
<b>Total Expenses</b>	<b>\$ 5,177,749</b>	<b>\$ 741,436</b>	<b>\$ 1,473,867</b>	<b>\$ 136,153</b>	<b>\$ 7,529,205</b>

**CENTER FOR CARBON REMOVAL**  
**DBA CARBON180**  
**Statement of Functional Expenses (Continued)**  
**Year Ended December 31, 2023**

	<b>Support Services</b>			
	<b>Management and General</b>	<b>Fundraising</b>	<b>Total Support Services</b>	<b>Total Expenses</b>
Personnel expenses:				
Salaries and wages	\$ 602,547	\$ 18,509	\$ 621,056	\$ 4,672,247
Payroll taxes	49,295	1,262	50,557	338,998
Pension	31,511	838	32,349	224,208
Employee benefits	67,969	2,066	70,035	491,825
Total personnel expenses	751,322	22,675	773,997	5,727,278
Professional fees	54,360	467	54,827	1,051,632
Grants	-0-	-0-	-0-	678,200
Conferences and meetings	39,984	2,940	42,924	289,159
Occupancy	56,284	971	57,255	279,578
Travel	14,888	624	15,512	271,612
Office expenses	54,740	1,522	56,262	123,549
Information technology	13,787	4,488	18,275	69,452
Dues and subscriptions	8,110	-0-	8,110	65,907
Accounting	60,481	-0-	60,481	60,481
Insurance	18,298	-0-	18,298	18,298
Legal	10,337	-0-	10,337	10,337
<b>Total Expenses</b>	<b>\$ 1,082,591</b>	<b>\$ 33,687</b>	<b>\$ 1,116,278</b>	<b>\$ 8,645,483</b>

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

**CENTER FOR CARBON REMOVAL**  
**DBA CARBON180**  
**Statements of Cash Flows**  
**Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (1,460,437)	\$ 5,654,327
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Realized gains on investments	(61,577)	(39,220)
Unrealized gains on investments	(89,972)	(376,232)
Donated stock	(2,371)	(8,606)
Changes in operating assets and liabilities:		
Accounts receivable	26,609	(44,863)
Contributions receivable	994,362	(1,580,070)
Accrued interest	8,312	-0-
Prepaid expenses	(58,194)	(9,499)
Accounts payable and accrued expenses	94,364	140,391
Grants payable	847,514	-0-
Net Cash Provided by Operating Activities	<u>298,610</u>	<u>3,736,228</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(14,015,684)	(12,528,500)
Proceeds from sale of donated stock	22,749	-0-
Proceeds from sale of investments	11,837,625	12,255,183
Decrease (increase) in security deposits	29,484	(13,813)
Net Cash Used in Investing Activities	<u>(2,125,826)</u>	<u>(287,130)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(1,827,216)</b>	<b>3,449,098</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u><b>6,116,541</b></u>	<u><b>2,667,443</b></u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u><b>\$ 4,289,325</b></u></u>	<u><u><b>\$ 6,116,541</b></u></u>

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

**CENTER FOR CARBON REMOVAL**  
**DBA CARBON180**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**Note 1: Nature of Organization and Summary of Significant Accounting Policies**

Center for Carbon Removal dba Carbon180 (the Organization) is a Washington, DC nonprofit corporation dedicated to bringing together the people, resources, and vision to realize a carbon-removing world. The Organization designs and champions equitable, science-based policies to bring carbon removal solutions to scale, with a vision to eliminate legacy emissions and create a livable climate in which current and future generations can thrive. The Organization's initiatives include:

Federal Policy: Developing innovative climate policy that supports equitable and just deployment of high-quality carbon removal technologies and practices.

Environmental Justice: Supporting environmental justice organizations as they build expertise on carbon removal and embedding equity and justice into the carbon removal field.

Science & Innovation: Connecting with scientists, entrepreneurs, and on-the-ground practitioners to share knowledge and ensure policy development is rooted in the best available science and information.

The accounting and reporting policies of the Organization conform to accounting principles generally accepted in the United States of America. Following is a description of the most significant of those policies:

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents: The Organization classifies all investments which are readily convertible to cash and that have a maturity of three months or less when purchased to be cash equivalents, except investments which are held by investment custodians.

Investments: Investments with readily determinable fair values are reported at fair value in the statements of financial position. Investments whose fair values are not readily determinable are recorded at cost. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses on investments are reported in the statements of activities as part of net investment return.

Accounts Receivable: Accounts receivable arise from services rendered and are carried at original invoice amount less an estimate made for credit losses. Management determines the allowance for credit losses by reviewing its outstanding accounts and its historical collection experience with individual accounts and payor sources, existing economic conditions and supportable forecast of future events. Receivables are written off by management when, in their determination, all collection efforts have been exhausted. Recoveries of receivables previously written off are recorded when collected. The Organization does not require collateral or other security to support accounts receivable. The Organization has not recorded an allowance for credit losses based on their analysis of expected losses at December 31, 2024 and 2023. There were no write offs of accounts receivable during the years ended December 31, 2024 and 2023.

**CENTER FOR CARBON REMOVAL  
DBA CARBON180  
Notes to Financial Statements  
December 31, 2024 and 2023**

**Note 1: Nature of Organization and Summary of Significant Accounting Policies (Continued)**

Contributions Receivable: Unconditional promises to give are recorded as contributions receivable and recognized as revenue in the period the pledge is received. Unconditional promises to give in a future period are discounted to their net present value at the time the revenue is recorded. A provision is made for uncollectible contributions based on anticipated collections losses.

Estimated losses are generally determined from historical collection experience and a review of outstanding contributions receivable. Contributions are written off by management when, in its determination, all appropriate collection efforts have been taken. The Organization has not established an allowance for uncollectible contributions as of December 31, 2024 and 2023, since in the opinion of management, all outstanding contributions and pledges are considered collectible.

Leases: The Organization determines if an arrangement is a lease at the inception of the contract. As of the lease commencement date, each lease is evaluated to determine if it will be classified as an operating or finance lease. Leases with a term of 12 months or less are considered short term leases and lease assets and liabilities are not recognized. Lease terms include the noncancellable portion of the leases and reasonably certain renewal periods, termination options and purchase options. The Organization accounts for lease and non-lease components as a single lease. The Organization uses the risk-free discount rate when the rate implicit in the lease is not available. Variable lease payments that cannot be determined at the commencement of the lease such as increase in lease payments based on changes in index rates or usage are not included in the lease assets or liabilities. Short-term lease costs for the years ended December 31, 2024 and 2023 were \$230,204 and \$279,578, respectively, and are included in occupancy in the statements of functional expenses.

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

*Net Assets without Donor Restrictions:* Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated from net assets without donor restrictions, net assets for a reserve for future operations.

*Net Assets with Donor Restrictions:* Net assets subject to donor-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 are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

Revenue Recognition: The Organization generates revenue primarily from grants, contributions, consulting income and net investment return. Conditional grants are earned and recognized as revenue in proportion to the related expenditures incurred or when all conditions of the grant have been substantially met. Contributions are recognized in the year the contributions are pledged and/or received. Grants earned and contributions not yet received are recorded as grants or contributions receivable. Grant proceeds received in advance and not yet earned are recorded as deferred revenue. Contract service revenue is primarily composed of consulting income or other fee for service contract revenue. Contract service revenue is recognized as revenue when the service is performed. Net investment return is recognized as revenue when earned.

**CENTER FOR CARBON REMOVAL**  
**DBA CARBON180**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**Note 1: Nature of Organization and Summary of Significant Accounting Policies (Continued)**

The Organization recognizes revenue in the statements of activities and contract assets on the statements of financial position only when services have been provided. Since the Organization has performed its obligation under contract, it has conditional rights to the consideration recorded as contract assets and therefore classified those billed and unbilled contract assets as accounts receivable.

Performance obligations are determined based on the nature of the goods and services provided. Contract service revenue has one performance obligation and is recognized over a specific time period. The Organization determines the transaction price based on contractually agreed-upon amounts.

Grants and Contributions: Grants and contributions are recorded with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions.

Recognition of Donor Restrictions: All donor-restricted support is reported as an increase in net assets with donor restrictions. Upon expiry of a temporary restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statement of activities.

In-kind Contributions: In-kind contributions can include both donated goods and services and are recorded at their estimated fair market value on the date of receipt.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Organization.

During the year ended December 31, 2023, the Organization received donated legal services of \$2,109 which were recorded at their estimated fair value, typically provided by the donor on the date of receipt. These services were used in the Organization's management and general services and are included in legal in the statements of functional expenses. The Organization received no material in-kind contributions during the year ended December 31, 2024.

Grants: The Organization recognizes each unconditional promise by the Organization to give (grant commitment) as a payable and corresponding grant expense in the year the promise or commitment is made. A conditional promise to give, which depends on the occurrence of a specified future and uncertain event, is not recognized until the condition has been met.

Functional Allocation of Expenses: The costs of providing various programs and other support activities have been summarized on a functional basis in the statements of activities and by natural classification in the statements of functional expenses. Costs that can be identified with specific programs or support services are allocated directly. Costs that cannot be specifically identified with a particular function and that benefit more than one functional category are allocated based on estimates such as time and effort.

**CENTER FOR CARBON REMOVAL**  
**DBA CARBON180**  
**Notes to Financial Statements**  
**December 31, 2024 and 2023**

**Note 1: Nature of Organization and Summary of Significant Accounting Policies (Continued)**

Income Taxes: The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and Section RTC 23701(d) of the California Revenue and Taxation Code (CRTC). Income that is not related to its exempt purposes, less applicable deductions, is subject to federal and state income taxes. The Organization had no unrelated business income for the years ended December 31, 2024 and 2023. Accordingly, no provision for income taxes is reflected in these financial statements.

The Organization's federal and state tax returns are subject to examination by the Internal Revenue Service (IRS) and the California Franchise Tax Board, generally, for a period of three and four years, respectively, after the returns are filed.

Subsequent Events: In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 25, 2025, the date the financial statements were available to be issued. During the period from January 1, 2025 through August 25, 2025 the Organization did not have any material recognizable subsequent events.

**Note 2: Liquidity and Availability of Funds**

A summary of the financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date comprise the following:

	2024	2023
Cash and cash equivalents	\$ 4,289,325	\$ 6,116,541
Accounts receivable	80,973	107,582
Contributions receivable, current	2,217,511	2,803,987
Investments	17,892,594	15,583,364
Accrued interest	28,902	37,214
Less: Net assets without donor restrictions, board designated reserve	(2,500,000)	(2,500,000)
Less: Net assets with donor restrictions, purpose	(792,647)	(1,155,672)
Financial Assets Available for General Expenditure	<u>\$ 21,216,658</u>	<u>\$ 20,993,016</u>

As part of the liquidity management plan, the Organization maintains funds in excess of daily requirements in short-term investments and money market funds. The Board of Directors (the Board) of the Organization has designated certain investments to be held for future operations of the Organization (see Note 7). Even though there is no intent of the Board to remove this designation, the Board could make these amounts available, as necessary. The amount designated for future operations and not included within the liquidity calculation as of December 31, 2024 and 2023 was \$2,500,000.

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**Note 3: Accounts Receivable**

Accounts receivable consisted of the following at December 31, 2024, 2023, and 2022:

	2024	2023	2022
Accounts receivable	<u>\$ 80,973</u>	<u>\$ 107,582</u>	<u>\$ 62,719</u>

**Note 4: Contributions Receivable**

The Organization is the recipient of unconditional promises to give as of December 31, 2024 and 2023, which are generally expected to be received as follows:

	2024	2023
Receivable in less than one year	\$ 2,217,511	\$ 2,803,987
Receivable in one to five years	575,000	1,000,000
Total unconditional promises to give	<u>2,792,511</u>	<u>3,803,987</u>
Less: Discount to net present value (4.23 - 4.29% effective rate)	23,469	40,583
Contributions receivable, net	<u>2,769,042</u>	<u>3,763,404</u>
Long-term contributions receivable, net	<u>551,531</u>	<u>959,417</u>
Contributions receivable (current), net	<u>\$ 2,217,511</u>	<u>\$ 2,803,987</u>

**Note 5: Investments**

A summary of the investment portfolio, at fair value, as of December 31, 2024 and 2023 is as follows:

	2024	2023
Money market funds	\$ 12,719,313	\$ 7,556,889
Certificates of deposit	3,171,719	1,499,941
Government securities	2,001,562	6,516,769
Common stocks	-0-	9,739
Cash and cash equivalents	-0-	26
Total investments	<u>\$ 17,892,594</u>	<u>\$ 15,583,364</u>

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**Note 5: Investments (Continued)**

Net investment return consisted of the following for the years ended December 31, 2024 and 2023:

	2024	2023
Investment income	\$ 710,827	\$ 308,281
Realized gains on investments	61,577	39,220
Unrealized gains on investments	89,972	376,232
Net investment return	\$ 862,376	\$ 723,733

**Note 6: Fair Value Measurement**

Generally Accepted Accounting Principles (GAAP) establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation techniques used by the Organization include the following:

Cash and Cash Equivalents and Money Market Funds: Valued at original cost, which approximates fair value.

Certificates of Deposit and Government Securities: Valued using inputs such as benchmark yields, reported trades, broker/dealer quotes and issuer spreads.

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**Note 6: Fair Value Measurement (Continued)**

Common Stocks: Valued at the last sales price reported on the active market in which the individual securities are traded.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities that are subject to fair value measurements.

The table below presents the balances of investments as of December 31, 2024, measured at fair value on a recurring basis by level within the hierarchy:

	Total	Level 1	Level 2	Level 3
Money market funds	\$ 12,719,313	\$ 12,719,313	\$ -0-	\$ -0-
Certificates of deposit	3,171,719	-0-	3,171,719	-0-
Government securities	2,001,562	-0-	2,001,562	-0-
	<u>\$ 17,892,594</u>	<u>\$ 12,719,313</u>	<u>\$ 5,173,281</u>	<u>\$ -0-</u>

The table below presents the balances of investments as of December 31, 2023, measured at fair value on a recurring basis by level within the hierarchy:

	Total	Level 1	Level 2	Level 3
Money market funds	\$ 7,556,889	\$ 7,556,889	\$ -0-	\$ -0-
Government securities	6,516,769	-0-	6,516,769	-0-
Certificates of deposit	1,499,941	-0-	1,499,941	-0-
Common stocks	9,739	9,739	-0-	-0-
Cash and cash equivalents	26	26	-0-	-0-
	<u>\$ 15,583,364</u>	<u>\$ 7,566,654</u>	<u>\$ 8,016,710</u>	<u>\$ -0-</u>

**Note 7: Net Assets**

Net Assets without Donor Restrictions:

Undesignated net assets without donor restrictions - consists of the resources and obligations related to the daily operations of the Organization.

Board designated reserve - The Organization's Board has established a designated reserve to help ensure the long-term ability of the Organization to meet its mission. This reserve is a result of an internal designation and not restrictions placed by donors. Accordingly, income earned on investments related to the designated reserve is not designated and is used by the Organization to fund annual operating expenses. The Board may direct specific sources of revenue to be set aside for the designated reserve at its discretion and any releases from the reserve requires the approval of the Board.

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**Note 7: Net Assets (Continued)**

Net Assets with Donor Restrictions:

The Organization has several restricted funds, which may be fully expended but only for the purpose, and subject to restrictions, established by the respective donors.

Net assets with donor restrictions were available for the following purposes as of December 31, 2024:

	2023	Current Year Activity		2024
		Contributions	Released from Restrictions	
Subject to expenditure for a specified purpose:				
Federal carbon removal technology policy	\$ 150,000	\$ 799,893	\$ (449,711)	\$ 500,182
Agroforestry	49,592	320,354	(108,079)	261,867
Regional direct air capture hubs	323,957	-0-	(299,468)	24,489
Fiscal sponsors	-0-	1,660,000	(1,653,891)	6,109
Global CR Partnership	356,083	-0-	(356,083)	-0-
Other programs	276,040	634,069	(910,109)	-0-
	<u>1,155,672</u>	<u>3,414,316</u>	<u>(3,777,341)</u>	<u>792,647</u>
Subject to the passage of time:				
Time restrictions	<u>3,459,417</u>	<u>1,742,114</u>	<u>(2,575,000)</u>	<u>2,626,531</u>
	<u>\$ 4,615,089</u>	<u>\$ 5,156,430</u>	<u>\$ (6,352,341)</u>	<u>\$ 3,419,178</u>

Net assets with donor restrictions were available for the following purposes as of December 31, 2023:

	2022	Prior Year Activity		2023
		Contributions	Released from Restrictions	
Subject to expenditure for a specified purpose:				
Global CR Partnership	\$ 431,083	\$ -0-	\$ (75,000)	\$ 356,083
Regional direct air capture hubs	-0-	383,557	(59,600)	323,957
Federal carbon removal technology policy	496,626	150,000	(496,626)	150,000
Agroforestry	-0-	50,000	(408)	49,592
Environmental justice	400,000	-0-	(400,000)	-0-
Other programs	700,385	560,273	(984,618)	276,040
	<u>2,028,094</u>	<u>1,143,830</u>	<u>(2,016,252)</u>	<u>1,155,672</u>
Subject to the passage of time:				
Time restrictions	<u>2,033,334</u>	<u>3,459,417</u>	<u>(2,033,334)</u>	<u>3,459,417</u>
	<u>\$ 4,061,428</u>	<u>\$ 4,603,247</u>	<u>\$ (4,049,586)</u>	<u>\$ 4,615,089</u>

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**Note 8: Retirement Plan**

The Organization has a defined contribution retirement plan that qualifies under Section 401(k) of the IRC covering all full-time employees who are employed by the Organization for no less than thirty days. Under the terms of the plan, employees can elect to contribute pre-tax and after-tax dollars up to the maximum limit established by the IRS for each calendar year. The Organization matches employee contributions up to 5% of all contributing and non-contributing employee salaries. During the years ended December 31, 2024 and 2023, the Organization made contributions totaling \$306,059 and \$224,208, respectively.

**Note 9: Grant Commitments**

As of December 31, 2024, the Organization has outstanding conditional grant commitments to be made totaling \$450,000. Grant payments are subject to the fulfillment of certain conditions, as defined in the respective grant agreements. Future expected conditional grant payments are \$450,000 for the year ended December 31, 2024.

**Note 10: Certain Significant Risks and Uncertainties**

Uninsured Deposits: The Organization maintains its cash balances at one financial institution. Periodically during the year, the Organization's cash balances may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to significant risk on cash balances.

Investment Risk: The Organization invests in a professionally managed portfolio that may contain government securities, money market funds, and other types of investments. Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risk in the near term could materially affect investment balances and the amounts reported in the financial statements.

Economic Uncertainty: In early 2025, the President of the United States signed several Executive Orders related to federal funding of certain currently funded programs, tariffs and other government initiatives. It is not possible to fully quantify the effect of these Executive Orders, the interpretation or administration of such Executive Orders, or any other initiatives on the Organization's operations and financial status. Accordingly, there is no assurance that these orders and initiatives will not adversely affect the Organization's financial position, business operations and cash flows.

