

**EARTH FIRE ALLIANCE**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

EARTH FIRE ALLIANCE

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## INDEPENDENT AUDITORS' REPORT

To The Board of Directors  
Earth Fire Alliance  
San Fransico, California

### **Opinion**

We have audited the accompanying financial statements of Earth Fire Alliance, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the period from April 12, 2024 (inception) through December 31, 2024, 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 Earth Fire Alliance as of December 31, 2024, and the changes in its net assets and its cash flows for the period from April 12, 2024 (inception) through December 31, 2024, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Earth Fire Alliance 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 Earth Fire Alliance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Earth Fire Alliance'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 Earth Fire Alliance'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.

*Grassi & Co., CPAs, P.C.*

GRASSI & CO., CPAs, P.C.

New York, New York  
June 26, 2025

EARTH FIRE ALLIANCE  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2024

ASSETS

Cash and cash equivalents	\$ 1,083,051
Investments	5,683,572
Contribution and grant receivable	5,000,000
Prepaid expenses	<u>13,252</u>
 TOTAL ASSETS	 <u>\$ 11,779,875</u>

LIABILITIES AND NET ASSETS

LIABILITIES:	
Accounts payable and accrued expenses	<u>\$ 920,373</u>
 COMMITMENTS AND CONTINGENCIES	
 NET ASSETS:	
Without donor restrictions	260,301
With donor restrictions	<u>10,599,201</u>
 Total Net Assets	 <u>10,859,502</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 11,779,875</u>

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

EARTH FIRE ALLIANCE  
STATEMENT OF ACTIVITIES  
FOR THE PERIOD FROM APRIL 12, 2024 (INCEPTION) THROUGH DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT:			
Contributions and grants	\$ 325,157	\$ 23,000,000	\$ 23,325,157
Investment income	523	17,355	17,878
Net assets released from donor restrictions	12,418,154	(12,418,154)	-
Total Revenues and Other Support	12,743,834	10,599,201	23,343,035
EXPENSES:			
Program service	12,372,829	-	12,372,829
Supporting services:			
Management and general	103,025	-	103,025
Fundraising	7,679	-	7,679
Total Expenses	12,483,533	-	12,483,533
CHANGE IN NET ASSETS	260,301	10,599,201	10,859,502
NET ASSETS, BEGINNING OF PERIOD	-	-	-
NET ASSETS, END OF PERIOD	\$ 260,301	\$ 10,599,201	\$ 10,859,502

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

EARTH FIRE ALLIANCE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE PERIOD FROM APRIL 12, 2024 (INCEPTION) THROUGH DECEMBER 31, 2024

	Supporting Services			Total
	Program Service	Management and General	Fundraising	
Salaries and related benefits	\$ 111,161	\$ 6,134	\$ 5,979	\$ 123,274
Professional fees	957,767	89,844	-	1,047,611
Program expense	11,253,501	-	-	11,253,501
Travel and meeting	46,578	3,578	1,700	51,856
Insurance	990	2,230	-	3,220
Miscellaneous	2,832	1,239	-	4,071
<b>TOTAL EXPENSES</b>	<b>\$ 12,372,829</b>	<b>\$ 103,025</b>	<b>\$ 7,679</b>	<b>\$ 12,483,533</b>

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

EARTH FIRE ALLIANCE  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD FROM APRIL 12, 2024 (INCEPTION) THROUGH DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 10,859,502
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in assets:	
Contribution and grant receivable	(5,000,000)
Prepaid expenses	(13,252)
Changes in liabilities:	
Accounts payable and accrued expenses	<u>920,373</u>
Net Cash Provided By Operating Activities	<u>6,766,623</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Purchase of investments	(13,850,857)
Proceeds from sale of investments	<u>8,167,285</u>
Net Cash Used In Financing Activities	<u>(5,683,572)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,083,051
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>-</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u><u>\$ 1,083,051</u></u>

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

EARTH FIRE ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

Note 1 - Nature of Organization

Earth Fire Alliance (“EFA”) is a global, community-led 501(c)(3) nonprofit coalition founded in 2024 to deliver transformative real-time data from all wildfires on Earth. EFA is committed to serving the global wildfire community through user-driven technology, radical collaboration, and rapid action. Its purpose and mission are as follows:

- Purpose: EFA is founded on the belief that high-fidelity data, accessible on a global scale, will transform humanity’s relationship to wildfire.
- Mission: EFA’s mission is to Observe, Serve, Conserve:
  - Observe all our planet’s wildfires comprehensively.
  - Serve communities world-wide with timely and trustworthy information.
  - Conserve Earth’s ecosystems and biodiversity by informing resilience strategies

FireSat Program

EFA’s flagship program is to build, launch, and operate the FireSat constellation to provide rapid, accurate, and comprehensive wildfire data on a global scale. FireSat is a first-of-its-kind satellite focused specifically on wildfire, its conditions and behavior, and its ecological and societal effects. From its custom infrared instruments and sensors to integrated data products, FireSat is designed from the ground up with and for the global wildfire community to ensure seamless adoption when and where timely, trustworthy data and insights are needed most. EFA has entered into a Master Satellite Services Agreement (“Agreement”) with a third-party contractor for this program.

- Protoflight Mission – the Protoflight satellite was built in 2024 and successfully launched in March 2025. EFA’s fiscal responsibility under this agreement was fulfilled by December 31, 2024.
- Phase 1/Initial Operating Capability – the buildout and operation of three satellites is as follows:
  - Buildout Phase – the buildout of three satellites began in April 2024 and will continue through June 2026 (“build phase”), when they are expected to be launched. EFA is obligated to pay \$29.9 million during this phase, of which it has expensed \$7.1 million for the year ended December 31, 2024.
  - Operations Phase – during this phase, the contractor will deliver data to EFA and provide maintenance and support of the three satellites. EFA is obligated to pay \$6.6 million during this phase, subsequent to the launch date.

The Agreement includes a decreasing termination liability based on progress to date and remaining milestones. If the project terminates at any time during the Agreement, EFA is required to pay an amount based on the last completed project phase.

Additionally, the Agreement includes a pricing discount of 35% for the Phase 1/Initial Operating Capability which is contingent on the completion of a Data License Agreement between EFA and the third-party contractor. The Data License Agreement was executed in June 2025.

EARTH FIRE ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

Note 1 - Nature of Organization (cont'd.)

Community Partnerships

EFA intends to embark on a public-private-philanthropic partnering approach. EFA will engage closely with end users as the key drivers of community benefit from the FireSat system. Key mission-aligned stakeholders-of-interest have been identified, and early engagement is already being undertaken with some.

Funding Commitments

EFA continues to identify future funding to support the FireSat Program. As a result, EFA has received approximately \$6.4 million after year-end. EFA is expected to receive future commitments of approximately \$1.2 million in total from one funder during 2026 and 2027.

EFA's primary source of funding is contributions and grants.

EFA is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code ("IRC") and has been granted non-private company status under Section 509(a). Contributions and grants to EFA qualify donors for the charitable contribution deduction.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with initial maturities when acquired of three months or less.

Investments

Investments are stated at the readily determinable fair value in accordance with the Not-for-Profit Entities topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). All interest and dividends are reported in the statement of activities as increases or decreases in net assets without donor restrictions unless they have specific restrictions by explicit donor stipulations or by law.

Dividends and interest income are recognized when received, and realized capital gains or losses are recognized upon the sale of the security using the trade date basis.

EARTH FIRE ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Fair Value Measurement

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. To increase the comparability of fair value measurements, a framework for measuring fair value is used which 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) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy under FASB ASC Topic 820, *Fair Value Measurement*, are described as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting EFA's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Refer to Note 4 for assets measured at fair value at December 31, 2024 in accordance with FASB ASC Topic 820.

Contribution and Grant Receivable

EFA carries its contribution and grant receivable at cost less an allowance for doubtful accounts to adjust its receivables to their estimated net realizable value. EFA estimates the allowance based upon a review of outstanding receivables, historical collection information, current receivables aging, and management's assessment of current contributions. Contribution and grant receivables are written off when they are determined to be uncollectible. EFA has not identified a need for an allowance for doubtful accounts at December 31, 2024.

Net Assets

Net assets without donor restrictions include funds having no restrictions as to use or purpose imposed by donors. Net assets with donor restrictions are those whose use has been restricted by donors to a specific time period or purpose. At December 31, 2024, net assets with donor restrictions of \$10,599,201 are available for EFA's FireStat program. Net assets with donor restrictions of \$12,418,154 were released from restrictions by incurring expenses related to EFA's programs.

EARTH FIRE ALLIANCE  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2024

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributions and Grants Revenue

Contributions and grants are provided to EFA either with or without donor restrictions. Revenues and net assets are separately reported to reflect the nature of those gifts, either with or without donor restrictions. The value recorded for each contribution and grant is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restrictions</i>	
Gifts that depend on EFA overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met
<i>Unconditional gifts, with or without restrictions</i>	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level yield method.

When a donor-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 statement of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

EARTH FIRE ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Functional Allocation of Expenses

The costs of providing program activities and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. A significant portion of the costs is charged directly to the program or management and general expenses. Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as time and effort.

Accounting for Uncertainty in Income Taxes

EFA has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. EFA is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 3 - Concentration of Credit Risk

EFA maintains cash balances in a financial institution. Such balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000. From time to time, EFA's balances may exceed this limit.

For the period from April 12, 2024 (inception) through December 31, 2024, 99% of EFA's contributions and grants revenue was from three donors. At December 31, 2024, 100% of EFA's contribution and grant receivable was from one donor.

Note 4 - Fair Value Measurement

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2024.

*Cash equivalents* are valued at cost, which approximates fair value.

*Mutual fund - fixed income* is valued at the daily closing price as reported by the fund and held by EFA and is an open-end mutual fund that is registered with the Securities and Exchange Commission. This fund is required to publish its daily net asset value ("NAV") and to transact at that price. The mutual fund held by EFA is deemed to be actively traded.

EFA's assets measured at fair value consisted of the following at December 31, 2024:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash equivalents	\$ 239	\$ 239	\$ -	\$ -
Mutual fund:				
Fixed income	<u>5,683,333</u>	<u>5,683,333</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 5,683,572</u>	<u>\$ 5,683,572</u>	<u>\$ -</u>	<u>\$ -</u>

EARTH FIRE ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

Note 5 - Available Resources and Liquidity

EFA regularly monitors liquidity required to meet its operating needs and other contractual commitments. EFA is highly liquid and has an adequate source of cash at its disposal.

The following reflects EFA's financial assets at December 31, 2024 available for general use within one year:

Cash	\$ 1,083,051
Investments	5,683,572
Grant receivable	<u>5,000,000</u>
Total financial assets	11,766,623
Less: Donor restrictions for specific purposes	<u>10,599,201</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 1,167,422</u></u>

Note 6 - Subsequent Events

EFA has evaluated all events or transactions that occurred after December 31, 2024 through June 26, 2025, which is the date that the financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure other than that disclosed in Note 1.