Climate Museum

(A Not-for-Profit Organization)

Financial Statements

Year ended December 31, 2020 and 2019

LEHMAN FLYNN VOLLARO PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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Report of Independent Auditors

The Board of Directors
Climate Museum
New York, NY

Report on the Financial Statements
We have audited the accompanying financial statements of Climate Museum, which include the statement of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditor's 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 Climate Museum as of December 31, 2020 and 2019, and the change 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.

Lehman Flynn Vollaro

Melville, NY
October 20, 2021

Climate Museum

Statements of Financial Position

December 31,

	2020	2019
Assets		
Cash and cash equivalents	$ 796,107	$ 683,446
Contributions receivable	152,535	56,033
Grants receivable, net	-	478,654
Prepaid expenses	-	6,000
Total assets	$ 948,642	$ 1,224,133
Liabilities and net assets		
Accounts payable and accrued expenses	$ 19,703	$ 26,068
Deferred revenue	-	7,366
Total liabilities	19,703	33,434
Net assets		
With donor restrictions	406,989	978,654
Without donor restrictions	521,950	212,045
Total net assets	928,939	1,190,699
Total liabilities and net assets	$ 948,642	$ 1,224,133

Climate Museum

Statement of Activities

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Public Support			
Contributions:			
Foundation	$ 66,698	$ -	$ 66,698
Individual	298,128	-	298,128
Government	107,102	-	107,102
Board	24,983		24,983
Corporations	3,966		3,966
In kind	470,760	-	470,760
Total contributions	971,637	-	971,637
Investment income	3,043	-	3,043
Other revenue	10,000	-	10,000
Net assets released from restrictions	571,665	(571,665)	-
Total revenue, support, and gains	1,556,345	(571,665)	984,680
Expenses			
Program services	794,583	-	794,583
Supporting services			
Management and general	249,269	-	249,269
Fundraising	202,588	-	202,588
Total support services	451,857	-	451,857
Total expenses	1,246,440	-	1,246,440
Change in net assets	309,905	(571,665)	(261,760)
Net assets, beginning of year	212,045	978,654	1,190,699
Net assets, end of year	$ 521,950	$ 406,989	$ 928,939

Climate Museum

Statement of Activities

Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Public Support			
Contributions:			
Foundation	$ 62,500	$ 500,000	$ 562,500
Individual	384,078	-	384,078
Government	34,945	-	34,945
In kind	259,734	-	259,734
Total contributions	741,257	500,000	1,241,257
Investment (loss)	(328)	-	(328)
Other revenue	6,847	-	6,847
Net assets released from restrictions	239,492	(239,492)	-
Total revenue, support, and gains	987,268	260,508	1,247,776
Expenses			
Program services	660,172	-	660,172
Supporting services			
Management and general	214,126	-	214,126
Fundraising	127,034	-	127,034
Total support services	341,160	-	341,160
Total expenses	1,001,332	-	1,001,332
Change in net assets	(14,064)	260,508	246,444
Net assets, beginning of year	226,109	718,146	944,255
Net assets, end of year	$ 212,045	$ 978,654	$ 1,190,699

Climate Museum
Statement of Functional Expenses
Year Ended December 31, 2020

	Program	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total	Grand Total
Payroll and related expenses	$ 309,302	$ 97,792	$ 115,293	$ 213,085	$ 522,387
Payroll taxes and benefits	18,287	18,011	8,672	26,683	44,970
	$ 327,589	$ 115,803	$ 123,965	$ 239,768	$ 567,357
Accounting and auditing	-	18,957	-	18,957	18,957
Communication	-	1,415	-	1,415	1,415
Consultants	53,200	-	3,807	3,807	57,007
Exhibit and programming expenses	208,919	(100)	40,446	40,346	249,265
Insurance	-	5,329	-	5,329	5,329
Legal (in-kind)	-	66,777	-	66,777	66,777
Marketing	-	-	5,357	5,357	5,357
Meetings	-	425	-	425	425
Occupancy (in-kind)	199,480	11,236	10,560	21,796	221,276
Office and other expenses	2,574	12,697	896	13,593	16,167
Technology	2,821	14,738	17,557	32,295	35,116
Travel	-	1,992	-	1,992	1,992
Total expenses by function	$ 794,583	$ 249,269	$ 202,588	$ 451,857	$ 1,246,440

Climate Museum
Statement of Functional Expenses
Year Ended December 31, 2019

	Program	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total	Grand Total
Payroll and related expenses	$ 267,772	$ 57,608	$ 72,296	$ 129,904	$ 397,676
Payroll taxes and benefits	22,152	5,417	5,271	10,688	32,840
	$ 289,924	$ 63,025	$ 77,567	$ 140,592	$ 430,516
Accounting and auditing	-	15,559	-	15,559	15,559
Communication	987	1,247	-	1,247	2,234
Consultants	10,000	-	4,665	4,665	14,665
Exhibit and programming expenses	282,726	1,214	8,056	9,270	291,996
Insurance	-	18,060	-	18,060	18,060
Legal (in-kind)	-	49,734	-	49,734	49,734
Marketing	7,565	49	65	114	7,679
Meetings	226	3,150	-	3,150	3,376
Occupancy (in-kind)	60,000	26,769	33,231	60,000	120,000
Office and other expenses	7,868	17,404	2,151	19,555	27,423
Technology	876	9,944	1,299	11,243	12,119
Travel	-	7,971	-	7,971	7,971
Total expenses by function	$ 660,172	$ 214,126	$ 127,034	$ 341,160	$ 1,001,332

See notes to financial statements

Climate Museum

Statements of Cash Flows

Years Ended December 31,

	2020	2019
Cash flows from operating activities		
Change in net assets	$ (261,760)	$ 246,444
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Donated stock	(86,368)	(201,334)
Unrealized loss	-	330
Changes in operating assets and liabilities		
Contributions receivable	(96,502)	(56,033)
Grants receivable, net	478,654	239,492
Prepaid expenses	6,000	(6,000)
Accounts payable and accrued expenses	(6,365)	(2,220)
Deferred revenue	(7,366)	7,366
Net cash from operating activities	26,293	228,045
Cash flows from investing activities		
Proceeds from sale of investments	86,374	205,573
Net cash from investing activities	86,374	205,573
Net change in cash and cash equivalents	112,667	433,618
Cash and cash equivalents, beginning of year	683,440	249,822
Cash and cash equivalents, end of year	$ 796,107	$ 683,440
Supplemental disclosure of cash flow information		
Cash paid during the year for		
Interest	$ -	$ -
Unrelated business income taxes	$ -	$ -

Note 1 - Principal activity and significant accounting policies

Organization

Climate Museum (the "Organization", we, us, our) is a nonprofit organization established to employ the sciences, art, and design to inspire dialogue and innovation that address the challenges of climate change, moving solutions to the center of our shared public life and catalyzing broad community engagement.

Cash and cash equivalents

The Organization consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Contributions receivable

Contributions receivable consist primarily of noninterest-bearing amounts due from contributions and grants. The Organization determines the allowance for uncollectable contributions receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectable. At December 31, 2020 and 2019, management has determined that no allowance for doubtful accounts is necessary.

Net assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor 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 (or certain grantor) restrictions.

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 that resources be maintained in perpetuity. 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.

Donated services and in-kind contributions

Contributed goods, professional services and use of facilities are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received:

Functional allocation of expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income taxes

Climate Museum is organized as a New York nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and has been determined not to be private foundations under IRC Sections 509(a)(1). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that is unrelated to its exempt purpose. The Organization is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. The Organization believes that the Organization has appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the financial statements.

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, and those differences could be material.

Financial instruments and credit risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, The Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of our mission.

Subsequent events

The Organization has evaluated subsequent events through October 20, 2021, the date the consolidated financial statements were available to be issued.

Note 2 - Liquidity and availability

The Organization regularly monitors the availability of resources required to meet our operating needs and other contractual commitments.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, consists of the following:

	2020	2019
Cash and cash equivalents	$ 796,107	$ 683,446
Contributions receivable	152,535	56,033
Grants receivable; net of long term	-	478,654
	$ 948,642	$ 1,218,133

Note 3 - Investment income

Investment activity consists of the following for the years ended December 31, 2020 and 2019:

	2020	2019
Interest and dividends from investments	$ 2,991	$ 2
Net realized/unrealized gain (loss) on investments	52	(330)
	$ 3,043	$ (328)

Note 4 - PPP loan

The Organization received a loan from Citibank in the amount of $73,700 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan was forgiven in full in July 2021 and the proceeds were included as grant revenue in 2020.

Note 5 - Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes or periods.

	2020	2019
Subject to the passage of time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	$ -	$ 478,654
Grants received to be used for future periods	406,989	500,000
	$ 406,989	$ 978,654

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2020 and 2019:

	2020	2019
Expiration of time restrictions	$ 571,665	$ 239,492

Note 6 - Revenue recognition

On January 1, 2019, we adopted ASC 606 which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most of the existing revenue recognition guidance. This standard requires us to recognize for certain our revenue sources the transfer of promised goods or services to customers in an amount that reflects the consideration we are entitled to in exchange for these goods or services. We adopted this standard effective January 1, 2019 using the modified retrospective method applied all existing contracts not yet completed as of January 1, 2019 and recorded no adjusted to beginning net assets. The adoption of ASC 606 did not have a material impact on our financial statements.

Our contract revenue primarily consist of various contributions and other revenues:

1. Contribution revenues are revenues arising from grants and general cash donations. The revenues are recognized when cash or an unconditional promise to give is received. Contribution revenue comes primarily from foundations, individuals, board members and governmental entities.
2. Other revenues are revenues arising from miscellaneous programs and exhibits. These revenues are recognized when received.

Below is a summary of our revenue by segment:

	2020	2019
Foundation contributions	$ 66,698	$ 562,500
Individual contributions	298,128	384,078
Government contributions	107,102	34,945
Board contributions	24,983	-
Corporation contributions	3,966	-
Other revenue	10,000	6,847
	$ 510,877	$ 988,370

Note 7 - Donated professional services and materials

The Organization received donated professional services and materials as follows during the years ended December 31,

	2020			
	Program Services	Management and General	Fundraising	Total
Exhibit and programming expenses	$ 150,000	$ -	$ 15,000	$ 165,000
Legal	-	66,660	-	66,660
Accounting and auditing		12,000		12,000
Technology	-	6,500	-	6,500
Occupancy	199,480	10,560	10,560	220,600
	$ 349,480	$ 95,720	$ 25,560	$ 470,760

	2019			
	Program Services	Management and General	Fundraising	Total
Exhibit and programming expenses	$ 90,000	$ -	$ -	$ 90,000
Legal	-	49,734	-	49,734
Occupancy	60,000	26,769	33,231	120,000
	$ 150,000	$ 76,503	$ 33,231	$ 259,734

Note 8 - Functionalized expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.