Climate Museum

(A Not-for-Profit Organization)

Financial Statements

Year ended December 31, 2024 and 2023

LEHMAN FLYNN VOLLARO PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Climate Museum
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December 31, 2024 and 2023

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Report of Independent Auditors

The Board of Directors
Climate Museum
New York, NY

Opinion

We have audited the accompanying financial statements of Climate Museum (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 Climate Museum 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 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 Climate Museum 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 Climate Museum'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 Climate Museum'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 Climate Museum'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.

Lehman Flynn Vollaro CPAs PLLC

Melville, NY
September 19, 2025

Climate Museum

Statements of Financial Position

December 31,

		2024		2023
Assets				
Cash and cash equivalents	$	1,520,266	$	281,001
Contributions receivable		74,238		1,039,654
Employee retention credit receivable		114,811		-
Prepaid expenses		19,744		89,346
Total current assets		1,729,059		1,410,001
Operating lease right-of-use asset		202,439		80,117
Security deposits		39,213		106,713
Total assets	$	1,970,711	$	1,596,831
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	$	32,829	$	54,654
Current portion of operating lease liabilities		119,121		82,714
Total current liabilities		151,950		137,368
Operating lease liabilities		83,734		-
Total liabilities		235,684		137,368
Net assets				
Without donor restrictions		1,183,183		371,187
With donor restrictions		551,844		1,088,276
Total net assets		1,735,027		1,459,463
Total liabilities and net assets	$	1,970,711	$	1,596,831

See notes to financial statements

Climate Museum
Statement of Activities
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and gains			
Contributions			
Foundation	$ 1,064,939	$ -	$ 1,064,939
Individual	475,530	-	475,530
Board	247,985	-	247,985
Government	262,864	-	262,864
In kind	258,071	-	258,071
Total contributions	2,309,389	-	2,309,389
Interest income	33,160	-	33,160
Other revenue	8,676	-	8,676
Net assets released from restrictions	536,432	(536,432)	-
Total revenue, support, and gains	2,887,657	(536,432)	2,351,225
Expenses			
Program services	1,463,868	-	1,463,868
Supporting services			
Management and general	375,440	-	375,440
Fundraising	236,353	-	236,353
Total support services	611,793	-	611,793
Total expenses	2,075,661	-	2,075,661
Change in net assets	811,996	(536,432)	275,564
Net assets, beginning of year	371,187	1,088,276	1,459,463
Net assets, end of year	$ 1,183,183	$ 551,844	$ 1,735,027

See notes to financial statements

Climate Museum

Statement of Activities

Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and gains			
Contributions			
Foundation	$ 1,086,500	$ 1,010,000	$ 2,096,500
Individual	788,161	-	788,161
Board	155,715	-	155,715
Government	128,360	-	128,360
Corporate	1,000	-	1,000
In kind	300,515	-	300,515
Total contributions	2,460,251	1,010,000	3,470,251
Interest income	3,631	-	3,631
Program service fees	20,022	-	20,022
Other revenue	18,489	-	18,489
Net assets released from restrictions	271,262	(271,262)	-
Total revenue, support, and gains	2,773,655	738,738	3,512,393
Expenses			
Program services	2,294,656	-	2,294,656
Supporting services			
Management and general	393,802	-	393,802
Fundraising	206,543	-	206,543
Total support services	600,345	-	600,345
Total expenses	2,895,001	-	2,895,001
Change in net assets	(121,346)	738,738	617,392
Net assets, beginning of year	492,533	349,538	842,071
Net assets, end of year	$ 371,187	$ 1,088,276	$ 1,459,463

See notes to financial statements

Climate Museum

Statement of Functional Expenses

Year Ended December 31, 2024

	Program	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total	Grand Total
Payroll and related expenses	$ 542,971	$ 165,695	$ 132,939	$ 298,634	$ 841,605
Payroll taxes and benefits	81,327	24,823	19,919	44,742	126,069
	$ 624,298	$ 190,518	$ 152,858	$ 343,376	$ 967,674
Accounting and auditing	-	30,957	-	30,957	30,957
Communication	128	5,792	31	5,823	5,951
Consultants	60,000	-	10,000	10,000	70,000
Exhibit and programming expenses	660,474	-	38,693	38,693	699,167
Insurance	3,015	1,888	739	2,627	5,642
Legal (in-kind)		63,071	-	63,071	63,071
Legal fees	-	10,186	-	10,186	10,186
Marketing	2,211	-	52	52	2,263
Meetings	36	1,391	9	1,400	1,436
Occupancy	95,107	25,946	22,904	48,850	143,957
Office and other expenses	7,991	33,925	2,775	36,700	44,691
Technology	10,608	11,766	8,292	20,058	30,666
Total expenses by function	$ 1,463,868	$ 375,440	$ 236,353	$ 611,793	$ 2,075,661

See notes to financial statements

Climate Museum

Statement of Functional Expenses

Year Ended December 31, 2023

		Supporting Services			
	Program	Management and General	Fundraising	Total	Grand Total
Payroll and related expenses	$ 673,860	$ 140,306	$ 120,153	$ 260,459	$ 934,319
Payroll taxes and benefits	105,494	18,309	19,825	38,134	143,628
	$ 779,354	$ 158,615	$ 139,978	$ 298,593	$ 1,077,947
Accounting and auditing	-	27,750	-	27,750	27,750
Communication	-	6,389	-	6,389	6,389
Consultants	23,000	-	10,000	10,000	33,000
Exhibit and programming expenses	1,370,108	52,616	21,367	73,983	1,444,091
Insurance	11,037	3,528	2,193	5,721	16,758
Legal (in-kind)	-	62,515	-	62,515	62,515
Legal fees	-	13,279	10,049	23,328	23,328
Marketing	948	121	-	121	1,069
Meetings	99	2,700	346	3,046	3,145
Occupancy	100,635	23,958	19,135	43,093	143,728
Office and other expenses	2,978	32,000	1,784	33,784	36,762
Technology	6,497	10,331	1,691	12,022	18,519
Total expenses by function	$ 2,294,656	$ 393,802	$ 206,543	$ 600,345	$ 2,895,001

See notes to financial statements

Climate Museum

Statements of Cash Flows

Years Ended December 31,

	2024	2023
Cash flows from operating activities		
Change in net assets	$ 275,564	$ 617,392
Adjustments to reconcile change in net assets to net cash from(used for) operating activities		
Non-cash lease expense	(122,322)	120,175
Changes in operating assets and liabilities		
Contributions receivable	965,416	(839,654)
Employee retention credit receivable	(114,811)	-
Prepaid expenses	69,602	(89,346)
Security deposit	67,500	(67,500)
Accounts payable and accrued expenses	(21,825)	30,091
Operating lease liabilities	120,141	(121,439)
Net cash from(used for) operating activities	1,239,265	(350,281)
Net change in cash and cash equivalents	1,239,265	(350,281)
Cash and cash equivalents, beginning of year	281,001	631,282
Cash and cash equivalents, end of year	$ 1,520,266	$ 281,001
Supplemental disclosure of cash flow information		
Cash paid during the year for		
Operating leases	$ 124,841	$ 121,193
Interest	$ -	$ -
Unrelated business income taxes	$ -	$ -

See notes to financial statements

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.

Basis of presentation

The accompanying financial statements are prepared on the accrual basis and in conformity with accounting principles generally accepted in the United States of America.

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

The Organization records contributions receivable that are expected to be collected within one year at net realizable value. Contributions expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At December 31, 2024 and 2023, the allowance was $0.

Property and equipment

The Organization records property and equipment additions over $1,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2024 and 2023.

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 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. The Organization has no donor restrictions that are perpetual in nature.

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 statement of activities and changes in net assets.

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 (Note 5).

Revenue and revenue recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

These revenues are recorded as net assets with or without donor restrictions according to donor stipulations that limit the use of these assets due to time or purpose restrictions. However, the receipt of restricted contributions whose restrictions expire or are otherwise satisfied within the period of receipt are reported as net assets without donor restrictions in the statements of activities and changes in net assets.

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 individual donors, governmental agencies, and foundations supportive of our mission.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent events

The Organization has evaluated subsequent events through September 19, 2025, the date the 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:

	2024
Cash and cash equivalents	$ 1,520,266
Contributions receivable	74,238
Employee retention credit receivable	114,811
Less: net assets with donor restrictions	(551,844)
	$ 1,157,471

As part of the Organization's liquidity management, is has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note 3 - Employee retention credit receivable

The Organization qualified for $114,811 of the employee retention credit established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Amended Q2, Q3 and Q4 2020, and Q1 2021 federal payroll returns were filed in 2024 and the funds were received in 2025.

Note 4 - Net assets with donor restrictions

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

	2024	2023
Subject to purpose restrictions:		
Grants received for specific program use	$ 551,844	$ 1,088,276
	$ 551,844	$ 1,088,276

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:

	2024	2023
Expiration of purpose restrictions	$ 536,432	$ 271,262

Note 5 - Donated professional services and materials

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

	2024			
	Program Services	Management and General	Fundraising	Total
Exhibit and programming expenses	$ 125,000	$ -	$ -	$ 125,000
Legal	-	63,071	-	63,071
Consultants	60,000	-	10,000	70,000
	$ 185,000	$ 63,071	$ 10,000	$ 258,071

	2023			
	Program Services	Management and General	Fundraising	Total
Exhibit and programming expenses	$ 210,000	$ -	$ -	$ 210,000
Legal	-	62,515	-	62,515
Consultants	18,000	-	10,000	28,000
	$ 228,000	$ 62,515	$ 10,000	$ 300,515

The Organization recognizes contributed nonfinancial assets within revenue, including contributed exhibit and programming expenses, legal fees, and consultant fees. Unless otherwise noted, the contributed nonfinancial assets do not have donor-imposed restrictions.

Contributed exhibit and programming expenses were used in the Organization’s program costs. The exhibit and programming expenses are valued and reported at the estimated fair value based on current costs for similar services.

Contributed legal fees were donated as a part of the Organization’s administrative costs. Contributed legal fees are valued and reported at the estimated fair value based on current rates for similar services.

Contributed consultant fees were used in the Organization’s program and fundraising costs. Contributed consultant fees are valued and reported at the estimated fair value based on current costs for similar service

Note 6 - Leases

The Organization evaluates all contracts for potential leases in accordance with ASC 842. A contract contains a lease if the contract conveys the right to direct the use of an identified asset and to obtain substantially all of the economic benefit, for consideration. The Organization has an operating lease for office space.

The table below represents a summary of the balances recorded in the statement of financial position related to our lease as of December 31:

	2024	2023
Right-of-use asset	$ 202,439	$ 80,117
Current portion of lease liability	$ 119,121	$ 82,714
Non-current portion of lease liability	83,734	-
	$ 202,855	$ 82,714

The Organization's lease liabilities are based on the net present value of the remaining lease payments over the remaining lease term. To determine the lease liability net present value of the lease payments, the Organization used the risk-free rate at the adoption date, for the term of the lease. The weighted average remaining lease term and discount rate as of December 31 for our operating lease are as follows:

	2024	2023
Weighted average remaining lease terms (in years)	1.67	0.67
Weight average discount rate	4.73%	0.25%

Lease expense is included in the rent and occupancy amount on the statement of functional expenses and is $124,841 and $122,059 as of December 31, 2024 and 2023 respectively.

A maturity analysis of lease payments under our operating lease is presented as follows:

Fiscal Year	Operating
2025	$ 125,673
2026	84,892
Total lease payments	210,565
Less: present value adjustment	(7,710)
Total lease liabilities	$ 202,855

Note 7 - Grants

Grants awarded to the Organization are subject to funding agencies' criteria and agreement terms under which expenditures may be charged and are subject to audit. Occasionally, such audits may determine that certain costs incurred in connection with the grants do not comply with the established criteria that govern them, In such cases, the organization could be held responsible for repayments to the funding agency for the costs or be subject to a reduction of future funding in the amount of the costs. Management does not anticipate any material questioned costs for the grants administered during the period.

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 which is allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, communications, consultants, exhibit expenses, insurance, marketing, technology, office and other categories, which are allocated on the basis of estimates of time and effort.

Note 9 - Subsequent events

In December 2024, New York State announced that the Climate Museum would be the cultural anchor of a new mixed-use development to be built on Manhattan's West Side. The bid submitted by the developers' group that was awarded the underlying contract with New York State included a letter of support from the Climate Museum that was solicited by the developer. This letter reflects the parties' mutual intent that the Museum will be provided 24,000+ square feet at a nominal rent for 30 years, with the core, shell, and fit-out of the space to be provided at no cost to the Museum. New York State awarded the project to the developer's group with the understanding that the Climate Museum would be a participant on this basis. But further details need to be negotiated with the developer's group.