CLIMATE CENTRAL, INC.
(A Nonprofit Organization)

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

CLIMATE CENTRAL, INC.
(A Nonprofit Organization)
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Climate Central, Inc.

Opinion

We have audited the accompanying financial statements of Climate Central, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, 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 Central, Inc. as of December 31, 2022 and 2021, and the results of its operations 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 Climate Central, Inc. 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.

Adoption of New Accounting Pronouncement

As discussed in Note 2 to the financial statements, the Organization adopted Accounting Standards Codification Topic 842, *Leases*, as of January 1, 2022, using the modified retrospective method. Our opinion is not modified with respect to this matter.

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 Central, Inc.'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 Central, Inc.'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 Central, Inc.'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.

Citrin Cooperman & Company, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Bethesda, Maryland
May 30, 2023

CLIMATE CENTRAL, INC.
(A Nonprofit Organization)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 10,422,741	$ 4,771,009
Restricted cash	64,769	64,659
Unconditional promises to give	100,000	200,000
Grants and contracts receivables	130,994	52,643
Unbilled contract receivables	1,009	40,062
Prepaid expenses	92,792	68,717
Property and equipment, net	223,279	248,008
Intangible assets, net	227,157	198,451
Operating lease right-of-use asset	198,189	-
TOTAL ASSETS	$ 11,460,930	$ 5,643,549
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 216,824	$ 103,066
Accrued expenses	341,937	395,749
Operating lease liabilities	221,373	-
Deferred rent	-	47,628
Total liabilities	780,134	546,443
Commitments and contingencies (Notes 10, 12 and 13)		
Net assets:		
Without donor restrictions	2,861,055	2,721,609
With donor restrictions	7,819,741	2,375,497
Total net assets	10,680,796	5,097,106
TOTAL LIABILITIES AND NET ASSETS	$ 11,460,930	$ 5,643,549

See accompanying notes to financial statements.

CLIMATE CENTRAL, INC.
(A Nonprofit Organization)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without donor restrictions	With donor restrictions	Total
Support and revenues:			
Contributions:			
Foundation support	$ 4,070,160	$ 3,005,252	$ 7,075,412
Individual support	2,029,538	4,634,489	6,664,027
Government grants	78,008	-	78,008
Other grants	75,000	-	75,000
Program fees	207,850	-	207,850
Other revenues	216,460	-	216,460
Interest income	93,056	-	93,056
	6,770,072	7,639,741	14,409,813
Net assets released from restrictions	2,195,497	(2,195,497)	-
Total support and revenues	8,965,569	5,444,244	14,409,813
Program expenses	6,905,584	-	6,905,584
Supporting services:			
Management and general	787,278	-	787,278
Fundraising and development	1,133,261	-	1,133,261
Total supporting services	1,920,539	-	1,920,539
Total expenses	8,826,123	-	8,826,123
Change in net assets	139,446	5,444,244	5,583,690
Net assets - beginning	2,721,609	2,375,497	5,097,106
NET ASSETS - ENDING	$ 2,861,055	$ 7,819,741	$ 10,680,796

See accompanying notes to financial statements.

CLIMATE CENTRAL, INC.
(A Nonprofit Organization)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without donor restrictions	With donor restrictions	Total
Support and revenues:			
Contributions:			
Foundation support	$ 1,715,500	$ -	$ 1,715,500
Individual support	2,428,709	1,929,072	4,357,781
Government grants	100,285	-	100,285
Other grants	583,197	376,303	959,500
Program fees	125,887	-	125,887
Other revenues	174,570	-	174,570
Interest income	644	-	644
	5,128,792	2,305,375	7,434,167
Net assets released from restrictions	3,073,896	(3,073,896)	-
Total support and revenues	8,202,688	(768,521)	7,434,167
Program expenses	6,263,230	-	6,263,230
Supporting services:			
Management and general	800,951	-	800,951
Fundraising and development	700,716	-	700,716
Total supporting services	1,501,667	-	1,501,667
Total expenses	7,764,897	-	7,764,897
Change in net assets	437,791	(768,521)	(330,730)
Net assets - beginning	2,283,818	3,144,018	5,427,836
NET ASSETS - ENDING	$ 2,721,609	$ 2,375,497	$ 5,097,106

See accompanying notes to financial statements.

CLIMATE CENTRAL, INC.
(A Nonprofit Organization)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Programs	Management and General	Fundraising and Development	Total
Salaries and wages	$ 3,314,878	$ 386,663	$ 598,244	$ 4,299,785
Employee benefits	814,569	99,215	142,867	1,056,651
Payroll taxes	268,618	24,663	47,871	341,152
Professional fees	1,368,689	220,179	200,641	1,789,509
Occupancy	236,900	29,855	41,027	307,782
Information technology	305,551	9,613	22,238	337,402
Depreciation and amortization	128,009	16,132	22,169	166,310
Insurance	55,089	6,942	9,541	71,572
Office expenses	22,517	7,591	10,562	40,670
Travel	96,747	22,110	2,604	121,461
Accounting fees	89,873	151,164	9,563	250,600
Legal fees	13,234	15,266	-	28,500
Other	6,168	834	7,727	14,729
Total expenses by function	6,720,842	990,227	1,115,054	8,826,123
Allocation of program-related management and general expenses	184,742	(202,949)	18,207	-
TOTAL EXPENSES	$ 6,905,584	$ 787,278	$ 1,133,261	$ 8,826,123

See accompanying notes to financial statements.

CLIMATE CENTRAL, INC.
(A Nonprofit Organization)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Programs	Management and General	Fundraising and Development	Total
Salaries and wages	$ 3,296,024	$ 604,635	$ 364,451	$ 4,265,110
Employee benefits	761,694	135,825	81,870	979,389
Payroll taxes	262,885	48,225	29,068	340,178
Professional fees	1,068,168	89,319	134,626	1,292,113
Occupancy	240,565	40,560	27,917	309,042
Information technology	214,179	9,983	8,827	232,989
Depreciation and amortization	85,021	14,334	9,867	109,222
Insurance	55,887	9,422	6,486	71,795
Office expenses	31,574	4,549	12,643	48,766
Travel	38,565	7,220	1,547	47,332
Accounting fees	-	28,546	-	28,546
Legal fees	281	11,107	-	11,388
Other	2,059	12,065	3,884	18,008
Training and development	8,616	1,372	1,031	11,019
Total expenses by function	6,065,518	1,017,162	682,217	7,764,897
Allocation of program-related management and general expenses	197,712	(216,211)	18,499	-
TOTAL EXPENSES	$ 6,263,230	$ 800,951	$ 700,716	$ 7,764,897

See accompanying notes to financial statements.

CLIMATE CENTRAL, INC.
(A Nonprofit Organization)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ 5,583,690	$ (330,730)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	166,310	109,222
Non-cash lease expense	262,261	-
Deferred rent	-	(4,888)
Loss on disposal of property and equipment	-	4,843
Changes in operating assets and liabilities:		
Unconditional promises to give	100,000	(200,000)
Grants and contracts receivable	(78,351)	17,132
Unbilled contract receivables	39,053	19,154
Operating lease liabilities	(286,704)	-
Prepaid expenses	(24,075)	5,851
Accounts payable	113,758	(111,180)
Accrued expenses	(53,812)	110,473
Net cash provided by (used in) operating activities	5,822,130	(380,123)
Cash flows from investing activities:		
Purchases of property and equipment	(95,475)	(97,462)
Purchases of intangible assets	(74,813)	(118,543)
Net cash used in investing activities	(170,288)	(216,005)
Net increase (decrease) in cash and cash equivalents	5,651,842	(596,128)
Cash, cash equivalents, and restricted cash - beginning	4,835,668	5,431,796
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - ENDING	$ 10,487,510	$ 4,835,668
Supplemental disclosures for non-cash investing and financing activities:		
Operating lease right-of-use assets recognized in connection with implementation of ASC 842	$ 460,449	$ -
Operating lease liability recognized in connection with implementation of ASC 842	$ 508,077	$ -

Reconciliation of cash and restricted cash:
The following table provides a reconciliation of cash and restricted cash reported within the statements of financial position that sums to the total of such amounts shown in the statements of cash flows:

Cash and cash equivalents	$ 10,422,741	$ 4,771,009
Restricted cash	64,769	64,659
Total	$ 10,487,510	$ 4,835,668

See accompanying notes to financial statements.

NOTE 1. NATURE OF ORGANIZATION

Climate Central, Inc. (the "Organization") is an independent not-for-profit organization of leading scientists, technology experts and communication professionals that are dedicated to researching and reporting on climate change and its impacts and solutions to the public and decision makers locally, nationally and internationally. The Organization surveys and conducts scientific research on climate change and informs the public of key findings. The Organization is not an advocacy organization and does not lobby or support any specific legislation, policy or bill regarding climate change.

The major programs of the Organization are as follows:

Attribution + Climate Fingerprints

The Organization played a lead role in transforming the public narrative to recognize that some extreme weather events can be attributed to climate change, a claim validated by the National Academy of Sciences in 2016. This pioneering research is just one example of how the Organization's scientists helped change the global climate conversation. The Organization continues to advance science that will enable the quantification of climate fingerprints in worldwide local weather daily – a true grail for climate communications. To achieve this impact, the Attribution Science + Climate Fingerprints program develops tools to help reveal how climate change is disrupting our world. Its first operational tool, the Climate Shift Index, provides daily estimates of how climate change is impacting air temperature.

Climate Matters

Climate Matters is a climate reporting resource program grounded in the latest science that helps meteorologists and journalists report on climate impacts and solutions in ways that are local, immediate, and personal.

The Organization's team of scientists, data analysts and visual artists identify and interpret data and produce easy-to-understand text and visual materials, including graphics, interactive content and videos, to help journalists build stories that will engage and enlighten their audience.

The Organization's reporting tools are available, free of charge, to anyone interested in telling engaging local, science-based stories about how global climate change is impacting their community, why it matters, and what can be done about it.

Realtime Climate

Realtime Climate is an initiative to dispatch timely alerts and related content to meteorologists, other journalists, and other subscribers when current local conditions present a notable opportunity to communicate about climate change, its impacts, or its solutions. At Realtime Climate’s core is a continually updated software system that monitors a growing range of data streams from local weather forecasts to coastal water levels to local renewable energy generation. When key thresholds are met, the system assembles related content, largely leveraging research and materials from the Climate Matters and Sea Level Rise programs, and sends alerts to subscribers in the areas experiencing threshold conditions. Subscribers include participants in the Climate Matters program and many stakeholders of the Sea Level Rise program, as well as anyone who opts in using an online form on Climate Central’s website.

Sea Level Rise

NOTE 1. NATURE OF ORGANIZATION (CONTINUED)

The Organization's program on Sea Level Rise strives to provide accurate, clear and granular information about sea level rise and coastal flood hazards both locally and globally, today and tomorrow. Anchored in rigorous primary research, the Organization's work distinguishes itself by its user-friendly maps and tools, extensive datasets, and high-quality visual presentations. The program dedicates its efforts to helping citizens, communities, businesses, organizations, and governments at every level to understand the consequences of different carbon pathways and to navigate the shifting waters of our warming world.

FloodVision

FloodVision, an innovative tool developed by Climate Central, uses advanced data collection techniques, AI-based algorithms, and intuitive software to produce science-based augmented-reality photos of specific locations. Users can choose optional views to contrast meaningful scenarios in their neighborhoods, such as sea levels based on different carbon pathways or local storm surge forecasts from approaching hurricanes. FloodVision is designed to empower the Organization’s broad media networks, as well as local governments, agencies, NGOs and other coastal stakeholders, such as emergency managers who can use the imagery to strengthen evacuation warnings and other safety measures. This helps the public and other stakeholders better visualize and understand the impacts of climate change.

Partnerships Journalism

The Organization brings a partnerships journalism initiative to the service of Climate Matters and Sea Level Rise to add depth to the understanding of the human impacts of climate change and, when applicable, its promising solutions.

Partnering with local and national media organizations, the Organization produces and helps develop stories for a wide variety of print, digital, radio, and TV outlets.

Enterprise

In addition to the above programs, there is another program titled "Enterprise" which focuses on marketing and licensing organizational tools and data to domestic and foreign corporations such as insurance and real estate companies, rating agencies and national, state and local governmental entities.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of presentation (continued)

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

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 dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Income taxes

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes under Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code. The Organization is not a private foundation. Contributions to the Organization are deductible to the extent permitted by law. The Organization is also exempt from state income taxes.

Uncertain tax positions

The Organization follows accounting requirements associated with uncertainty in income taxes using the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not that the positions will not be sustained upon examination by the taxing authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

As of December 31, 2022 and 2021, the Organization had no uncertain tax positions that qualified for either recognition or disclosure in the financial statements.

Cash and cash equivalents

The Organization considers all highly liquid investments with maturities of three months or less from the date of purchase to be cash equivalents.

Fair value measurements

FASB ASC 820, *Fair Value Measurement*, provides a framework for measuring fair value. That 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 lowest priority to unobservable inputs (Level 3 measurements). Categorization within the valuation hierarchy is based upon the lowest level of 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. Under this standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurements (continued)

market participants as of the measurement date.

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

> Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
>
> Level 2 inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and, 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.

Grants, contracts and unbilled contract receivables

Grants and contracts receivable include amounts due from grants, program fees, and other miscellaneous sources. The amounts are stated at unpaid balances, less an allowance for doubtful accounts. The allowance is based on management's estimation of collectibility. It is the Organization's policy to charge off uncollected receivables when management determines that it has exhausted all collection efforts. There was no allowance for doubtful accounts as of December 31, 2022 and 2021. All accounts receivable are expected to be collected in one year or less.

Unbilled contract receivables include unreimbursed expenses not yet invoiced. The unbilled contract receivables are expected to be billed and collected within one year or less.

Promises to give

Contributions and pledges, including unconditional promises to give, are recognized as revenues when the Organization is formally informed of the contributions by the respective donors. Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases in liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions or barriers on which they depend are substantially met. Unconditional promises to give to be received after one year are discounted at an appropriate discount rate that is commensurate with the risks involved and are classified as with donor restrictions due to passage of time or purpose.

Contributions, grants, and other income

Contributions and foundation and government grants are recognized as revenue when they are unconditionally promised from the Organization's individual donors, foundations, and governments, respectively. Contributions and grants received that are restricted by the donor are reported as an increase in net assets without donor

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions, grants and other income (continued)

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

A portion of the Organization's revenue is derived from cost-reimbursable government grants, which are conditioned upon certain measurable performance barriers and/or the incurrence of allowable qualifying expenses. Revenue is recognized in the amount invoiced, typically monthly, since the amount corresponds directly to the value of the performance to date. Amounts received prior to incurring qualifying expenditures or providing the related services are reported as refundable advances in the statements of financial position.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. For the years ended December 31, 2022 and 2021, there were no contributed services meeting the requirements for recognition in the financial statements; however, many individuals volunteer their time and perform a variety of tasks that assist the Organization with its programs.

Donations of property and equipment are recorded as contributions at their estimated fair values at the dates of donation. Such donations are reported as increases in net assets without donor restrictions, unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their uses and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated or acquired assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Program fees

Revenue is measured in accordance with ASC Topic 606, *Revenue from Contracts with Customers* ("Topic 606") and is based on the consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. Under Topic 606, the Organization recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. The majority of the Organization's services represent a bundle of services that are not capable of being distinct and are treated as a single performance obligation. The Organization determines the transaction price based on contractually agreed upon rates, adjusted for any variable consideration, if any.

Program fees from licensing agreements and content sales are recognized at the time the content is delivered.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

Property and equipment purchased are stated at cost, less accumulated depreciation. The Organization has a capitalization threshold of $1,000. Amounts incurred for property and equipment less than this amount are recorded as an expense. Property and equipment contributed to the Organization are recorded at fair value on the date received. Depreciation is computed using the straight-line method based on estimated useful lives. Repairs and maintenance which do not extend the useful lives of the related assets are expensed as incurred. Property and equipment purchased under grant contracts, which become the property of the recipient, are expensed to the applicable program.

Depreciation is provided using the straight-line and various accelerated methods over the estimated useful lives of the assets, which are as follows:

Computer equipment	5 years
Leasehold improvements	Estimated life or term of the lease, whichever is shorter
Furniture and fixtures	5 years

Leases

The Organization determines if an arrangement is a lease at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. The Organization has an operating lease agreement for certain office space, expiring in 2023.

For leases with a lease term of 12 months or less (a "Short-term" lease), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the statements of financial position. The Organization recognizes lease expense for these leases on a straight-line basis over the lease term. There were no Short-term leases during 2022.

Lease terms include the noncancellable portion of the underlying leases along with any reasonably certain lease periods associated with available renewal periods, termination options and purchase options. The Organization has a lease agreement with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices. For its office lease, the Organization accounts for the 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 readily determinable at the commencement date in determining the present value of lease payments.

The lease contains fixed and determinable escalation clauses for which the Organization recognizes rental expense under these leases on the straight-line basis over the lease terms, which includes the period of time from when the Organization takes possession of the leased space; the cumulative expense recognized on the straight-line basis in excess of the cumulative payments is included in liabilities through December 31, 2021, prior to the adoption of Accounting Standards Update ("ASU") No. 2016-02, *Leases* (Topic 842) ("ASC 842"). The lease agreement does not contain any material residual value guarantees or material restrictive covenants. In connection with the adoption of ASC 842 as of January 1, 2022, the Organization reclassified these deferred rent

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

liabilities to the operating lease right-of-use asset. In 2021, in accordance with ASC 840, a deferred rent obligation was recorded and amortized to income over the lease term as a reduction of rent expense.

Intangible assets

Intangible assets, primarily website design costs, are recorded at cost, less accumulated amortization. Intangible assets with finite lives are amortized over their estimated useful lives and are reviewed for impairment if indicators of impairment arise, and are amortized on a straight-line basis over a five-year period. Amortization expense was $46,107 and $25,294 for the years ended December 31, 2022 and 2021. Intangible assets consisted of the following as of December 31, 2022 and 2021:

	2022	2021
Website design costs	$ 535,408	$ 460,595
Accumulated amortization	(308,251)	(262,144)
	$ 227,157	$ 198,451

Functional allocation of expenses

The costs of providing the Organization's program services, management and general, and fundraising activities have been summarized on a functional basis in the accompanying statements of activities. The statements of functional expenses represent the natural classification detail of expenses by function. The Organization incurs expenses that directly relate, and can be assigned, to a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and wages and employee benefits	Time and effort
Professional fees	If not directly charged, allocated based on Full Time Equivalents per department
Information technology	Time and effort, and Full Time Equivalents per department
Occupancy	Full Time Equivalents per department
Depreciation, amortization, and other	Full Time Equivalents per department

Recently adopted accounting standards

In February 2016, FASB issued ASC 842, as amended, which requires the recording of operating lease right-of-use assets and lease liabilities and expanded disclosure for operating and finance leasing arrangements. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. The Organization adopted ASC 842 under the alternative modified retrospective method on January 1, 2022.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently adopted accounting standards (continued)

The Organization adopted the package of practical expedients available at transition that retained the lease classification under ASC 840 and initial direct costs for any leases that existed prior to adoption of the standard. Contracts entered into prior to adoption were not reassessed for leases or embedded leases. The Organization did not elect the practical expedient to use hindsight in determining its lease terms. The Organization made the accounting policy elections to not recognize Short-term leases on the statements of financial position and to utilize the risk-free discount rate when the rate implicit in the lease is not readily determinable.

In addition, at the date of initial application, the Organization recorded an operating lease right-of-use asset and operating lease liability in the amounts of $460,449 and $508,077, respectively.

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* ("ASU 2020-07"), which is intended to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The Organization adopted ASU 2020-07 as of January 1, 2022.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Organization has evaluated subsequent events through May 30, 2023, the date on which these financial statements were available to be issued. Except as disclosed in Note 14, there were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 3. LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets available for general expenditures within one year as of December 31, 2022 and 2021:

	2022	2021
Financial assets at year end:		
Cash and cash equivalents	$ 10,422,741	$ 4,771,009
Unconditional promises to give	100,000	200,000
Grants and contracts receivable	130,994	52,643
Unbilled contract receivables	1,009	40,062
Total financial assets at year-end	10,654,744	5,063,714
Less amounts not available to be used within one year:		
Net assets with donor restrictions	7,819,741	2,375,497
Less: net assets with purpose restrictions to be met in less than one year	(7,819,741)	(2,375,497)
Financial assets available to meet general expenditures over the next 12 months	$ 10,654,744	$ 5,063,714

NOTE 3. LIQUIDITY AND AVAILABILITY (CONTINUED)

The Organization has $10,654,744 and $5,063,714 of financial assets available within one year of the statements of financial position date to meet cash needs for general and program expenditures, including cash and cash equivalents in the amount of $10,422,741 and $4,771,009 for the years ended December 31, 2022 and 2021, respectively. The unconditional promises to give are subject to implied time restrictions but are expected to be collected within one year.

The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 180 days of normal operating expenses, which management estimates to be approximately $5,500,000 in 2023. The Organization structures its financial assets to be available to meet general expenditure obligations as they come due. Cash balances in excess of near-term obligations are held with the Organization's bank to generate balance credits to meet the costs of banking services on a monthly basis. Any balances considered to be in excess of such needs are invested in short-term investments.

The Organization has a governance and management process in place related to liquidity management. Balances of financial assets are monitored on a daily basis and are reported to the Organization's chief executive officer on a weekly basis. The balances of financial assets are reported to the Board and the Finance Committee of the Board during regularly scheduled Board and committee meetings (three times per year), and to the Executive Committee of the Board at regularly scheduled meetings or at any time that the balances of financial assets drop below the balance goal defined above.

In addition to the monitoring of financial assets on hand, the Board, the Finance Committee of the Board and the Executive Committee of the Board are advised of the fundraising activities of the Organization on the schedule noted above. The prospect pipeline is quantified and supported with qualitative information to allow for an assessment of the fundraising activities of the Organization.

NOTE 4. CONCENTRATIONS

Credit risk

At December 31, 2022 and 2021, the Organization maintained cash and cash equivalents with financial institutions in amounts in excess of the coverage provided by federal insurance limits. The Organization maintains these accounts with a high credit quality financial institution, and, therefore, management does not believe the Organization faces a significant risk of loss on these accounts.

Promises to give

As of December 31, 2022, and December 31, 2021, the Organization had unconditional promises to give from one donor.

Support and revenues

During the year ended December 31, 2022, approximately 51% of the Organization's total support and revenue was derived from two donors. During the year ended December 31, 2021, approximately 54% of the Organization's total support and revenue was derived from three donors.

NOTE 5. RESTRICTED CASH

As part of its lease agreement for an office facility, the Organization delivered an irrevocable standby letter of credit secured by a certificate of deposit. The certificate of deposit bears interest at the rate of 1.00% per annum and matures on April 28, 2023. In December 2018, the lease was modified to call for a letter of credit of $41,802. The letter of credit automatically extends each year.

The certificate of deposit had a balance of $64,769 and $64,659 as of December 31, 2022 and 2021, respectively, which includes interest income earned that is included within "Interest income" in the accompanying statements of activities.

NOTE 6. PROMISES TO GIVE

Unconditional promises to give amounted to $100,000 and $200,000 as of December 31, 2022 and 2021, respectively. The entire balance is expected to be collected in less than one year.

At December 31, 2022 and 2021, there were $500,000 and $1,500,000, respectively, in outstanding conditional promises to give.

NOTE 7. PROPERTY AND EQUIPMENT

The Organization's property and equipment consisted of the following at December 31, 2022 and 2021:

	2022	2021
Computer equipment	$ 815,701	$ 720,227
Leasehold improvements	383,687	383,687
Furniture and fixtures	136,110	136,110
	1,335,498	1,240,024
Accumulated depreciation	(1,112,219)	(992,016)
Property and equipment, net	$ 223,279	$ 248,008

Depreciation expense was $120,203 and $83,928 for the years ended December 31, 2022 and 2021, respectively.

NOTE 8. FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value are based on one or more of three valuation techniques identified in the table below. The valuation techniques are as follows:

(a) *Market approach*. Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;

(b) *Cost approach*. Amount that would be required to replace the service capacity of an asset (replacement cost); and

(c) *Income approach*. Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option pricing and excess earnings models).

NOTE 8. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table summarizes the Organization's assets measured at fair value on a recurring basis, categorized by U.S. GAAP's valuation hierarchy as of December 31, 2022:

Description	Level 1	Level 2	Level 3	Total
Cash equivalents				
Money market fund	$ 4,288,442	$ -	$ -	$ 4,288,442

The fair value is based on the quoted net asset value obtained from the closing price reported in the active market where it is traded.

NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the years ended December 31, 2022 and 2021, as follows:

	2022	2021
Programs:		
Attribution + Climate Fingerprints	$ 5,279,900	$ -
Climate Matters	1,253,995	1,289,797
Realtime Climate	995,587	514,899
Sea Level Rise	240,569	570,801
FloodVision	49,690	-
Total	$ 7,819,741	$ 2,375,497

During the years ended December 31, 2022 and 2021, net assets were released from donor restrictions by incurring expenses satisfying purpose restrictions or by the passage of time.

	2022	2021
Programs:		
Sea Level Rise	$ 370,802	$ 287,048
Climate Matters	1,309,796	883,440
Realtime Climate	514,899	1,903,408
Total programs	$ 2,195,497	$ 3,073,896

NOTE 10. RETIREMENT PLAN

The Organization has a defined contribution 401(k) plan. Substantially all employees are eligible to participate. Contributions to the plan are based on participant compensation but not more than statutory limits. The Organization made contributions of $470,788 and $461,101 for the years ended December 31, 2022 and 2021, respectively.

NOTE 11. RELATED-PARTY TRANSACTIONS

The Organization received contribution support from organizations connected with a founding Board member of the Organization. Contributions to the Organization from these related parties totaled $3,025,000 and $2,025,000 for the years ended December 31, 2022 and 2021, respectively.

NOTE 11. RELATED-PARTY TRANSACTIONS (CONTINUED)

During 2022 and 2021, the Organization received support from other organizations totaling $2,185,000 and $1,500,000, respectively, that are associated with certain Board members.

During 2022 and 2021, the Organization received support from certain Board members totaling $7,708 and $115,075, respectively.

NOTE 12. COMMITMENTS

Operating lease

The Organization has an operating lease for certain office space expiring in September 2023. The lease was last modified in 2019 to increase the office space rented. Total operating lease expense, for the years ended December 31, 2022 and 2021, was $277,165 and $281,001, respectively.

Maturities of lease liabilities as of December 31, 2022, are as follows:

Year ending December 31:	Amount
2023	$ 221,949
Less: interest	576
Present value of lease liabilities	$ 221,373

Supplemental cash flow information related to leases was as follows:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 286,704
Weighted-average remaining lease term (in years):	
Operating leases	0.75
Weighted-average discount rate (%):	
Operating leases	0.78

NOTE 13. RECENT EVENTS RELATING TO THE DISRUPTION IN THE U.S. BANKING SYSTEM

In March 2023, the shutdown of certain financial institutions raised economic concerns over disruption in the U.S. banking system. The U.S. government took certain actions to strengthen public confidence in the U.S. banking system. However, there can be no certainty that actions taken by the U.S. government will be effective in mitigating the effects of financial institution failures on the economy, which may include limits on access to short-term liquidity in the near term or other adverse effects. As disclosed in Note 4, the Organization maintains cash and cash equivalents amounts in excess of federally insured limits in the aggregate amount of $9,672,936 as of December 31, 2022, and has certain concentrations of credit risk that expose the Organization to risk of loss if the counterparty is unable to perform as a result of future disruptions in the U.S. banking system or economy. Given the uncertainty of the situation, the related financial impact cannot be reasonably estimated at this time.

NOTE 14. SUBSEQUENT EVENT

In February 2023, the Organization extended its office lease through September 30, 2028. Monthly rent of $22,112 is subject to annual fixed increases beginning after the second year of the extended term. The lease extension also maintains the letter of credit requirement disclosed in Note 5 through extended lease term. The Organization has the right to extend the lease term for an additional term of five years.