

Climate Central, Inc.

Financial Statements

December 31, 2025

Climate Central, Inc.

Table of Contents

December 31, 2025

	<u>Pages</u>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7 - 18



Independent Auditor's Report

To the Board of Trustees of
Climate Central, Inc.:

Opinion

We have audited the financial statements of Climate Central, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Climate Central, Inc. as of December 31, 2025, and the changes 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Organization 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 the Organization's ability to continue as a going concern within one year after the date 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 GAAS 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 GAAS, 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 the Organization'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 the Organization'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.

AAFCPAs, Inc.

Westborough, Massachusetts
April 17, 2026

Climate Central, Inc.
Statement of Financial Position
As of December 31, 2025

Assets

Current Assets:

Cash and cash equivalents	\$ 7,675,721
Restricted cash	32,405
Current portion of pledges receivable	7,286,196
Prepaid and other	81,214
Total current assets	15,075,536

Intangible Assets, net	91,882
Pledges Receivable, net	228,212
Property and Equipment, net	273,142
Right-of-Use Assets - Operating Leases	334,164

Total assets	\$ 16,002,936
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Liabilities and Net Assets

Liabilities:

Current Liabilities:

Accounts payable	\$ 323,698
Accrued expenses	466,834
Current portion of operating lease liabilities	60,173
Total current liabilities	850,705

Operating Lease Liabilities, net of current portion	209,169
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Total liabilities	1,059,874
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Net Assets:

Net assets without donor restrictions	4,201,116
Net assets with donor restrictions	10,741,946
Total net assets	14,943,062

Total liabilities and net assets	\$ 16,002,936
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The accompanying notes are an integral part of these financial statements.

Climate Central, Inc.
Statement of Activities and Changes in Net Assets
For the year ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue:			
Foundation revenue	\$ 10,397,947	\$ 10,725,279	\$ 21,123,226
Individual revenue	584,806	-	584,806
Program fees	324,877	-	324,877
Interest income	215,757	-	215,757
Government grant revenue	23,942	-	23,942
Net assets released from purpose restrictions	1,651,739	(1,651,739)	-
Total operating revenue	<u>13,199,068</u>	<u>9,073,540</u>	<u>22,272,608</u>
Expenses:			
Program	9,045,873	-	9,045,873
Management and general	1,115,633	-	1,115,633
Fundraising and development	1,374,171	-	1,374,171
Total expenses	<u>11,535,677</u>	<u>-</u>	<u>11,535,677</u>
Changes in net assets	1,663,391	9,073,540	10,736,931
Net assets, at beginning of year	<u>2,537,725</u>	<u>1,668,406</u>	<u>4,206,131</u>
Net assets, at end of year	<u>\$ 4,201,116</u>	<u>\$ 10,741,946</u>	<u>\$ 14,943,062</u>

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

Climate Central, Inc.
Statement of Cash Flows
For the year ended December 31, 2025

Cash flows from operating activities:	
Changes in net assets	\$ 10,736,931
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization	218,257
Non-cash lease expense	(72,889)
Loss on disposal of property and equipment	9,917
Discount on long-term pledges receivable	21,788
Changes in operating assets and liabilities:	
Pledges receivable	(7,416,196)
Grants and contracts receivable	78,835
Prepaid and other	(132)
Accounts payable	107,423
Accrued expenses	<u>(217,068)</u>
Net cash provided by operating activities	3,466,866
Cash flows from investing activities:	
Proceeds from sale of property and equipment	37,800
Cash, cash equivalents and restricted cash, at beginning of year	<u>4,203,460</u>
Cash, cash equivalents and restricted cash, at end of year	<u>\$ 7,708,126</u>
Reconciliation of cash, cash equivalents and restricted cash:	
Cash and cash equivalents	\$ 7,675,721
Restricted cash	<u>32,405</u>
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	<u>\$ 7,708,126</u>

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

Climate Central, Inc.
Statement of Functional Expenses
For the year ended December 31, 2025

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Total</u>
Personnel and related:				
Salaries and wages	\$ 4,614,900	\$ 468,740	\$ 502,965	\$ 5,586,605
Employee benefits	1,638,085	242,690	173,604	2,054,379
Total personnel and related	6,252,985	711,430	676,569	7,640,984
Professional fees	1,547,074	271,285	609,541	2,427,900
Travel and related	192,750	29,476	11,826	234,052
Supplies (software and subscriptions)	597,086	34,240	35,033	666,359
Occupancy	163,893	16,800	17,056	197,749
Depreciation and other	292,085	52,402	24,146	368,633
Total expenses	<u>\$ 9,045,873</u>	<u>\$ 1,115,633</u>	<u>\$ 1,374,171</u>	<u>\$ 11,535,677</u>

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

Climate Central, Inc.
Notes to Financial Statements
December 31, 2025

1. Nature of Operations

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 + 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 Services

Climate Centrals' program on climate services connects decision-makers with climate data and information that allows them to account for climate change in their planning. The program conducts outreach with businesses, representatives of economic sectors, and with state and local governments to understand their needs. It then develops technical products that can be used by these groups.

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.

Climate Central, Inc.
Notes to Financial Statements
December 31, 2025

1. Nature of Operations (Continued)

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

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. This program ended in October 2025.

Climate Central, Inc.
Notes to Financial Statements
December 31, 2025

1. Nature of Operations (Continued)

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.

Nonprofit Status

The Organization is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is a publicly supported organization as described in Section 509(a). The Organization is also exempt from state income taxes.

2. Significant Accounting Policies

Basis of Accounting

The Organization prepares its financial statements in accordance with generally accepted accounting principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Estimates

The preparation of financial statements in accordance 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

The Organization considers all highly liquid securities issued with an initial maturity of three months or less to be cash equivalents. At December 31, 2025, cash and cash equivalents consisted of a checking and a money market account.

Restricted Cash

Restricted Cash for Lease Security Deposit

The Organization entered into a lease agreement for an office facility which was required to provide 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 October 31, 2030. During 2025, the Organization amended the lease agreement (see Note 9). Under the new lease agreement, the Organization entered into a new letter of credit totaling \$32,405.

Climate Central, Inc.
Notes to Financial Statements
December 31, 2025

2. Significant Accounting Policies (Continued)

Fair Value Measurements

The Organization follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Organization would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Organization uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Organization. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities are valued using Level 1 inputs.

Pledges Receivable and Allowance for Doubtful Accounts

Unconditional promises to give that are expected to be collected within one year are recorded at fair value at the date the promise is received and included in pledges receivable. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, net of an allowance for uncollectable amounts. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. Long-term pledges receivable at December 31, 2025, have been discounted to present value using a discount rate ranging from 3.47% to 3.55%.

An allowance for doubtful pledges receivable is recorded based on management's analysis of specific accounts and their estimate of amounts that may be uncollectible, if any. Amounts are written-off against the allowance when they are determined to be uncollectible. There was no allowance for doubtful accounts as of December 31, 2025.

Climate Central, Inc.
Notes to Financial Statements
December 31, 2025

2. Significant Accounting Policies (Continued)

Revenue Recognition

Contributions

In accordance with FASB's Accounting Standards Update (ASU) 2018-08, Not-For-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, the Organization must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or another measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional advance liabilities until such conditions are met.

Contributions from foundations, individuals, and governments are recorded as revenue and net assets without donor restrictions upon receipt or when unconditionally committed by the donor. Donor restricted grants and contributions that are donations with time or purpose restrictions are recognized as revenues and net assets with donor restrictions when received or when unconditionally committed by the donor. Contributions with donor restrictions are reclassified to net assets without donor restrictions as services are performed and costs are incurred, or pro-rata over the period covered by the grant or contributions as time restrictions lapse. Donor restricted contributions received and satisfied in the same period are included in net assets without donor restrictions.

Program Fees

The Organization generally measures revenue from exchange transactions based on the amount of consideration the Organization expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as the Organization satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Organization evaluates its revenue recognition based on the five-step model under FASB ASC 606, *Revenue from Contracts with Customers (Topic 606)*: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

In accordance with Topic 606, program service revenue is recognized as services are provided. The performance obligations of transferring control over a product or service to a customer are simultaneously received and consumed by the customer; therefore, the revenue is recognized as the contract obligation are met.

Climate Central, Inc.
Notes to Financial Statements
December 31, 2025

2. Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Revenue is measured in accordance with 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.

Other Revenue

Interest income is recognized when earned.

Property and Equipment

Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at fair value at the time of donation. Renewals and betterments of \$1,000 or more are capitalized. Repairs and maintenance are expensed as incurred.

Depreciation is computed using the straight-line method over estimated useful lives as follows:

	<u>Estimated Useful Lives</u>
Computer equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

The Organization accounts for the carrying value of its property and equipment in accordance with ASC Topic, *Property, Plant, and Equipment*. Under this standard, an impairment loss is recognized when the carrying amount of long-lived assets exceeds its fair value. There were no impairment losses recorded in 2025.

Climate Central, Inc.
Notes to Financial Statements
December 31, 2025

2. Significant Accounting Policies (Continued)

Leases

The Organization determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be a lease or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Organization determines such assets are leased because the Organization has the right to obtain substantially all of the economic benefits from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because the Organization determines it does not have the right to control and direct the use of the identified asset. The Organizations' lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization applies the short-term lease exemption within ASC Topic 842, *Leases* (ASC 842) and has not recorded a right-of-use (ROU) asset or lease liability for leases with original terms of less than twelve months. In evaluating its contracts, the Organization separately identifies lease and non-lease components, such as common area, real estate taxes and other maintenance costs, in calculating the ROU assets and lease liabilities for its leased space. The Organization has elected the practical expedient to not separate lease and non-lease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the non-lease component.

Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU asset represents the right to use an underlying asset for the lease term, and lease liability represents the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, the Organization uses the risk-free rate over the applicable lease term.

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

Intangible Assets

Intangible assets consist primarily of website design costs and 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 \$54,049 for the year ended December 31, 2025.

Climate Central, Inc.
Notes to Financial Statements
December 31, 2025

2. Significant Accounting Policies (Continued)

Intangible Assets (Continued)

Intangible assets consisted of the following as of December 31, 2025:

Website design costs	\$ 592,282
Accumulated amortization	<u>(500,400)</u>
	<u>\$ 91,882</u>

Estimated amortization expense for the next three years is as follows:

Year Ending December 31:	<u>Amount</u>
2026	\$ 52,452
2027	\$ 31,470
2028	\$ 7,960

Net Assets

Net assets without donor restrictions are those net resources that bear no external restrictions and are generally available for use by the Organization.

Net assets with donor restrictions represent amounts received or committed with donor restrictions which have not yet been expended for their designated purpose or amounts restricted for use in future periods.

Expense Allocation

The costs of providing the Organization's program, management and general, and fundraising and development activities have been summarized on a functional basis in the accompanying statement of activities and changes in net assets. The statement 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.

Climate Central, Inc.
Notes to Financial Statements
December 31, 2025

2. Significant Accounting Policies (Continued)

Expense Allocation (Continued)

The expenses that are allocated include the following:

Expense	Method of Allocation
Personnel and related	Time and effort
Professional fees	If not directly charged, allocated based on Full Time Equivalents per department
Occupancy	Full Time Equivalents per department
Depreciation and other	Full Time Equivalents per department

Income Taxes

The Organization accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at December 31, 2025. The Organizations' information returns are subject to examination by the Federal and state jurisdictions.

Subsequent Events

Subsequent events have been evaluated through April 17, 2026, which is the date the financial statements were available to be issued. There were no such events that met the criteria for recognition or disclosure in the financial statements.

3. Concentrations

Credit Risk

The Organization maintains its cash balances in financial institutions in the U.S. Balances at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) at each bank up to certain amounts. At certain times during the year, cash balances exceeded the insured amounts. The Organization has not experienced any losses in these accounts and management believes the Organization is not exposed to any significant credit risk on its cash and cash equivalents.

Climate Central, Inc.
Notes to Financial Statements
December 31, 2025

3. Concentrations (Continued)

Concentrations

During the year ended December 31, 2025, approximately 56% of the Organization's operating revenue was derived from two donors. As of December 31, 2025, approximately 77% of pledges receivable was due from two donors.

4. Pledges Receivable

Pledges receivable are due as follows as of December 31, 2025:

Amounts due:	
Less than one year	\$ 7,286,196
One to five years	250,000
Total	<u>7,536,196</u>
Less - discount	21,788
	<u>7,514,408</u>
Less - current portion of pledges receivable	<u>7,286,196</u>
Pledges receivable, net	<u><u>\$ 228,212</u></u>

5. Property and Equipment and Depreciation

Property and equipment consist of the following at December 31, 2025:

Computer equipment	\$ 437,061
Furniture and fixtures	171,173
Vehicles	56,052
	<u>664,286</u>
Less - accumulated depreciation	<u>(391,144)</u>
Property and equipment, net	<u><u>\$ 273,142</u></u>

The Organization's depreciation expense was \$164,208 for the year ended December 31, 2025.

Climate Central, Inc.
Notes to Financial Statements
December 31, 2025

6. Liquidity and Availability of Financial Assets

Financial assets available for use by the Organization within one year from the statement of financial position date are as follows as of December 31, 2025:

Cash and cash equivalents	\$ 7,675,721
Current portion of pledges receivable	<u>7,286,196</u>
Total financial assets at year-end	<u><u>\$ 14,961,917</u></u>

As part of liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. As of December 31, 2025, the Organization has financial assets equal to approximately sixteen months of operating expenses.

7. Net Assets with Donor Restrictions

Net assets with donor restrictions (see Note 2) consist of the following at December 31, 2025:

Purpose restricted:

Climate Services	\$ 5,706,845
Attribution	4,183,333
Flood Vision	281,877
Sea Level Rise	300,000
Heising Simmons Equitable Hiring Grant and Other	<u>16,668</u>
Total purpose restricted	<u>10,488,723</u>
Time restricted	<u>253,223</u>
 Total net assets with donor restrictions	 <u><u>\$ 10,741,946</u></u>

8. Retirement Plan

The Organization has a defined contribution IRC 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 \$606,065 for the year ended December 31, 2025.

Climate Central, Inc.
Notes to Financial Statements
December 31, 2025

9. Leases

Operating Leases

The Organization leases an office suite under an operating lease agreement. The lease was modified in 2025 as the Organization moved to a location in the building with smaller square footage. Upon termination, the Organization paid a \$66,366 fee, which is included in the calculation of the ROU asset as of December 31, 2025. The agreement expires in September 2030. Monthly payments under this lease agreement range from \$4,892 to \$5,401.

Operating lease expenses on the facility lease totaled \$159,708 and is included in occupancy in the accompanying statement of functional expenses for the year ended December 31, 2025.

The following summarizes cash flow information related to leases for the years ended December 31:

Cash paid for amounts included in the measurement of operating lease liability	\$ 88,488
	<hr style="border-top: 3px double black;"/>
ROU asset obtained in exchange for operating lease obligation	\$ 360,631
	<hr style="border-top: 3px double black;"/>

Future Minimum Payments

Future minimum lease payments for the operating as of December 31, 2025, are as follows:

Year	
2026	\$ 60,173
2027	61,377
2028	62,604
2029	63,857
2030	48,607
Total future undiscounted lease payments	<hr style="border-top: 1px solid black;"/> 296,618
Less - discount	27,276
Total future lease payments, net	<hr style="border-top: 1px solid black;"/> 269,342
Less - current portion	60,173
	<hr style="border-top: 1px solid black;"/>
Lease liability, net of current portion	<u>\$ 209,169</u>