

COMPASS SCIENCE COMMUNICATION, INC.

FINANCIAL STATEMENTS

Year Ended December 31, 2024

COMPASS

KERN ▲ THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

COMPASS SCIENCE COMMUNICATION, INC.

FINANCIAL STATEMENTS

Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Compass Science Communication, Inc.
Clackamas, Oregon

Opinion

We have audited the accompanying financial statements of Compass Science Communication, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 Compass Science Communication, Inc. as of December 31, 2024, and the changes in 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. 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 Compass Science Communication, Inc. 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 Compass Science Communication, 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, including omissions, 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.

To the Board of Directors
Compass Science Communication, Inc.

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 Compass Science Communication, 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 Compass Science Communication, 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.

Report on Summarized Comparative Information

We have previously audited Compass Science Communication, Inc.'s 2023 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated May 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kern & Thompson, LLC

Portland, Oregon
March 18, 2025

COMPASS SCIENCE COMMUNICATION, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2024

(With Comparative Amounts as of December 31, 2023)

ASSETS

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 363,420	\$ 463,941
Investments	1,384,603	1,810,344
Accounts receivable	53,400	14,000
Grants and contracts receivable	-	10,900
Prepaid expenses	<u>18,640</u>	<u>18,975</u>
Total assets	\$ <u>1,820,063</u>	\$ <u>2,318,160</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 17,422	\$ 13,692
Accrued payroll and related expenses	6,323	4,971
Deferred revenue	-	855
Total liabilities	<u>23,745</u>	<u>19,518</u>
Net assets		
Without donor restrictions		
Available for general operations	480,293	514,809
Board designated operating reserve	<u>400,000</u>	<u>400,000</u>
	880,293	914,809
With donor restrictions	<u>916,025</u>	<u>1,383,833</u>
Total net assets	<u>1,796,318</u>	<u>2,298,642</u>
Total liabilities and net assets	\$ <u>1,820,063</u>	\$ <u>2,318,160</u>

See notes to financial statements.

COMPASS SCIENCE COMMUNICATION, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2024

(With Comparative Totals for the Year Ended December 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2024	2023
Revenues and other support				
Grants and contributions	\$ 2,360	\$ 330,000	\$ 332,360	\$ 703,353
Program service revenues	677,845	-	677,845	574,511
Interest	2,131	-	2,131	2,909
Realized and unrealized gain on investments	72,470	-	72,470	82,653
Other income	3,142	-	3,142	1,490
	757,948	330,000	1,087,948	1,364,916
Net assets released from restriction	797,808	(797,808)	-	-
Total revenues and other support	1,555,756	(467,808)	1,087,948	1,364,916
Expenses				
Program services	1,447,467	-	1,447,467	1,463,153
Supporting services				
Administration	73,935	-	73,935	126,227
Fundraising	68,870	-	68,870	120,943
Total expenses	1,590,272	-	1,590,272	1,710,323
Change in net assets	(34,516)	(467,808)	(502,324)	(345,407)
Net assets, beginning of year	914,809	1,383,833	2,298,642	2,644,049
Net assets, end of year	\$ 880,293	\$ 916,025	\$ 1,796,318	\$ 2,298,642

See notes to financial statements.

COMPASS SCIENCE COMMUNICATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2024

(With Comparative Totals for the Year Ended December 31, 2023)

	PROGRAM SERVICES					SUPPORTING SERVICES			Total	
	Strategic Engagement	Scientist Network	Capacity Building	Visibility and Outreach	Total Program	Administration	Fundraising	2024	2023	
Salaries	\$ 209,761	\$ 13,689	\$ 390,700	\$ 81,674	\$ 695,824	\$ 267,794	\$ 26,240	\$ 989,858	\$ 1,100,330	
Employee benefits	32,213	2,186	59,869	12,881	107,149	32,307	3,543	142,999	161,741	
Payroll taxes	16,623	1,088	30,387	6,435	54,533	20,841	1,976	77,350	86,794	
Professional fees	22,599	-	123,033	7,094	152,726	12,300	25,890	190,916	139,424	
Trainings and workshops	36,271	-	7,935	-	44,206	-	-	44,206	61,042	
Rent	1,255	91	2,481	515	4,342	1,231	146	5,719	5,361	
Utilities	640	19	736	96	1,491	377	29	1,897	2,029	
						-				
Printing and postage	855	-	855	1,841	3,551	334	20	3,905	3,688	
Supplies	3,642	293	6,716	3,720	14,371	7,169	697	22,237	26,626	
Travel	24,084	-	50,147	3,846	78,077	2,503	-	80,580	79,645	
Membership and dues	8,980	-	-	119	9,099	2,663	117	11,879	8,907	
Insurance	1,997	144	4,118	848	7,107	2,433	253	9,793	11,186	
Miscellaneous	63	-	2,058	20	2,141	6,710	82	8,933	23,550	
Administrative overhead	80,487	6,309	153,219	32,835	272,850	(282,727)	9,877	-	-	
	\$ 439,470	\$ 23,819	\$ 832,254	\$ 151,924	\$ 1,447,467	\$ 73,935	\$ 68,870	\$ 1,590,272	\$ 1,710,323	

See notes to financial statements.

COMPASS SCIENCE COMMUNICATION, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2024

(With Comparative Totals for the Year Ended December 31, 2023)

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ (502,324)	\$ (345,407)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Realized and unrealized loss (gain) on investments	(70,970)	82,653
Changes in assets and liabilities:		
Accounts receivable	-	61,138
Grants and contracts receivable	(28,500)	(20,939)
Prepaid expenses	335	2,036
Accounts payable	3,730	(13,853)
Accrued payroll and related expenses	1,352	1,265
Deferred revenue	(855)	(89,943)
Net cash provided by (used in) operating activities	(597,232)	(323,050)
Cash flows from investing activities:		
Investment earnings retained in investment accounts	-	2,909
Net (purchase) or sale of investments	496,711	(219,146)
Net cash provided by (used in) investing activities	496,711	(216,237)
Net change in cash	(100,521)	(539,287)
Cash and cash equivalents, beginning of year	463,941	1,003,228
Cash and cash equivalents, end of year	\$ 363,420	\$ 463,941

See notes to financial statements.

COMPASS SCIENCE COMMUNICATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE A – DESCRIPTION OF ORGANIZATION

Compass Science Communication, Inc. (COMPASS, or the Organization) envisions a world where science helps people and nature thrive together.

COMPASS achieves this vision by preparing scientists to become agents of change. We invest in science leaders that reflect the diversity of society as a whole, creating inclusive, safe, and empowering spaces for learning and transformation. With strategic skills, connections, and support, scientists can advance just, equitable solutions to climate change and biodiversity loss.

Since 1999, COMPASS has supported over 8,000 scientists to communicate about their work and engage beyond lab and field. We've connected them with journalists, policymakers, and community leaders across the United States, when and where it matters, ensuring science has a seat at the table.

Our community is our strength. We work within and across a consciously-woven network spanning disciplines, ideologies, sectors, and fields. From our unique vantage point, we spot and open doors that lead to new partnerships and solutions, bringing scientists and communities together to co-create the future.

During the year ending on December 31, 2024, the Organization incurred program service expenses in the following major areas:

- **Strategic Engagement**

We support and collaborate with scientists in generating, evaluating, and elevating equitable solutions to climate change and biodiversity loss. To spark collaborative action, we equip scientists with strategic and inclusive mindsets, support scientists and stakeholders to collaborate more effectively, and inspire a shared belief that together, we can co-create the conditions for people and nature to thrive. We leverage our consciously-woven network of relationships to engage a diversity of stakeholders and ensure our shared understanding is driven by science, informed by affected communities, and reflects the diversity of perspectives—not just the views derived from those with historical power and privilege.

- **Scientist Network**

The COMPASS network has been hand-built and strengthened for over 20 years. We develop and deepen relationships across and between scientist leaders who are committed to the well-being of people and nature. We aim to provide all COMPASS alumni with an opportunity to join a supportive community, collaborate around a shared purpose, and access ongoing learning opportunities to further their engagement. The Scientist Network will serve as a platform for connection, a solutions incubator, and a model for a more diverse, equitable, inclusive, and mutually supportive science culture.

COMPASS SCIENCE COMMUNICATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2024

NOTE A – DESCRIPTION OF ORGANIZATION (CONTINUED)

- **Capacity Building**

Grounded in the latest research on science communication, our in-depth, highly interactive, and customized group trainings and individual coaching enable scientists to find the relevance of their science for the audiences they most want to reach—journalists, policymakers, communities, leaders within their institution, and other scientists. We help scientists set, refine, and ultimately achieve their goals for effectively engaging with society. As pioneers and leaders in the practice of science communication, we bring our experience, insight, and social capital to supporting more scientists to take actions to advance solutions through meaningful public engagement.

- **Visibility & Outreach**

We seek to expand the portion of the science community who see themselves as agents of change and COMPASS as a leader and ongoing resource in science communication, engagement, and policy. We strategically engage with a diverse array of science leaders that reflect society as a whole, deepening existing relationships and making targeted efforts to build new ones that further our mission. By sharing and amplifying key perspectives from community leaders, policymakers, and diverse science leaders, we aim to shift the narrative on climate change and biodiversity loss toward solutions and collective action.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.
- **Net Assets With Donor Restrictions** – Net assets either subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

COMPASS SCIENCE COMMUNICATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2024

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Cash and Cash Equivalents

The Organization considers all liquid investments having initial maturities of three months or less to be cash equivalents. Cash and cash equivalents held for long-term investment purposes are excluded from cash and cash equivalents and are included in investments.

Contribution Revenue and Grants Receivables

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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 met. Contributions received with both donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Grants receivable, which are unconditional promises to give, are expected to be collected within one year.

Accounts Receivable

Accounts receivable were comprised of amounts due primarily from clients for trainings. Generally, accounts receivable are due 30 days after the issuance of the invoice. Receivables past due more than 90 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the client. No amounts older than 90 days were noted at December 31, 2024. An allowance for credit losses was not required per management.

The allowance for credit losses is a valuation account that is deducted from, or added to, the net amount expected to be collected on the receivables. Receivables are charged off against the allowance when management believes the uncollectibility is confirmed. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off on accounts. Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments are made for differences in specific account delinquency level, and for changes in environmental conditions for specific clients.

COMPASS SCIENCE COMMUNICATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2024

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenue streams that are accounted for as an exchange transaction include event fees and program fees.

With regard to revenues from all sources, the Organization evaluates whether each transfer of assets is (1) an exchange reciprocal transaction in which a resource provider receives commensurate value in return for the assets transferred, or (2) a nonreciprocal transfer (a contribution or a grant), where no value is exchanged.

- *Exchange Transactions* – If the transfer of assets is determined to be an exchange transaction, the Organization recognizes revenue (1) when or as it satisfies the required performance obligations and transfers the promised good or service to a customer, and (2) when the customer obtains control of that good or service.
- *Contributions and Grants* – If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) a barrier that must be overcome to be entitled to the funds and (2) either a right of return of assets transferred or a release of a promisor's obligation to transfer assets.

Functional Allocation of Expenses

The costs of providing the programs and supporting services have been summarized in the statement of activities. Directly identifiable expenses are charged to programs and supporting services when incurred. Certain costs, including office expense, occupancy, leases and utilities have been allocated among the programs and supporting services benefited based primarily on estimates of time and effort.

Deferred Revenue

The Organization invoices for trainings and events prior to completion of event. Any fees received in advance of events and trainings is recognized as deferred revenue.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization has been approved as a tax exempt organization under the Internal Revenue Code Section 501(c)(3) and applicable state laws. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization does not believe it has unrelated trade or business income in excess of \$1,000.

COMPASS SCIENCE COMMUNICATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2024

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prior Year Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

NOTE C – INVESTMENTS

At December 31, 2024, investments, stated at quoted market value, consisted of the following:

Treasury bills	\$ 1,383,164
Brokered money market	<u>1,439</u>
Total investments	\$ <u><u>1,384,603</u></u>

Valuation techniques used to measure fair value are prioritized into the following hierarchy:

Level 1 – Quoted prices in active markets for identical assets. Assets in this level typically include publicly traded equities and mutual fund investments. At December 31, 2024, all investments are Level 1 investments.

Level 2 – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data such as published interest rates and yield curves, over-the-counter derivatives, market modeling, or other valuation methodologies.

Level 3 – Unobservable inputs that reflect management's assumptions and best estimates based on available data.

NOTE D – RESTRICTIONS ON NET ASSETS

The Organization's net assets with donor restrictions are subject to the following purpose or time restrictions as of December 31, 2024:

Strategic Engagement and Network	\$ 553,497
Capacity building	175,528
Other	<u>187,000</u>
Total net assets with donor restrictions	\$ <u><u>916,025</u></u>

COMPASS SCIENCE COMMUNICATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2024

NOTE E – CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash grants and accounts receivable. The Organization places its cash with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Amounts in excess of FDIC coverage are not insured. At December 31, 2024, the Organization held cash of \$121,609 in excess of FDIC insurance. The Organization's accounts receivable are unsecured and generally are due within 30 days. The Organization has not experienced any losses on these accounts. Investments consist primarily of financial instruments including cash equivalents and fixed income securities. These financial instruments may subject the Organization to concentrations of credit risk.

NOTE F – BOARD DESIGNATED FUND

The Board of Directors has established a \$400,000 operating reserve with the goal of maintaining a balance equal to 3-6 months of operating expenses.

NOTE G – RETIREMENT PLAN

The Organization has established a 403(b) retirement plan for the benefit of all employees. The Organization made discretionary contributions totaling \$31,754 for the year ended December 31, 2024.

NOTE H – LIQUIDITY

The following chart represents the Organization's financial assets available to meet cash needs for general expenditures within one year of December 31, 2024:

Financial assets at year-end	
Cash and cash equivalents	\$ 363,420
Investments	1,384,603
Grants and contracts receivable	53,400
Total financial assets	<u>1,801,423</u>
Less those unavailable for general expenditure within one year, due to:	
Board designated reserve	<u>(400,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,401,423</u>

As part of its liquidity management, the Organization's policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Organization invests cash in excess of current requirements in short-term investments.

COMPASS SCIENCE COMMUNICATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2024

NOTE I – CONCENTRATION OF FUNDING SOURCES

For the year ending December 31, 2024, approximately 37% of the Organization's expenditures are funded from major grants awarded by two foundations. As these foundations may discontinue further awards, the Organization is seeking to diversify its funding sources.

NOTE J – SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 18, 2025, which is the date the financial statements were available to be issued.