

**ADVENTURERS AND SCIENTISTS FOR CONSERVATION, INC.  
(dba ADVENTURE SCIENTISTS)**

**COMPILED FINANCIAL STATEMENTS**

**December 31, 2019**



**AMATICS**  
CPA GROUP

**ADVENTURERS AND SCIENTISTS FOR CONSERVATION, INC.**  
**(dba ADVENTURE SCIENTISTS)**  
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## ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors  
Adventurers and Scientists for Conservation, Inc. (dba Adventure Scientists)  
Bozeman, Montana

Management is responsible for the accompanying financial statements of Adventurers and Scientists for Conservation, Inc. dba Adventure Scientists (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

We are not independent with respect to Adventurers and Scientists for Conservation, Inc. dba Adventure Scientists.

*Amatics CPA Group*

Bozeman, Montana  
May 8, 2020



**AmaticsCPA.com**

**ADVENTURE SCIENTISTS  
STATEMENT OF FINANCIAL POSITION  
December 31, 2019**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 613,251	
Investments	509,513	
Accounts receivable	85,215	
Pledges receivable, current portion	395,096	
Inventory	26,320	
Prepaid expenses	<u>8,071</u>	
		\$ 1,637,466

**FIXED ASSETS**

Vehicle	12,000	
Leasehold improvement	7,000	
Accumulated depreciation	<u>(3,833)</u>	
		15,167

**OTHER ASSETS**

Pledges receivable, net of current portion		<u>166,300</u>
Total assets		<u><u>\$ 1,818,933</u></u>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Payroll liabilities	\$ 1,704	
Accounts payable and accrued liabilities	21,300	
Note payable - ORV	<u>150,000</u>	
		\$ 173,004

**NET ASSETS**

Without donor restrictions	770,390	
With donor restrictions (See Note 8 on page 13)	<u>875,539</u>	
		<u>1,645,929</u>
Total liabilities and net assets		<u><u>\$ 1,818,933</u></u>

See the accompanying accountants' compilation report and the notes to the financial statements.

**ADVENTURE SCIENTISTS  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Contributions and pledges	\$ 391,663	\$ 546,396	\$ 938,059
Grants	49,000	-	49,000
Sponsorships	135,816	-	135,816
In-kind contributions	49,536	-	49,536
Other revenue	9,513	-	9,513
Fee for service	212,895	-	212,895
Satisfaction of program restrictions	<u>712,341</u>	<u>(712,341)</u>	<u>-</u>
Total revenue and support	<u>1,560,764</u>	<u>(165,945)</u>	<u>1,394,819</u>
<b>EXPENSES</b>			
Program	841,614	-	841,614
Fundraising	240,768	-	240,768
General and administrative	<u>121,535</u>	<u>-</u>	<u>121,535</u>
Total expenses	<u>1,203,917</u>	<u>-</u>	<u>1,203,917</u>
<b>CHANGE IN NET ASSETS</b>	356,847	(165,945)	190,902
Net assets at beginning of year	<u>413,543</u>	<u>1,041,484</u>	<u>1,455,027</u>
<b>NET ASSETS AT END OF YEAR</b>			
(See Note 8 on page 13)	<u>\$ 770,390</u>	<u>\$ 875,539</u>	<u>\$ 1,645,929</u>

See the accompanying accountants' compilation report and the notes to the financial statements.

**ADVENTURE SCIENTISTS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2019

	<u>Program Services</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total</u>
Computer/tech	\$ 25,974	\$ 3,090	\$ 6,358	\$ 35,422
Depreciation	1,913	502	218	2,633
Equipment	10,159	2,500	-	12,659
Fees	786	654	84	1,524
Insurance	11,769	2,534	1,122	15,425
Meetings	15,141	14,145	3,595	32,881
Office	12,619	3,622	1,254	17,495
Personnel and payroll expenses	591,274	162,624	67,364	821,262
Professional and legal	13,197	974	27,017	41,188
Promotional materials	20,645	2,814	7,640	31,099
Publications/media	25,062	1,561	174	26,797
Registration/dues	12,175	10,766	1,138	24,079
Rent	33,990	9,558	3,595	47,143
Shipping	7,597	394	15	8,006
Supplies	11,408	260	78	11,746
Travel	39,449	22,724	927	63,100
Utilities	6,199	1,502	651	8,352
Vehicle expenses	2,257	544	305	3,106
	<u>\$ 841,614</u>	<u>\$ 240,768</u>	<u>\$ 121,535</u>	<u>\$ 1,203,917</u>

See the accompanying accountants' compilation report and the notes to the financial statements.

**ADVENTURE SCIENTISTS  
STATEMENT OF CASH FLOWS  
Year Ended December 31, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$	190,902
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		2,633
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable		(63,268)
Pledges receivable		180,117
Prepaid expenses		987
Inventory		(26,319)
Increase (decrease) in:		
Accounts payable and accrued liabilities		1,076
Accrued payroll and payroll taxes		<u>(27,622)</u>
Net cash provided by operating activities	\$	258,506

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment		(7,000)
Purchase of investments		<u>(509,513)</u>
Net cash used by investing activities		<u>(516,513)</u>

**NET CHANGE IN CASH AND CASH EQUIVALENTS**

(258,007)

Cash and cash equivalents at beginning of year

871,258

**CASH AND CASH EQUIVALENTS AT END OF YEAR**

\$ 613,251

See the accompanying accountants' compilation report and the notes to the financial statements.

**ADVENTURE SCIENTISTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations:**

Adventurers and Scientists for Conservation, Inc. (the Organization), a Montana nonprofit corporation, dba Adventure Scientists, was formed in 2011. The Organization became a 501(c)3 nonprofit organization in 2014. The Organization equips partners with data collected from the outdoors that are crucial to unlocking solutions to the world's environmental challenges. By leveraging the skills of the outdoor adventure community they are uniquely able to gather difficult-to-obtain data at any scale, in any environment.

**Basis of Accounting:**

The accompanying financial statements have been prepared in accordance with accounting standards generally accepted in the United States of America ("GAAP"), as codified by the Financial Accounting Standards Board ("FASB").

**Classification of Net Assets:**

Contributions are recorded when received, unless susceptible to accrual, and expenses are recognized when incurred. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as follows:

*Net Assets without Donor Restrictions* - Net assets that are not subject to donor imposed stipulations. These net assets are intended for use by management and the Board of Directors for general operations. These net assets also include net assets that have been designated by the Board for certain uses.

*Net Assets with Donor Restrictions* – Net assets subject to donor imposed restrictions that either expire by the passage of time or can be fulfilled by actions of the Organization pursuant to the donor stipulations. Donor-imposed restrictions are increases in net assets without donor restrictions when restrictions are met in the same reporting period. This net asset classification also includes net assets subject to donor-imposed stipulations that require they be maintained permanently by the Organization. Generally, the donors of these assets permit the use of all or part of the income earned on any related investments for general or specific purposes.

Donor restricted contributions (if any) are reported as an increase to net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

**Inventory:**

Inventory is valued at the lower of cost or market on a first-in, first-out basis. Inventory is comprised of merchandise for resale.



**ADVENTURE SCIENTISTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents:**

For the purposes of the statement of cash flows, the Organization considers all cash and other highly liquid investments with an original maturity of less than three months as cash equivalents.

The Organization maintains its cash balances in financial institutions. Balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. Deposits at December 31, 2019, exceeded FDIC limits by \$587,187.

**Receivables:**

Unconditional pledges are recognized as revenues or gains in the period received. Conditional pledges are recognized when the conditions on which they depend are substantially met. Pledges receivable that are expected to be collected within one year are recorded at their net realizable value. Management believes receivables as of December 31, 2019 to be fully collectible; therefore, no allowance for doubtful accounts is presented.

**Property and Equipment:**

The Organization capitalizes property and equipment over \$5,000, and with a useful life in excess of one year. Lesser amounts are expensed. Property and equipment is stated at cost or, if donated, at the estimated fair market value at the date of donation. Depreciation of property is computed using the straight-line method over the estimated useful lives of the assets, which is five years. Normal repair and maintenance costs are expensed as incurred.

**Revenue:**

*In-Kind Contributions*

The Organization records various types of in-kind support, including goods and services. GAAP requires recognition of professional services received if those services (a) create or enhanced long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received.

*Grants*

Grants consist of funds awarded for a specific purpose or project and have reporting requirements. Grants are recognized as revenue in the period cash or assets are transferred or grants are awarded.

*Contributions and Pledges*

The Organization classifies revenue as contributions and pledges if funds are awarded by a philanthropic organization, private individuals or private funds given through a public foundation or family foundation. These funds may have reporting requirements. Revenue is recognized, including unconditional pledges, in the period cash or assets are transferred or pledges are received.

**ADVENTURE SCIENTISTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue (Continued):**

*Sponsorship*

Sponsorships consist of funds received from corporate partners that support the philanthropic giving programs. These revenues are recognized in the period cash or assets are transferred or sponsorships are promised.

*Project Management Fees*

These consist of fees earned from partners for project management services. Revenues are recognized monthly as the services are provided to the partners.

**Advertising:**

The Organization expenses advertising costs as they are incurred. Advertising expenses are included in promotion materials and publications/media on the statement of functional expenses.

**Functional Allocation of Expenses:**

Most expenses are charged directly to the program, to fundraising, or to the general and administrative based on specific identification; however, some indirect expenses are allocated between program, fundraising, and general and administrative.

**Income Taxes:**

The Organization is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code, and therefore has made no provision for federal income taxes in the accompanying financial statements. The determination of tax-exempt status is considered to be a tax position taken with respect to the provisions of GAAP. The Organization's policy is to evaluate the likelihood that its uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within the Internal Revenue Code and Regulations, Revenue Rulings, court decisions, and other evidence. It is the opinion of management that the Organization has no uncertain tax positions that would be subject to recognition under these standards. The Organization files Form 990 in the U.S. federal jurisdiction. The Organization's employer identification number is 45-3345338.

**Use of Estimates:**

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

**Change in Accounting Principle:**

In 2019, the Organization adopted the new accounting standards related to accounting for revenue and contracts with customers (FASB Accounting Standards Updates (ASU) 2014-09 *Revenue from Contracts with Customers (Topic 606)* and 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*.

**ADVENTURE SCIENTISTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Change in Accounting Principle (Continued):**

ASU 2014-09 establishes a new contract and control-based revenue recognition model, changing the basis for deciding when revenue is recognized over time or at a point in time, and expanding disclosures about revenue. The Organization has implemented ASU 2014-09 and adjusted the presentation in the financial statements accordingly. The adoption of this standard did not have a significant impact on the financial statements.

ASU 2018-08 assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization implemented the provisions of ASU 2018-08 applicable to contributions received under a modified prospective basis. The adoption of this standard did not have a significant impact on the financial statements.

**2. FAIR VALUE MEASUREMENTS**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes 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 and the lowest priority to unobservable inputs.

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

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted market prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that the observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any 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.

Fair values of assets measured on a recurring basis at December 31, 2019 are as follows: mutual funds (level 1) in the amount of \$509,513. Mutual funds are valued at the quoted market price for the individual funds.

**ADVENTURE SCIENTISTS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019**

**3. RELATED PARTY TRANSACTIONS**

During the year ended December 31, 2019, the Organization received \$114,328 of related party donations from management, board members and organizations related to board members.

**4. PROMISES TO GIVE**

Pledges receivable (unconditional promises to give) as of December 31, 2019 are as follows:

Amounts due in:		
Less than one year	\$	395,096
One to five years		<u>166,300</u>
		\$ 561,396
Less: current portion		<u>(395,096)</u>
		<u>\$ 166,300</u>
Pledges receivable, net of current portion		<u>\$ 166,300</u>

**5. NOTE PAYABLE**

As of December 31, 2019, the Organization held a \$150,000 promissory note payable to Open Road Ventures, LLC that bears 1% annual interest. The terms state that if the Organization has \$270,000 of cash on December 31, 2019, \$10,000 is due on that date and the remaining \$140,000 is due in 2020. Based on the Organization's year end cash balance, the entire amount is classified as current and due within one year. In March 2020, the Organization paid \$10,000 on the note payable.

**6. IN-KIND SUPPORT**

During the year ended December 31, 2019, the Organization recorded in-kind support as follows:

Professional and legal	\$	12,400
Promotional materials		24,867
Computers/tech		5,329
Equipment		2,928
Office		2,160
Shipping		1,565
Meetings		<u>287</u>
		<u>\$ 49,536</u>

**7. RETIREMENT PLAN**

The Organization contributes to a Savings Incentive Match Plan for Employees (SIMPLE). According to the plan, the Organization will match each participant's elective salary deferrals, dollar for dollar, up to 3% of each participant's compensation. During the year ended December 31, 2019, the Organization made a matching contribution to the SIMPLE plan of \$11,914.

**ADVENTURE SCIENTISTS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019**

**8. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets of the Organization consist of balances that are restricted to various project commitments based on donor-imposed restrictions. The restricted amounts as of December 31, 2019 are listed as follows:

Subject to the passage of time:	
Restricted contributions to be used in 2020	\$ 301,554
Pledges receivable, proceeds of which are not restricted by donors but which are unavailable until due	103,796
Subject to expenditure for specific purpose:	
Microplastics project	12,589
Pledges receivable, the proceeds of which have been restricted by donors	<u>457,600</u>
	<u>\$ 875,539</u>

**9. LEASES**

The Organization has an operating lease for the office space it occupies with a monthly lease payment of \$1,950 and a termination date of December 31, 2022. The monthly lease payments are set to increase to \$2,250 per month on January 1, 2020. The \$2,250 will stay fixed until December 31, 2022. Future minimum lease payments are \$27,000 for each 2020, 2021 and 2022. Total rent expense for the year ended December 31, 2019 was \$23,400.

**10. LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenses (without donor or other restrictions limiting their use), within one year of the statement of position date, comprise the following:

Cash and cash equivalents	\$ 600,662
Investments	509,513
Pledges receivable, current	103,796
Prepaid expenses	<u>8,071</u>
Total financial assets available	<u>\$ 1,222,042</u>

The Organization has not adopted a liquidity management plan for the year ended December 31, 2019. The total financial assets available do not include assets with donor restrictions.

**ADVENTURE SCIENTISTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019**

**11. CONCENTRATIONS**

During the year ended December 31, 2019, approximately 22 percent of the Organization's revenue was contributed by two donors. As of December 31, 2019, approximately 53 percent of pledges receivable are due from two donors.

**12. SUBSEQUENT EVENTS**

Date of Management Evaluation

Management has evaluated subsequent events through May 8, 2020, the date on which the financial statements were available to be issued.