



FOUNDATION FOR EARTH SCIENCE
INFORMATION PARTNERS

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EARTH SCIENCE INFORMATION
PARTNERS

FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020



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Independent Auditors' Report

Board of Directors
Earth Science Information Partners
Severna Park, Maryland

We have audited the accompanying statements of financial position of Earth Science Information Partners (a nonprofit organization) as of September 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Earth Science Information Partners as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022 on our consideration of the Earth Science Information Partners internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering Earth Science Information Partner's internal control over financial reporting and compliance.

Anderson & Whitney, P.C.

March 29, 2022

EARTH SCIENCE INFORMATION PARTNERS

STATEMENTS OF FINANCIAL POSITION

September 30	2021	2020
ASSETS		
Current Assets:		
Cash	\$ 173,696	\$ 94,012
Other receivables	-	6,786
Grants receivable	115,294	10,034
Unbilled grant receivables (contract assets)	-	110,626
Prepaid expenses	14,807	14,010
Total Current Assets	303,797	235,468
Property and Equipment:		
Furniture, fixtures and equipment	49,356	43,101
Less: Accumulated depreciation	(36,030)	(31,630)
Total Property and Equipment	13,326	11,471
Other Assets:		
Investments - restricted	88,502	67,678
TOTAL ASSETS	405,625	314,617
LIABILITIES		
Current Liabilities:		
Accounts payable	57,875	36,166
Accrued expenses	60,329	48,449
Accrued awards payable	6,600	52,303
TOTAL LIABILITIES	124,804	136,918
NET ASSETS		
Without Donor Restriction	230,821	127,699
With Donor Restrictions - Endowment	50,000	50,000
Total Net Assets	280,821	177,699
TOTAL LIABILITIES AND NET ASSETS	\$ 405,625	\$ 314,617

See Accompanying Notes to Financial Statements.

EARTH SCIENCE INFORMATION PARTNERS

STATEMENTS OF ACTIVITIES

Years Ended September 30	2021	2020
Change in Net Assets Without Donor Restrictions:		
Revenue:		
Government grants	\$ 687,257	\$ 979,376
Registration fees - conferences	108,284	183,689
Sponsorships	104,610	11,686
Investment earnings (loss)	20,825	(2,318)
Grants	69,988	82,568
Contributions	583	10,807
Total Revenue	991,547	1,265,808
Expenses:		
Program services	577,428	913,013
Management and general	310,997	304,004
Total Expenses	888,425	1,217,017
Increase in Net Assets Without Donor Restrictions	103,122	48,791
Change in Net Assets With Donor Restrictions:		
Contributions	-	-
Decrease in Net Assets With Donor Restrictions	-	-
Increase in Net Assets	103,122	48,791
Net Assets, Beginning of Year	177,699	128,908
Net Assets, End of Year	\$ 280,821	\$ 177,699

See Accompanying Notes to Financial Statements.

EARTH SCIENCE INFORMATION PARTNERS

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended September 30	2021		
	Program Services	Management and General	Total
Salaries and benefits	\$ 352,325	\$ 198,258	\$ 550,583
Meetings and conferences	7,797	-	7,797
Professional fees	119,320	51,561	170,881
Awards to individuals	37,046	-	37,046
Travel and meetings	-	2,539	2,539
Website and marketing	60,940	-	60,940
Other project costs	-	-	-
Other expenses	-	29,725	29,725
Telephone and internet	-	6,758	6,758
Equipment rental and maintenance	-	5,209	5,209
Insurance	-	3,785	3,785
Bank fees and interest	-	2,186	2,186
Office supplies	-	6,175	6,175
Postage and shipping	-	402	402
Depreciation	-	4,399	4,399
	\$ 577,428	\$ 310,997	\$ 888,425

See Accompanying Notes to Financial Statements.

2020		
Program Services	Management and General	Total
\$ 336,386	\$ 168,104	\$ 504,490
124,879	8,861	133,740
101,375	97,473	198,848
146,040	-	146,040
95,356	-	95,356
75,139	-	75,139
25,282	-	25,282
-	6,589	6,589
-	6,457	6,457
-	2,601	2,601
-	2,115	2,115
-	3,200	3,200
-	2,999	2,999
8,556	1,778	10,334
-	3,827	3,827
<u>\$ 913,013</u>	<u>\$ 304,004</u>	<u>\$ 1,217,017</u>

EARTH SCIENCE INFORMATION PARTNERS

STATEMENTS OF CASH FLOWS

Years Ended September 30	2021	2020
Cash Flows from Operating Activities:		
Cash from grants, programs and fundraising	\$ 982,875	\$1,202,483
Cash paid to employees and suppliers	(896,937)	(1,187,176)
Net Cash Provided by Operating Activities	85,938	15,307
Cash Flows from Investing Activities:		
Purchase of capital assets	(6,254)	(7,246)
Sale of investments	-	8,206
Net Cash Provided (Used) by Investing Activities	(6,254)	960
Cash Flows from Financing Activities:		
Principal payments on note	-	-
Net Cash Used by Financing Activities	-	-
Net Increase in Cash	79,684	16,267
Cash, Beginning of Year	94,012	77,745
Cash, End of Year	\$ 173,696	\$ 94,012

Reconciliation of Increase in Net Assets to Net Cash from Operating Activities:

Change in net assets	\$ 103,122	\$ 48,791
Adjustments:		
Depreciation	4,399	3,827
Unrealized (gain) loss on investments	(20,824)	5,878
(Increase) decrease in operating assets:		
Grants receivable	(98,474)	3,829
Prepaid expenses	(797)	3,238
Unbilled receivables	110,626	(73,032)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(12,114)	33,920
Refundable advances	-	(11,144)
Net Cash Provided by Operating Activities	\$ 85,938	\$ 15,307

See Accompanying Notes to Financial Statements.

EARTH SCIENCE INFORMATION PARTNERS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies:

The accounting and reporting policies of the Foundation for Earth Science Information Partners conform to accounting principles generally accepted in the United States. The following summary of significant accounting policies is presented to assist the reader in evaluating Earth Science Information Partners financial statements.

Organization:

The Foundation for Earth Science Information Partners dba Earth Science Information Partners is a nonprofit Organization incorporated in the District of Columbia and located in Severna Park, Maryland. The Organization’s primary purposes are to support programs that establish and continuously improve science-based end-to-end information systems and to support earth science research and user communities.

As of January 31, 2017 the Federation of Earth Science Information Partners (the Federation) merged with and into the Foundation for Earth Science Information Partners (the Organization) with the Organization as the surviving entity, and the Federation as the disappearing entity.

Articles of Amendment of the Organization were filed on behalf of the Organization. The Amended Articles changed the name of the Organization to “Earth Science Information Partners” and made the Organization an organization that has voting members.

Basis of Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization.

Net Assets With Donor Restrictions: Net Assets subject to donor-imposed stipulations. Some donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Other donor-imposed restrictions are temporary in nature that will be met, either by specific actions of Earth Science Information Partners or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to without donor restrictions and reported in the Statement of Activities as net assets released from restriction.

EARTH SCIENCE INFORMATION PARTNERS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Cash and Cash Equivalents:

Earth Science Information Partners considers all demand bank deposits and highly-liquid investments with a maturity of three months or less at the date of acquisition to be cash and cash equivalents for purposes of the cash flow statement.

Concentrations of Credit Risk:

Earth Science Information Partners cash accounts are held at financial institutions at which deposits are insured by the Federal Deposit Insurance Organization (FDIC). Balances in the bank accounts may, at times, exceed the FDIC insurance coverage.

Investments:

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized, or as with donor restrictions based on donor imposed restrictions.

Property and Equipment:

Property and equipment are recorded at cost, estimated original cost, or at fair market value at time of donation for donated assets. Depreciation is calculated using the straight-line method over lives of 3 to 5 years for equipment, 5 to 30 years for buildings and improvements, and 5 years for vehicles. Earth Science Information Partners capitalizes all fixed assets with a cost of \$500 or more and a useful life which exceeds one year.

Revenue Recognition:

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. Payment is received monthly in arrears, which is not considered to be a financing component.

Registration fees to conferences are recognized at the point in time when control transfers to the member, generally when the conference is complete.

EARTH SCIENCE INFORMATION PARTNERS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Practical Expedients: The Organization does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, or (ii) contracts for which the amount of revenue recognized is based on the amount to which the organization has the right to invoice the customer for services performed.

The Organization expenses costs to obtain contracts as incurred as contracts are generally less than one year. Balances of contract assets and liabilities as of October 1, 2019 were \$44,380 of grants receivable and \$11,144 of refundable advances.

Change in contract asset and liabilities primarily relate to either party's performance under the contracts.

Subsequent Events:

Management has evaluated subsequent events through the date the financial statements were available for issuance, which is the same date as the auditors' report.

Tax Exempt Status:

Earth Science Information Partners has been granted an exemption from federal and Colorado income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision is made in these financial statements for income taxes.

Tax penalties and interest, if any, would be classified with income tax expenses in the financial statements. No tax penalties or interest have been incurred or are recognized in the financial statements. Generally, three tax years remain subject to examination by tax jurisdictions.

Use of Estimates:

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

Functional Allocation of Expenses:

Whenever possible, the organization charges expenses directly to the benefitting program or support service based upon reasonable and allocable basis, such as direct salaries or square footage. When this is difficult or impractical, costs are allocated to programs and support services based upon estimates.

EARTH SCIENCE INFORMATION PARTNERS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Contributed Services:

Contributed services are those services which would create or enhance nonfinancial assets, and which would otherwise be purchased. Any such services received by the organization are considered immaterial in relation to the financial statements and have not been valued or recorded for this presentation. These services consist of volunteer services and various types of administrative and technical work.

NOTE 2 – Compensated Absences:

The employees of the organization are eligible for paid vacation depending on the length of service and other factors. Unused vacation time may be accumulated to a maximum of 40 hours and is paid to the employee upon termination of employment with the organization. Accrued vacation as of September 30, 2021 and 2020 was \$20,919 and \$21,384, respectively.

EARTH SCIENCE INFORMATION PARTNERS

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Investments:

September 30	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Investments:				
Vanguard Equity Income Fund	\$ 59,444	\$ 88,502	\$ 59,444	\$ 67,678

The *Fair Value Measurements and Disclosures* Topic of the Financial Accounting Standards Board Codification establishes a fair value hierarchy that is based on the valuation inputs used in the fair value measurements. Measurements using quoted prices in active markets for identical assets and liabilities fall within Level 1 of the hierarchy, measurements using significant other observable inputs fall within Level 2, and measurements using significant unobservable inputs fall within Level 3.

Description	September 30, 2021 Amortized Cost	Fair Value Measurements at Reporting Date Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		Vanguard Equity Income Fund	\$ 59,444	\$ 88,502

Description	September 30, 2020 Amortized Cost	Fair Value Measurements at Reporting Date Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		Vanguard Equity Income Fund	\$ 59,444	\$ 67,678

EARTH SCIENCE INFORMATION PARTNERS

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – Endowment:

In 2013, a donation in the amount of \$50,000 was contributed to the organization for the purpose of establishing The Robert G. Raskin Memorial Fund (the Fund) to promote collaboration, research support, and exposure for talented students in earth or computer sciences. The intent of the donor in making the commitment was to establish a permanent endowment fund held by the organization. Additional contributions may be made to the Fund and such gifts shall be subject to the terms of the Fund and will be considered permanent. The annual income from the Fund may be paid out partially or in its entirety as scholarships, rolled over for use in a future year, or any combination thereof. The scholarship will be awarded annually and will provide a stipend, travel support to the Earth Science Foundation summer meeting and an invited talk covering the winner's field of interest. The first award was made in 2013. For the years ended September 30, 2021 and 2020, net assets with donor restrictions were \$50,000.

As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions. The Organization's management has interpreted the District of Columbia Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as with donor restricted net assets the original value of gifts donated to the permanent endowment. The remaining portion of donor-restricted endowment funds are classified as net assets without donor restrictions until those amounts are appropriated or expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

Earth Science Information Partners, over the long-term, expects the current spending policy to allow its endowment fund to grow. This is consistent with the Earth Science Information Partners objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return. To achieve that objective, the organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Actual returns in any given year may vary from the expectations.

EARTH SCIENCE INFORMATION PARTNERS

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – Endowment – Continued:

In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the organization and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the organization
7. Investment policies of the organization

The following are the changes in endowment net assets for the year ended September 30, 2021 and 2020:

	2021	2020
Endowment net assets, beginning of year	\$ 67,678	\$ 81,762
Contributions	--	--
Appropriation of endowment assets for expenditure	(--)	(11,766)
Investment income, net of expense	20,824	(2,318)
Endowment net assets, end of year	\$ 88,502	\$ 67,678

NOTE 5 – Net Assets With Donor Restrictions:

Net assets with donor restrictions are available for the following purposes:

September 30	2021	2020
Endowment	\$ 50,000	\$ 50,000

NOTE 6 – Retirement Plan:

The Organization offers a 403(b) retirement plan for its employees. The organization will provide matching contributions up to 5% of salary for employee contributions. The organization's contributions to the plan for the years ended September 30, 2021 and 2020 were \$25,506 and \$17,380, respectively.

EARTH SCIENCE INFORMATION PARTNERS

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – Grant Income:

National Oceanic and Atmospheric Administration (NOAA) – On August 22, 2016 the Organization was awarded a continuing three-year grant of \$801,604 for the period August 1, 2016 through July 31, 2019 to enable cross-community connections to extend NOAA Earth Science Data, Services and Stewardship Innovation. This grant received a no cost extension through July 31, 2020.

National Aeronautics and Space Administration (NASA) – The Organization was awarded a grant from NASA for a total amount of \$3,093,599 for the period December 17, 2020 through December 16, 2025 to assist NASA in extending its Earth Science, Technology and Innovation investments.

United States Geological Survey (USGS) – The Organization received from USGS an additional award in the amount of \$499,000 for the period October 1, 2017 through September 30, 2020 for testing community-based cyber infrastructure research and development assistance.

NOTE 8 – Information Regarding Liquidity and Availability:

The organization strives to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

The following table reflects the organization’s financial assets as of September 30, 2021 and 2020, reduced by amounts that are not available to meet general expenditures within one year of the Statements of Financial Position date. Amounts not available to meet general expenditures within one year includes net assets with donor restrictions.

September 30	2021	2020
Financial Assets at Year End:		
Cash and cash equivalents	\$ 173,696	\$ 94,012
Investments	88,502	67,678
Grant and other receivables	115,294	16,820
	377,492	178,510
Net assets with donor restrictions	(50,000)	(50,000)
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 327,492	\$ 128,510



Independent Auditors' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters, Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Board of Directors
Earth Science Information Partners
Severna Park, Maryland

We have audited in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Earth Science Information Partners and the related notes to the financial statements as of and for the year ended September 30, 2021, which collectively comprise the basic financial statements and have issued our report thereon dated March 29, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Earth Science Information Partners's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Earth Science Information Partners's internal control. Accordingly, we do not express an opinion on the effectiveness of Earth Science Information Partners's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Earth Science Information Partners's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Earth Science Information Partners's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anderson & Whitney, P.C.

March 29, 2022