

**CASCADIA RESEARCH COLLECTIVE AND
SUBSIDIARY**

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024



CASCADIA RESEARCH COLLECTIVE
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Thomas & Company, CPA, PA

Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cascadia Research Collective
Olympia, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of the Cascadia Research Collective, (a nonprofit organization) and its subsidiaries which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statement of activities, consolidated statement of functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Cascadia Research Collective and subsidiaries as of December 31, 2024, and the changes in their net assets and their 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Cascadia Research Collective 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 opinions.

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 Cascadia Research Collective'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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government 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 Cascadia Research Collective'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 Cascadia Research Collective'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and

Supplementary Information (Continued)

reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

The supplementary consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2025, on our consideration of Cascadia Research Collective's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Cascadia Research Collective's 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 Cascadia Research Collective's internal control over financial reporting and compliance.



Thomas & Company CPA PA
Cooper City, Florida
August 29, 2025

CASCADIA RESEARCH COLLECTIVE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024

	<u>2024</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 246,280
Receivables:	
Grants and Contract Receivable	747,547
Accrued Revenues	165,488
Other Current Assets	240
Total Current Assets	<u>1,159,555</u>
Non-Current Assets	
Property and Equipment, Net	70,270
Total Non-Current Assets	<u>70,270</u>
TOTAL ASSETS	<u>1,229,825</u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Current Liabilities	
Accounts Payable	73,055
Salaries & Benefits Payable	263,037
Deferred Revenues	41,000
Total Current Liabilities	<u>377,092</u>
TOTAL LIABILITIES	<u>377,092</u>
NET ASSETS	
Without Donor Restrictions	830,854
With Donor Restrictions	21,879
TOTAL NET ASSETS	<u>852,733</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,229,825</u>

“The notes to the financial statements are an integral part of this statement.”

CASCADIA RESEARCH COLLECTIVE
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
PUBLIC SUPPORT AND REVENUES			
Public Support			
Federal Grants	\$ 1,010,601	\$ -	\$ 1,010,601
Federal Contract Revenue	692,019	-	692,019
Revenues			
Other Revenue	228,126	2,500	230,626
TOTAL PUBLIC SUPPORT AND REVENUE	1,930,746	2,500	1,933,246
RECLASSIFICATIONS			
Net Assets Released from Restrictions	16,713	(16,713)	-
TOTAL PUBLIC SUPPORT, REVENUE AND RECLASSIFICATIONS	1,947,459	(14,213)	1,933,246
EXPENSES:			
Program and Functional Expenses			
Program Services	1,162,621	-	1,162,621
Management and General	775,354	-	775,354
TOTAL EXPENSES	1,937,975	-	1,937,975
CHANGE IN NET ASSETS	9,484	(14,213)	(4,729)
NET ASSETS AT BEGINNING OF YEAR	821,370	36,092	857,462
NET ASSETS AT END OF YEAR	\$ 830,854	\$ 21,879	\$ 852,733

“The notes to the financial statements are an integral part of this statement.”

CASCADIA RESEARCH COLLECTIVE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

Functional Expense Categories	Program Services	Management and General	Total	CSS	Eliminations	Total Consolidated Expenses
Salaries and Wages	\$ 706,012	\$ 314,040	\$ 1,020,052	\$ 13,412	\$ -	\$ 1,033,464
Payroll Taxes and Benefits	-	266,309	266,309	(207)	-	266,102
	<u>706,012</u>	<u>580,349</u>	<u>1,286,361</u>	<u>13,205</u>	<u>-</u>	<u>1,299,566</u>
Boat Expenses	(20,369)	-	(20,369)	-	-	(20,369)
Business Taxes	-	30,740	30,740	980	-	31,720
Computer Supplies and Services	-	22,511	22,511	-	-	22,511
Conference Expense	-	9,695	9,695	-	-	9,695
Dues and Subscriptions	-	2,622	2,622	-	-	2,622
Insurance	-	2,036	2,036	-	-	2,036
Licenses and Permits	-	1,035	1,035	-	-	1,035
Office Expense	-	6,169	6,169	-	-	6,169
Other	-	23,267	23,267	60	-	23,327
Printing and Postage	-	1,046	1,046	-	-	1,046
Professional Fees and Services	-	11,520	11,520	3,155	-	14,675
Project Expenses	346,823	-	346,823	-	-	346,823
Rent	-	47,234	47,234	-	-	47,234
Repairs and Maintenance	-	130	130	-	-	130
Telephone and Internet	-	6,731	6,731	-	-	6,731
Travel	113,795	-	113,795	-	-	113,795
Truck Expense	-	(2,259)	(2,259)	-	-	(2,259)
Total Expenses Before Depreciation and Amortization	<u>1,146,261</u>	<u>742,826</u>	<u>1,889,087</u>	<u>17,400</u>	<u>-</u>	<u>1,906,487</u>
Depreciation	-	31,488	31,488	-	-	31,488
Total Functional Expenses	<u><u>\$ 1,146,261</u></u>	<u><u>\$ 774,314</u></u>	<u><u>\$ 1,920,575</u></u>	<u><u>\$ 17,400</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,937,975</u></u>

"The notes to the financial statements are an integral part of this statement."

CASCADIA RESEARCH COLLECTIVE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ (4,729)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	31,488
(Increase) / Decrease in Grants and Contracts Receivables	(74,076)
(Increase) / Decrease in Accrued Revenues	82,749
(Increase) / Decrease in Other Current Assets	5,380
Increase / (Decrease) in Accounts Payable	16,687
Increase (Decrease) in Salaries & Benefits Payable	17,297
Increase (Decrease) in Deferred Revenue	41,000
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	<u>115,796</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(12,017)
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES	<u>(12,017)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	103,779
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>142,501</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 246,280</u>

“The notes to the financial statements are an integral part of this statement.”

CASCADIA RESEARCH COLLECTIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 1 – Nature of Operations

Cascadia Research Collective (CRC) is a not-for-profit organization founded in 1979 to conduct scientific research and education in the fields of mammal biology, animal behavior and pollution ecology to promote environmental protection by providing findings to the public, managers and other scientists. Accomplishments are demonstrated through publications in scientific journals and in public and scientific presentations. CRC is registered as a not-for-profit corporation in the State of Washington.

Cascadia Scientific Services LLC (CSS) is a for-profit company established in 2022 solely to access certain federal grants and contracts for scientific research and education that are only available to for-profit companies. CRC has both economic interest and control in CSS.

CRC receives operational program grants and contracts from foundations, corporations, and individuals, as well as the U.S. government.

Note 2 - Summary of Significant Accounting Policies

A. Principles of Consolidation

These consolidated financial statements include the accounts of CRC and CSS (collectively, the Organization) after elimination of intra-entity balances and transactions. All amounts in these consolidated financial statements are stated in United States dollars.

Collectively the consolidated entities listed here are referred to collectively as “the Organization” in this report.

B. Basis of Presentation

The Organization’s financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, revenues are recognized when earned, and expenses are recognized when the obligation is incurred.

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of 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.

Net assets with donor restrictions: Net assets subject to externally imposed donor restrictions that may or will be met either by actions of the Organization and/or the passage of time or net assets received by donations wherein the donors imposed a restriction in perpetuity on the use of the gift or assets.

CASCADIA RESEARCH COLLECTIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 2 - Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Contributions received are recorded as with or without donor restriction, depending on the existence and nature of any donor restrictions. Donor restrictions can be for specific purposes or for a specific time period. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. All other donor restricted support is reported as an increase in net assets with donor restriction, depending on the nature of the restriction. When a restriction expires, that is

when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Revenues with donor-imposed restrictions that are met in the same reporting period are classified as increases in net assets without donor restrictions.

C. Income Taxes

The Internal Revenue Service has determined that the Organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3); accordingly, no provision has been made for federal income tax in the accompanying financial statements.

D. Cash and Cash Equivalents

For the purpose of reporting cash flows, the Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

E. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash and cash equivalents in various bank accounts that, at times may exceed federally insured limits.

For the year ended December 31, 2024, total support and revenue of 85% were from agencies of the United States government. Management is aware of the related vulnerabilities but does not anticipate material losses in connection with these concentrations. The Organization actively pursues a broad base of donors and funding sources.

F. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

CASCADIA RESEARCH COLLECTIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 2 - Summary of Significant Accounting Policies (Continued)

G. Grants and Contracts Receivable

Unconditional grants and contracts that are expected to be collected within one year are recorded at net realization value. Unconditional grants and contracts that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the grants and contracts are received. All unconditional grants and contracts receivable at December 31, 2024 are expected to be collected within one year.

H. Property and Equipment

Property and equipment are stated at cost or, if donated, at fair value at the date of donation. Property and equipment with an original cost of \$5,000 or greater are capitalized. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, principally three to four years.

I. Revenue Recognition

The Organization generates revenue from contracts with customers for services and goods (e.g., research services, deliverables) and from federal and nonfederal grants and contracts, which may be exchange transactions or contributions. Revenue is recognized in accordance with ASC 606 for exchange transactions and ASC 958-605 for contributions, as described below.

Accounting Policy

- **Contracts with Customers (ASC 606):** Revenue is recognized following a five-step model: (1) identify the contract, (2) identify performance obligations, (3) determine the transaction price, (4) allocate the transaction price, and (5) recognize revenue when or as performance obligations are satisfied. Contracts typically have fixed fees, are short-term (less than one year), and involve services such as research or delivery of specific deliverables. Performance obligations are identified based on distinct goods or services promised, satisfied at a point in time (e.g., upon delivery of research reports) or over time (e.g., ongoing research services). The transaction price is fixed, with no significant variable consideration or financing components. The transaction price is allocated to performance obligations based on standalone selling prices, estimated using historical pricing. Revenue for fixed-price contracts is recognized over time using an input method (expenses incurred), as this best reflects the transfer of control to customers.
- **Grants and Contributions (ASC 958):** Grants and contracts from governmental and nonfederal sources are evaluated to determine whether they are exchange transactions (ASC 606) or contributions (ASC 958). Conditional contributions are recognized as revenue when donor-imposed conditions (e.g., incurring allowable expenditures, meeting project milestones) are substantially met. Cost-reimbursable grants are recognized as revenue when qualifying expenditures are incurred in compliance with grant provisions. Amounts received before conditions are met are recorded as refundable advances.

CASCADIA RESEARCH COLLECTIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 2 - Summary of Significant Accounting Policies (Continued)

I. Revenue Recognition (Continued)

Disaggregation of Revenue

Revenue from contracts with customers is disaggregated by type and funding source to reflect economic factors affecting revenue streams:

	<u>Amount</u>
Federal Grants (ASC 958)	\$ 1,010,601
Federal Contract Revenue (ASC 606)	692,019
Other Revenue (ASC 958)	230,626
	<u>\$ 1,933,246</u>

Contract Balances Grants and contracts receivable represent amounts due for services performed or expenditures incurred, stated at the amount management expects to collect. A valuation allowance is established for probable uncollectible amounts based on management's assessment of individual accounts. Balances uncollectible after reasonable collection efforts are written off. As of December 31, 2024, grants and contracts receivable were \$747,547. Cost-reimbursable grants of \$41,000 from federal and nonfederal sources were awarded but not recognized as of December 31, 2024, as qualifying expenditures have not been incurred.

Significant judgments include:

- Determining whether grants are exchange transactions (ASC 606) or contributions (ASC 958) based on whether the funder receives direct benefits.
- Identifying performance obligations in customer contracts based on distinct services or deliverables.
- Using expenses incurred as a measure of progress for fixed-price contracts, as it reflects the transfer of control.
- Estimating total project expenses for fixed-price contracts, which may change due to inherent uncertainties.
- Estimating indirect cost reimbursements, with adjustments recorded when final rates are determined.

Remaining Performance Obligations as of December 31, 2024, the transaction price allocated to unsatisfied performance obligations for conditional grants, \$41,000 remains unrecognized pending the incurrence of qualifying expenditures.

The Organization receives reimbursement for indirect costs on certain research grants based on negotiated rates applied to direct costs. Adjustments to provisional rates are recorded when final rates are determined.

CASCADIA RESEARCH COLLECTIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 2 - Summary of Significant Accounting Policies (Continued)

J. Functional Allocation of Expenses

The cost of providing program research, management and general administration of the Organization has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs including payroll, travel and research related expenses have been allocated between program and general administration based on time spent on each category. Expenses which relate to only one category and cannot be reasonably allocated between the two categories include depreciation, professional fees and services, rent and other office related expenses which are presented as management and general expenses as the program portion of these expenses are not considered material.

K. Recently Adopted Accounting Pronouncements

Accounting Standards Update (“ASU”) 2016-13, Financial Instruments—Credit Losses (Topic 326) - CECL

In 2016, the Financial Accounting Standards Board (“FASB”) issued new accounting guidance to estimate credit losses on financial assets, with staggered effective dates commencing in January 2020. The Accounting Standards Update is effectively referred to as CECL which is the new credit impairment model provided in Accounting Standards Update (“ASU”) 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as subsequently amended. While banks and other traditional financial institutions will be most affected by the FASB’s new credit impairment model for financial assets based on current expected credit loss, all entities with balances due (e.g., trade receivables) or that have an off-balance-sheet credit exposure (e.g., financial guarantees) will be impacted. These include companies in the consumer and retail industry, manufacturing entities and other non-financial institutions that have loans receivable.

The ASU requires credit losses on most financial assets carried at amortized cost and certain other instruments to be measured using an expected credit loss model (referred to as the CECL model). Under this model, entities will estimate credit losses over the entire “contractual term” of the instrument (i.e., considering estimated prepayments, but not expected extensions or modifications unless a reasonable expectation of a troubled debt restructuring exists) from the date of initial recognition of that instrument. The FASB also recently clarified that any extension or renewal options (except those recognized as derivatives) that are not unconditionally cancellable by the entity should be considered in the contractual term. The initial measurement of expected credit losses, as well as any subsequent change in the estimate of expected credit losses, is recorded as a credit loss expense (or reversal) in the current period income statement. The objective of CECL is to provide financial statement users with an estimate of the net amount the entity expects to collect on those assets.

CASCADIA RESEARCH COLLECTIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 2 - Summary of Significant Accounting Policies (Continued)

K. Recently Adopted Pronouncements (Continued)

When measuring credit losses under CECL, financial assets that share similar risk characteristics (e.g., risk rating, effective interest rate, type, size, term, geographical location, vintage, etc.) should be evaluated on a collective (pool) basis, while financial assets that do not have similar risk characteristics must be evaluated individually. The ASU provides an indicative list of risk characteristics, which includes both credit and non-credit related characteristics. The ASU indicates that financial assets can be aggregated into pools based on any one or a combination of risk characteristics. However, in practice, it is expected that some credit-related characteristic would be considered. Further, the ASU does not prescribe a specific methodology for measuring the allowance for expected credit losses. For example, an entity may use discounted cash flow methods, loss-rate methods, roll-rate methods, probability-of-default methods, or methods that utilize an aging schedule.

The Organization adopted the standard on January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

Note 3 - Liquidity and Availability of Financial Assets

As part of Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following reflects the Organization's financial assets as of the statement of financial position date, available for general use within one year of the statement of financial position date. The Organization considers cash advances that are for programs related to its normal operations as available for general use within one year.

	<u>Amount</u>
Cash and Cash Equivalents	\$ 246,280
Grant and Contract Receivables	<u>747,547</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 993,827</u></u>

Note 4 – Grants and Contracts Receivable

Receivables at December 31, 2024, consisted of accounts, contracts, and grants. No allowance has been recorded on accounts receivable, as all amounts are considered fully collectible.

CASCADIA RESEARCH COLLECTIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 5 - Property and Equipment

A summary of property and equipment at December 31, 2024, is as follows:

	Balance January 1, 2024	Additions	Deletions	Balance December 31, 2024
Property and Equipment:				
Boats and Vehicles	\$ 95,091	\$ -	\$ -	\$ 95,091
Equipment	647,644	12,017	-	659,661
Less: Accumulated Depreciation	(652,994)	(31,488)	-	(684,482)
Total Property and Equipment, Net	89,741	(19,471)	-	70,270

Depreciation expense included in operating expense amounted to \$31,488.

Note 6 - Lease

The Organization elected the short-term leases of practical expedients permitted under the transition guidance within the new standard, which allowed the Organization to elect not to record “short-term” leases on the balance sheet. These practical expedients are applied to the class of underlying leased asset Building, given its physical nature and similar characteristics of these assets. As per FASB ASC 842, a short-term lease is a lease that, at the commencement date, has a ‘lease term’ of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. Although short-term leases are in the scope of Topic 842, a simplified form of accounting is permitted. A lessee can elect, by class of underlying asset, not to apply the recognition requirements of Topic 842 and instead to recognize the lease payments as lease cost on a straight-line basis over the lease term. The Organization has applied this practical expedient on short- term leases.

Operating Lease

The Organization as a Lessee

The Organization leases commercial office space located in the Water Street Building in Olympia, Washington. On March 27, 2024, the Organization entered into a lease agreement commencing April 1, 2024, and ending March 31, 2025. The lease qualifies as a short-term operating lease under ASC 842 and is therefore not recorded on the balance sheet. Monthly rent payments of \$4,973 are recognized as rental expense. These amounts are included in the schedule of functional expenses by program within rent expense.

CASCADIA RESEARCH COLLECTIVE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 7 - Net Assets

Net Assets with Donor Restrictions - The Organization has recorded in this classification the remaining balance of grant awards from its various grantors to be expended on future program activities which were awarded for specific purposes and unable to be spent on those specific purposes as net assets with donor restriction.

Net Assets with Donor Restrictions as of December 31, 2024 consist of net assets held that are related to grants that have been received and not yet expended for the specific purpose they were provided.

Net assets released from restrictions for the year ending December 31, 2024 is \$16,713.

Note 8- Benefit Plan

The Organization offers a tax-deferred retirement plan under IRC Section 403(b) (the Plan). After six months of service, employees are eligible to receive a discretionary matching contribution from the Organization and begins vesting after working a minimum of 500 hours per year. The Organization provides a discretionary matching contribution of up to 100 percent of the per employee Plan contribution approved by the Board of Directors for the year. For the year ended December 31, 2024, the Organization contributed \$33,390 to the Plan which is included in employee benefits expense as reported in the statement of activities and changes in net assets.

Note 9 - Related Party Transactions

A Senior Research Biologist and Research Biologist are board members and employees compensated by the Organization for employment. For the year ended December 31, 2024, total compensation paid to them as employees amounted to \$169,087.

Note 10 - Subsequent Events

ASC Topic 855, Subsequent Events, establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. For the year ended December 31, 2024, the management has evaluated all subsequent events through August 29, 2025, which is the date the financial statements were available to be issued, and concluded no subsequent events have occurred that would require recognition or disclosure in these financial statements that have not already been accounted for.

SUPPLEMENTARY INFORMATION

CASCADIA RESEARCH COLLECTIVE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

	<u>CRC</u>	<u>CSS</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 196,871	\$ 49,409	\$ -	\$ 246,280
Receivables:				
Grants and Contract Receivable	747,547	-	-	747,547
Accrued Revenues	165,488	-	-	165,488
Other current assets	240	-	-	240
Total Current Assets	<u>1,110,146</u>	<u>49,409</u>	<u>-</u>	<u>1,159,555</u>
Non-Current Assets				
Property and Equipment, Net	70,270	-	-	70,270
Total Non-Current Assets	<u>70,270</u>	<u>-</u>	<u>-</u>	<u>70,270</u>
TOTAL ASSETS	<u>1,180,416</u>	<u>49,409</u>	<u>-</u>	<u>1,229,825</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current Liabilities				
Accounts Payable	73,055	-	-	73,055
Salaries & Benefits Payable	262,457	580	-	263,037
Deferred Revenues	41,000	-	-	41,000
Total Current Liabilities	<u>376,512</u>	<u>580</u>	<u>-</u>	<u>377,092</u>
TOTAL LIABILITIES	<u>376,512</u>	<u>580</u>	<u>-</u>	<u>377,092</u>
NET ASSETS				
Without Donor Restrictions	782,025	48,829		830,854
With Donor Restrictions	21,879	-	-	21,879
TOTAL NET ASSETS	<u>803,904</u>	<u>48,829</u>	<u>-</u>	<u>852,733</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,180,416</u>	<u>\$ 49,409</u>	<u>\$ -</u>	<u>\$ 1,229,825</u>

CASCADIA RESEARCH COLLECTIVE
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total	CSS	Eliminations	Total
PUBLIC SUPPORT AND REVENUES						
Public Support						
Federal Grants	\$ 1,010,601	\$ -	\$ 1,010,601	\$ -	\$ -	\$ 1,010,601
Federal Contract Revenue	637,019	-	637,019	55,000	-	692,019
Revenues					-	
Other Revenue	228,126	2,500	230,626	-	-	230,626
TOTAL PUBLIC SUPPORT AND REVENUE	1,875,746	2,500	1,878,246	55,000	-	1,933,246
RECLASSIFICATIONS						
Net Assets Released from Restrictions	16,713	(16,713)	-	-	-	-
TOTAL PUBLIC SUPPORT, REVENUE AND RECLASSIFICATIONS	1,892,459	(14,213)	1,878,246	55,000	-	1,933,246
EXPENSES:						
Program and Functional Expenses						
Program Services	1,146,261	-	1,146,261	16,360	-	1,162,621
General and Administrative	774,314	-	774,314	1,040	-	775,354
TOTAL EXPENSES	1,920,575	-	1,920,575	17,400	-	1,937,975
CHANGE IN NET ASSETS	(28,116)	(14,213)	(42,329)	37,600	-	(4,729)
NET ASSETS AT BEGINNING OF YEAR	810,141	36,092	846,233	11,229	-	857,462
NET ASSETS AT END OF YEAR	\$ 782,025	\$ 21,879	\$ 803,904	\$ 48,829	\$ -	\$ 852,733

See Independent Auditor's Report and Notes to the Financial Statements

CASCADIA RESEARCH COLLECTIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Federal Grantor / Pass-Through Grantor / Program Title	AL Number	Contract / Grant Number	Pass-through Entity Number	Expenditures	Transfers to Subrecipients
FEDERAL PROGRAMS					
Research and Development Cluster					
<u>Department of Commerce:</u>					
<i>National Oceanic and Atmospheric Administration- Broad Agency Announcement (BAA)</i>					
Direct	11.015	FNA23NMF0150384	-	\$ 11,881	\$ -
Passed Through from Scripps Institution of Oceanography	11.015	NA23NMF4720404	SIO-706422	6,198	-
Total for Assistance Listing #11.015				<u>18,079</u>	<u>-</u>
<i>National Oceanic and Atmospheric Administration- Marine Mammal Data Program:</i>					
Direct	11.439	NA23NMF4390337	-	101,328	-
Direct	11.439	NA23NMF4390338	-	67,803	-
Passed Through from Prescott	11.439	NA25NMF439G0073-T1-01	-	1,687	-
Total for Assistance Listing #11.439				<u>170,818</u>	<u>-</u>
<i>Unallied Management Projects:</i>					
Direct	11.454	NA21NMF4540475	-	32,070	-
Direct	11.454	NA22NMF4540349	-	9,044	-
Total for Assistance Listing #11.454				<u>41,114</u>	<u>-</u>
<i>Unallied Science Program:</i>					
Direct	11.472	NA23NMF4720435	-	328,139	-
Passed Through from Washington Department of Fish and Wildlife	11.472	NA21NMF4720287	22-19836	167,600	-
Total for Assistance Listing #11.472				<u>495,739</u>	<u>-</u>
Total for Department of Commerce				<u>725,750</u>	<u>-</u>
<u>Department of Energy:</u>					
<i>Renewable Energy Research and Development</i>					
Passed Through from Oregon State University	81.087	DE-EE0009800	G0204A-A	112,496	-
Total for Assistance Listing #81.087				<u>112,496</u>	<u>-</u>
Total for Department of Energy				<u>112,496</u>	<u>-</u>

See Notes to the Schedule of expenditure of Federal Awards

CASCADIA RESEARCH COLLECTIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Federal Grantor / Pass-Through Grantor / Program Title	AL Number	Contract / Grant Number	Pass-through Entity Number	Expenditures	Transfers to Subrecipients
<u>Department of Defense:</u>					
<i>Research-</i>					
<i>Basic and Applied Scientific Research</i>					
Direct	12.300	N000142412578	-	33,328	-
Passed Through from Oregon State University of Naval					
Research	12.300	63357159-291273	-	73,244	-
Total for Assistance Listing #12.300				106,572	-
Total for Department of Defense				106,572	-
<u>Department of the Interior:</u>					
<i>Bureau of Ocean Energy Management (BOEM)</i>					
<i>Environment Studies (ES)</i>					
Passed Through from Oregon State University	15.423	M22AC00022	-	17,904	-
Total for Assistance Listing #15.423				17,904	-
Total for Department of the Interior				17,904	-
Total Research and Development Cluster				962,722	-
<u>Environmental Protection Agency (EPA):</u>					
<i>National Estuary Program (NEP)</i>					
Direct	66.456	NEPCWG22	-	10,317	-
Total for Assistance Listing #66.456				10,317	-
Total for Environmental Protection Agency (EPA)				10,317	-
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 973,039	\$ -

See Notes to the Schedule of expenditure of Federal Awards

CASCADIA RESEARCH COLLECTIVE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Cascadia Research Collective under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Cascadia Research Collective, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of Cascadia Research Collective.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance cost principles, as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - PASS-THROUGH ENTITY IDENTIFYING NUMBERS

Pass-through entity identifying numbers, if any, are presented where available.

NOTE 4 - INDIRECT COST RATE

Cascadia Research Collective has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. The Organization instead uses a provisional rate of 32.06% based on total direct costs less any capital expenditures.



Thomas & Company, CPA, PA

Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S 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

To the Board of Directors
Cascadia Research Collective
Olympia, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States of America 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 the Cascadia Research Collective, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Cascadia Research Collective's basic financial statements and have issued our report thereon dated August 29, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cascadia Research Collective's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cascadia Research Collective's internal control. Accordingly, we do not express an opinion on the effectiveness of Cascadia Research Collective'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 and correct, 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 the entity'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 was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cascadia Research Collective'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 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Thomas & Company CPA PA

Cooper City, Florida

August 29, 2025



Thomas & Company, CPA, PA

Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Cascadia Research Collective
Olympia, Washington

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cascadia Research Collective's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Cascadia Research Collective's major federal programs for the year ended December 31, 2024. Cascadia Research Collective's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cascadia Research Collective complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Cascadia Research Collective and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cascadia Research Collective's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Cascadia Research Collective's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cascadia Research Collective's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Cascadia Research Collective's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Cascadia Research Collective's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Cascadia Research Collective's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Cascadia Research Collective's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Thomas S. Coney CPA PA".

Thomas & Company CPA PA
Cooper City, Florida
August 29, 2025

CASCADIA RESEARCH COLLECTIVE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024

SUMMARY OF AUDITOR'S RESULTS

Section I - Summary of Auditor's Results

Financial Statements

1. Type of Auditor's Report Issued:	Unmodified		
2. Internal Control over Financial Reporting:			
- Material weakness(es) identified?	<u> </u>	Yes <u> </u> X	No
- Significant deficiency(es) identified?	<u> </u>	Yes <u> </u> X	None Reported
3. Non-Compliance material to financial statement noted?	<u> </u>	Yes <u> </u> X	No

Federal Program

1. Internal Control over Major Federal Programs			
- Material weakness(es) identified?	<u> </u>	Yes <u> </u> X	No
- Significant deficiency(es) identified?	<u> </u>	Yes <u> </u> X	None Reported
2. Type of Auditor's Report Issued on Compliance for Major Programs.	Unmodified		
3. Any Audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	<u> </u>	Yes <u> </u> X	No

Identification of Major Programs

Assistance
Listing
Number

Program Name

11.015	National Oceanic and Atmospheric Administration-Broad Agency Announcement (BAA)
11.439	National Oceanic and Atmospheric Administration-Marine Mammal Data Program

CASCADIA RESEARCH COLLECTIVE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2024

<u>Assistance Listing Number</u>	<u>Program Name</u>
11.472	Unallied Science Program
81.087	Renewable Energy Research and Development
12.300	Department of the Navy, Office of the Chief of Naval Research-Basic and Applied Scientific Research
15.423	Bureau of Ocean Energy Management (BOEM) Environment Studies (ES)

Dollar threshold used to distinguish between
Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee? _____

Yes

X

No

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None