DRYAD

FINANCIAL STATEMENTS
June 30, 2024 and 2023

DRYAD

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Dryad

Opinion

We have audited the accompanying financial statements of Dryad (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dryad as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dryad and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dryad's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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, 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 Dryad'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 Dryad'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.

Propp Christensen Caniglia LLP

March 11, 2025
Roseville, California

DRYAD

STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

ASSETS

	2024	2023
Current assets:		
Cash and cash equivalents	$ 739,802	$ 958,001
Accounts receivable	107,783	140,478
Prepaid expenses	12,321	11,133
Total current assets	859,906	1,109,612
Property and equipment, net	857	1,545
Total assets	$ 860,763	$ 1,111,157

LIABILITIES AND NET ASSETS

	2024	2023
Current liabilities:		
Accounts payable and accrued expenses	$ 40,162	$ 63,374
Payroll liabilities	66,952	33,748
Deferred revenue	278,797	222,142
Commission liability	100	1,625
Income taxes and other taxes payable	1,351	5,197
Total liabilities	387,362	326,086
Net assets without donor restrictions	473,401	785,071
Total liabilities and net assets	$ 860,763	$ 1,111,157

STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2024 and 2023

	2024	2023
Support and revenue:		
Publisher income	$ 275,119	$ 288,340
Institutional memberships	382,614	266,972
Individual data publication charge income	184,743	188,549
Grant income	18,473	249,185
Program service income	572,587	359,382
In-kind contributions	295,850	454,152
Contributions	40,223	101,422
Other	220	274
Total support and revenue	1,769,829	1,908,276
Expenses:		
Program services	1,459,596	1,397,205
Administrative	514,456	475,208
Fundraising	107,447	77,687
Total expenses	2,081,499	1,950,100
Change in net assets without donor restrictions	(311,670)	(41,824)
Net assets without donor restrictions, beginning of year	785,071	826,895
Net assets without donor restrictions, end of year	$ 473,401	$ 785,071

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

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STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2024 and 2023

	Program Services	Administrative	Fundraising	2024 Total
Personnel	$ 465,140	$ 204,170	$ 74,244	$ 743,554
Contract services	425,535	285,543	33,203	744,281
Platform	430,642	-	-	430,642
Insurance	11,495	-	-	11,495
Professional services	-	3,851	-	3,851
Office expenses	-	18,941	-	18,941
Marketing and outreach	33,522	-	-	33,522
Taxes, licenses and fees	-	1,088	-	1,088
Travel, lodging and meals	20,605	-	-	20,605
Bank charges	-	863	-	863
Depreciation	688	-	-	688
Program service	64,704	-	-	64,704
Credit Losses	248	-	-	248
Other	7,017	-	-	7,017
Total expenses	$ 1,459,596	$ 514,456	$ 107,447	$ 2,081,499

	Program Services	Administrative	Fundraising	2023 Total
Personnel	239,602	$ 110,329	$ 40,120	$ 390,051
Contract services	465,834	323,078	37,567	826,479
Platform	509,520	-	-	509,520
Insurance	10,591	-	-	10,591
Professional services	-	10,242	-	10,242
Office expenses	-	30,653	-	30,653
Board travel, lodging and meals	45,501	-	-	45,501
Marketing and outreach	52,008	-	-	52,008
Taxes, licenses and fees	-	497	-	497
Travel, lodging and meals	32,011	-	-	32,011
Bank charges	-	282	-	282
Program service	38,555	-	-	38,555
Credit Losses	2,867	-	-	2,867
Other	716	127	-	843
Total expenses	$ 1,397,205	$ 475,208	$ 77,687	$ 1,950,100

DRYAD

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Cash received from grants, contracts and contributions	$ 1,563,109	$ 1,573,698
Cash received from other income	220	274
Cash paid to vendors, employees and other agencies	(1,781,528)	(1,435,821)
Net cash provided by (used in) operating activities	(218,199)	138,151
Change in cash and cash equivalents	(218,199)	138,151
Cash and cash equivalents, beginning of year	958,001	819,850
Cash and cash equivalents, end of year	$ 739,802	$ 958,001
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	$ (311,670)	$ (41,824)
Adjustments to reconcile change in net assets provided by (used in) operating activities:		
Depreciation	688	-
Change in operating assets and liabilities:		
Accounts receivable	32,695	142,997
Prepaid expenses	(1,188)	(258)
Accounts payable and accrued expenses	(23,212)	49,428
Payroll liabilities	33,204	8,767
Deferred revenue	56,655	(23,149)
Commission liability	(1,525)	1,625
Income taxes and other taxes payable	(3,846)	565
Net cash provided by (used in) operating activities	$ (218,199)	$ 138,151

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1: NATURE OF ORGANIZATION

Dryad (the "Organization") was organized in 2012 and is operated as a nonprofit organization exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code.

The mission of the Organization is to promote the availability of data underlying findings in the scientific literature for research and educational use. The vision of the Organization is a scholarly communication system in which learned societies, publishers, institutions of research and education, funding bodies and other stakeholders collaboratively sustain and promote the preservation and reuse of data underlying the scholarly literature.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation
The Organization presents its financial statements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 958, Subtopic 210 (FASB ASC 958-210), *Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASC 958-210, the Organization is required to report information regarding its financial position and activities according to the following two classes of net assets:

> Net assets without donor restrictions - Net assets that are not subject to restrictions by an outside entity and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
>
> Net assets with donor restrictions - Net assets that are subject to stipulations that will be met by actions or the passage of time. Other restrictions are perpetual in nature, whereby the outside party has stipulated the funds be maintained in perpetuity. The Organization did not have any net assets with donor restrictions as of June 30, 2024 and 2023.

Revenues and gains and losses on investments are reported as changes in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as changes in net assets without donor restrictions. Expirations of donor restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

Donor-restricted contributions are reported as revenues which increase net assets with donor restrictions. Expirations of donor restrictions on contributions whose restrictions are met in the same reporting period have been reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents
For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an original maturity of 90 days or less when purchased to be cash equivalents.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable
The Organization had accounts receivable balances at June 30, 2024, 2023, and 2022 of $107,783, $140,478, and $283,475, respectively. Accounts receivable has been reported at the amounts the Organization expects to collect. The Organization uses the current expected credit losses method to account for credit losses. See the disclosure below for further details on the Organization's method for accounting for credit losses.

Current Expected Credit Losses
On July 1, 2023, the Organization adopted FASB Accounting Standards Update 2016-13, *Financial Instruments – Credit Losses*, and all related subsequent amendments. The guidance significantly changed how the Organization will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing the Organization's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to this guidance were trade accounts receivables.

The Organization adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new or enhanced disclosures.

The Organization adopted the standard using a modified retrospective method for all financial assets measured at amortized cost and off-balance-sheet credit exposures. Results for reporting periods beginning after July 1, 2023, are presented under the standard, while prior period amounts continue to be reported in accordance with previously applicable GAAP.

Prepaid Expenses
Prepaid expenses consist of the unamortized portion of memberships and insurance policies paid in advance and are amortized over their respective membership and policy periods.

Property and Equipment
Property and equipment are stated at cost if purchased or estimated fair value if donated. The Organization capitalizes expenditures for property and equipment in excess of $5,000 with a useful life of more than one year. Depreciation is recorded using the straight-line method over estimated useful lives of the related assets.

Revenue Recognition and Deferred Revenue
The Organization has adopted the provisions of FASB ASC 606 as revised by ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). These provisions focus upon the satisfaction of performance obligations, which represent the unit of accounting for recognizing revenue when promised goods or services are transferred and in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. Membership, subscription, and DPC fees are recognized in the amount that reflects the consideration expected for providing services overtime. The Organization establishes the transaction price based on membership type, level, and number of data sets. As membership, subscription and DPC fees are individually priced, no allocation of transaction price is necessary. Membership, subscription and DPC fees received in advance of services to be provided are recognized as deferred revenue and are subsequently recognized as income within the fiscal year in which services are provided. Discounts are netted against gross fees. Membership, subscription and DPC fees paid in advance are classified as deferred revenue.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions
Contributions received are reported as net assets without donor restrictions, or net assets with donor restrictions. Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. There were no contributions receivable as of June 30, 2024 and 2023. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. There were no conditional pledges as of June 30, 2024 and 2023. Contributions that are promised in one year but are not expected to be collected until after the end of the year are reported at fair value using the discounted cash flow methodology.

Contributed Nonfinancial Assets
The Organization records in-kind support of professional services. Contributed professional services are recognized if the services received (a) create or enhance 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. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Contributions of tangible assets are recognized at fair value when received. For the year ended June 30, 2024 and 2023, contributed nonfinancial assets consisted of $295,850 and $454,152, respectively, of professional services and were used for platform and server hosting.

Functional Allocation of Expenses
The costs of providing the various program services and activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program services and activities based on estimates of employees' time incurred and on the usage of resources.

Income Taxes
The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section G.S. 105-125(a) of the Revenue and Taxation Code of North Carolina.

Accounting principles generally accepted in the United States of America require Organization management to evaluate tax positions taken by the Organization and recognize a tax liability or asset if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Organization management has determined that as of June 30, 2024 and 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition or disclosure in the financial statements. The Organization is subject to routine audits by taxing authorities, however there are currently no audits for any tax periods in progress.

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 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. Significant estimates used in the preparation of these financial statements include the estimated lives of property and equipment, estimation of deferred revenue, and estimated allocation of functional expenses.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases
Effective July 1, 2022, the Board adopted the provisions of FASB ASC 842 as revised by ASU 2016-02, *Leases*. The impact of adopting the amended guidance primarily relates to the recognition of lease assets and lease liabilities on the statement of financial position for all leases previously classified as operating leases. Leases with an initial term of 12 months or less are not recorded on statement of financial position. The accounting treatment for financing leases, which were formerly referred to as capital leases, remains substantially unchanged. For the years ended June 30, 2024 and 2023, the Organization was not obligated under any lease arrangements.

Subsequent Events
Events and transactions have been evaluated for potential recognition and disclosure through March 11, 2025, the date that the financial statements were available to be issued.

NOTE 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As part of the 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 Organization's financial assets available within one year of the balance sheet dates for general expenditures are as follows:

	2024	2023
Cash and cash equivalents	$ 739,802	$ 958,001
Accounts receivable	107,783	140,478
Financial assets available to meet cash need for expenditures within one year	$ 847,585	$ 1,098,479

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment included the following at June 30, 2024 and 2023:

	2024	2023
Office equipment	$ 6,498	$ 6,498
Less accumulated depreciation	(5,641)	(4,953)
Total property and equipment, net	$ 857	$ 1,545

Depreciation expense for the year ended June 30, 2024 totaled $688. There was no depreciation expense for the year ended June 30, 2023.

NOTE 5: RETIREMENT BENEFITS

The Organization has a 401(k) plan that is available to all eligible employees who have completed two months of service. Employees are automatically enrolled after 30 days of initial service at a 5% deferral. The Organization makes a safe harbor match contribution to the 401(k) plan equal to 100% of each employee's elective deferrals, or 5% of their eligible earnings. The Organization contributed $25,790 and $14,353 for the years ended June 30, 2024 and 2023, respectively.

NOTE 6: DEFERRED REVENUE

As of June 30, 2024 and 2023, the Organization has recorded deferred revenues of $278,797 and $222,142, respectively. These revenues have been deferred as services will be provided in future periods.

NOTE 7: CONCENTRATIONS

Cash and Cash Equivalents
The Organization maintains cash and cash equivalents in various financial institutions. The cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At June 30, 2024 and 2023, the Organization's uninsured cash balances totaled $409,675 and $708,002, respectively.