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# ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

#### **Independent Auditors' Report**

To the Board of Directors Center for Open Science, Inc. Charlottesville, Virginia

#### Report on the Financial Statements

We have audited the accompanying financial statements of Center for Open Science, Inc., which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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 of America; 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 audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 Organization'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 Organization'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 opinion.

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Open Science, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Others Matters**

#### Other 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 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

#### Report on Summarized Comparative Information

We have previously audited the 2019 financial statements of Center for Open Science, Inc. as of December 31, 2019, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 21, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2021, on our consideration of Center for Open Science, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Center for Open Science, Inc.'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 Center for Open Science, Inc.'s internal control over financial reporting and compliance.

Charlottesville, Virginia

Koloinson, Farmer, Cox, Xsociates

June 21, 2021



# Statement of Financial Position As of December 31, 2020 (With Comparative Totals for 2019)

		2020	2019
Assets:			
Current assets:			
Cash and cash equivalents	\$	1,349,070 \$	596,165
Cash and cash equivalents - restricted	·	3,589,036	3,127,676
Grants receivable		478,320	295,042
Investments - mutual funds		415,873	357,288
Prepaid expenses and deferred charges	_	58,290	18,734
Total current assets	\$_	5,890,589 \$	4,394,905
Property and equipment:			
Office equipment	\$	412,927 \$	412,927
Leasehold improvements		329,986	329,986
Total property and equipment	\$ <u> </u>	742,913 \$	742,913
Less: accumulated depreciation	_	636,597	596,021
Net property and equipment	\$_	106,316 \$	146,892
Other assets:			
Security and other deposits	\$_	45,549 \$	33,171
Total assets	\$_	6,042,454 \$	4,574,968
Liabilities and Net Assets			
Liabilities:			
Current liabilities:			
Accounts payable	\$	66,168 \$	72,038
Payroll liabilities		21,633	26,360
Deferred revenue		3,589,036	3,127,676
Paycheck Protection Program Loan	_	600,675	-
Total liabilities	\$_	4,277,512 \$	3,226,074
Net assets:			
Net assets without donor restrictions	\$_	1,764,942 \$	1,348,894
Total liabilities and net assets	\$	6,042,454 \$	4,574,968

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

# Statement of Activities For the Year Ended December 31, 2020 (With Comparative Totals for 2019)

		Without Donor	Te	otal	ls
		Restrictions	2020		2019
Revenues, gains, and other support: Grants Contributions Service and management fees Net investment earnings (loss)	\$	6,336,265 \$ 155,382 335,372 67,728	6,336,265 155,382 335,372 67,728	\$	5,198,276 109,289 76,272 93,136
Total revenues, gains, and other support	\$_	6,894,747 \$	6,894,747	\$_	5,476,973
Expenses: Program services: Infrastructure Metascience Policy and community Supporting services: Management and general Fundraising	\$	2,815,259 \$ 2,113,132 670,499  696,191 183,618	2,815,259 2,113,132 670,499 696,191 183,618	\$	2,638,127 275,734 728,357 1,325,897 179,572
Total expenses	\$_	6,478,699 \$	6,478,699	\$_	5,147,687
Increase (decrease) in net assets  Net assets, beginning of year	\$	416,048 \$ 1,348,894	416,048 1,348,894	\$	329,286 1,019,608
Net assets, end of year	\$_	1,764,942 \$	1,764,942	\$	1,348,894

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

#### Statement of Functional Expenses For the Year Ended December 31, 2020 (With Comparative Totals for 2019)

	Program Services				Supporting Services								
	Total			Total	Juppor ting Services				- Totals				
	Infrastructure		Metascience		Policy and Community		Program Services	Management & General	t _	Fundraising		2020	2019
Payroll expenses	\$ 2,083,867	\$	826,698	\$	507,929	\$	3,418,494 \$	512,527	\$	133,334	\$	4,064,355 \$	3,960,896
Occupancy	137,146		12,567		33,428		183,141	75,571		8,776		267,488	255,858
Professional services	120,956		19,555		10,914		151,425	17,092		20,385		188,902	127,994
Travel	1,939		-		37,915		39,854	1,828		1,239		42,921	110,111
Telephone	-		-		-		-	59		-		59	-
Insurance	1,625		149		396		2,170	895		103		3,168	2,449
Office and computer supplies	338,308		7,981		13,262		359,551	7,979		6,448		373,978	226,138
Depreciation	20,803		1,906		5,071		27,780	11,464		1,331		40,575	79,721
Conferences and meetings	2,847		261		698		3,806	1,569		182		5,557	15,864
Marketing and communications	-		-		257		257	9,721		-		9,978	13,497
Dues and fees	44,377		3,165		28,415		75,957	22,559		3,050		101,566	65,308
Postage and delivery	59		-		-		59	-		50		109	819
Taxes and licenses	5,468		500		1,332		7,300	3,014		349		10,663	3,114
Cleaning and maintenance	6,254		573		1,524		8,351	3,446		400		12,197	28,795
Grant awards to others	-		22,070		14,339		36,409	32		-		36,441	70,959
Program expense	-		1,212,824		-		1,212,824	-		-		1,212,824	-
Miscellaneous expense	51,610	_	4,883		15,019		71,512	28,435	_	7,971		107,918	186,164
Total	\$ 2,815,259	\$	2,113,132	\$	670,499	\$	5,598,890 \$	696,191	\$	183,618	\$	6,478,699 \$	5,147,687

# Statement of Cash Flows For the Year Ended December 31, 2020 (With Comparative Totals for 2019)

		2020	2019	
Cash flows from operating activities:				
Change in net assets	\$	416,048 \$	329,2	286
Adjustments to reconcile change in net assets to				
net cash provided by (used for) operating activities:				
Depreciation		40,575	79,7	721
Net realized and unrealized (gain) loss on investments		(47,781)	(53,3)	394)
(Increase) decrease in:				
Grants receivable		(183,278)	(105,3)	346)
Prepaid expenses and other assets		(39,556)	24,1	151
Security and other deposits		(12,378)	(12,3)	304)
Increase (decrease) in:				
Accounts payable		(5,870)	17,3	347
Payroll liabilities		(4,727)	(2,7)	730)
Deferred revenue		461,360	122,3	385
Paycheck Protection Program Loan	_	600,675		-
Net cash provided by (used for) operating activities	\$_	1,225,068 \$	399,1	116
Cash flows from investing activities:				
Purchase of equipment	\$	- \$	(2,6	523)
Purchases of marketable securities		(10,803)	(5,5	520)
Net cash provided by (used for) investing activities	\$_	(10,803) \$	(8,1	143)
Net increase (decrease) in cash and cash equivalents	\$	1,214,265 \$	390,9	973
Cash and cash equivalents, beginning of year				
(includes restricted cash of \$3,127,676)	_	3,723,841	3,332,8	368
Cash and cash equivalents, end of year				
(includes restricted cash of \$3,589,036)	\$_	4,938,106 \$	3,723,8	341

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

#### Notes to Financial Statements As of December 31, 2020

#### Note 1-Nature of Organization:

The Center for Open Science, Inc. (COS or the Organization) was formed in January 2013 and is dedicated to improving the alignment of scientific values and scientific practices in order to improve the accumulation and application of knowledge. COS has three primary activities to meet its mission:

#### **Program Services:**

Infrastructure: COS supports and maintains the OSF (www.osf.io) to help researchers manage, archive, and share their research, privately or publicly. In 2020, COS continued to make significant progress in establishing the OSF as a full-featured application framework. This included improvements to a number of core features including authentication, metadata, messaging, version control, access control, data basing, storage services, and a public API. The OSF is now positioned as a free, public infrastructure for creating, connecting, and integrating countless services across the research lifecycle. Because of the OSF's open, modular design, COS and others will be able to incorporate the back-end services to support any kind of front-end user interfaces for collection of social science research participant data, with the ability to extend very easily to collection of meta-data for any research application or discipline (not limited to social science). The OSF provides a solution for researchers who are compelled to conduct their research openly and transparently. It also provides a mechanism for policy makers to enable practices of openness and transparency. The OSF provides multiple points of entry into open practices and allows for researchers to adopt additional open behaviors.

**Metascience:** COS supports research on scientific practices. These efforts can inform best practices and serve as platforms to demonstrate reproducible research methods. Some achievements include:

- Continued public discourse around results of the Reproducibility Project: Psychology (results published in the journal Science in June 2015).
- Continual results published by the Reproducibility Project: Cancer Biology. The project publishes the
  individual replications in small batches and then a summary report will be published at the very end of
  the project.
- Through external grant awards, COS continues to support the Reproducibility Project: Transcranial Direct Current Stimulation (tDCS) at the University of California Davis.
- Continued community discussion of the impact of the COS study on the impact of badges upon data sharing. This study found that the journal Psychological Science experienced an increase in data sharing from around 3 percent of published articles to nearly 40 percent in only 1.5 years following adoption of badges. Comparison journals without badges showed no change in data sharing over the same period. COS uses these findings to promote adoption of badges as simple incentives towards more open editorial policies.

#### Policy/Community:

An active open science community is essential for testing and improving infrastructure and practices. Open science practices will accelerate dramatically if stakeholders with levers for change create incentives or requirements for researchers. COS promotes open science practices with journals, funders, researchers, and societies.

Notes to Financial Statements As of December 31, 2020 (Continued)

#### Note 1-Nature of Organization: (Continued)

#### Policy/Community: (Continued)

The Organization's policy team tracks open science practices of key community changemakers. COS offers solutions to change norms, incentives, and policies, working in collaboration with publishers, funders, societies, institutions, and researcher communities to promote openness, rigor, and reproducibility. This work is guided by the Organization's Transparency and Openness Promotion (TOP) Guidelines, a community-driven effort that provides a rubric for adopting openness standards. Over 1,100 journals have adopted TOP Guidelines since 2015.

#### Note 2-Summary of Significant Accounting Policies:

#### **Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).

#### **Basis of Presentation**

Financial statement presentation follows the reporting requirements of U.S. generally accepted accounting principles for non-profit organizations. The Organization is required to report information regarding its financial position and activities according to the classes of net assets based on the existence or absence of donor restrictions below:

**Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions. The governing board may designate, from net assets without donor restrictions, net assets for conducting specific functions of the Organization. The Board has not chosen to do so. As of December 31, 2020, the Organization had net assets without donor restrictions of \$1,764,942.

**Net Assets With Donor Restrictions** - Net assets with donor restrictions require the Organization to satisfy certain conditions before being spent. As of December 31, 2020, the Organization had no net assets subject to donor-imposed restrictions.

#### **Contributions**

The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board (FASB). In accordance with this guidance, contributions are recorded as support without donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Notes to Financial Statements As of December 31, 2020 (Continued)

#### Note 2-Summary of Significant Accounting Policies: (Continued)

#### **Grants**

The Organization receives funds through several grant agreements. The grants may be structured as reimbursable grants or funds advanced to cover expected program costs, requiring any unexpended funds to be returned at the end of the fiscal year. Grants are recorded as revenue when the expenses are incurred. Any funds received that are unexpended and subject to repayment are recorded as liabilities. Grants received for which there is no obligation to return the funds are reported as revenue in the year received.

#### Income Taxes and Exempt Tax Status

The Organization is exempt from federal income taxes on related income under Section 501(c)(3) of the Internal Revenue Code. Further, the Organization has been granted public charity status as it is not classified as a private foundation.

#### **Uncertain Tax Positions**

The Organization has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with guidance established by the FASB and determined that there are no uncertain tax provisions that would have a material impact on the financial statements of the Organization.

#### Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the report period. Actual results could differ from those estimates.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Organization maintains its cash accounts in commercial banking institutions. Cash balances of \$4,438,106 are in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits and are subject to credit risk.

The Organization receives advance funding for private grant initiatives. This funding not recognized as revenue until the cash is expended on the project. A portion of cash, in an amount equal to deferred revenue, is reflected as restricted on the attached statement of financial position.

#### **Property and Equipment**

Property and equipment are stated at cost, if purchased, or estimated fair market value, if donated. It is the Organization's policy to capitalize property and equipment over \$2,000. Generally, depreciation of the equipment is provided on a straight-line basis of the following estimated useful lives of the related assets:

Office equipment 3 to 5 years Leasehold improvements Life of lease

Notes to Financial Statements As of December 31, 2020 (Continued)

#### Note 2-Summary of Significant Accounting Policies: (Continued)

#### Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Payroll expenses are allocated based on staff time and effort spent on program services, management and general, and fund-raising. Example of other allocated expenses include rent and lease fees, depreciation, and insurance, which are allocated based on the underlying nature of transactions.

#### Investments and Investment Income

Investments in marketable securities are stated at quoted market values. Investment income or loss (including realized gains and losses and investment interest and dividends) is classified as without restrictions unless the income or loss is restricted by the donor or law.

#### Fair Value

The Organization follows current accounting standards relating to fair value measurements and disclosures, which define fair value, establish guidelines for measuring fair value, establish a framework for measuring fair value, and require disclosures regarding fair value measurement.

The accounting standards eliminate inconsistencies in guidance found in various prior accounting pronouncements and provide clarification that fair value of certain assets and liabilities is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation.

Accounting standards also prioritize, within the measure of fair value, the use of market-based information over entity-specific information, and establish a three-level hierarchy of fair value measurements based on the nature of the inputs used in the valuation of an asset or liability as of the measurement date. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management or fund manager judgment. The three-level hierarchy is defined as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets and liabilities.
- Level 2 Observable inputs other than those included in Level 1. For example, quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in active markets.
- Level 3 Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

All of the Organization's investments are categorized as Level 1.

Notes to Financial Statements As of December 31, 2020 (Continued)

#### Note 3-Fair Value Measurements:

The fair values of the Organization's financial assets measured on a recurring basis at December 31, 2020 are as follows:

Fair Value Measurements

		-	at Reporting Date Using							
	_	12/31/20	Quoted Prices in Active Markets for Indentical Assets	Significant Other Observable Inputs		Significant Unobservable Inputs				
			(Level 1)	(Level 2)		(Level 3)				
Mutual funds	\$_	415,873 \$	415,873 \$		_\$_	<u>-</u>				
Total	\$	415,873 \$	415,873 \$	-	\$	-				

#### Note 4-Operating Leases:

The Organization entered into a lease agreement for office space for its current office location commencing on May 1, 2013. The lease was amended on May 1, 2015 to include additional lease space with substantially similar terms, and on February 28, 2019 to extend the term until April 30, 2022. The lease requires additional payments for taxes, utilities, and other common area charges. The lease stipulates annual increases of 3%.

Future minimum lease payments are as follows:

Year Ending December 31,	_	Amount
2021 2022	\$	199,990 67,317
Total	\$	267,307

Total lease expense for the year ended December 31, 2020 amounted to \$194,355.

Notes to Financial Statements As of December 31, 2020 (Continued)

#### Note 5-Investments:

Investments are stated at fair value. The composition of investments at December 31, 2020 is as follows:

		Fair Market	
	_	Value	Cost
	_		_
Mutual funds	\$	415,873	\$ 359,319

#### Note 6-Liquidity and Availability:

The Organization has the following assets that could readily be made available within one year of the statement of financial position date to fund expenses without limitations:

	_	2020
Cash and cash equivalents	\$	1,349,070
Grants receivable		478,320
Investments - mutual funds		415,873
Total	\$	2,243,263

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments.

The Organization manages its cash available to meet general expenditures under the following guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets to fund near-term operating needs, and
- Maintaining sufficient reserves to support long-term organizational goals.

#### Note 7-Concentrations:

During the period, the Organization received approximately 53% of its revenue from its largest funding source.

#### Note 8-Retirement Plan:

All of the Organization's full-time employees are eligible to participate in the Organization's 401(k) plan. The Organization offers a matching contribution of 100% up to 3% of pay, then another 50% up to 5% of pay. Employees are eligible for enrollment and immediate participation upon hire. The Organization contributed \$126,301 toward the plan in 2020.

Notes to Financial Statements As of December 31, 2020 (Continued)

#### Note 9-Related Party Transactions:

#### Officer Compensation and Employee Reimbursements

During the year ended December 31, 2020, the Organization's compensation to one of its officers who has governance oversight amounted to approximately \$231,125.

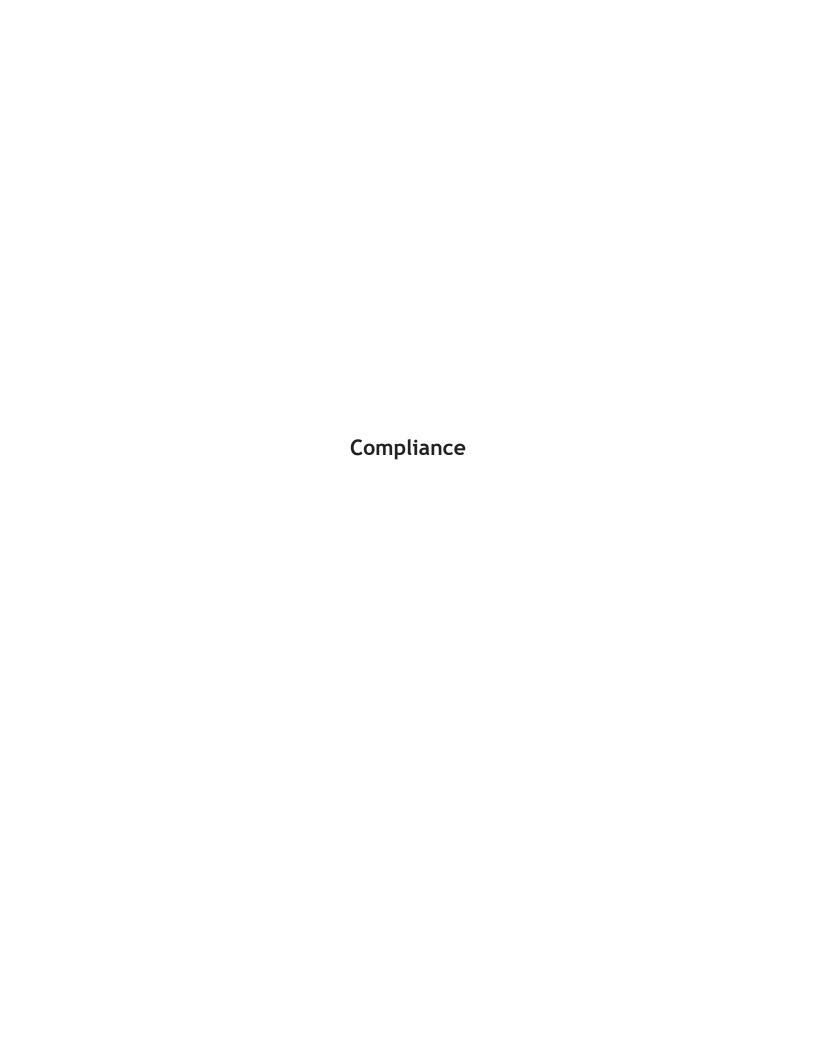
#### Note 10-Paycheck Protection Program (PPP) Loan:

The Organization received \$600,675 as part of the Small Business Administration's Paycheck Protection Program (PPP). The proceeds of this loan may be fully forgiven in the event that at least 60% is used for payroll and utilities within the first 24 weeks of receipt of the proceeds. The Organization has elected to account for the loan as debt under FASB ASC Topic 470. The term of the PPP loan, less any forgiven portion, is for two years at an annual rate of interest at 1%. The Organization has applied for forgiveness of these funds, and full forgiveness was granted on May 19, 2021.

#### Note 11-Subsequent Events:

In preparing these financial statements, management of the Organization has evaluated events and transactions for potential recognition or disclosure through June 21, 2021, the date the financial statements were available to be issued.

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on our future operations and financial results will depend on future developments, including the duration and spread of the outbreak within the areas in which we operate, all of which are highly uncertain.





# ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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

To the Board of Directors Center for Open Science, Inc. Charlottesville, Virginia

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 Center for Open Science, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 21, 2021.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 the attention of 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 may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization'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.

Charlottesville, Virginia

Kolinson, Farmer, Cox, Ksociotes

June 21, 2021



# ROBINSON, FARMER, COX ASSOCIATES, PLLC

#### Certified Public Accountants

# Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the *Uniform Guidance*

To the Board of Directors Center for Open Science, Inc. Charlottesville, Virginia

#### Report on Compliance for Each Major Federal Program

We have audited Center for Open Science, Inc.'s (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2020. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with federal statutes and regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

#### Opinion on Each Major Federal Program

In our opinion, the Center for Open Science, Inc. 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, 2020.

#### Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 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 of by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Charlottesville, Virginia

Koloinson, Farmer, Cox, Xsociates

June 21, 2021

## Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2020

Federal Grantor/ Pass-through Grantor Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	 Federal Expendi- tures
Research and Development Cluster: Department of Defense: Direct Program: Advanced Research Projects Agency:			
Research and Technology Development	12.910	N/A	\$ 3,622,524
Total Department of Defense			\$ 3,622,524
Department of Health and Human Services: Direct Program: National Institutes of Health:			
Aging Research	93.866	N/A	\$ 191,658
Total Department of Health and Human Services			\$ 191,658
Institute of Museum and Library Services: National Leadership Grants	45.312	N/A	\$ 39,373
Total Institute of Museum and Library Services			\$ 39,373
National Science Foundation: Direct Program:			
Computer and Information Science and Engineering	47.070	N/A	\$ 5,917
Social, Behavioral, and Economic Sciences Education and Human Resources	47.075 47.076	N/A	9,681
	47.076	N/A	104,395
Total National Science Foundation			\$ 119,993
Total Research and Development Cluster			\$ 3,973,548
Total Expenditures of Federal Awards			\$ 3,973,548

See accompanying notes to schedule of expenditures of federal awards.

#### Notes to Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2020

#### **Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Center for Open Science, Inc. for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

#### **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*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the *Uniform Guidance*.

#### **Subrecipient Monitoring**

No awards were passed through to subrecipients.

## Schedule of Findings and Questioned Costs For the Year Ended December 31, 2020

#### **SECTION I - SUMMARY OF AUDITORS' RESULTS**

Financial Statements						
Type of auditors' report iss	Type of auditors' report issued					
Internal control over financ	cial reporting:					
Material weakness identif	fied?	No				
Significant deficiencies in	ndentified?	No				
Noncompliance material to	financial statements noted?	No				
Federal Awards						
Internal control over major	programs:					
Material weakness identif	No					
Significant deficiencies in	No					
Type of auditors' report iss	Unmodified					
Any audit findings disclosed with 2 CFR 200.516(a)?	d that are required to be reported in accordance	No				
Identification of major pro	grams:					
CFDA #	Name of Federal Program or Cluster					
12.910, 45.312, 47.070, 47.075						
47.076, 93.866	Research and Development Cluster					
Dollar threshold used to dis	\$750,000					
Auditee qualified as low-ris	Yes					

#### **SECTION II - FINANCIAL STATEMENT FINDINGS**

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

## Summary Schedule of Prior Audit Findings Year Ended December 31, 2020

There were no prior year audit findings.