

**Ocean Alliance, Inc.**

Financial Statements

June 30, 2021

**Ocean Alliance, Inc.**

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June 30, 2021

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**FRITZ DEGUGLIELMO LLC**  
*CERTIFIED PUBLIC ACCOUNTANTS  
& BUSINESS ADVISORS*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Ocean Alliance, Inc.

**Opinion**

We have audited the accompanying financial statements of Ocean Alliance, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ocean Alliance, Inc. as of June 30, 2021, and the changes in net assets and its 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. 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 Ocean Alliance, Inc. 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 Ocean Alliance, Inc.'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, including omissions, 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 Ocean Alliance, Inc.'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 Ocean Alliance, Inc.'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.

### **Report on Summarized Comparative Information**

We have previously audited Ocean Alliance, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 10, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of program support, revenue and expenses on pages 17 to 18 are presented for purposes of additional analysis and are 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.



Certified Public Accountants

Newburyport, Massachusetts

April 27, 2022

**Ocean Alliance, Inc.**  
Statement of Financial Position  
June 30, 2021  
(with summarized comparative information as of June 30, 2020)

|  | <u>2021</u>         | <u>2020</u>         |
|--|---------------------|---------------------|
| <b>ASSETS</b>  |                     |                     |
| Cash and cash equivalents  | \$ 462,399          | \$ 620,521          |
| Investments  | 1,209               | -                   |
| Grant receivable   | 68,623              | -                   |
| Prepaid expenses   | 26,109              | 19,833              |
| Merchandise inventory  | 3,074               | 2,831               |
| Property and equipment, net  | 772,412             | 737,728             |
| Non-depreciable assets   | 3,601,542           | 3,395,284           |
| Other assets   | 460                 | 460                 |
|  | <u>\$ 4,935,828</u> | <u>\$ 4,776,657</u> |
| <b>Total Assets</b>  | <b>\$ 4,935,828</b> | <b>\$ 4,776,657</b> |
| <b>LIABILITIES AND NET ASSETS</b>  |                     |                     |
| Accounts payable   | \$ 140,722          | \$ 44,528           |
| Payroll taxes payable  | 12,113              | 7,004               |
| Accrued expenses   | 63,766              | 63,766              |
| Loans payable, net of \$11,215 and \$12,534 of unamortized debt issuance costs, respectively | 202,767             | 301,631             |
|  | <u>419,368</u>      | <u>416,929</u>      |
| <b>Total Liabilities</b>   | <b>419,368</b>      | <b>416,929</b>      |
| <b>Net Assets</b>  |                     |                     |
| Without donor restrictions   | 4,189,917           | 4,250,046           |
| With donor restrictions  | 326,543             | 109,682             |
|  | <u>4,516,460</u>    | <u>4,359,728</u>    |
| <b>Total Net Assets</b>  | <b>4,516,460</b>    | <b>4,359,728</b>    |
| <b>Total Liabilities and Net Assets</b>  | <b>\$ 4,935,828</b> | <b>\$ 4,776,657</b> |

See independent auditor's report and accompanying notes to financial statements

**Ocean Alliance, Inc.**  
Statement of Activities  
For the year ended June 30, 2021  
(with summarized comparative information for the year ended June 30, 2020)

|  | Without Donor<br><u>Restrictions</u> | With Donor<br><u>Restrictions</u> | 2021<br><u>Total</u> | 2020<br><u>Total</u> |
|--|--------------------------------------|-----------------------------------|----------------------|----------------------|
| Support and Revenue  |                                      |                                   |                      |                      |
| Foundations and grants   | \$ 326,497                           | \$ 323,568                        | \$ 650,065           | \$ 382,568           |
| Contributions  | 155,575                              | 30,000                            | 185,575              | 626,823              |
| Paycheck Protection Program  | 75,602                               | -                                 | 75,602               | -                    |
| Program service fees   | 29,287                               | -                                 | 29,287               | 2,587                |
| Donated assets and services  | 7,840                                | -                                 | 7,840                | -                    |
| Miscellaneous income   | 31,580                               | -                                 | 31,580               | 12,014               |
| Investment income  | 27                                   | -                                 | 27                   | 111                  |
| Unrealized gain on investments   | 74                                   | -                                 | 74                   | -                    |
| Net Assets Released from Restrictions:   |                                      |                                   |                      |                      |
| Satisfaction of donor restrictions   | <u>136,707</u>                       | <u>(136,707)</u>                  | <u>-</u>             | <u>-</u>             |
|  | <u>763,189</u>                       | <u>216,861</u>                    | <u>980,050</u>       | <u>1,024,103</u>     |
| Expenses   |                                      |                                   |                      |                      |
| Program Services   |                                      |                                   |                      |                      |
| Voyage of the Odyssey/Cachalot   | 324                                  | -                                 | 324                  | 27,356               |
| Right whale research   | -                                    | -                                 | -                    | 13,042               |
| SnotBot & drones for whale research  | 303,844                              | -                                 | 303,844              | 218,297              |
| Education and conservation   | 303,598                              | -                                 | 303,598              | 223,733              |
| EDA feasibility  | <u>-</u>                             | <u>-</u>                          | <u>-</u>             | <u>5,088</u>         |
| Total Program Services   | 607,766                              | -                                 | 607,766              | 487,516              |
| Support Services   |                                      |                                   |                      |                      |
| General and administrative   | 92,422                               | -                                 | 92,422               | 90,556               |
| Fundraising  | <u>46,601</u>                        | <u>-</u>                          | <u>46,601</u>        | <u>77,959</u>        |
| Total Support Services   | <u>139,023</u>                       | <u>-</u>                          | <u>139,023</u>       | <u>168,515</u>       |
| Total Expenses before Depreciation   | <u>746,789</u>                       | <u>-</u>                          | <u>746,789</u>       | <u>656,031</u>       |
| Change in Net Assets before Depreciation<br>and Net Loss on Disposal of Assets | 16,400                               | 216,861                           | 233,261              | 368,072              |
| Depreciation   | 76,529                               | -                                 | 76,529               | 57,154               |
| Net Loss on Disposal of Assets   | <u>-</u>                             | <u>-</u>                          | <u>-</u>             | <u>9,824</u>         |
| Change in Net Assets   | (60,129)                             | 216,861                           | 156,732              | 301,094              |
| Net Assets – Beginning of Year   | <u>4,250,046</u>                     | <u>109,682</u>                    | <u>4,359,728</u>     | <u>4,058,634</u>     |
| Net Assets – End of Year   | <u>\$ 4,189,917</u>                  | <u>\$ 326,543</u>                 | <u>\$4,516,460</u>   | <u>\$4,359,728</u>   |

See independent auditor's report and accompanying notes to financial statements

**Ocean Alliance, Inc.**  
Statement of Functional Expenses  
For the year ended June 30, 2021  
(with summarized comparative information for the year ended June 30, 2020)

|                                    | Program<br>Services | Management<br>and<br>General | Fundraising      | Total<br>2021     | Total<br>2020     |
|------------------------------------|---------------------|------------------------------|------------------|-------------------|-------------------|
| Personnel                          | \$ 297,073          | \$ 36,564                    | \$ 17,196        | \$ 350,833        | \$ 349,924        |
| Payroll taxes/benefits             | 73,761              | 11,872                       | 3,821            | 89,454            | 82,684            |
| Professional services              | 97,122              | 14,449                       | 14,897           | 126,468           | 96,237            |
| Advertising                        | 1,057               | 178                          | -                | 1,235             | -                 |
| Bank charges                       | 237                 | 2,197                        | -                | 2,434             | 2,070             |
| Commissions                        | -                   | -                            | -                | -                 | -                 |
| Fundraising expense                | -                   | -                            | 4,500            | 4,500             | 3,654             |
| Grant expense                      | -                   | -                            | -                | -                 | -                 |
| Insurance                          | 35,686              | 14,633                       | 1,965            | 52,284            | 39,768            |
| Interest                           | 9,357               | 2                            | -                | 9,359             | 2,545             |
| Miscellaneous                      | 2,724               | 2,227                        | 2,000            | 6,951             | 5,190             |
| Office expense                     | 475                 | 4,222                        | -                | 4,697             | 2,213             |
| Permits and other fees             | 1,825               | -                            | -                | 1,825             | 1,653             |
| Postage and shipping               | 2,342               | 3,408                        | 1,081            | 6,831             | 1,788             |
| Printing                           | 1,370               | -                            | -                | 1,370             | 160               |
| Program expense                    | 38,142              | -                            | -                | 38,142            | 22,972            |
| Repairs and maintenance            | 25,458              | 565                          | 824              | 26,847            | 12,821            |
| Storage                            | 2,075               | 287                          | -                | 2,362             | -                 |
| Telecommunications                 | 3,701               | 211                          | 317              | 4,229             | 5,122             |
| Training                           | 552                 | -                            | -                | 552               | 1,367             |
| Travel                             | 8,074               | 429                          | -                | 8,503             | 18,646            |
| Utilities                          | 6,735               | 303                          | -                | 7,038             | 5,646             |
| Website maintenance                | -                   | 875                          | -                | 875               | 1,571             |
| Total Expenses before Depreciation | <u>607,766</u>      | <u>92,422</u>                | <u>46,601</u>    | <u>746,789</u>    | <u>656,031</u>    |
| Depreciation                       | <u>71,317</u>       | <u>5,212</u>                 | <u>-</u>         | <u>76,529</u>     | <u>57,154</u>     |
| Total                              | <u>\$ 679,083</u>   | <u>\$ 97,634</u>             | <u>\$ 46,601</u> | <u>\$ 823,318</u> | <u>\$ 713,185</u> |

See independent auditor's report and accompanying notes to financial statements

**Ocean Alliance, Inc.**  
Statement of Cash Flows  
For the year ended June 30, 2021  
(with summarized comparative information for the year ended June 30, 2020)

|   | <u>2021</u>       | <u>2020</u>       |
|---|-------------------|-------------------|
| Operating Activities  |                   |                   |
| Change in net assets  | \$ 156,732        | \$ 301,094        |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                   |                   |
| Depreciation  | 76,529            | 57,154            |
| Loan fee amortization included in interest expense  | 1,319             | 660               |
| Donated stock   | (1,135)           | -                 |
| Net unrealized gain on investments  | (74)              | -                 |
| Net loss on disposal of assets  | -                 | 9,824             |
| Forgiveness of Paycheck Protection Program Loan   | (75,602)          | -                 |
| Change in operating assets:   |                   |                   |
| Accounts receivable   | (68,623)          | 785               |
| Prepaid expenses  | (6,276)           | (9,844)           |
| Merchandise inventory   | (243)             | 2,111             |
| Accounts payable  | 96,194            | (11,251)          |
| Payroll taxes payable   | 5,109             | (1,107)           |
| Accrued expenses  | -                 | (10,000)          |
| Net Cash Provided by Operating Activities   | <u>183,930</u>    | <u>339,426</u>    |
| Investing Activities  |                   |                   |
| Proceeds from sale of property and equipment  | -                 | 2,200             |
| Purchases of property and equipment   | <u>(317,471)</u>  | <u>(322,007)</u>  |
| Net Cash Used in Investing Activities   | <u>(317,471)</u>  | <u>(319,807)</u>  |
| Financing Activities  |                   |                   |
| Long-term debt payable  | -                 | 200,000           |
| Debt issuance costs   | -                 | (13,194)          |
| Receipts on PPP loan  | -                 | 75,602            |
| Payments on loans payable   | <u>(24,581)</u>   | <u>(13,166)</u>   |
| Net Cash Provided by (Used in) Financing Activities   | <u>(24,581)</u>   | <u>249,242</u>    |
| Net increase (decrease) in cash and cash equivalents  | (158,122)         | 268,861           |
| Cash and cash equivalents, beginning of year  | <u>620,521</u>    | <u>351,660</u>    |
| Cash and cash equivalents, end of year  | <u>\$ 462,399</u> | <u>\$ 620,521</u> |
| Supplemental Data:  |                   |                   |
| Taxes paid  | <u>\$ -</u>       | <u>\$ -</u>       |
| Interest paid   | <u>\$ 8,040</u>   | <u>\$ 1,885</u>   |

See independent auditor's report and accompanying notes to financial statements



**Ocean Alliance, Inc.**  
Notes to Financial Statements  
June 30, 2021

**NOTE A – ORGANIZATION**

Ocean Alliance, Inc., is a 501(c)(3) not-for-profit Organization, founded in 1971. Ocean Alliance’s mission is to protect whales and their ocean environment through research, scientific collaboration, public education, and the arts. Led by CEO Dr. Iain Kerr, we work with our scientific partners to collect a broad spectrum of data on whales and ocean life. Ocean Alliance uses this data to advise educators, policy makers, and the general public on wise stewardship of the oceans to mitigate pollution, prevent the collapse of marine mammal populations, and promote ocean and human health.

**Ocean Alliance: Strategic Overview**

To effectively carry out its mission, Ocean Alliance focuses efforts on three strategic priorities. These are:

**1) Whale and Ocean Research**

- a. Conducting ongoing, targeted research expeditions focused on whales and ocean pollution from our headquarters in Gloucester MA, our research station in Argentina and worldwide where our research is needed most.
- b. Through the development and application of drone-based tools such as SnotBot to study whales non-invasively and sharing these tools with other researchers.
- c. Responding quickly to crises related to marine mammal and ocean health (such as our response to the 2010 Gulf oil spill).
- d. Establishing and maintaining key scientific collaborations and partnerships, such as Ocean Alliance’s current partnership with the Wise Laboratory of Environmental and Genetic Toxicology, the Seger Laboratory at the University of Utah, SCRIPPS, Woods Hole Oceanographic Institution, Oregon State University, the University of Alaska Fairbanks, NOAA, and Gloucester Marine Genomics Institute.

**2) Science Communications for Social Impact**

- a. Developing informational tools based on Ocean Alliance’s historical and current research findings for use by our scientific and non-profit partners, educators, policy makers, risk managers and others concerned about the health of the world’s oceans and their connection to human health.
- b. Serving as an objective, experienced “voice of reason” regarding issues related to whale and ocean health by forming hypotheses based on data collected through rigorous scientific research.
- c. Distributing the results of Ocean Alliance research to the general public through communications platforms including the press, scientific journals, social media outlets (e.g. Facebook, Twitter, Instagram) and through our own and our research partners’ websites.
- d. Distributing the results of Ocean Alliance research findings to the public through speaking engagements, such as the United Nations, Parley for the Oceans and TED talks and through televised media productions with National Geographic and the BBC.

**3) Public Education**

- a. Developing STEAM education initiatives through our Robotics Club program, partnerships with local academic institutions, and local art organizations. Providing unique opportunities and practical skill sets which will be extremely relevant in the workplaces of tomorrow in areas such as robotics, programming, computing, engineering, and conservation science for free to youths in a low-income area.
- b. Whale curriculum development for grades 5-8 based on the multimedia content from both past and current science research expeditions, correlated to the National Science Standards for educators and youth.
- c. Developing and distributing multimedia educational content for general audiences via key partnerships with educational institutions worldwide including aquaria, zoos, museums, nature centers, Ocean Alliance’s website, and through in-person learning at our headquarters based in Gloucester, Massachusetts.

**Ocean Alliance, Inc.**  
Notes to Financial Statements  
June 30, 2021

NOTE A – ORGANIZATION *(continued)*

- d. Ongoing restoration and development of Ocean Alliance’s 24,000 sq. ft. oceanographic research, education and innovation center on the Gloucester, MA, harbor. The complex already houses robotics laboratory spaces, dedicated classroom and community spaces for local/regional groups and partners and provides public access to the waterfront.

*Oceanographic Research, Education & Innovation Center: Ocean Alliance’s New Home*

On June 10, 2008, Ocean Alliance purchased—for preservation and restoration—the iconic Tarr and Wonson Paint Manufactory located at the entrance to the inner harbor of Gloucester, Massachusetts. The historic 1863 site is being restored as a publicly accessible oceanographic research, education and innovation center.

The waterfront complex stands at the tip of Rocky Neck, one of America’s oldest art colonies. The charm of the factory’s architecture has inspired generations of artists, who have come from around the world to paint it. For over a century, local fisherman used the factory’s smokestack as a navigational guide. After being a vacant and polluted eyesore for over 30 years, the buildings are now Ocean Alliance’s home and we hope a catalyst for change on the Gloucester waterfront.

Ocean Alliance moved its offices into the first set of the brick buildings on site in April 2013. Restoration of the second set of brick buildings (built in the 1870’s) were completed in 2021.

The feasibility research has been completed and Ocean Alliance has begun to move forward with the plans to build an Ocean Innovation Center in the remaining soon to be restored buildings. When completed the Paint Factory Innovation Center will offer a state-of-the-art solution to an urgent community need of low-cost access to space and tools with direct water access. The Ocean Alliance headquarters also offers dockage for ocean going vessels and associated assets.

The strategic direction of Ocean Alliance is fulfilled through its successful programs in whale and ocean research, science communications and public education as described below.

NOTE B – PROGRAM SERVICES

Whales face more threats today than ever before, and these threats are increasing and intensifying. The IUCN lists 20 species of whale as either critically endangered, endangered, or vulnerable. Ocean Alliance looks to better understand anthropogenic threats facing whales and our oceans and how to mitigate them so that more species are not lost to extinction. We address these needs by both collecting data and facilitating science through the development of new tools and research protocols and public engagement.

For over 50 years Ocean Alliance has collected a vast amount of acoustic and audio-visual data. Ocean Alliance recognizes the ability of compelling multi-media to engage hearts and minds and connect people to whales and our oceans. When more of the public care about whales, this puts pressure on businesses to adopt more sustainable practices, and policymakers to introduce laws to protect these extraordinary animals.

**Drones for Whale Research and Research Expeditions**

**1) Developing Benign Research Tools: 2012 –Today, Drones for Whale Research, SnotBot.**

Our Drones for Whale Research (DFWR) program includes drone-based tools to collect non-invasive biological data on whales that inform us on both individual and population health. In addition, this program is helping to democratize whale science by providing practical protocols for using powerful yet inexpensive drone tools.

The biological data we collect includes, DNA, hormones, and microbiomes through SnotBot®, a drone that collects respiratory samples. Other drone-based platforms collect bio-acoustics, body temperature, body condition and size, and population distribution.

The program has unequivocally demonstrated that these tools can collect a wide variety of powerful, robust data sets-all at a relatively low price point, without disturbing the whales. This is crucial: the more researchers that can utilize these tools the better, particularly in the developing world where funding resources are scarce, yet the need is so great.

**Ocean Alliance, Inc.**  
Notes to Financial Statements  
June 30, 2021

NOTE B – PROGRAM SERVICES *(continued)*

With the SnotBot program, we have demonstrated that priceless biological samples can be obtained from a whale in an entirely non-invasive manner. The SnotBot drone flies through the blow of a whale, collecting the biological information within which can be used to look at DNA, hormones, microbiomes, and potentially a number of other important indicators of the animal's ecology and health. SnotBot has now collected data from 9 species of whales in six countries.

Using drones, we have studied behaviours never seen before in our 45-year history, done photo-identification work, attached an infra-red camera to a drone to study body temperature and collected bio-acoustics using a waterproof drone. We are continuing to work with artificial intelligence developers on new ways to expand this research.

**2) Past Odyssey Expeditions: 2010 – 2014**

On April 20, 2010, the Deepwater Horizon oil rig exploded resulting in an uncontrolled release of oil into the Gulf of Mexico. Estimates now indicate that approximately 200 million gallons of oil were released. Superimposed on the threat of the oil: more than two million gallons of toxic chemical Corexit dispersants were intentionally pumped into the Gulf by BP to break up the oil. These chemicals were used in unprecedented amounts and in untested ways. In response to this unparalleled spill, Ocean Alliance immediately launched a Gulf of Mexico Expedition to collect baseline data to determine the potential short- and long-term effects on marine mammals of the oil spill and the massive deployment of Corexit, the toxic chemical dispersant. The data we collected are featured in published scientific papers and are consistently reference in other publications and media.

**3) Global Voyage of the Odyssey: 2000 – 2005**

The goal of the global Voyage of the Odyssey was to collect baseline data on the distribution, concentrations and effects of environmental toxicants in the world's oceans. The RV Odyssey covered 87,000 nautical miles over 5 ½ years collecting the first-ever global data set on toxic contaminants. Our focus species was the Sperm whale because it sits atop of oceanic food chains and has a cosmopolitan global distribution. As this data ages it becomes more valuable enabling Ocean Alliance to put other pollution studies into context. Data from this expedition is still being analyzed and published today and are consistently reference in other publications and media.

Ocean Alliance's scientific partners on this endeavor include: our primary partners at the Wise Laboratory of Environmental and Genetic Toxicology, the University of Utah, Cornell University and Scripps Institution of Oceanography. These affiliations with some of the top oceanographic institutions in the world uniquely position us to address and understand the emerging toxicological threats to marine mammals.

**4) Southern Right Whale Program**

In 2020, Ocean Alliance celebrated the 50<sup>th</sup> field season of our study of Southern right whales from the shores of Peninsula Valdez, Argentina. It was in 1970 that Ocean Alliance founder Dr. Roger Payne began studying a population of right whales that calve off the coast of Argentina. Since then, we have developed a uniquely detailed 50-year record of the life histories, distributions, and associations of over 2,000 individually known right whales. This database, which is extended by aerial surveys of the population each year, has become an invaluable tool for protecting the whales and their habitat. Ocean Alliance's Southern Right Whale Program also informs the study of the North Atlantic right whale, a critically endangered parallel species.

The Southern Right Whale Program is the longest continuous study of any great whale species based on known individuals, and it has created a context for discovery rarely encountered in field research that is unmatched by any other cetacean research initiative. It is widely recognized as one of (if not the) first modern whale research programs. At Peninsula Valdes Dr. Payne and Ocean Alliance scientists have pioneered many of the benign research techniques now used by cetacean researchers throughout the world.

**Ocean Alliance, Inc.**  
Notes to Financial Statements  
June 30, 2021

NOTE B – PROGRAM SERVICES *(continued)*

**Public Education**

**1) Education & Outreach**

Ocean Alliance, due to its long history and reputation in the field, has the ability, capacity, and independence to inform policy with impartiality on a scientific level to ensure that issues of concern reach the level of policy and decision makers both in the United States and abroad. Our success in communicating our findings to benefit humanity depends on our ability to maintain a strong media presence through diverse communication channels including the press, social media outlets, the Ocean Alliance website, and partner online networks. Ocean Alliance has more than 50,000 followers on Facebook, more than 3,100 Instagram followers and an email list of over 1,500 individuals.

Whales in our oceans today face more threats than they have at any other point in history. Climate change, chemical pollution, noise pollution, bycatch/entanglement in fishing gear, ship strikes amongst the prime antagonists in a diversifying and intensifying list of pressures. Our job is to communicate the reality that whales are now faced with a new suite of destructive pressures and that it will require the engagement of our own species to ensure their longevity moving into the future.

We use our engaging multi-media and expertise to educate the public through a variety of media formats, events, and talks at educational institutions. We regularly engage with documentary film and TV teams, journalists, and share whale and ocean updates on our social media channels, email lists and offer educational programming virtually and at our headquarters.

**Conservation Library**

We are building a physical and online conservation library to share data, publications and multi-media files from our 50 years of whale research. This includes the digitization of whale acoustics from the 1950s to 1990s and thousands of photo identification photographs from our Southern Right Whale Program.

**2) Scientific Publication**

Since the 2000-2005 Voyage of the Odyssey expedition, over 50 publications, abstracts and posters have been published on this one expedition alone, a five-year study of worldwide ocean pollution based on data collected from samples of sperm whale skin and blubber. The results were somewhat shocking (especially those related to chromium, a known human carcinogen) and have direct implications on the health of marine mammals and the health of human populations around the world-especially those that rely, in great part, on protein sources from the oceans (over a billion people). These results have played an important role in shaping the science communities understanding of pollutants in our oceans, particularly with an emphasis on heavy metals.

Since our SnotBot program's inception in 2015, the Ocean Alliance team have given over 50 public talks on the program, which has also been featured in over 500 SnotBot press articles. CEO Iain Kerr spoke at two special events at the United Nations General Assembly in 2015 and 2017. In addition, we have presented many posters, abstracts and talks at various academic, technology and conservation conferences/events all across the world. Putting so much emphasis into communicating the results of our work has enabled us to reach people all over the world about what is happening to whales and how we can better protect them. We are working with scientific partners to write a series of publications from the SnotBot data, from papers which look at the reactions of whales to drones and how to minimize such reactions, methodology/protocol papers explaining how best to collect blow samples from whales, and of course analysis papers describing what researchers have found within the samples. Ocean Alliance authored and collaborated on four scientific posters at the 2019 World Marine Mammal Conference in Barcelona, Spain and will present four posters at the World Marine Mammal Conference in 2022.

**Ocean Alliance, Inc.**  
Notes to Financial Statements  
June 30, 2021

NOTE B – PROGRAM SERVICES *(continued)*

**1) STEM Programming: Robotics Club:**

For the last 5 years we have been igniting the passions of the children of Gloucester (aged 6 – 16 years), by introducing them to a world of science, technology, software and engineering. There are no fees or costs to join the club and it's fully inclusive. The club's success is largely due to its flexible, unstructured format. Kids can come for 30 minutes and gain hands-on experience on a drone-flying simulator or stay 2 hours and start building their own plane/drone. In 2019, Ocean Alliance began a girl's recruitment effort and now offers a Girls STEM Club to encourage more women to discover careers in science.

**2) SnotBot Virtual Student Expeditions and Classroom Presentations :**

Our SnotBot expeditions, with the heavy emphasis on science communication give us unique 'teaching moments' for increasing science-based public education about the harmful effects of current human activities on ocean ecosystems, and what we can all do to alleviate these harmful effects.

The educational programming model is based on the successful, long-term programming Ocean Alliance developed and disseminated to the 118 ports in 22 countries visited by the Research Vessel Odyssey during the global Odyssey Expedition, featured on PBS-hosted, web site at [www.pbs.org/odyssey](http://www.pbs.org/odyssey).

The Ocean Alliance education program builds on its history of developing engaging multimedia content resources. More recently, we have started developing a curriculum based on NGSS Next Generation Science Standards. The new curriculum focuses on equity in the classroom: accessible for groups often under-represented in the sciences: particularly minority students, new language learners, and girls in science. The curriculum includes a Virtual Whale Research Expedition component, where Ocean Alliance scientists and engineers will engage with students while on expedition across the globe.

**Summary**

Over the past decade, Ocean Alliance and its supporters have invested millions of dollars and an abundance of intellectual and physical energy to make our programs successful. We continue to build and capitalize on these investments in order to extract the maximum understanding from the research and education content we have amassed and to broadly communicate our findings to educate, motivate, inspire and effect change. This has given us the opportunity to strategically build and expand our organizational capacity in order to continue our work in making the case for wise stewardship of the oceans to mitigate pollution, prevent the collapse of marine mammal populations and promote ocean and human health.

NOTE C – SIGNIFICANT ACCOUNTING POLICIES

*Method of Accounting*

The financial statements of Ocean Alliance, Inc. have been prepared in accordance with accounting principles generally accepted in the United States of America, which involves the accrual method of accounting. Under that method, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

The Organization classifies net assets, revenues, gains and losses based on the existence or absence of donor or grantor-imposed restrictions. Consequently, net assets and changes therein are classified and reported as follows:

- Net Assets without donor restrictions represent the portion of net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Additionally, gains and investment income are treated as unrestricted revenue unless specifically restricted by the donor or by law.

**Ocean Alliance, Inc.**  
Notes to Financial Statements  
June 30, 2021

NOTE C – SIGNIFICANT ACCOUNTING POLICIES *(continued)*

- Net assets with donor restrictions represent the portion of net assets subject to donor (or certain grantor) imposed restrictions. Certain donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates resources to be maintained in perpetuity. Donor-imposed restrictions are released and are reclassified to net assets without donor restrictions when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources were restricted has been fulfilled, or both.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Ocean Alliance, Inc.'s audited financial statements for the year ended June 30, 2020, from which the summarized information was derived. Certain reclassifications have been made to the summarized information to be consistent with the presentation in the audited financial statements as of June 30, 2021.

*Cash Equivalents*

The Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

*Accounts Receivable*

Accounts receivable consist of program service revenue and miscellaneous income billed but not yet collected. All accounts receivable are considered collectible by management. There was no accounts receivable balance as of June 30, 2021

*Merchandise Inventory*

Merchandise inventory is stated at lower of cost or fair market value.

*Property and Equipment*

Property, equipment, and furnishings with an economic life in excess of one year are capitalized at cost, if purchased, or if donated, at fair market value at the date of receipt. Expenditures for maintenance repairs and renewals are charged to expense as incurred, whereas, major betterments are capitalized as additions to property and equipment. Depreciation of property and equipment is computed using the straight-line method, and is charged against income over the estimated useful lives of the assets. During fiscal 2008, the Organization purchased property in Gloucester, Massachusetts for \$2,001,083 using grant funds. The Organization plans to renovate and use the property as a headquarters and for future programs. During fiscal 2021, the Organization spent \$300,389 of capitalized costs related to the clean-up and renovation of the property. As of June 30, 2021, the Organization has incurred a total of \$2,356,647 of renovation costs related to the property. As of June 30, 2021, land improvements and building with costs totaling \$841,386 have been placed in service.

**Ocean Alliance, Inc.**  
Notes to Financial Statements  
June 30, 2021

NOTE C – SIGNIFICANT ACCOUNTING POLICIES *(continued)*

A summary of property and equipment as of June 30, 2021 is presented below.

|  | <u>Est. Life</u> | <u>Cost</u>        |
|--|------------------|--------------------|
| Sailing Vessel – Cachalot                              | 10               | \$ 113,869         |
| Research Equipment                                     | 5-12             | 87,280             |
| Office and Other                                       | 5-12             | 134,504            |
| Land Improvements and<br>Building – in service         | 15-39            | 841,386            |
| Non-depreciable Land and<br>Buildings – not in service |                  | 3,516,345          |
| Non-depreciable planning<br>and design costs           |                  | 83,197             |
| Non-depreciable art work                               |                  | <u>2,000</u>       |
|  |                  | 4,778,582          |
| Accumulated Depreciation                               |                  | <u>(404,627)</u>   |
|  |                  | <u>\$4,373,954</u> |

*Use of Estimates*

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

*Revenue and Revenue Recognition*

Program service fees are recognized as services are performed, in an amount that reflects the consideration the Organization expects to be entitled to in exchange for the services. Fees received for drone services are recognized when the services are completed. Invoices are then sent to the client for remittance of payment for the services rendered. Fees received in advance are deferred to the applicable period in which the related services are performed.

*Recognition of Donor-Restricted Contributions*

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 statement of activities as net assets released from restrictions. Restricted contributions received and expended in accordance with the donor's restrictions in the same fiscal year are recognized as public support without restrictions in these financial statements.

*Allocation of Expenses*

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as occupancy, which is allocated on a square footage basis. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the organization.

*Advertising Costs*

Advertising costs are expensed as incurred. Advertising costs in the amount of \$1,235 were charged to expense for the year ended June 30, 2021.

**Ocean Alliance, Inc.**  
Notes to Financial Statements  
June 30, 2021

NOTE C – SIGNIFICANT ACCOUNTING POLICIES *(continued)*

*Subsequent Events*

Subsequent events have been evaluated through April 27, 2022, which is the date the financial statements were available to be issued.

Beginning in March 2020, the COVID-19 pandemic in the United States has caused business disruption and a reduction in economic activity. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration and the impact it will have on the Organization’s operations and financial position. Any financial impact to the Organization, if any, cannot be reasonably estimated at this time.

NOTE D – PROMISES TO GIVE AND GRANTS RECEIVABLE

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Grants receivable consist of pledged unconditional grants or grants with conditions met but not received prior to June 30, 2021. As of June 30, 2021, the Organization had a grant receivable of \$68,623.

NOTE E – INVESTMENTS

Investments as of June 30, 2021 consisted of the following:

|   | <u>Cost</u>     | <u>Fair Value</u> | <u>Unrealized Appreciation</u> |
|---|-----------------|-------------------|--------------------------------|
| Measured using Level 1 fair value measures: |                 |                   |                                |
| Equities                                    | \$ 1,135        | \$ 1,209          | \$ 74                          |
| Total investments measured at fair value    | <u>\$ 1,135</u> | <u>\$ 1,209</u>   | <u>\$ 74</u>                   |

Net unrealized gain on investments for the year ended June 30, 2021 was \$74. There were no investment fees for the year ended June 30, 2021 and are reported net with investment income on the financial statements.

NOTE F – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2021 consisted of \$20,000 restricted for a documentary film, \$148,540 for the Snot-bot expedition, \$28,600 for drones for whale research, \$4,591 for the Patagonia Right Whale program, \$4,800 for the robotics club, \$25,082 for renovations to the Paint Factory, and \$94,930 for preserving voice of whales. For the year ended June 30, 2021, net assets with donor restrictions in the amount of \$136,707 were released from donor program restrictions by incurring expenses satisfying the purposes specified by the donors.

NOTE G – DONATED SERVICES AND ASSETS

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. During fiscal 2021, the Organization received donated assets, supplies and services totaling \$8,975.



**Ocean Alliance, Inc.**  
Notes to Financial Statements  
June 30, 2021

**NOTE H – LOANS PAYABLE**

Loans payable consist of the following as of June 30, 2021

|  |                   |
|--|-------------------|
| Loan payable to Newburyport Bank, interest at 4.25%, monthly payments of \$708 from May 31, 2020 to January 31, 2021 then monthly payments of \$2,049 from February 28, 2021 until maturity of January 31, 2031.   | \$ 191,785        |
| Loan payable to City of Gloucester, interest at 2%, accrued interest only paid until August 31, 2012, monthly principal and interest payments of \$1,519 from September 1, 2012 until maturity of August 31, 2021. | 9,286             |
| Loans payable to related parties, interest at 0%, payable on demand.   | <u>12,911</u>     |
|  | 213,982           |
| Unamortized Debt Issuance Costs  | <u>(11,215)</u>   |
|  | <u>\$ 202,767</u> |

The loan payable to the City of Gloucester contains a covenant that the Organization must provide audited financial statements to the lender within 120 days of year end, which the Organization did not comply with. However, the loan payable to the City of Gloucester was paid off subsequently to June 30, 2021 but prior to the release of the financial statements.

Principal maturities required on debt as of June 30, 2021, are as follows:

| Year Ending<br>June 30         | Amount           |
|--------------------------------|------------------|
| 2022                           | \$ 40,176        |
| 2023                           | 18,970           |
| 2024                           | 19,792           |
| 2025                           | 20,650           |
| 2026                           | 21,545           |
| Thereafter                     | <u>92,849</u>    |
|                                | 213,982          |
| Unamortized Debt Issuance Cost | <u>(11,215)</u>  |
| Total                          | <u>\$202,767</u> |

Line of Credit

The Organization has a \$100,000 line of credit with a bank. The note requires interest-only payments and is payable on demand. The interest rate to float at the Wall Street Journal Prime Rate plus 1.00%. As of June 30, 2021, the interest rate is 4.25% and there was no outstanding balance due.

Paycheck Protection Program Loan

Due to the on-going COVID-19 pandemic, the Organization applied for and received a Paycheck Protection Program loan under the United States Small Business Administration’s authority during the fiscal year ending June 30, 2020. The original loan amount was \$75,602, and the Organization recorded the amount as debt in accordance with FASB ASC 470 - Not-for-Profit Entities – Debt as of June 30, 2020. The Organization received forgiveness of this loan in March 2021 and the forgiveness has been reflected in support and revenue for the fiscal year ending June 30, 2021.

**NOTE I – RELATED PARTIES**

As identified in Note H, the Organization had loans payable to related parties, which include loans from members of the Board of Directors in the amount of \$12,911.

During the year ending June 30, 2021, a board member was contracted to provide services relating to improvements made to the Paint Factory. Total payments for these services were \$27,613.

**NOTE J – INTELLECTUAL MATERIALS**

Through years of research the Organization has accumulated a vast collection of whale recordings, film and photographs and proprietary written material in the area of science, conservation and education.

**Ocean Alliance, Inc.**  
Notes to Financial Statements  
June 30, 2021

NOTE K – CONCENTRATIONS

The Organization maintains cash balances in a financial institution that at times may have amounts in excess of Federal Deposit Insurance Corporation (FDIC) coverage of \$250,000. As of June 30, 2021, the Organization’s uninsured cash balance was \$35,676 at one financial institution. The Organization also maintains a cash balance through a brokerage firm that at times may have amounts in excess of Securities Investor Protection Corporation (SIPC) coverage of \$250,000. There was no uninsured cash balance as of June 30, 2021 held at this brokerage house.

NOTE L – TAX POSITION

The Organization has adopted the application of the provisions of FASB ASC 740-10 (formerly FASB Interpretation No. 48, “*Accounting For Uncertainty in Income Taxes*”). The primary tax positions made by the Organization are the existence/non-existence of Unrelated Business Income Tax and the Organization’s status as an exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Organization currently evaluates all tax positions, and makes determinations regarding the likelihood of those positions being upheld under review. For the years presented, and as a result of adoption, the Organization has not recognized any tax benefits or loss contingencies for uncertain tax positions based on its evaluations. The Organization’s Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2021, 2020, 2019 and 2018 are subject to examination by the IRS. Returns are generally subject to examination for three years after they are filed.

NOTE M – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Donor restricted amounts that are available for use within one year for general purposes include \$25,000 restricted for a documentary film, \$55,000 for the Snot-bot expedition, and \$29,682 for preserving voice of whales.

|  |                    |
|--|--------------------|
| Financial assets at year-end:  |                    |
| Cash   | \$462,399          |
| Investments  | 1,209              |
| Grant receivable   | <u>68,623</u>      |
| Total financial assets   | 532,231            |
| Less those unavailable for general expenditures within one year:                       |                    |
| Donor-restricted for long-term purposes  | <u>          -</u> |
| Financial assets available to meet cash needs for general expenditure within one year: | <u>\$532,231</u>   |

As of June 30, 2021, the Organization’s only borrowing commitments are the notes payable described in Note G above.

**Ocean Alliance, Inc.**  
Schedule of Program Support, Revenue, and Expenses  
For the year ended June 30, 2021  
(with comparative totals for the year ended June 30, 2020)

|   | RESEARCH PROGRAMS     |                     |                                     |                | EDUCATION     |                 |                | 2020 Total     |
|---|-----------------------|---------------------|-------------------------------------|----------------|---------------|-----------------|----------------|----------------|
|   | Whale Disentanglement | Right Whale Program | SnotBot & Drones for Whale Research | Other          | Manisla       | EDA Feasibility | 2021 Total     |                |
| <u>Program Support &amp; Revenue</u>      |                       |                     |                                     |                |               |                 |                |                |
| Foundations & Grants                      | \$ 7,330              | \$ -                | \$ 210,915                          | \$ 159,987     | \$ -          | \$ -            | \$ 378,232     | \$ 204,864     |
| Contributions                             | -                     | -                   | 5,800                               | 36,516         | -             | -               | 42,316         | 55,961         |
| Donated Assets/Services                   | -                     | -                   | -                                   | 7,840          | -             | -               | 7,840          | -              |
| Fees for Service                          | -                     | -                   | 29,167                              | -              | -             | -               | 29,167         | 2,587          |
| Merchandise and other                     | -                     | -                   | 1,075                               | 17,225         | -             | -               | 18,300         | 5,750          |
|   | <u>7,330</u>          | <u>-</u>            | <u>246,957</u>                      | <u>221,568</u> | <u>-</u>      | <u>-</u>        | <u>475,855</u> | <u>269,162</u> |
| <u>Expenses</u>                           |                       |                     |                                     |                |               |                 |                |                |
| Personnel                                 | -                     | -                   | 140,883                             | 126,190        | 30,000        | -               | 297,073        | 264,055        |
| Payroll taxes & related                   | -                     | -                   | 38,642                              | 14,741         | 20,378        | -               | 73,761         | 56,958         |
| Professional services                     | -                     | -                   | 29,133                              | 53,089         | 14,900        | -               | 97,122         | 67,219         |
| Advertising                               | -                     | -                   | -                                   | 1,057          | -             | -               | 1,057          | -              |
| Bank charges                              | -                     | -                   | 47                                  | 190            | -             | -               | 237            | 613            |
| Depreciation                              | 11,880                | -                   | 6,860                               | 52,577         | -             | -               | 71,317         | 53,263         |
| Grant expense                             | -                     | -                   | -                                   | -              | -             | -               | -              | -              |
| Insurance                                 | -                     | -                   | 26,026                              | 9,660          | -             | -               | 35,686         | 27,356         |
| Interest                                  | -                     | -                   | -                                   | 9,357          | -             | -               | 9,357          | 1,803          |
| Miscellaneous                             | -                     | -                   | 1,581                               | 1,143          | -             | -               | 2,724          | 2,824          |
| Office expense                            | -                     | -                   | -                                   | 475            | -             | -               | 475            | 593            |
| Permits and other fees                    | -                     | -                   | 1,825                               | -              | -             | -               | 1,825          | 1,640          |
| Postage and shipping                      | -                     | -                   | 1,858                               | 484            | -             | -               | 2,342          | 789            |
| Printing                                  | -                     | -                   | -                                   | 1,370          | -             | -               | 1,370          | 160            |
| Program expense                           | 129                   | -                   | 36,104                              | 1,909          | -             | -               | 38,142         | 22,972         |
| Repairs and maintenance                   | 195                   | -                   | 13,941                              | 11,322         | -             | -               | 25,458         | 12,121         |
| Storage                                   | -                     | -                   | -                                   | 2,075          | -             | -               | 2,075          | -              |
| Telecommunications                        | -                     | -                   | 2,538                               | 1,163          | -             | -               | 3,701          | 4,430          |
| Training                                  | -                     | -                   | -                                   | 552            | -             | -               | 552            | 1,367          |
| Travel                                    | -                     | -                   | 7,630                               | 444            | -             | -               | 8,074          | 16,811         |
| Utilities                                 | -                     | -                   | 3,636                               | 3,099          | -             | -               | 6,735          | 5,497          |
| Website maintenance                       | -                     | -                   | -                                   | -              | -             | -               | -              | 308            |
| Total Expenses                            | <u>12,204</u>         | <u>-</u>            | <u>310,704</u>                      | <u>290,897</u> | <u>65,278</u> | <u>-</u>        | <u>679,083</u> | <u>540,779</u> |
| Excess (deficit) of revenue over expenses | \$ (4,874)            | \$ -                | \$ (63,747)                         | \$ (69,329)    | \$ (65,278)   | \$ -            | \$ (203,228)   | \$ (271,617)   |

See independent auditor's report

**Ocean Alliance, Inc.**

Schedule of Program Support, Revenue, and Expenses

For the year ended June 30, 2020

(with comparative totals for the year ended June 30, 2019)

|  | RESEARCH PROGRAMS        |                        |  |                | EDUCATION      |                    |                | 2019<br>Total  |
|--|--------------------------|------------------------|--|----------------|----------------|--------------------|----------------|----------------|
|  | Whale<br>Disentanglement | Right Whale<br>Program | SnotBot &<br>Drones for<br>Whale<br>Research | Other          | Marisla        | EDA<br>Feasibility | 2020<br>Total  |                |
| <u>Program Support &amp; Revenue</u>         |                          |                        |  |                |                |                    |                |                |
| Foundations & Grants                         | \$ 8,345                 | \$ -                   | \$ 156,215                                   | \$ 34,616      | \$ -           | \$ 5,688           | \$ 204,864     | \$ 143,312     |
| Contributions                                | -                        | -                      | 3,928  | 52,033         | -              | -                  | 55,961         | 25,482         |
| Donated Assets/Services                      | -                        | -                      | -  | -              | -              | -                  | -              | 27,148         |
| Fees for Service                             | -                        | -                      | 2,587  | -              | -              | -                  | 2,587          | 95,984         |
| Merchandise and other                        | -                        | -                      | -  | 5,750          | -              | -                  | 5,750          | 338            |
|  | <u>8,345</u>             | <u>-</u>               | <u>162,730</u>                               | <u>92,399</u>  | <u>-</u>       | <u>5,688</u>       | <u>269,162</u> | <u>292,264</u> |
| <u>Expenses</u>                              |                          |                        |  |                |                |                    |                |                |
| Personnel                                    | 11,341                   | -                      | 111,233                                      | 61,981         | 79,500         | -                  | 264,055        | 240,217        |
| Payroll taxes & related                      | 2,991                    | -                      | 29,791                                       | 14,813         | 9,363          | -                  | 56,958         | 55,370         |
| Professional services                        | -                        | 4,730                  | 32,260                                       | 18,029         | 12,200         | -                  | 67,219         | 72,339         |
| Grant expense                                | -                        | -                      | -  | -              | -              | -                  | -              | 34,788         |
| Bank charges                                 | -                        | 218                    | -  | 395            | -              | -                  | 613            | 523            |
| Training                                     | -                        | -                      | 1,367  | -              | -              | -                  | 1,367          | -              |
| Permits and other fees                       | 70                       | 297                    | 458  | 815            | -              | -                  | 1,640          | 3,187          |
| Depreciation                                 | 11,940                   | -                      | 3,401  | 37,922         | -              | -                  | 53,263         | 53,423         |
| Insurance                                    | 3,263                    | 256                    | 9,476  | 10,843         | -              | 3,518              | 27,356         | 16,842         |
| Interest                                     | -                        | -                      | -  | 1,803          | -              | -                  | 1,803          | 1,076          |
| Miscellaneous                                | 175                      | 132                    | 1,955  | 562            | -              | -                  | 2,824          | 1,618          |
| Office expense                               | -                        | -                      | 33   | 21             | -              | 539                | 593            | 541            |
| Postage and shipping                         | -                        | -                      | 614  | 175            | -              | -                  | 789            | 2,492          |
| Printing                                     | -                        | -                      | 160  | -              | -              | -                  | 160            | 91             |
| Program expense                              | 2,937                    | 3,095                  | 11,912                                       | 5,028          | -              | -                  | 22,972         | 57,120         |
| Repairs and maintenance                      | 6,389                    | 1,239                  | 1,966  | 2,527          | -              | -                  | 12,121         | 16,654         |
| Storage                                      | -                        | -                      | -  | -              | -              | -                  | -              | 2,083          |
| Telecommunications                           | 115                      | 10                     | 2,536  | 1,769          | -              | -                  | 4,430          | 5,626          |
| Travel                                       | -                        | 3,065                  | 12,719                                       | 894            | -              | 133                | 16,811         | 44,287         |
| Utilities                                    | 75                       | -                      | 1,652  | 2,872          | -              | 898                | 5,497          | 3,492          |
| Website maintenance                          | -                        | -                      | 165  | 143            | -              | -                  | 308            | 121            |
| Total Expenses                               | <u>39,296</u>            | <u>13,042</u>          | <u>221,698</u>                               | <u>160,592</u> | <u>101,063</u> | <u>5,088</u>       | <u>540,779</u> | <u>611,890</u> |
| Excess (deficit) of revenue<br>over expenses | \$ (30,951)              | \$ (13,042)            | \$ (58,968)                                  | \$ (68,193)    | \$ (101,063)   | \$ 600             | \$ (271,617)   | \$ (319,626)   |

See independent auditor's report