

ALGALITA MARINE RESEARCH
AND EDUCATION
(A NONPROFIT CORPORATION)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Algalita Marine Research and Education

We have reviewed the accompanying financial statements of Algalita Marine Research and Education (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

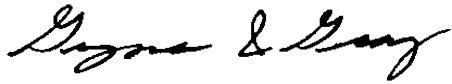
Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

INDEPENDENT ACCOUNTANTS' REVIEW REPORT (Continued)

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "Guzman & Gray". The signature is written in a cursive, flowing style.

Guzman & Gray, CPAs
Long Beach, CA
August 11, 2021

ALGALITA MARINE RESEARCH AND EDUCATION
STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2020

ASSETS

CURRENT ASSETS

Cash \$ 101,534

BENEFICIAL INTEREST IN

Funds designated by the Board 154,541
Perpetual Endowment 261,936
Total Beneficial Interest 416,477

FURNITURE, EQUIPMENT, AND

LEASEHOLD IMPROVEMENTS, net 1,910

OTHER ASSETS

Deposits 1,443

TOTAL ASSETS

\$ 521,364

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued liabilities \$ 2,485
Sales tax payable 294
Other liabilities 4,713
Total Liabilities 7,492

NET ASSETS

Without donor restrictions
Undesignated 78,073
Designated by the Board for endowment 154,541
Total without donor restrictions 232,614
With donor restrictions
Perpetual in nature 261,936
Purpose restrictions 19,322
Total with donor restrictions 281,258
Total net assets 513,872

TOTAL LIABILITIES AND NET ASSETS

\$ 521,364

See Independent Accountants' Review Report and Notes to Financial Statements

ALGALITA MARINE RESEARCH AND EDUCATION
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions and grants	\$ 191,766	\$ 298,968	\$ 490,734
Program service fees	12,850		12,850
Gross special events revenue	\$ 4,903		
Less cost of direct benefits to donors	<u>1,954</u>		
Net special events	2,949		2,949
Change in value of beneficial interest	17,431	34,609	52,040
In kind goods	1,350		1,350
In kind facilities use	18,800		18,800
In kind services	84,104		84,104
Royalty income	150		150
Other	1,215		1,215
	<u>330,615</u>	<u>333,577</u>	<u>664,192</u>
NET ASSETS RELEASED FROM RESTRICTION	<u>335,111</u>	<u>(335,111)</u>	
TOTAL REVENUE	<u>665,726</u>	<u>(1,534)</u>	<u>664,192</u>
EXPENSES			
Program	514,186		514,186
Management and General	47,107		47,107
Fundraising	32,322		32,322
	<u>593,615</u>		<u>593,615</u>
TOTAL EXPENSES	<u>593,615</u>		<u>593,615</u>
CHANGE IN NET ASSETS	<u>72,111</u>	<u>(1,534)</u>	<u>70,577</u>

See Independent Accountants' Review Report and Notes to Financial Statements

ALGALITA MARINE RESEARCH AND EDUCATION
CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
PREVIOUSLY REPORTED NET ASSETS AT DECEMBER 31, 2019	\$ 160,503	\$ 262,792	\$ 423,295
PRIOR PERIOD ADJUSTMENT To correct grant funds		<u>20,000</u>	<u>20,000</u>
NET ASSETS AT DECEMBER 31, 2019, Restated	160,503	282,792	443,295
CHANGE IN NET ASSETS	<u>72,111</u>	<u>(1,534)</u>	<u>70,577</u>
NET ASSETS, END OF YEAR DECEMBER 31, 2020	<u>\$ 232,614</u>	<u>\$ 281,258</u>	<u>\$ 513,872</u>

See Independent Accountants' Review Report and Notes to Financial Statements

ALGALITA MARINE RESEARCH AND EDUCATION
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 70,577
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	2,271
Forgiveness of Paycheck Protection Program loan	(41,357)
Decrease in assets:	
Grant receivable	20,000
Noncash investments	1,049
Deposits	525
Decrease in liabilities:	
Accounts payable	(17,013)
Sales tax payable	(2,145)
Other liabilities	(986)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>32,921</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Beneficial interest in endowment	<u>(52,040)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(52,040)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Paycheck Protection Program loan	
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>41,357</u>
NET INCREASE IN CASH	22,238
BEGINNING CASH	<u>79,296</u>
ENDING CASH	<u>\$ 101,534</u>
 <u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u>	
INTEREST PAID	<u>NONE</u>
TAXES PAID	<u>NONE</u>

See Independent Accountants' Review Report and Notes to Financial Statements

ALGALITA MARINE RESEARCH AND EDUCATION
STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2020

EXPENSES	Program	Management and General	Fundraising	Cost of Direct Benefits	Total
Salaries and wages	\$ 181,093	\$ 18,291	\$ 21,919		\$ 221,303
Payroll tax	15,220	1,350	1,809		18,379
Telephone	3,711				3,711
Accounting		6,175			6,175
Legal and professional		12,356			12,356
Supplies	757	125			882
Occupancy	41,073				41,073
Insurance	1,904	5,151			7,055
Marketing	768				768
Postage and shipping	801	63	434		1,298
Travel	5,239				5,239
Dues and subscriptions	2,319	350	2,145		4,814
Printing	5,009				5,009
Conference and meetings	868	25			893
Program	147,520		1,052		148,572
Website	2,481	372			2,853
Depreciation		2,271			2,271
In kind	99,554		4,700		104,254
Taxes and licenses		232			232
Cost of direct benefits to donors				\$ 1,954	1,954
Store merchandise	5,536				5,536
Other	333	346	263		942
Total expenses by function	514,186	47,107	32,322	1,954	595,569
Less expenses included with revenues on the statement of activities					
Cost of direct benefits to donors				(1,954)	(1,954)
Total expenses included in the expense section on the statement of activities	<u>\$ 514,186</u>	<u>\$ 47,107</u>	<u>\$ 32,322</u>		<u>\$ 593,615</u>

See Independent Accountants' Review Report and Notes to Financial Statements

ALGALITA MARINE RESEARCH AND EDUCATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 1 – ORGANIZATION

Algalita Marine Research and Education (the “Organization”) was incorporated in December 1994 as a California nonprofit corporation committed to the protection of the marine environment and its watersheds through research, education, and restoration. The Organization’s main focus is on the issue of plastic pollution and its effect on the marine ecosystem and potential risks to human health through the transfer of toxins from ingested plastic debris by fish and through the food chain. The Organization’s goal is to develop a clear understanding of the impact of plastics on our marine environment by educating the public about the ecological value and vulnerabilities of our oceans and how individual actions influence the marine ecosystem and human health. The Organization works with an affiliated organization located in New Zealand. The affiliation does not meet the requirement for consolidation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Basis of Presentation

The accompanying financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenue, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets are classified and reported as:

Without Donor Restrictions – Those resources not subject to donor-imposed restrictions. The board of directors has discretionary control over these resources. Designated amounts represent those net assets that the board has set aside for a particular purpose.

With Donor Restrictions – Those resources subject to donor-imposed restrictions that will be satisfied by action of the Organization or by the passage of time.

Net Assets Released From Restrictions

Net assets are released by incurring expenses satisfying the restriction or by occurrence of other events specified by donors.

The Organization has elected to present contributions with donor restrictions that are fulfilled in the same period within the net assets without donor restrictions class.

ALGALITA MARINE RESEARCH AND EDUCATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Estimates

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

Cash and Cash Equivalents

The Organization considers all highly-liquid investments, which are readily convertible to known amounts of cash and which have an original maturity of three months or less, to be cash equivalents.

Investments

The Organization carries investments in marketable securities with readily determinable fair values at their fair values in the statements of financial position. Changes in fair market value of investments, which consist of the realized gains, interest and dividends or losses and the unrealized appreciation of those investments, are shown in the statement of activities.

Furniture, Equipment, and Leasehold Improvements

Furniture, equipment, and leasehold improvements are carried at cost or if donated, at the fair market value at date of donation. Depreciation is provided on the straight-line method over the estimated useful lives of three to ten years. Additions and improvements that increase the capacity or lengthen the useful lives of the assets are capitalized. When assets are sold or retired their cost and the related accumulated depreciation are removed from the accounts with their resulting gain or loss reflected in the Statement of Activities and Changes in Net Assets. Repairs and maintenance are expensed as incurred.

Accrued Vacation

Accruals for vacation are made on a monthly basis as such benefits become payable to employees. Pay rate increases are applied to the hours earned in prior periods, if any, and are reported in salaries and wages in the statement of functional expenses.

Contributions and Grants

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. All contributions and grants are considered to be net assets without restrictions unless specifically restricted by the donor. Any such contributions are recognized as an increase to the restricted fund. Contributions and grants that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, net assets with restrictions are reclassified as net asset without restrictions.

ALGALITA MARINE RESEARCH AND EDUCATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services and Goods

The Organization recognizes the contribution of services if the services received require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services that do not meet the criteria shall not be recognized.

Donated goods are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated goods to a specific purpose.

Allocation of Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. During the year ended December 31, 2020, 87% of expenses were allocated to program services.

Income Tax Status

The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue Code Section 23701(d). The Organization is classified by the Internal Revenue Service as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(c)(2). Income for certain activities not directly related the Organization's tax-exempt purpose is subject to unrelated business income taxation.

The Organization evaluates uncertain tax positions whereby the effect of the uncertainty would be recorded if the tax positions will more likely than not be sustained upon examination. As of December 31, 2020, management does not believe the Organization has any uncertain tax positions requiring accrual or disclosure. The Organization is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

ALGALITA MARINE RESEARCH AND EDUCATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606) (ASU 2014-09), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in generally accepted accounting principles of the United States when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2019. The Organization has adopted the new accounting standard for the current financial statements. No significant changes were made to prior year amounts during the adoption of the new standard.

For the year ended December 31, 2020, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2018-08 Not for Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, and has applied it prospectively. The provision provides additional guidance on characterizing grants and similar contracts with resource providers as either exchange transactions or contributions, as well as distinguishing between conditional and unconditional contributions. No significant changes were made to prior year amounts during the adoption of the new standard.

Recently Issued Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, Leases (Topic 842) (ASU 2016-02). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Organization is currently evaluating the impact of the adoption of the new standard on the financial statements.

ALGALITA MARINE RESEARCH AND EDUCATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 3 – BENEFICIAL INTEREST/ENDOWMENT FUND

On December 2014, the Organization transferred funds into an endowment fund consisting of securities with the Long Beach Community Foundation (the Foundation). The Organization is an income beneficiary of these funds and is entitled to distributions made annually or at such other intervals as the Organization and the Foundation shall from time to time agree. Management will utilize such funds with due process as determined by the Organization’s Board of Directors. Should the need arise, the Organization may request a disbursement of funds in excess of the Foundation’s spending policy, and may be accepted or rejected at the discretion of the Foundation. The fair market value of the pool allocated to the Organization for the year ending December 31, 2020, was \$154,541.

Also, on June 27, 2019, the Organization set up the “Algalita Permanent Endowment Fund” with the Foundation. All money and property transferred to the Fund shall be an irrevocable gift to the Foundation. The Organization will be an income beneficiary of these funds to support general operations in perpetuity. Annual payouts are determined by the Foundation by applying its spending policy for endowed funds to assets in the Fund. Should the Fund created ever become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by the Foundation, the Foundation’s Board of Directors shall modify any restrictions or conditions on the use or distributions from the Fund. The fair market value of the Fund for the year ending December 31, 2020, was \$261,936.

Fund balance activity is summarized as follows:

	Without Donor Restrictions (Board designated)	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 137,110	\$ 227,327	\$ 364,437
Contributions			
Investment return, net	19,006	40,225	59,231
Appropriation of endowment assets			
Investment fees	(1,575)	(5,616)	(7,191)
	<u>17,431</u>	<u>34,609</u>	<u>52,040</u>
Endowment net assets, end of year	<u>\$ 154,541</u>	<u>\$ 296,545</u>	<u>\$ 416,477</u>

ALGALITA MARINE RESEARCH AND EDUCATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 4 – PAYCHECK PROTECTION PROGRAM FORGIVABLE LOAN

On May 4, 2020 the Organization received loan proceeds of \$41,357 from a local bank under the Paycheck Protection Program ("PPP") administered by the U.S. Small Business Administration ("SBA"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES" Act), can loan a qualifying organization up to 2.5 times the qualifying organization's average monthly payroll expenses. The loan and accrued interest are forgivable during the 8 or 24 week covered period it selects for payroll, healthcare benefits, interest on loan obligations incurred before February 15, 2020, rent, and utilities as outlined in the loan agreement.

The unforgiven portion of the PPP loan is payable over two years from the disbursement date. Interest on the loan of 1% from the disbursement date which is May 4, 2020. Payments of the principal and interest are deferred until the date the lender receives notification from the SBA of any unforgiven loan amount but not to exceed the final loan forgiveness application due date. Any remaining balance due on the loan must be repaid on or before the maturity date of the loan.

Based on the above facts and circumstances, the Organization has adopted a policy to recognize the loan as a conditional contribution, with right of return while recognizing contribution income as the barriers to income recognition are met. During the year, the Center recognized \$41,357 as a grant for the amount of the loan proceeds used for qualifying expenses.

On December 18, 2020 the Organization received a letter from Bank of America confirming the first draw of the PPP loan has been completely forgiven.

NOTE 5 – SPECIAL EVENTS

The Organization conducts special events in order to assist in program operations. All events are conducted in accordance with applicable federal, state, and local laws and ordinances.

Revenues and expenses relating to special events for the year ended December 31, 2020, are as follows:

	<u>Gross Revenue</u>	<u>Direct Donor Benefits</u>	<u>Net</u>
Story of Plastic	\$ 3,340	\$ (600)	\$ 2,740
Catalina Swim Fundraiser	1,535		1,535
BYO Grand Reopening Party	28	(252)	(224)
Long Beach Gives		(1,102)	(1,102)
	<u>\$ 4,903</u>	<u>\$ (1,954)</u>	<u>\$ 2,949</u>

ALGALITA MARINE RESEARCH AND EDUCATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 6 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. The fair value hierarchy is as follows:

Level 1: Quoted prices in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to level 1 inputs.

Level 2: Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Inputs that are unobservable and based on the Organization’s assumptions, estimates, and internally developed inputs. The fair value hierarchy gives lowest priority to level 3 inputs.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair measurement in its entirety.

Fair values measured on a recurring basis

Fair values of cash, investments, and beneficial interests measured on a recurring basis are as follows:

	Fair Value Measurements at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Beneficial interest			\$ 416,477	416,477

ALGALITA MARINE RESEARCH AND EDUCATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 7 – FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS, NET

Furniture, equipment, and leasehold improvements consist of the following as of December 31, 2020:

Furniture and equipment	\$	42,393
Leasehold improvements		1,475
		43,868
Less: accumulated depreciation		(41,958)
 Furniture, equipment, and leasehold Improvements, net	 \$	 1,910

For the year ended December 31, 2020, depreciation expense was \$2,271.

NOTE 8 – LEASES

The Organization entered into a lease agreement on April 23, 2015, for its office location in Long Beach, California. The lease term begins June 2015 and ends May 31, 2018. Minimum lease payments are \$1,433 per month, adjusted yearly based on a specified consumer price index. The renewed lease begins on June 1, 2018 and ends May 31, 2021. Minimum lease payments under the renewed lease is \$1,701 per month.

On April 30, 2015, Algalita entered into a lease agreement through December 2025, for the use of an oceanographic research vessel along with crews for the purpose of conducting marine research, and/or educational activities that involve near-shore or long-term ocean voyages. For fiscal year ended December 31, 2020, the lease payment is a monthly fee of \$2,000 plus a rate of \$1,500 per daily use.

Future minimum payments under the leases are as follows:

For the year ended
December 31,

	Building	Research Vessel	Total
2021	\$ 8,950	30,000	38,950
2022		30,000	30,000
2023		36,000	36,000
2024		36,000	36,000
2025		42,000	42,000
Total	\$ 8,950	\$ 174,000	\$ 182,950

ALGALITA MARINE RESEARCH AND EDUCATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 9 – RELATED PARTY TRANSACTIONS

The lease agreement previously mentioned in Note 8 for operation of an oceanographic research vessel is provided through the Organization’s founder. The Organization’s Board of Directors has approved such service which is considered to be at or below its fair market value.

NOTE 10 – CONCENTRATION OF CREDIT RISK

Cash deposits in financial institutions may exceed federally insured limits at times during the year. As of December 31, 2020, cash and cash equivalents balances held at financial institutions did not exceed the FDIC and SIPC insurance amounts. Cash deposits in financial institutions may differ from cash presented in the statement of financial position due to timing differences.

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with donor restrictions are restricted as follows:

Subject to expenditure for specified purpose:	
Educational programs	\$ 19,322
Perpetual endowments:	
Subject to appropriation and expenditure when a specified event occurs	
Restricted by donors for investment	<u>261,936</u>
Total net assets with donor restrictions	<u>\$ 281,258</u>

Net assets were released from donor restrictions either by incurring expenses, which satisfied the restricted purposes or by the occurrences of other events specified by donors. Releases amounted to \$315,111 for the fiscal year ended December 31, 2020.

ALGALITA MARINE RESEARCH AND EDUCATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 12 – PRIOR PERIOD ADJUSTMENT

The Organization had a grant that was inadvertently not recognized on prior year reviewed financials at December 31, 2019. The grant totaled \$20,000 and should have been recorded as a grant receivable in the prior year. This year beginning net assets were adjusted to recognized the increase in prior year income resulting from the adjustment.

NOTE 13 – LIQUIDITY AND AVAILABILITY

The Organization maintains and manages adequate operating funds per policies set by the board of directors.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise of the following:

Cash	\$	117,784
Beneficial Interest		154,541
Less: Donor restrictions		<u>(19,322)</u>
Total	\$	<u>253,003</u>

The Organization's endowment funds consist of donor-restricted and board designated endowments. Income from endowments are available for general use at the discretion of the board. Donor-restricted endowment funds are not available for general expenditure.

Although we do not plan to spend from the board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

NOTE 14 – SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 11, 2021, the date the financial statements were available to issue, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.