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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, 2021, 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.

Guzman & Gray, CPAs
Long Beach, CA
June 2, 2022
ALGALITA MARINE RESEARCH AND EDUCATION
STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2021

ASSETS

CURRENT ASSETS
Cash $74,484
Grant Advance 18,050
Prepaid Expenses 3,500
Total Current Assets 96,034

BENEFICIAL INTEREST IN
Funds designated by the Board 286,192
Perpetual Endowment 173,427
Total Beneficial Interest 459,619

FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS, net 1,429

OTHER ASSETS
Deposits 1,443

TOTAL ASSETS $558,525

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES
Accounts payable and accrued liabilities $3,473
Sales tax payable 502
Other liabilities 5,241
Total Liabilities 9,216

NET ASSETS
Without donor restrictions
Undesignated 79,235
Designated by the Board for endowment 173,427
Total without donor restrictions 252,662

With donor restrictions
Perpetual in nature 286,192
Purpose restrictions 10,455
Total with donor restrictions 296,647

Total net assets 549,309

TOTAL LIABILITIES AND NET ASSETS $558,525

See Independent Accountants' Review Report and Notes to Financial Statements 3
## ALGALITA MARINE RESEARCH AND EDUCATION

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

*FOR THE YEAR ENDED DECEMBER 31, 2021*

<table>
<thead>
<tr>
<th>SUPPORT AND REVENUE</th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions and grants</td>
<td>$ 238,176</td>
<td>$ 117,999</td>
<td>$ 356,175</td>
</tr>
<tr>
<td>Program service fees</td>
<td>8,961</td>
<td></td>
<td>8,961</td>
</tr>
<tr>
<td>Change in value of beneficial interest</td>
<td>26,103</td>
<td>24,257</td>
<td>50,360</td>
</tr>
<tr>
<td>In kind services</td>
<td>30,348</td>
<td></td>
<td>30,348</td>
</tr>
<tr>
<td>Investment income</td>
<td>461</td>
<td></td>
<td>461</td>
</tr>
<tr>
<td>Other</td>
<td>83</td>
<td></td>
<td>83</td>
</tr>
<tr>
<td><strong>NET ASSETS RELEASED FROM</strong></td>
<td><strong>304,132</strong></td>
<td><strong>142,256</strong></td>
<td><strong>446,388</strong></td>
</tr>
<tr>
<td><strong>REstriction</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td><strong>430,999</strong></td>
<td><strong>15,389</strong></td>
<td><strong>446,388</strong></td>
</tr>
</tbody>
</table>

| **EXPENSES**                                              | **343,902**                | **48,427**              | **354,951**|
| Program                                                   |                            |                         |          |
| Management and General                                    |                            |                         |          |
| Fundraising                                               |                            |                         |          |
| **TOTAL EXPENSES**                                        | **410,951**                |                         | **410,951**|

| **CHANGE IN NET ASSETS**                                  | **20,048**                 | **15,389**              | **35,437**|

| **BEGINNING NET ASSETS**                                  | **232,614**                | **281,258**             | **513,872**|

| **ENDING NET ASSETS**                                     | **$ 252,662**              | **$ 296,647**           | **$ 549,309**|

See Independent Accountants’ Review Report and Notes to Financial Statements

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ALGALITA MARINE RESEARCH AND EDUCATION
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets $ 35,437
Adjustments to reconcile change in net assets to net cash provided by operating activities
Depreciation 481
(Increase) in operating assets
Grant Advance (18,050)
Prepaid Expenses (3,500)
Increase in operating assets
Accounts payable 988
Sales tax payable 208
Other liabilities 528
NET CASH PROVIDED BY OPERATING ACTIVITIES 16,092

CASH FLOWS FROM INVESTING ACTIVITIES

Beneficial interest in endowment (43,142)
NET CASH USED BY INVESTING ACTIVITIES (43,142)

NET INCREASE IN CASH (27,050)

BEGINNING CASH 101,534

ENDING CASH $ 74,484

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

INTEREST PAID NONE
TAXES PAID NONE

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, 2021

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>Program</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$ 184,530</td>
<td>$ 7,992</td>
<td>$ 14,194</td>
<td>$ 206,716</td>
</tr>
<tr>
<td>Payroll tax</td>
<td>13,288</td>
<td>1,898</td>
<td>2,149</td>
<td>17,335</td>
</tr>
<tr>
<td>Telephone and Utilities</td>
<td>4,496</td>
<td></td>
<td></td>
<td>4,496</td>
</tr>
<tr>
<td>Accounting</td>
<td></td>
<td>7,540</td>
<td></td>
<td>7,540</td>
</tr>
<tr>
<td>Legal and professional</td>
<td>10,358</td>
<td></td>
<td></td>
<td>10,358</td>
</tr>
<tr>
<td>Supplies</td>
<td>2,273</td>
<td>730</td>
<td></td>
<td>3,003</td>
</tr>
<tr>
<td>Occupancy</td>
<td>43,816</td>
<td></td>
<td></td>
<td>43,816</td>
</tr>
<tr>
<td>Insurance</td>
<td>3,500</td>
<td>3,548</td>
<td></td>
<td>7,048</td>
</tr>
<tr>
<td>Marketing</td>
<td>15</td>
<td></td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>932</td>
<td>141</td>
<td>958</td>
<td>2,031</td>
</tr>
<tr>
<td>Travel</td>
<td>21</td>
<td></td>
<td></td>
<td>21</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>3,255</td>
<td>433</td>
<td>1,080</td>
<td>4,768</td>
</tr>
<tr>
<td>Printing</td>
<td>5,068</td>
<td></td>
<td></td>
<td>5,068</td>
</tr>
<tr>
<td>Conference and meetings</td>
<td>222</td>
<td>238</td>
<td></td>
<td>460</td>
</tr>
<tr>
<td>Program</td>
<td>54,716</td>
<td>663</td>
<td></td>
<td>55,379</td>
</tr>
<tr>
<td>Website</td>
<td>2,482</td>
<td>300</td>
<td></td>
<td>2,782</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td>481</td>
<td></td>
<td>481</td>
</tr>
<tr>
<td>In kind</td>
<td>20,750</td>
<td>9,597</td>
<td></td>
<td>30,347</td>
</tr>
<tr>
<td>Store merchandise</td>
<td>4,448</td>
<td></td>
<td></td>
<td>4,448</td>
</tr>
<tr>
<td>Taxes and Licenses</td>
<td></td>
<td>254</td>
<td></td>
<td>254</td>
</tr>
<tr>
<td>Bank Fees</td>
<td></td>
<td>60</td>
<td></td>
<td>60</td>
</tr>
<tr>
<td>Other</td>
<td>90</td>
<td>4,194</td>
<td>241</td>
<td>4,525</td>
</tr>
</tbody>
</table>

Total expenses included in the expense section on the statement of activities

<table>
<thead>
<tr>
<th></th>
<th>Program</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$ 343,902</td>
<td>$ 48,427</td>
<td>$ 18,622</td>
<td>$ 410,951</td>
</tr>
</tbody>
</table>

See Independent Accountants' Review Report and Notes to Financial Statements

6
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 AND REVENUE RECOGNITION

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.
NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REVENUE RECOGNITION, (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.

Revenue Recognition
The Foundation applies the five-step model to contracts when it is probable that the Foundation will collect the consideration it is entitled. To determine revenue recognition for arrangements within the scope of ASC Topic 606, "Revenue from Contracts with Customers" ("ASC Topic 606"), the Foundation performs the following five steps: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when or as the Foundation satisfies a performance obligation.
NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REVENUE RECOGNITION. (Continued)

The Foundation then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation or as the performance obligation is satisfied. A summary of significant revenue streams are below.

**Grants and Contracts**
Recognition of revenue for grants and contracts is based primarily on services performed, expenses incurred, and as programs and service activities take place. The revenue is reported with support and revenue in the statement of activities and changes in net assets.

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

**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, 2021, 84% 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, 2021, 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
NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REVENUE RECOGNITION. (Continued)

Grant Advance
Grant advances are given to qualified recipients who will either submit invoices in accordance with their contract within one year or return the funds.

Recently Issued Accounting Pronouncements Not Yet Adopted

Lease Accounting
In February 2016, the FASB issued an accounting standard update which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current U.S. GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements and lessor accounting. The update originally required transition to the new lease guidance using a modified retrospective approach which would reflect the application of the update as of the beginning of the earliest comparative period presented.

A subsequent amendment to the update provides an optional transition method that allows entities to initially apply the new lease guidance with a cumulative effect adjustment to the opening balance of equity in the period of adoption. If this optional transition method is elected, after the adoption of the new lease guidance, the Organization’s presentation of comparative periods in the financial statements will continue to be in accordance with current lease accounting. The Organization is evaluating the method of adoption it will elect and the effect the update will have on its financial statements. The update is effective for fiscal years beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2022, with early application permitted. The Organization is currently evaluating the effect the update will have on its financial statements.

Measurement of Credit Losses on Financial Instruments
In June 2016, the FASB issued an accounting standard update ("ASU") (ASU 2016-13) which will replace the current incurred loss impairment methodology in U.S. GAAP with a methodology that reflects the expected credit losses. The update is intended to provide financial statement users with more decision-useful information about expected credit losses. Also, the FASB has issued amendments to the update with transition relief intended to improve comparability of financial statement information for some entities, to decrease costs for some financial statement preparers, and to clarify some disclosures.
NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REVENUE RECOGNITION, (Continued)

Measurement of Credit Losses on Financial Instruments, (Continued)
This update is effective on a modified retrospective basis for financial statements issued for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. Early adoption is permitted for fiscal years beginning after December 15, 2018 including interim periods in those fiscal years. The Organization is currently evaluating the effect the update will have on its financial statements.

Contributed Nonfinancial Assets
In September 2020, the FASB issued an accounting standard update (ASU 2020-07) which amends guidance for not-for-profit entities that receive contributed nonfinancial assets. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities, and to disclose information regarding each type of contributed nonfinancial asset. The update is to be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021, and for interim reporting periods beginning after June 15, 2022. The Organization is currently evaluating the effect the update will have on its financial statements.

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, 2021, was $173,427.

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, 2021, was $286,192.
NOTE 3 – BENEFICIAL INTEREST/ENDOWMENT FUND (Continued)

Fund balance activity is summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions (Board designated)</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment net assets, beginning of year</td>
<td>$154,541</td>
<td>$261,936</td>
<td>$416,477</td>
</tr>
<tr>
<td>Contributions</td>
<td>$50,000</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Investment return, net</td>
<td>$21,170</td>
<td>$39,604</td>
<td>$60,774</td>
</tr>
<tr>
<td>Appropriation of endowment assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants Approved</td>
<td>$(50,000)</td>
<td>$(8,490)</td>
<td>$(58,490)</td>
</tr>
<tr>
<td>Investment fees</td>
<td>$(2,284)</td>
<td>$(8,858)</td>
<td>$(9,142)</td>
</tr>
<tr>
<td></td>
<td>18,886</td>
<td>24,256</td>
<td>43,142</td>
</tr>
<tr>
<td>Endowment net assets, end of year</td>
<td>$173,427</td>
<td>$286,192</td>
<td>$459,619</td>
</tr>
</tbody>
</table>

NOTE 4 – 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.
NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)

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

<table>
<thead>
<tr>
<th>Fair Value Measurements at December 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td>Beneficial interest</td>
</tr>
</tbody>
</table>

NOTE 5 – FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS, NET

Furniture, equipment, and leasehold improvements consist of the following as of December 31, 2021:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>$ 42,393</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>1,475</td>
</tr>
<tr>
<td>Total</td>
<td>43,868</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>-42,439</td>
</tr>
<tr>
<td>Furniture, equipment, and leasehold improvements</td>
<td>$ 1,429</td>
</tr>
</tbody>
</table>

For the year ended December 31, 2021, depreciation expense was $481.

NOTE 6 – 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, 2021 and ends May 31, 2023. Minimum lease payments under the renewed lease is $3,382 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.
NOTE 6 – LEASES (Continued)

Future minimum payments under the leases are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Building</th>
<th>Research Vessel</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$42,040</td>
<td>30,000</td>
<td>72,040</td>
</tr>
<tr>
<td>2023</td>
<td>$18,989</td>
<td>36,000</td>
<td>54,989</td>
</tr>
<tr>
<td>2024</td>
<td></td>
<td>36,000</td>
<td>36,000</td>
</tr>
<tr>
<td>2025</td>
<td></td>
<td>42,000</td>
<td>42,000</td>
</tr>
<tr>
<td>Total</td>
<td>$61,029</td>
<td>$144,000</td>
<td>$205,029</td>
</tr>
</tbody>
</table>

NOTE 7 – RELATED PARTY TRANSACTIONS

The lease agreement previously mentioned in Note 6 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 8 – CONCENTRATION OF CREDIT RISK

Cash deposits in financial institutions may exceed federally insured limits at times during the year. As of December 31, 2021, 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 9 – NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with donor restrictions are restricted as follows:

Subject to expenditure for specified purpose:
   Educational programs $ 10,455

Perpetual endowments:
   Subject to appropriation and expenditure when
   a specified event occurs
   Restricted by donors for investment $286,192

Total net assets with donor restrictions $ 296,647

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 $126,867 for the fiscal year ended December 31, 2021.

NOTE 10 – 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 $ 74,484
   Beneficial Interest 459,619
   Less: Donor restrictions (296,647)

Total $ 237,456
NOTE 10 – LIQUIDITY AND AVAILIBILITY (Continued)

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 11 – SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June, 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.