



**OCEANA, INC. AND AFFILIATE**

**Consolidated Financial Statements**

*For the Year Ended December 31, 2024*

*(With Summarized Financial Information for the Year Ended December 31, 2023)*



**and  
Report Thereon**



# OCEANA, INC. AND AFFILIATE

## TABLE OF CONTENTS For the Year Ended December 31, 2024

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### *Page*

Independent Auditors' Report..... 1-2

#### Financial Statements

Consolidated Statement of Financial Position ..... 3

Consolidated Statement of Activities ..... 4

Consolidated Statement of Functional Expenses ..... 5

Consolidated Statement of Cash Flows..... 6

Notes to Financial Statements..... 7-18

#### Supplementary Information

Consolidating Schedule of Financial Position..... 19

Consolidating Schedule of Activities..... 20

## **Independent Auditors' Report**

The Board of Directors of  
**Oceana, Inc. and Affiliate**

### ***Opinion***

We have audited the consolidated financial statements of Oceana, Inc. and Affiliate (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditors' 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 auditors' 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud

may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 the Organization'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 the Organization'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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 2024 consolidating schedules of financial position and activities on pages 19-20 are presented for the purpose 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 2024 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Matter**

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

The financial statements of Oceana, Inc. and Affiliate as of and for the year ended December 31, 2023, were audited by Marcum LLP, whose report dated June 17, 2024, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*CBIZ CPAs P.C.*

Washington, DC  
July 2, 2025

**OCEANA, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**December 31, 2024**  
**(With Summarized Financial Information as of December 31, 2023)**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 13,488,052	\$ 33,484,974
Short-term investments	27,756,928	6,646,108
Grants and contributions receivable, current portion	9,030,145	19,821,631
Other receivable	349,681	394,332
Prepaid expenses and other	<u>1,137,075</u>	<u>655,981</u>
Total Current Assets	51,761,881	61,003,026
Grants and contributions receivable, net of current portion	1,829,792	3,608,853
Property and equipment, net	1,221,972	1,646,465
Right of use asset – operating	5,559,801	6,638,308
Deposits and other long-term assets	<u>2,171,316</u>	<u>2,179,022</u>
TOTAL ASSETS	<u>\$ 62,544,762</u>	<u>\$ 75,075,674</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 3,070,692	\$ 3,737,066
Lease liabilities – operating, current portion	<u>1,592,807</u>	<u>1,602,742</u>
Total Current Liabilities	4,663,499	5,339,808
Lease liabilities – operating, net of current portion	<u>6,649,774</u>	<u>8,109,817</u>
TOTAL LIABILITIES	<u>11,313,273</u>	<u>13,449,625</u>
Net Assets		
Without donor restrictions	36,875,111	32,419,348
With donor restrictions	<u>14,356,378</u>	<u>29,206,701</u>
TOTAL NET ASSETS	<u>51,231,489</u>	<u>61,626,049</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 62,544,762</u>	<u>\$ 75,075,674</u>

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

**OCEANA, INC. AND AFFILIATE**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2024**

**(With Summarized Financial Information for the Year Ended December 31, 2023)**

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
<b>REVENUE AND SUPPORT</b>				
Grants and contributions	\$ 17,695,118	\$ 13,046,749	\$ 30,741,867	\$ 41,961,874
Special events	2,957,943	1,003,886	3,961,829	4,736,691
Contributed services	632,093	-	632,093	837,468
Investment income, net of investment fee of \$17,441	924,599	-	924,599	616,369
Miscellaneous	14,607	-	14,607	28,804
Foreign currency transaction losses	(136,323)		(136,323)	(130,333)
Net assets released from restrictions:				
Satisfaction of time restrictions	5,056,383	(5,056,383)	-	-
Satisfaction of program restrictions	23,844,575	(23,844,575)	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>50,988,995</b>	<b>(14,850,323)</b>	<b>36,138,672</b>	<b>48,050,873</b>
<b>EXPENSES</b>				
Program Services:				
International Activities	16,332,187	-	16,332,187	16,596,797
United States Oceans	10,618,031	-	10,618,031	10,347,631
Communications	2,915,375	-	2,915,375	3,164,073
Marine Science	2,762,825	-	2,762,825	2,532,980
Law	1,196,741	-	1,196,741	1,349,522
Oceana Action, Inc.	17,000	-	17,000	128,733
<b>Total Program Services</b>	<b>33,842,159</b>	<b>-</b>	<b>33,842,159</b>	<b>34,119,736</b>
Supporting Services:				
General and administrative	7,056,948	-	7,056,948	7,646,298
Fundraising – other	5,220,781	-	5,220,781	4,641,195
Fundraising – cost of direct benefit to donors	413,344	-	413,344	772,667
<b>Total Supporting Services</b>	<b>12,691,073</b>	<b>-</b>	<b>12,691,073</b>	<b>13,060,160</b>
<b>TOTAL EXPENSES</b>	<b>46,533,232</b>	<b>-</b>	<b>46,533,232</b>	<b>47,179,896</b>
<b>CHANGE IN NET ASSETS</b>	<b>4,455,763</b>	<b>(14,850,323)</b>	<b>(10,394,560)</b>	<b>870,977</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>32,419,348</b>	<b>29,206,701</b>	<b>61,626,049</b>	<b>60,755,072</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 36,875,111</b>	<b>\$ 14,356,378</b>	<b>\$ 51,231,489</b>	<b>\$ 61,626,049</b>

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

**OCEANA, INC. AND AFFILIATE**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2024**

**(With Summarized Financial Information for the Year Ended December 31, 2023)**

	Program Services						Supporting Services					
	International Activities	United States Oceans	Communications	Marine Science	Law	Oceana Action, Inc.	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	2024 Total	2023 Total
Salaries and wages	\$ 8,151,505	\$ 6,651,706	\$ 1,624,997	\$ 1,349,433	\$ 348,657	\$ 3,445	\$ 18,129,743	\$ 3,575,620	\$ 1,842,317	\$ 5,417,937	\$ 23,547,680	\$ 22,919,345
Employee benefits	631,124	1,503,645	369,374	305,996	85,824	803	2,896,766	826,153	426,336	1,252,489	4,149,255	4,108,750
Consultants	1,372,354	233,753	207,581	138,645	50,050	-	2,002,383	485,270	854,315	1,339,585	3,341,968	3,865,184
Payroll taxes	1,138,930	468,725	115,081	95,525	26,224	241	1,844,726	258,654	132,806	391,460	2,236,186	2,077,866
Occupancy	671,070	359,819	195,326	151,164	52,923	499	1,430,801	464,400	185,868	650,268	2,081,069	2,076,658
Travel	897,743	297,373	68,768	223,346	23	-	1,487,253	167,771	156,561	324,332	1,811,585	2,042,580
Conferences and meetings	264,849	162,565	9,502	37,424	-	-	474,340	179,029	429,699	608,728	1,083,068	1,818,205
Professional fees	630,559	1,628	-	-	79,270	4,000	715,457	329,526	14,054	343,580	1,059,037	1,013,422
Dues and subscriptions	294,242	242,605	82,418	55,794	33,083	36	708,178	215,356	73,584	288,940	997,118	781,093
Awards, grants and contributions	441,152	196,875	-	349,000	-	-	987,027	6,000	-	6,000	993,027	1,344,393
Marketing	148,740	10,720	64,568	11,665	-	-	235,693	20,079	564,338	584,417	820,110	870,516
Contributed services	125,538	-	-	-	506,555	-	632,093	-	-	-	632,093	837,468
Insurance	222,791	174,818	29,459	25,269	7,081	61	459,479	69,497	34,573	104,070	563,549	472,516
Printing and publications	339,360	17,982	19,774	2,170	-	-	379,286	4,481	131,881	136,362	515,648	639,495
Depreciation and amortization	210,533	15,348	-	-	-	-	225,881	261,777	-	261,777	487,658	608,358
Bad debt expense	-	22,034	-	-	-	-	22,034	-	463,354	463,354	485,388	-
Boat – rental, repairs and maintenance	214,472	55,164	263	770	-	-	270,669	44,216	123,636	167,852	438,521	424,216
Advertising	208,889	54,366	101,519	-	-	-	364,774	8,127	2,046	10,173	374,947	362,725
Bank fees, taxes, and interest	149,429	6,228	418	1,143	2,216	7,642	167,076	33,295	109,181	142,476	309,552	305,647
Telecommunications	107,732	39,612	5,962	4,387	1,718	15	159,426	18,054	8,024	26,078	185,504	221,796
Supplies	56,430	58,779	5,196	2,421	681	7	123,514	29,470	8,041	37,511	161,025	160,406
Postage and shipping	9,815	6,953	6,990	645	1,517	82	26,002	13,931	52,759	66,690	92,692	93,513
Professional training and development	41,604	6,324	3,215	5,475	-	-	56,618	18,238	2,022	20,260	76,878	67,186
Equipment rental and maintenance	143	28,965	3,101	2,548	919	9	35,685	15,072	10,319	25,391	61,076	49,139
Miscellaneous	3,183	2,044	1,863	5	-	160	7,255	12,932	8,411	21,343	28,598	19,419
<b>TOTAL EXPENSES</b>	<b>\$ 16,332,187</b>	<b>\$ 10,618,031</b>	<b>\$ 2,915,375</b>	<b>\$ 2,762,825</b>	<b>\$ 1,196,741</b>	<b>\$ 17,000</b>	<b>\$ 33,842,159</b>	<b>\$ 7,056,948</b>	<b>\$ 5,634,125</b>	<b>\$ 12,691,073</b>	<b>\$ 46,533,232</b>	<b>\$ 47,179,896</b>

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

**OCEANA, INC. AND AFFILIATE**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**For the Year Ended December 31, 2024**

**(With Summarized Financial Information for the Year Ended December 31, 2023)**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (10,394,560)	\$ 870,977
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	487,658	608,358
Amortization of operating right-of-use asset	1,078,507	1,137,501
Loss on disposal of property and equipment	-	342
Realized and unrealized investment gains	(402,533)	(21,911)
Stock donation received	(193,676)	(867,903)
Change in the present value discount for contributions receivable	26,923	62,788
Changes in assets and liabilities:		
Grants and contributions receivable	12,543,624	(5,695,310)
Other receivable	44,651	2,366,241
Prepaid expenses and other	(481,094)	32,374
Deposits and other long-term assets	7,706	(357,101)
Accounts payable and accrued expenses	(666,374)	620,253
Lease liability – operating	(1,469,978)	(1,500,152)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>580,854</u>	<u>(2,743,543)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales of investments	17,969,130	6,426,951
Purchases of investments	(34,468,598)	(2,166,151)
Purchase of property and equipment	(63,165)	(226,576)
<b>NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES</b>	<u>(16,562,633)</u>	<u>4,034,224</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(15,981,779)</u>	<u>1,290,681</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>39,653,391</u>	<u>38,362,710</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 23,671,612</u></u>	<u><u>\$ 39,653,391</u></u>
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents	\$ 13,488,052	\$ 33,484,974
Cash and cash equivalents held for investment purposes	<u>10,183,560</u>	<u>6,168,417</u>
<b>Total cash and cash equivalents</b>	<u><u>\$ 23,671,612</u></u>	<u><u>\$ 39,653,391</u></u>

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



## OCEANA, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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#### 1. Organization and Summary of Significant Accounting Policies

##### **Organization**

Oceana, Inc. (Oceana) is a nonprofit organization incorporated under the laws of the District of Columbia on March 1, 2001. Oceana is the largest international advocacy organization focused solely on ocean conservation. Oceana's offices around the world work together to win strategic, directed campaigns that achieve measurable outcomes that will help make our oceans more biodiverse and abundant. These activities are funded primarily through grants and contributions.

Oceana Action, Inc. (Oceana Action) is a nonprofit organization incorporated under the laws of the District of Columbia on December 4, 2001. Oceana Action was formed to promote the design and effective implementation of policies at both the national and international levels, aimed at protecting and restoring marine fisheries and other living marine resources and the ecosystems in which they exist, and to engage the public in marine ecosystem advocacy efforts.

##### **Principles of Consolidation**

The consolidated financial statements include the accounts of Oceana and Oceana Action (collectively referred to as the Organization). Oceana and Oceana Action have been consolidated due to the presence of effective control and economic interest, as required under accounting principles generally accepted in the United States of America (GAAP). All intercompany balances and transactions have been eliminated in the consolidation.

Oceana operates through branch offices that are formally part of the U.S. corporation in Chile, the Philippines, and Peru. In the European Union, Oceana operates through a locally incorporated independent entity established in Spain, which has a branch office in Belgium, as well as through a separate, locally incorporated independent entity established in the United Kingdom. Oceana also operates through locally incorporated independent entities in Belize, Brazil, Mexico, and Switzerland. These entities are dependent on Oceana for funding; participate in Oceana's activities and decision-making; and carry out the general mission and international activities of Oceana. Accordingly, the activities of the branch entities and the independent entities are combined with Oceana's activities in the accompanying consolidated financial statements.

##### **Basis of Accounting**

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting. In accordance with this method of accounting, revenue is recognized in the period in which it is earned, and expenses are recognized in the period in which they are incurred.

##### **Cash Equivalents**

The Organization considers money market funds and certificates of deposit with an original maturity of three months or less or no penalty for early withdrawal to be cash equivalents. The Organization maintains cash accounts denominated in U.S. dollars, Chilean pesos, Belizean dollars, British pounds, Philippine pesos, Brazilian reals, Peruvian soles, Swiss francs, Euros, Mexican pesos and Danish kroner.

## OCEANA, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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#### 1. Organization and Summary of Significant Accounting Policies (continued)

##### **Grants and Contributions Receivable**

The Organization uses the allowance method to record potentially uncollectible grants and contributions receivable. The allowance is based on management's analysis of specific accounts and promises to give. A provision for doubtful accounts is made when collection of the full amount is no longer probable.

##### **Investments**

Investments are composed of certificates of deposit with maturities of more than three months, money market funds, U.S. treasury bills, equities, mutual funds and cash and cash equivalent that are held for investment purposes. Investments are reported in the accompanying consolidated financial statements at fair value based upon quoted market prices. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where quoted market prices are not available or the prices are based on quoted prices that are not actively traded, fair value is estimated using pricing models, quoted prices of securities that are actively traded with similar characteristics, or discounted cash flows. Investments with maturity dates of less than one year, as well as equities donated near the end of the year which the Organization sold shortly thereafter, are presented as short-term investments in the accompanying consolidated financial statements.

Investment income, including realized and unrealized gains and losses on investments, interest and dividends, net of investment fees, is reflected as investment income in the accompanying consolidated statement of activities.

##### **Fair Value Measurement**

In accordance with the accounting standards for fair value measurement for those assets and liabilities that are measured at fair value on a recurring basis, the Organization has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest-level input that is significant to the fair value measurement of the instrument.

Applicable financial assets and liabilities are categorized on the basis of inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Organization has the ability to access.

*Level 2* – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

## OCEANA, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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#### 1. Organization and Summary of Significant Accounting Policies (continued)

##### **Fair Value Measurement (continued)**

*Level 3* – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

As of December 31, 2024, only the Organization's investments, as described in Note 3 of these consolidated financial statements, were measured at fair value on a recurring basis.

##### **Classification of Net Assets**

The net assets of the Organization are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of the Organization at the discretion of the Organization's management and the Board of Directors (the Board). Net assets without donor restrictions include amounts that have been designated by the Board for specific purposes.
- Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for specific periods of time. These donor restrictions can be temporary in nature in that they will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of December 31, 2024, the Organization had no net assets with donor restrictions that are required to be maintained in perpetuity.

##### **Property and Equipment and Related Depreciation and Amortization**

Acquisitions of furniture and equipment and eligible internal-use software and website development with an estimated useful life greater than a year and a cost greater than \$500 are capitalized at cost. Furniture, equipment, internal-use software and website development are depreciated using the straight-line method over estimated useful lives of three to five years. Leasehold improvements are amortized over the lesser of their estimated useful lives or the remaining life of the lease. Expenditures for major additions and improvements are capitalized; expenditures for maintenance and repairs are charged to expense when incurred. Costs incurred in the development of internal-use software are expensed during the preliminary and post-implementation operation stages, including data conversion, training and maintenance costs. Costs incurred during the application development stage of software development are capitalized. Upon the retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in revenue or expenses, as appropriate.

## OCEANA, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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#### 1. Organization and Summary of Significant Accounting Policies (continued)

##### **Operating Right-of-Use Assets and Lease Liabilities**

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right of use (ROU) assets – operating and operating lease liabilities in the accompanying consolidated statement of financial position. The ROU assets and operating lease liabilities are recognized at the commencement date of the lease agreements based on the present value of lease payments over the lease term using risk-free rates. The ROU asset is amortized on a straight-line basis over the lease term and is reflected as occupancy and related expenses in the accompanying consolidated statement of functional expenses. The lease liabilities are reduced as cash payments are made under the terms of the leases.

##### **Revenue Recognition**

The Organization reports unconditional grants and contributions of cash and other assets as with donor restrictions if they are received with donor stipulations that limit the use of the donated assets to a particular purpose or to a specific period of time. When the stipulated time restriction ends or the purpose of the restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statement of activities as net assets released from restrictions. Unconditional contributions and grants without donor restrictions are reported as revenue in the year in which payments are received and/or unconditional promises to give are made. Revenue recognized on unconditional contributions and grants for which the cash has not been received from the donor as of year-end is reflected as grants and contributions receivable in the accompanying consolidated statement of financial position.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using interest rates appropriate for the expected term of the promise to give. Amortization of the discount is included in grants and contributions revenue in the accompanying consolidated statement of activities. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Special events revenue consists of mainly contributions and ticket sales for gala events. Contributions are recorded as with or without donor restrictions based on whether they are restricted for a particular purpose or to a specific time as noted above. Ticket sales are treated as exchange transactions and are recognized at the point in time that the performance obligations are met, in this case at the time the gala event takes place.

##### **Transactions in Foreign Currencies**

As discussed above, Oceana, conducts many of its programs through offices in foreign countries and, accordingly, transacts in the local currencies of those countries. These foreign currency transactions are translated into U.S. dollars at the appropriate exchange rates when each

## OCEANA, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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#### 1. Organization and Summary of Significant Accounting Policies (continued)

##### **Transactions in Foreign Currencies (continued)**

transaction is executed. The resulting gain or loss is reflected in the accompanying consolidated statement of activities as net foreign currency transaction gains or losses. The U.S. dollar is considered the functional and reporting currency of Oceana.

##### **Contributed Services**

The Organization's programs are furthered through the contribution of services by various organizations. Contributed services are recorded at fair value as of the date of the contribution and are included in contributed services in the accompanying consolidated financial statements. For the year ended December 31, 2024, contributed services consisted of pro-bono legal services relating to the law program and a promotional partnership in the United Kingdom in 2024.

##### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities are summarized on a functional basis in the accompanying consolidated statement of functional expenses. Accordingly, certain costs are allocated proportionately among the programs and supporting services based on salaries expense for each program or supporting service. Salaries and benefits are allocated on the basis of weekly timesheets. The Organization allocates shared costs which benefit multiple areas and include occupancy, legal fees and insurance based on direct labor hours.

##### **Estimates**

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### 2. Grants and Contributions Receivable

Grants and contributions receivables as of December 31, 2024 were due as follows:

Due within one year	\$ 9,030,145
Due in one to five years	<u>1,908,579</u>
Total Grants and Contributions Receivable	10,938,724
Less: Present Value Component (2.48%)	<u>(78,787)</u>
Grants and Contributions Receivable, Net	<u>\$ 10,859,937</u>

All amounts are considered fully collectible.

During the year ended December 31, 2024, the Organization was awarded several multi-year conditional grants totaling approximately \$3,296,000. These grants are contingent upon the Organization's achievement of certain goals and milestones mutually agreed upon between the Organization and the donors. Payments will be made to the Organization at various times over the years ending December 31, 2025 through 2027, based on the goals and milestones established in the grant agreements being met.

# OCEANA, INC. AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

### 2. Grants and Contributions Receivable (continued)

For the year ended December 31, 2024, the Organization recognized \$1,184,112 in revenue under these grants, which is included in contributions and grants in the accompanying consolidated statement of activities. As of December 31, 2024, the Organization had yet to recognize revenue of \$2,112,312 related to these conditional grants.

### 3. Investments and Fair Value Measurement

The following table summarizes the Organization's investments measured at fair value on a recurring basis as of December 31, 2024, aggregated by the fair value hierarchy level with which those measurements were made:

	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	\$ 12,070,946	\$ -	\$ 12,070,946	\$ -
U.S. Treasury bills	5,244,087	-	5,244,087	-
Money market funds	194,897	194,897	-	-
Equities	53,692	53,692	-	-
Mutua funds	<u>9,746</u>	<u>9,746</u>	<u>-</u>	<u>-</u>
Total Investments Measured at Fair Value	17,573,368	<u>\$ 258,335</u>	<u>\$ 17,315,033</u>	<u>\$ -</u>
Cash and cash equivalents	<u>10,183,560</u>			
Total Investments	<u>\$ 27,756,928</u>			

*Certificates of deposit* – Certificates of deposit have original maturity dates in excess of 90 days. A yield-based matrix system was used to arrive at an estimated fair value for these instruments, which are classified within Level 2 of the valuation hierarchy.

*U.S. Treasury bills*– Value is determined by the investment custodian using an outside data and pricing company that uses a market approach and spreads based on the credit risk of the issuer, maturity, current yield, trading frequency and other terms and conditions of each security. Management believes the estimates to be a reasonable approximation of the fair value of the investments.

*Money market funds* – are held in accounts that are actively traded, are priced using independent market prices in the primary trading market and are classified as Level 1 based on the availability of quotes for identical assets.

*Equities and mutual funds* – valued based on quoted prices in active markets.

## OCEANA, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

#### 4. Property and Equipment and Related Depreciation and Amortization

The Organization held the following property and equipment as of December 31, 2024:

Leasehold improvements	\$ 2,793,019
Computer equipment	1,017,543
Furniture and office equipment	1,623,476
Computer software	993,293
Website development	667,027
Vehicles	<u>375,625</u>
Total Property and Equipment	7,469,983
Less: Accumulated Depreciation and Amortization	<u>(6,248,011)</u>
Property and Equipment, Net	<u>\$ 1,221,972</u>

Depreciation and amortization expense was \$487,658 for the year ended December 31, 2024.

#### 5. Net Assets

##### **Net Assets Without Donor Restrictions**

Net assets without donor restrictions consisted of the following at December 31, 2024:

Undesignated	\$ 34,327,529
Board designated- Andrew Sharpless Ocean Innovation Fund	<u>2,547,582</u>
Total Net Assets Without Donor Restrictions	<u>\$ 36,875,111</u>

In 2024, the Organization established a board-designated fund, known as the Andrew Sharpless Ocean Innovation Fund (the "Fund"), to advance the Organization's mission of transforming innovative ideas into tangible action for ocean conservation. The primary goal of the Fund is to accumulate up to \$10 million in assets, which will be strategically deployed over the next ten years to support groundbreaking projects and initiatives that align with the Organization's vision.

Expenditures from the Fund require the express approval of the Board, ensuring careful stewardship and alignment with the Organization's highest priorities. The creation of this Fund pays tribute to the exceptional leadership and visionary contributions of Andrew Sharpless, who retired as President of the Organization in 2024.

##### **Net Assets With Donor Restrictions**

As of December 31, 2024, net assets with donor restrictions were restricted as follows as to purpose or period:

Subject to expenditure for specified purpose:	
International activities	\$ 9,808,691
United States Oceans	<u>2,179,515</u>
Total Subject to Expenditure for Specified Purpose	<u>11,988,206</u>

## OCEANA, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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#### 5. Net Assets (continued)

##### **Net Assets With Donor Restrictions (continued)**

*(continued)*

Subject to passage of time:

General Support for future periods	<u>\$ 2,368,172</u>
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Total Subject to Passage of Time	<u>2,368,172</u>
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Total Net Assets With Donor Restrictions	<u><u>\$ 14,356,378</u></u>
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#### 6. Leases

The Organization entered into a noncancelable operating lease for its office space in Washington, D.C., during 2017, which is effective July 2018 through October 2029. The lease contains fixed increases in rent of 3.5% per annum for years one to five, and 3.8% thereafter, in addition to the payment of operating expenses. The Organization received rent abatement for the first 15 months of the original lease on 88.75% of the leased space and 38 months of abatement on the remaining 11.25% of the lease space. The lease also provided for a lease incentive for a build-out of the space totaling \$2,435,805. The lease contains the option to renew for a single 5-year period, as well as an early termination option. The Organization was not reasonably certain to exercise either of these options.

The Organization also leases its international office space in Spain, the Philippines; Brazil; Chile; Belize; Peru; Mexico; the United Kingdom; and, Belgium, as well as its offices in New York City, New York; Newport, Rhode Island; Portland, Oregon; Monterey, California; and Juneau, Alaska, under noncancelable operating leases, with terms that expire between 2025 and 2029.

The Organization recorded a right-of-use asset and lease liability for its operating leases in the accompanying consolidated statement of financial position. The right-of-use asset is amortized over the shorter of the lease term or the economic life of the leased asset. The associated lease liability represents the net present value of the future amounts due under the lease, calculated using a risk-free rate of return selected based on the term of the lease. Options to renew or terminate the lease terms were considered in the measurement of total lease payments if the options were considered reasonably certain to be exercised. Nonlease components were not separated from lease components for accounting purposes. The Organization did not apply the recognition requirements to short-term leases.

Operating lease expense totaled \$1,381,145 for the year ended December 31, 2024, and are included as part of occupancy costs in the consolidated statement of functional expenses. Variable lease expense was approximately \$700,000 for the year ended December 31, 2024. Cash paid for the operating leases for the year ended December 31, 2024 was \$1,775,144.



## OCEANA, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

#### 6. Leases (continued)

Supplemental information related to the Organization's operating leases is as follows for the year ended December 31, 2024:

Weighted-average remaining lease term (in years)	4.61 years
Weighted-average discount rate	1.24%

Future minimum lease payments on the Organization's operating leases are:

For the Year Ending December 31,	
2025	\$ 1,941,830
2026	1,797,460
2027	1,766,531
2028	1,798,442
2029	<u>1,526,285</u>
Less discount to present value	<u>(587,967)</u>
Total	<u>\$ 8,242,581</u>

#### 7. Commitments and Risks

##### **Concentration of Credit Risk**

The Organization's cash and cash equivalents are composed of amounts in accounts at various financial institutions. While the amount, at times, exceeds the amount guaranteed by the Federal Deposit Insurance Corporation (FDIC) and, therefore, bears some risk, the Organization has not experienced, nor does it anticipate, any loss of funds. As of December 31, 2024, the amount in excess of the FDIC insured limit was approximately \$10,083,000. As of December 31, 2024, the Organization maintained \$2,384,157 in accounts at non-U.S. financial institutions.

##### **Foreign Operations**

As discussed in Note 1, the Organization has operations in Spain, the United Kingdom, Denmark, Belgium, Belize, the Philippines, Brazil, Chile, Mexico and Peru for the purpose of building an international movement to save the oceans through public policy advocacy, science and economics, legal action, grassroots mobilization and public education. The future results of these programs could be adversely affected by a number of potential factors, such as currency devaluations or changes in the political climate.

As of December 31, 2024, the Organization had cash and net property and equipment in these countries totaling \$3,570,886, representing approximately 6% of the Organization's total consolidated assets as of December 31, 2024.

## OCEANA, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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#### 8. Availability and Liquidity

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. As of December 31, 2024, the Organization's financial assets available within one year of the consolidated statement of financial position date for general expenditures were as follows:

Cash and cash equivalents	\$ 13,488,052
Grants and contributions receivable, current	9,030,145
Investments	27,756,928
Other receivable	<u>349,681</u>
Total Financial Assets Available Within One Year	50,624,806
Less:	
Board-designated funds	(2,547,582)
Amounts unavailable for general expenditures within one year due to donors' purpose restriction	(11,988,206)
Amounts unavailable for general expenditures within one year due to donors' time restriction	<u>(2,368,172)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 33,720,846</u>

The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Organization throughout the year. This is accomplished through monitoring and reviewing the Organization's cash flow needs on a regular basis. As a result, management is aware of the Organization's cash flow needs and is, therefore, able to ensure that there is cash available to meet current liquidity needs. As part of its liquidity plan, excess operating cash is invested in FDIC insured certificates of deposit. The certificates of deposit have varying maturity dates throughout the year and are, therefore, available to meet any cash flow needs.

#### 9. Retirement Plan

The Organization sponsors an elective deferral contribution retirement plan for all of its United States of America employees. Under the terms of the plan, the Organization may make elective deferral contributions based on each participant's annual compensation. For the year ended December 31, 2024, Oceana contributed 7% to participants who had completed at least six months of service. Additionally, the Organization will match dollar for dollar, up to 5% of compensation, its employees' elective deferral contributions. For the year ended December 31, 2024, the Organization's contribution expense totaled \$1,686,185.

## OCEANA, INC. AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024

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#### 10. Contributed Services

During the year ended December 31, 2024, the Organization estimated that it received 593 hours of donated legal services from law firms participating in its Law program. Management calculates the total value of these services based upon actual value of time reported by partnering law firms as well as an estimated value of time determined by hours reported and an average hourly rate determined from the rates of several law firms of varying sizes. There were no donor-imposed restrictions associated with the contributed services for the Organization.

For the year ended December 31, 2024, contributed services were recognized in the following functional areas:

Law Program	\$ 506,555
UK Promotional Partnership	<u>125,538</u>
Total Contributed Services	<u>\$ 632,093</u>

#### 11. Related Party Transactions

The Organization supports Oceana Canada, in furtherance of a shared purpose, joining forces to address the needs of the same programs in Canada as it supports throughout the world. Oceana Canada is an independent nonprofit organization incorporated under Canadian law. The Organization has a service agreement with Oceana Canada to provide administrative and other services. During the year ended December 31, 2024, the Organization donated \$266,749 in total cash contributions and performed services valued at \$235,769 in support of Oceana Canada's mission to preserve and protect Canada's oceans.

#### 12. Income Taxes

Oceana and Oceana Action are exempt from the payment of income taxes under Sections 501(c)(3) and 501(c)(4), respectively, of the Internal Revenue Code. As such, both organizations are taxed only on their net unrelated business income. No provision for income taxes was made for the year ended December 31, 2024, as neither organization had any significant net unrelated business income. In addition, some of the foreign operations of the Organization are subject to local income tax in the jurisdictions in which they operate. Any amounts owed as of December 31, 2024, are not significant to the consolidated financial statements.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB ASC Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization performed an evaluation of uncertainty in income taxes for the year ended December 31, 2024, and determined that there were no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status.

## **OCEANA, INC. AND AFFILIATE**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2024**

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12. Income Taxes (continued)

As of December 31, 2024, the statute of limitations for certain tax years remained open with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns. However, no examinations are currently pending or in progress. It is the Organization's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in interest or income tax expense.

13. Reclassification

Certain 2023 amounts have been reclassified to conform with the 2024 consolidated financial statements presentation.

14. Prior Year Summarized Financial Information

The consolidated 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 GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2023, from which the summarized information was derived.

15. Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions, for potential recognition or disclosure, through July 2, 2024, the date the consolidated financial statements were available to be issued. In March 2025, the Organization established Oceana Malaysia Foundation as a wholly owned subsidiary, with Oceana, Inc. as its sole shareholder. Additionally, in March 2025, the Organization entered into a lease amendment to extend its Washington, DC office lease for an additional seven years and eight months, with the amended lease now expiring on June 30, 2037. The lease amendment became effective on July 1, 2025, and provides for reduced monthly payments compared to the previous lease terms. There were no other subsequent events requiring adjustment and/or disclosure in these consolidated financial statements.

## **SUPPLEMENTARY INFORMATION**

**OCEANA, INC. AND AFFILIATE**

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**

**December 31, 2024**

	Oceana	Oceana Action	Eliminations	Total
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 13,144,409	\$ 343,643	\$ -	\$ 13,488,052
Short-term investments	27,756,928	-	-	27,756,928
Grants and contributions receivable, current portion	9,030,145	-	-	9,030,145
Due from affiliate	23,291	-	(23,291)	-
Other receivable	349,681	-	-	349,681
Prepaid expenses and other	1,135,408	1,667	-	1,137,075
<b>Total Current Assets</b>	<b>51,439,862</b>	<b>345,310</b>	<b>(23,291)</b>	<b>51,761,881</b>
Grants and contributions receivable, net of current portion	1,829,792	-	-	1,829,792
Property and equipment, net	1,221,972	-	-	1,221,972
Right of use asset – operating	5,559,801	-	-	5,559,801
Deposits and other long-term assets	2,171,316	-	-	2,171,316
<b>TOTAL ASSETS</b>	<b>\$ 62,222,743</b>	<b>\$ 345,310</b>	<b>\$ (23,291)</b>	<b>\$ 62,544,762</b>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities				
Accounts payable and accrued expenses	\$ 3,070,361	\$ 331	\$ -	\$ 3,070,692
Lease liability – operating, current portion	1,592,807	-	-	1,592,807
Due to affiliate	-	23,291	(23,291)	-
<b>Total Current Liabilities</b>	<b>4,663,168</b>	<b>23,622</b>	<b>(23,291)</b>	<b>4,663,499</b>
Lease liability – operating, net of current portion	6,649,774	-	-	6,649,774
<b>TOTAL LIABILITIES</b>	<b>11,312,942</b>	<b>23,622</b>	<b>(23,291)</b>	<b>11,313,273</b>
Net Assets				
Without donor restrictions	36,553,423	321,688	-	36,875,111
With donor restrictions	14,356,378	-	-	14,356,378
<b>TOTAL NET ASSETS</b>	<b>50,909,801</b>	<b>321,688</b>	<b>-</b>	<b>51,231,489</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 62,222,743</b>	<b>\$ 345,310</b>	<b>\$ (23,291)</b>	<b>\$ 62,544,762</b>

See independent auditors' report on supplementary information.

**OCEANA, INC. AND AFFILIATE**  
**CONSOLIDATING SCHEDULE OF ACTIVITIES**  
**For the Year Ended December 31, 2024**

	Oceana	Oceana Action	Eliminations	Total
<b>REVENUE AND SUPPORT</b>				
Grants and contributions	\$ 30,741,867	\$ -	\$ -	\$ 30,741,867
Special events	3,961,829	-	-	3,961,829
Contributed services	632,093	-	-	632,093
Investment income, net of investment fee of \$17,441	924,599	-	-	924,599
Miscellaneous	14,607	-	-	14,607
Foreign currency transaction losses	(136,323)	-	-	(136,323)
<b>TOTAL REVENUE AND SUPPORT</b>	<b>36,138,672</b>	<b>-</b>	<b>-</b>	<b>36,138,672</b>
<b>EXPENSES</b>				
Program Services:				
International Activities	16,332,187	-	-	16,332,187
United States Oceans	10,618,031	-	-	10,618,031
Communications	2,915,375	-	-	2,915,375
Marine Science	2,762,825	-	-	2,762,825
Law	1,196,741	-	-	1,196,741
Oceana Action, Inc.	-	17,000	-	17,000
<b>Total Program Services</b>	<b>33,825,159</b>	<b>17,000</b>	<b>-</b>	<b>33,842,159</b>
Supporting Services:				
General and administrative	7,056,948	-	-	7,056,948
Fundraising – other	5,220,781	-	-	5,220,781
Fundraising – cost of direct benefit to donors	413,344	-	-	413,344
<b>Total Supporting Services</b>	<b>12,691,073</b>	<b>-</b>	<b>-</b>	<b>12,691,073</b>
<b>TOTAL EXPENSES</b>	<b>46,516,232</b>	<b>17,000</b>	<b>-</b>	<b>46,533,232</b>
<b>CHANGE IN NET ASSETS</b>	<b>(10,377,560)</b>	<b>(17,000)</b>	<b>-</b>	<b>(10,394,560)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>61,287,361</b>	<b>338,688</b>	<b>-</b>	<b>61,626,049</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 50,909,801</b>	<b>\$ 321,688</b>	<b>\$ -</b>	<b>\$ 51,231,489</b>

See independent auditors' report on supplementary information.