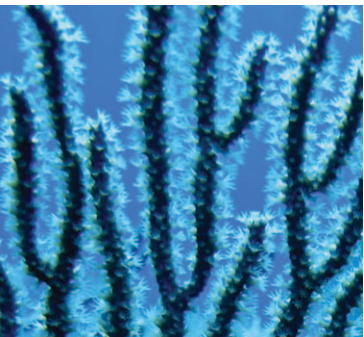




THE OCEAN FOUNDATION



ANNUAL REPORT
2011 | 2012



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LETTER FROM THE CHAIR

We are all part of a vast, complex, but not infinite, system. The ocean is the core of the Earth's life support systems that provide us with air, food, energy and other needs, as well as recreation, fun and inspiration.

All ocean problems can be simplified down to two basic concepts: Overuse of resources and abuse of resources.

With two equally simple (and obvious) solutions: Conserve Resources; and Protect Health – human and ocean – by preventing abuse. Globally, humanity will pursue solutions – ideally, proactively with an eye to the future, or, perhaps inevitably, reactively when the crises loom.

In the last year we have clarified the way we talk about something we have always done, and will continue to expand: Be a thought leader who provides expertise and appropriate tools to support the marine conservation field. This "Ocean Leadership" is the focus of this year's annual report.

At The Ocean Foundation, we believe in supporting the solutions, tracking the harm, and educating anyone who can become part of the solution now – every one of us, in fact.

Our mission remains to support, strengthen, and promote those organizations dedicated to reversing the trend of destruction of ocean environments around the world. And, we remain excited that TOF is producing great mission-related results via:

- **Ocean Leadership:** We provide pro bono advice, meeting facilitation, workshop hosting and cutting edge research intended to directly and indirectly move the needle on ocean conservation
- **Grantmaking:** We believe we fund the best and brightest on seven continents with incredible innovation and collaboration
- **Consulting:** We focus on ocean solutions through our grant program advice for donors, capacity deepening for non-profits, innovative approaches for the private sector (e.g. the Rockefeller Ocean Strategy), and participation in international meetings, negotiations, and workshops.
- **Communications:** Our blogs by a wide variety of authors and our overhauled website are receiving widespread praise
- **Fiscal sponsorship of projects:** We provide support to dozens of great ideas through the frame of better than best practices, some of which are highlighted in this annual report

The "market" need/demand for ocean conservation efforts is big and growing. It is getting more attention and resources. As the economy strengthens, we plan to grow with it. We are poised and ready.

Enjoy this report. Peruse our website. Follow us on Facebook and Twitter. Join the TOF community in making our relationship with the oceans the best it can be for all of us.

For the ocean,



Mark J. Spalding, President

OUR MISSION

Our core mission to support, strengthen, and promote those organizations dedicated to reversing the trend of destruction of ocean environments around the world is achieved through three main activity areas:

- Fund Management
- Capacity Building
- Development

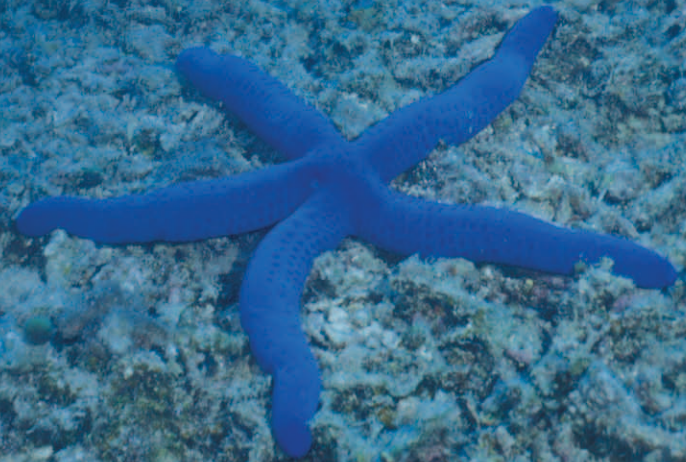
The Ocean Foundation's Fund Management area includes handling donor funds, granting to external projects and advising in-house projects. Types of funds include:

- Committee and Donor Advised Grantmaking Funds
- Field of Interest Grantmaking Funds
- Friends of Funds accounts for receiving donations for foreign charities
- Fiscal Sponsorship Funds, our hosting of great projects

Capacity building services are TOF's second major activity area, which is comprised of two types of services:

- Ocean Leadership Fund community advice and capacity-building
- Consulting services (paid client assistance)

Finally, the Ocean Foundation conducts development efforts, which attract new donors to the ocean conservation community. Participating in events, holding events, annual campaigns, etc. are part of the TOF development efforts.



MONEY RAISED PER CATEGORY

\$880,665	Protecting Marine Habitats
\$1,877,554	Protecting Species of Concern
\$893,944	Building Marine Community & Capacity
\$959,894	Ocean Literacy

For each of the above mentioned categories, we have selected some of our accomplished Fiscal Sponsorships Funds (FSFs) and exceptional Project Leaders (or as we like to call them, Ocean Heros), to expand on their incredible accomplishments and advancements over the past year. For additional information on any given category or project, please visit us at www.oceanfdn.org or email us at info@oceanfdn.org.

PHOTO TOP: Wolcott Henry 2005/Marine Photobank

COVER PHOTOS – Top Right: Bigeye Trevally Spawning (Octavio Aburto-Oropeza/Marine Photobank); Bottom Right: Green Sea Turtle (Roy Niswanger/Marine Photobank); Bottom Left: Shark (Ann Luskey Photo); Middle Photo: Humbback (Amos Nachoum Photo); Middle Left: Coral (Wolcott Henry)



CONSERVING MARINE HABITATS AND SPECIAL PLACES

\$880,665

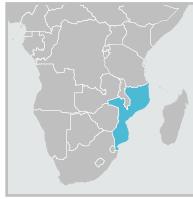
Our oceans are a mosaic of special places, from the bustling vibrancy of coral reefs to the tidal pools of the rocky coasts to the stark, glistening beauty of the frozen Arctic. These habitats and ecosystems are more than just picturesque; they all provide vital benefits to the health of the ocean, the plants and animals that live in them, and often to human communities as well.

OCEAN HERO

Tim Dykman

OCEAN REVOLUTION

Mozambique



Tim is an artist, tuna lover, and marine activist who has applied ancient knowledge and 21st century technology to create a unique ocean network. The local and international NGOs he has co-founded in Australia, Mexico, Mozambique, Panama, Papua New Guinea and the U.S. are creating change through the engagement of indigenous communities that count on the ocean to define their heritage and prosperity.

In Mozambique, through his project Ocean Revolution, which joined The Ocean Foundation in 2006, Tim has supported the creation of two Mozambican NGOs: Bitonga Divers and Ocean Revolution Mozambique. Tim has worked with more than 30 indigenous communities to launch projects, teach funding skills, facilitate knowledge-transfer, and build international collaborations to ignite local, regional and global action. By helping these communities translate and revitalize the communal knowledge and power that has allowed them to survive centuries of conflict, these efforts are helping to ensure that their oceans continue to thrive as some of the healthiest places on the planet.

FSF SUCCESS

The Cuba Marine Research and Conservation Program



PHOTO: Pro Peninsula

The Cuba Marine Research and Conservation (CMRC) program within The Ocean Foundation is a regional effort to study and conserve coastal and marine resources, build capacity for Cuban marine research institutions, and demonstrate biological links between Cuba and the U.S. While the Cuban embargo has hindered the flow of conservation data and collaboration on research and conservation, the U.S. depends on healthy Cuban ecosystems to ensure the proper function of our own ecosystems along our Southern coasts.

Cuba's coastline provides ample habitat for sea turtles, sea turtles that could very well forage and/or nest along U.S. coasts. CMRC and its partners at the University of Havana affixed satellite tags on green turtles at Guanahacabibes, and watched as these turtles moved throughout Cuban and Mexican waters, and beyond. This is information that will translate into direct conservation policy. Additionally, CMRC carried out two major marine research expeditions to study the Golfo de Ana Maria (GAM). Poorly studied and absent of protective status, GAM is the primary source of biomass for the adjacent Jardines de la Reina National Park, a term CMRC calls "reverse spillover." This research is helping Cuban institutions build the case to ensure protective status for both areas.

PROTECTING SPECIES OF CONCERN

\$1,877,554



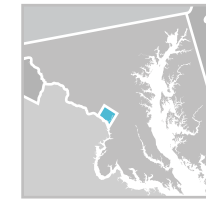
For many of us, our first interest in the oceans began with an interest in the large animals that call it home – known to some as “telegenic megafauna.” The grace of the gentle humpback whale, the undeniable charisma of a frolicking dolphin, or the gaping maw of a great white shark – It’s the human response to these animals that make them and other species such good ambassadors of the sea. But they are so much more. These apex predators and keystone species keep the ocean ecosystem in balance, and the health of their populations often serves as an indicator for the health of the oceans as a whole.

PHOTO: Ann Luskey

OCEAN HERO

Vikki Spruill

Council on Foundations



As you know, The Ocean Foundation emerged from the joint vision of a group of donors and other ocean leaders. One of the co-designers was Vikki Spruill, who was then head of SeaWeb. She continues to share her expertise as a founding member of our Board of Advisors. Vicki’s professional career began in the public relations field. She spent 15 years at Ruder Finn, including five as a senior VP.

Vikki’s lifelong love for the sea has been the hallmark of her career ever since. She was the first executive director of SeaWeb, which uses strategic communications to advance ocean conservation. One of her early campaigns in partnership with NRDC and other organizations was “Give Swordfish a Break” which was designed to help Atlantic swordfish recover from overfishing.

Spruill’s ocean leadership continued when she became president and CEO of the Ocean Conservancy in 2007, where she modernized its public engagement strategies while maintaining a science-based rigor in guiding its advocacy efforts. She has also worked with the Pew and Packard-supported Communications Partnership for Science and the Sea (COMPASS). While at Ocean Conservancy, Vikki undertook several projects herself. For example, she partnered with Lisa Dropkin of Edge Research to identify and develop opportunities to engage people around the issues of ocean acidification through public opinion polling in the U.S. and United Kingdom. She has served on the boards of SkyTruth, the Tides Foundation, and Environmental Media Services.

In May of 2012, the Council on Foundations named Vikki as its new president and CEO. We know that the field of philanthropy will be enhanced by her leadership and are grateful for her willingness to be part of The Ocean Foundation community.

FSF SUCCESS

ProCaguama / Hoyt Peckham

Baja California
And Japan



PHOTO: Mito Paz/Marine Photobank

Proyecto Caguama, a fiscally sponsored project of The Ocean Foundation, began working in Baja California and Japan in 2004 under the direction of Dr. Hoyt Peckham to promote sustainable fishing and reduce the record numbers of loggerhead turtles that were dying along the Pacific shore of Southern Baja California.

Loggerheads migrate from beaches in Japan, through Hawaii to Mexico and back again. Through research and community engagement, the ProCaguama team has seen real results reducing loggerhead bycatch while maintaining fisheries profitability.

In one of ProCaguama’s creative approaches to conservation, the team brought together fishermen from the U.S., Mexico and Japan on a tri-national exchange following the migration path of the loggerhead. But in July 2012, a trifecta of unfortunate conditions befell the region and resulted in nearly 500 dead loggerheads washing up on shore: a 600% increase over levels documented by the team over the past 10 years.

While this was a huge blow, it demonstrated key flaws in the regulatory system that, while working hard to address, ProCaguama had thus far been unable to mitigate. In response to the tragedy, the team has come together to evaluate their options and refine their conservation strategy; this story is far from over. www.grupotortuguero.org

A close-up photograph of a person's hand, palm up, holding a small, light-colored starfish. The hand and the starfish are covered in fine, golden-brown sand. The background is a soft-focus, light-colored surface, likely sand.

BUILDING THE CAPACITY OF THE MARINE CONSERVATION COMMUNITY

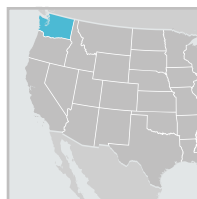
\$893,944

There are many outstanding conservation organizations dedicated to protecting and preserving our oceans. The Ocean Foundation provides assistance to these entities, which have a need to develop a certain skill or competence, or for general upgrading of performance ability. The Ocean Foundation was created in part to bring new financial and technical resources to the table so that we can increase the capacity of these organizations to pursue their missions.

OCEAN HERO

Kevin Ranker

WASHINGTON STATE SENATOR



Senator Kevin Ranker concurrently serves as a Washington State Senator, Principal at Coast Consulting and a strategic advisor in his role as a Senior Fellow at The Ocean Foundation. He possesses nearly two decades professional experience developing and advancing ocean and energy policy, political strategies, and conservation initiatives.

He has brought his experience and passion to his work in the Washington State Legislature. In the Washington State Senate he serves as Majority Assistant Whip and Chair of the Energy, Natural Resources & Marine Waters Committee. Previous to the Senate, he served as a San Juan County Commissioner, was a CEO and director for non-governmental organizations and was a panel member on the Washington State Shoreline Hearing Board - the appellate body for appeals and shoreline penalties under the jurisdiction of the Washington Shoreline Management Act. In February 2011, he received a White House appointment to serve as an Advisor to President Obama's National Ocean Council.

In the private sector, Ranker serves as Principal at Coast Consulting where he advises private and public entities regarding the conceptualization and advancement of ocean and energy policy, organizational development and political strategy. www.senatedemocrats.wa.gov/senators/ranker/

FSF SUCCESS

Colorado Ocean Coalition's First Summit

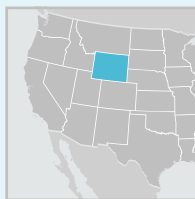


PHOTO: Claudio Garzon

The ocean may not make it all the way to Boulder, but there are plenty of people there excited about the ocean. In November 2011, Colorado Ocean Coalition, a fiscally sponsored project of The Ocean Foundation, held the first annual MAKING WAVES summit in Boulder, Colorado. Earlier in the year, a group of individuals inspired by the ocean got together and realized they needed to do something about the world's oceans, even though they live in the mountains. Vicki Nichols Goldstein, Colorado Ocean Coalition's fearless leader, was inspired by a summit she attended in DC, and she realized the Boulder area could benefit from having its own summit. Sylvia Earle pledged to attend as the keynote speaker, and around that Vicki built a community-based event, as well as a model for others who live in landlocked places. And the event was truly a community undertaking: the public library donated the meeting space, local businesses donated food and drink, and close to 400 teachers, skiers, scientists, artists, divers, and beachcombers showed up to learn about and celebrate their oceans. www.coloradoocean.org

EXPANDING OCEAN LITERACY AND PUBLIC AWARENESS

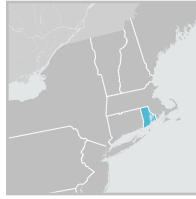
\$959,894

One of the most significant barriers to progress in the marine conservation sector is a lack of real understanding about the vulnerability and connectivity of ocean systems. It is easy to continue to think of the oceans as vast, and almost unlimited, as many of us were taught when we were young. Thus, it can be difficult to see the destructive consequences of human activities along the coast and below the surface. This lack of awareness creates a significant need for programs that effectively communicate how the health of our oceans relates to climate change, the global economy, biodiversity, human health, and our quality of life. Globally, we are learning that the oceans cannot provide unlimited resources of food without an effort to ensure abundant animals, plants, and protected spaces. At TOF, we promote investment in communicating the true complexity – healthy and not – of our ocean spaces.

OCEAN HERO

Bill Mott

WORLD OCEAN'S DAY



In 2002, at a conference in France, Bill Mott, director of The Ocean Foundation's fiscally sponsored program The Ocean Project, volunteered to head up worldwide coordination of World Oceans Day (WOD). He did this initially because it would be of interest to his existing network and because he envisioned WOD growing into a significant event to celebrate the ocean and our personal connections to it. And Bill was right, WOD has grown into an international event of global significance celebrating our oceans.

In December 2008 the United Nations passed a resolution officially declaring June 8th World Oceans Day (WOD). Presidential proclamations have recognized June as "National Ocean Month" every year since 2005. Capitol Hill Oceans Week has become a must-attend annual event for policy stakeholders. In 2011 there were several hundred events in dozens of countries around the world celebrating WOD. Even Dr. Seuss has become a partner in WOD. And so Bill labors on because he knows this one day – June 8th, World Oceans Day – has the ability to engage and inspire individuals around the world in ocean conservation activities during the other 364 days of the year. www.theoceanproject.org

FSF SUCCESS

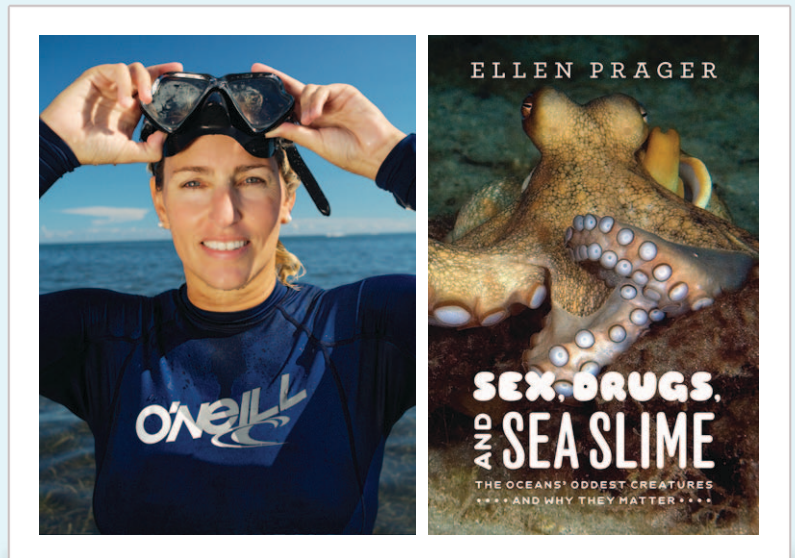
Dr. Ellen Prager

AUTHOR



Through The Ocean Foundation, Dr. Ellen Prager created her latest book, *Sex, Drugs, and Sea Slime: The Oceans' Oddest Creatures and Why They Matter*, using entertaining stories to highlight marine biodiversity and why everyone should care about the loss of species in the sea.

Included are such wonders as the arrow worm whose predatory ways may lead to death by overeating, the hagfish that ties itself into a knot to keep from suffocating in its own slime, and the sea slug whose sexual encounters can turn into a dangerous liaison by untimely cannibalism. She explains how such strange organisms are connected to society in everything from our food supply to the economy, jobs, biomedical research and biotechnology and why these resources are now at great risk. Visiting aquariums, nature centers, schools, universities, and events like the National Ocean Science Bowl, Dr. Prager has used these amazing marine stories to promote science, ocean learning, and ocean caring. www.ellenprager.com



We welcomed
15 new Board of
Advisors members

We welcomed
Dr. Mike Lang & Ken Stump
as senior fellows

All new [website](#) for TOF launched last fall

TOF Advisory
Board Member

DR NANCY
KNOWLTON

wins one of the
[2011 HEINZ
AWARDS](#)

A grant of \$2,000 in Alaska turned into a \$2.7M action item on Ocean Acidification as the Alaska Marine Conservation Council carried out a collaborative effort to restore important funding to enable research needed to support sustainable fisheries and to grow the state's investment in understanding ocean acidification. Our grant was used to rally calls, emails, media coverage and testimony from Nome to Ketchikan, demonstrating coast-wide support for the research funding.

Publication of "[PERVERSE SEA CHANGE: Underwater Cultural Heritage in the Ocean is Facing Chemical and Physical Changes](#)"

David Guggenheim (OCEAN DOCTOR),
Frances Kinney (OCEAN CONNECTORS),
& Sam Lardner (OCEANS ARE TALKING)

participated in The Ocean Foundation day at the Lovett School in Atlanta, ensuring staff and students got the best day of their school year – a team effort that was much appreciated by the principal, staff, students, and parents.

We organized a conference call for **TIM DYKMAN** in response to his concern about proposed deepwater drilling off of Mozambique in the very areas where he has been working to protect marine resources – in water so deep that the blown out Macondo well looks shallow in comparison. Rick Steiner, Michael Stocker, and Richard Charter all gave generously of their time and wisdom to Tim on the call.

In FY2012 we have welcomed the following
NEW Fiscally Sponsored Projects



Surmar-Asimar (William Gilly), a new squid studies lab in Baja California Sur



Coastal Coordination Project (Richard Charter)



The Sea Around You (Deborah Cramer)



Author Wendy Williams' first fund with TOF was the Vertebrates Conceit, to support the research for her book Kraken (published in 2011). That fund has evolved to become the Art of Coral, to reflect to reflect her newest maine research undertaking.

PRO DELPHINUS, PERU, a grantee of TOF, won the [Whitley Award](#) for Nature, given by Princess Anne

TOF is on 60 Minutes! [VIEW VIDEO](#)

The Ocean Foundation and Grupo Tortugero completed the [Second Annual Cocodrilo Sea Turtle Festival](#) in Cuba from May 18-21, 2012.

The sea turtle festival at Cocodrilo is a long time in the making (efforts started in 2006), and is not only a collaboration between two TOF programs but is also a direct outcome of our [Trinational Initiative \(Mexico, US, Cuba\)](#) for Marine Science and Conservation in the Gulf of Mexico and Western Caribbean, which engages scientists and policymakers at the highest level to study and conserved shared marine and coastal resources.

GENERAL PROGRAM SUCCESS

- BLI produced the film Potomac: "[Our Nation's River: A System on the Edge](#)"
- The Manta Birostris was added to the IUCN Red List due to the efforts of TOF's Ocean Revolution project
- IMPESCA declares Conservacion Y Manejo "best marine science in Gulf of California"
- TOF's Tag-A-Giant project completed the Multistock Age-Structured Tag-integrated Assessment Model (MAST), which has revolutionized fisheries management.
- TOF's Laguna San Ignacio Ecosystem Science Program featured on ABC Nightline News and the BBC
- TOF's LiveBlue project holds [2nd Annual BlueMind Summit](#), advancing new research into the neuroscience of our relationship with the ocean

Rockerfeller Financial has launched the first ever ocean-centric investment strategy:

Rockefeller Financial has launched the *Rockefeller Ocean Strategy*, which seeks to identify profitable investment opportunities that restore and support the health and sustainability of the world's oceans.

In this effort, Rockefeller Financial has collaborated with The Ocean Foundation for specialized insight and research on marine trends, risks and opportunities, as well as analysis and thought-leadership on coastal and ocean conservation initiatives. Applying this research alongside its internal asset management capabilities, Rockefeller's experienced investment team will work to identify a portfolio of about 80 public companies whose products and services are the best-in-class in addressing present and future needs related to restoring or protecting the ocean.

A FOCUS ON

BUILDING THE CAPACITY OF THE MARINE CONSERVATION COMMUNITY

The Ocean Leadership Fund allows our team to respond to urgent needs, add value beyond the dollars of our grants, and find solutions that support the health and sustainability of the world's ocean. We are very excited about what it has enabled us to do.

To accomplish this we have divided the spending of this fund across three categories of activities:

1) BUILDING the capacity of the marine conservation community

- We provide strategic planning and executive coaching
- We advise on non-profit sustainability
- We give our time and talent to our fiscally hosted projects and to other organizations and individuals
- We help new entrants to the ocean conservation world and those in transition

2) IMPROVING ocean governance and conservation

- We promote collaboration and cross-communication among key ocean stakeholders and the marine conservation community
- We facilitate meetings and community processes around the world
- We foster advocacy for policy change

3) CONDUCTING research and sharing information

- We identify priority action areas, monitor emerging issues, and implement best practices
- We write articles, conduct research, appear on panels, and serve on boards & committees
- We help to shape conversation through active and open sharing of best practices, findings and initiatives

Within the three categories of OLF activities, here is a partial list of the first year's accomplishments:

Building Capacity

- Designed a campaign for sustainable coastal tourism development for a Mexican non-profit conservation organization
- Led strategic planning exercise for the Center for Responsible Travel
- Assisted in the creation and installation of a temporary exhibit on [crimes against our] Underwater Cultural Heritage at the National Museum of Crime & Punishment
- Helped define the infrastructure for, and work program of, a potential new marine toxicology lab in Vieques Island, Puerto Rico
- Prepared the successful nomination of President Laura Chinchilla of Costa Rica for Excellence in National Stewardship of the Ocean (one of the Benchley Awards)

Improving Ocean Governance and Conservation

- Helped organize and lead a funders' collaborative focused on Ocean Acidification, including writing its strategic plan and budget
- Coordinated management of the funders' collaborative to support the High Seas Alliance and establishment of marine protected areas globally
- Advised and collaborated with NGOs on High Seas and Caribbean strategies regarding whaling and Marine Mammal Protected Areas

CONTINUED: Improving Ocean Governance and Conservation

- Advised European government representatives on the presentation and content of a proposed United Nations Resolution related to marine mammals, and especially whaling on the high seas
- Contributed to the establishment of the Agoa Marine Mammal Sanctuary; a protected marine migratory corridor from Florida to Brazil for 21 species such as Humpback whales, Sperm whales, spotted dolphin, Fraser's dolphin, and pilot whales
- Strengthened and promoted the Western Hemisphere Migratory Species Initiative (WHMSI), especially in the marine sector
- Initiated the planning for a 'Meeting of Experts' at the Grupo Tortuguero Annual Meeting, held in January 2012; attended Experts Meeting, along with the Scientific Colloquium and Annual Meeting of the Grupo Tortuguero

Conducting Research and Sharing Information

- Shared information about creative and effective approaches to ocean conservation, such as carbon sequestration in marine ecosystems including sea grasses, marshes and mangroves, (known commonly as "blue carbon"), including a briefing for the US State Department, and the Eye on the Earth Summit in Abu Dhabi
- Researched and drafted a successful proposal for the Smithsonian Institution's National Folk Life Festival to showcase Kenya and the Swahili coast at the 2014 festival on the National Mall and inside the museums themselves.
- Advised private foundations and funders collaboratives, including the Conservation 2051 initiative, for the Overbrook Foundation
- Facilitated a panel on expanding marine philanthropy at the 2011 CGBD marine funders meeting in Union, Washington
- Presented a panel on coastal economics at the 2011 Blue Vision Summit in Washington, D.C.
- Presented on "travelers' philanthropy" at the 2011 CREST Summit on Responsible Tourism (Costa Rica) and at The International Ecotourism Society's annual meeting (South Carolina)
- Gave a talk on ocean conservation at the Industrial College of the Armed Forces (National Defense University), for the staff of Rockefeller Financial, as well as a webinar for over 70 offices of Booz, Allen Hamilton
- Showcased the Rockefeller Ocean Strategy as part of a panel on "New Roles in Philanthropy: Leadership, Collaboration and Partnerships Unlike Anything We've Seen Before" at the Confluence Philanthropy Practitioners' Workshop in Sausalito in 2012
- Shared research on sustainable aquaculture, and its integration into community economic development
Conducted policy analysis on the implications of proposed catch share policies for European Union fisheries management law reauthorization
- Served as peer reviewer for "Troubled Waters: How Mine Waste Dumping is Poisoning our Oceans, Rivers and Lakes" (Earthworks 2012)
- Wrote a chapter on "What is Successful Philanthropy?" in the Travelers' Philanthropy Handbook, ed. Martha Honey (2011)
- Researched and wrote published articles on:
 - Ocean acidification and the preservation of underwater cultural heritage for the American Society for International Law's Cultural Heritage & Arts Review
 - Ocean acidification and a review of existing legal tools to address its effects in the American Bar Association's Joint Newsletter on International Marine Resources
 - Marine spatial planning in the Environmental Law Institute's The Environmental Forum, in E/The Environmental Magazine, and the American Planning Association's Planning magazine

Statement of Financial Position

June 30, 2012

CURRENT ASSETS

Cash and cash equivalents	\$1,555,878
Grants and account receivable	\$1,920,585
Prepaid expenses	\$74,665
	<u>\$3,551,128</u>

PROPERTY & EQUIPMENT

Equipment and software	\$94,307
Furniture and fixtures	\$2,041
	<u>\$96,348</u>
Less: accumulated depreciation	\$78,832
	<u>\$17,516</u>

OTHER ASSETS

Security deposit	\$341
TOTAL ASSETS	<u><u>\$3,568,985</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$157,547
Deferred revenue	\$5,400
TOTAL LIABILITIES	<u>\$162,947</u>

NET ASSETS

Unrestricted, undesignated	\$23,837
Unrestricted, designated	\$1,450,874
Temporarily restricted	\$1,931,327
TOTAL NET ASSETS	<u>\$3,406,038</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$3,568,985</u></u>
-----------------------------------------	---------------------------

The Ocean Foundation is good financial health with great cash flow, no debt, no stale receivables, positive revenue, and a return to growth following the recession of 2008-11. In fact, we ended FY12 much better off than where we started. We have strong, annually audited fiscal controls for accountability and transparency for donors, and hosted projects. We are keeping within our budget projections for revenue and expenditures. TOF is running a very lean operation with an indirect cost percentage of less than 11%.

For the future, we are making cash flow better with the implementation of quasi "cash accounting" for our fiscally sponsored projects. As with almost all nonprofits, we are operating with a very thin margin of unrestricted funds, and are working to make this margin more robust and more sustainable. Finally, we would like TOF to be stronger, bigger, more powerful to drive the mission to reverse the trend of destruction of ocean environments around the world. Please join our community foundation for the ocean and help us get there.

Statement of Activities

June 30, 2012

CURRENT ASSETS

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
Grants and contributions	\$451,929	\$4,266,005	\$4,717,934
Program service revenue	\$368,842		\$368,842
Interest income	\$3,027		\$3,027
Other income	\$6,102		\$6,102
	<u>\$829,900</u>	<u>\$4,266,005</u>	<u>\$5,095,905</u>

NEW ASSETS RELEASED FROM RESTRICTION

Satisfaction of program restrictions	\$5,033,925	(\$5,033,925)	
TOTAL REVENUE AND SUPPORT	<u>\$829,900</u>	<u>(\$767,920)</u>	<u>\$5,095,905</u>

EXPENSES (Program Services)

Protecting Marine Habitats	\$729,455	\$729,455
Protecting Species of Concern	\$1,898,808	\$1,898,808
Building Marine Community Capacity	\$548,653	\$548,653
Ocean Literacty	\$1,378,916	\$1,378,916
TOTAL PROGRAM EXPENSES	<u>\$4,555,832</u>	<u>\$4,555,832</u>

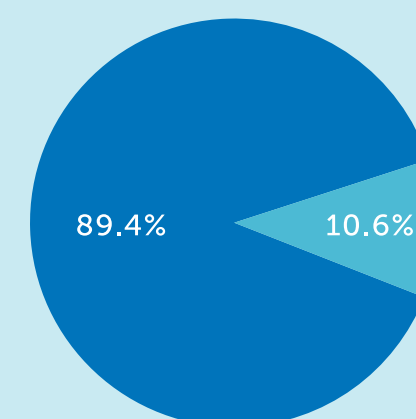
SUPPORT SERVICES

Management and general	\$379,521	\$379,521
Fundraising	\$160,520	\$160,520
TOTAL PROGRAM EXPENSES	<u>\$540,041</u>	<u>\$540,041</u>
TOTAL PROGRAM EXPENSES	<u>\$5,095,873</u>	<u>\$5,095,873</u>

CHANGE IN NET ASSETS (DEFICIT)	<u>\$767,952</u>	<u>(\$767,952)</u>	<u>\$32</u>
TOTAL PROGRAM EXPENSES	<u>\$706,759</u>	<u>\$2,699,247</u>	<u>\$3,406,006</u>
ENDING NET ASSETS	<u>\$1,474,711</u>	<u>\$1,931,327</u>	<u>\$3,406,038</u>

DIRECT COSTS VS. INDIRECT COSTS

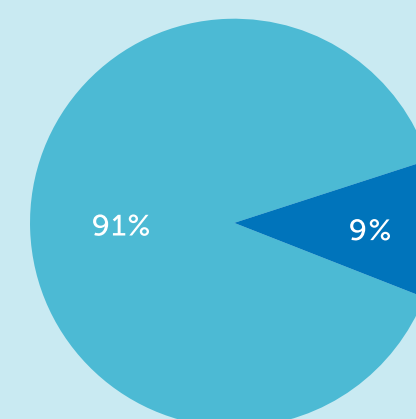
June 30, 2012



■ Indirect Overhead Costs: \$540,041
■ Direct Program Costs: \$4,555,832

CASH VS. PAYABLES

As of June 30, 2012

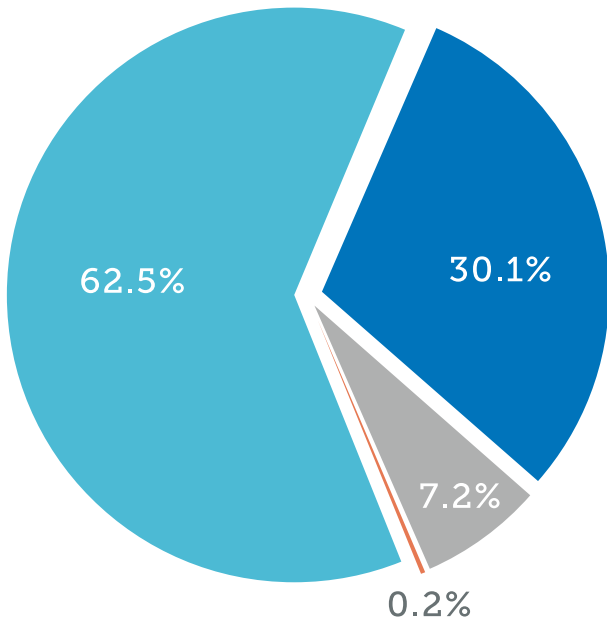


■ Cash on Hand: \$1,555,878
■ Outstanding Payables: \$162,947

*NOTE: The Ocean Foundation has no outstanding loans or other similar outstanding obligations

REVENUE TO SUPPORT MARINE CONSERVATION

Fiscal Year ended June 30, 2012

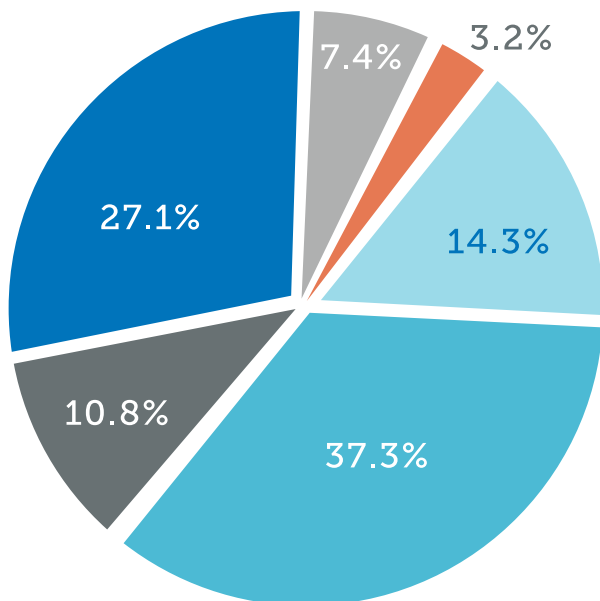


TOTAL REVENUE: \$5,095,905

- Grants: \$3,183,283
- Contributions: \$1,534,651
- Program Service Revenue: \$368,842
- Interest / Other Income: \$9,129

SPENDING BY FUNCTION

Fiscal Year ended June 30, 2012

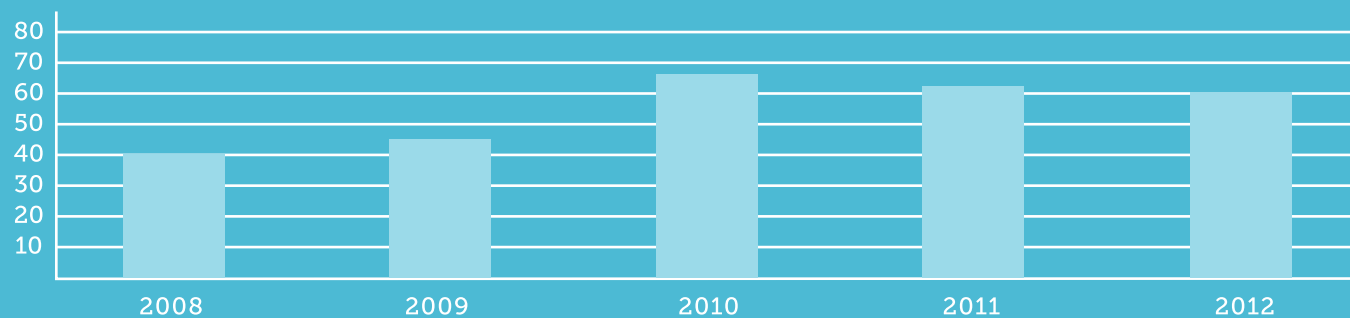


TOTAL EXPENSES: \$5,095,873

- Cost of the support we provide to those working to improve the health of the oceans: \$379,521
- Cultivating more support for marine conservation: \$160,520
- Conserving marine habitats and ecosystems that are more than just picturesque: \$729,455
- Protecting the species that keep the ocean ecosystem in balance: \$1,898,808
- Expanding awareness about the ways to health of our oceans relates to everything... including our quality of life: \$548,653
- Helping to build the capacity of the many outstanding conservation organizations dedicated to protect and preserving our oceans: \$1,378,916

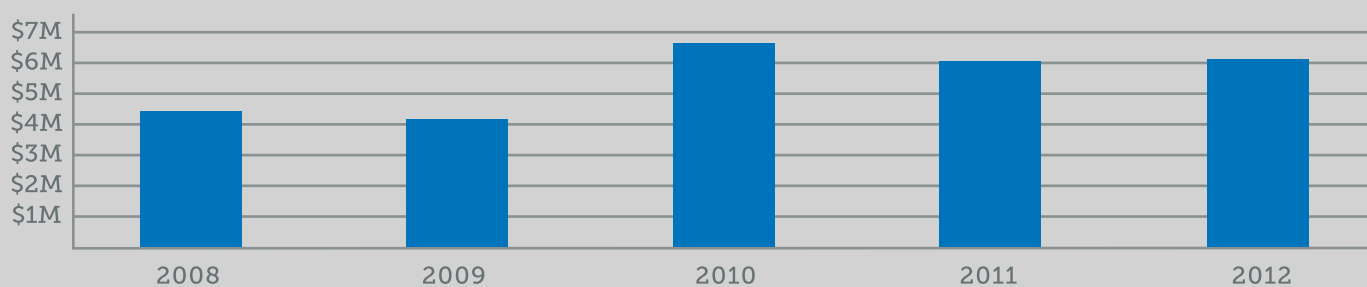
PROJECT GROWTH

■ Reflects Total # of Active TOF Projects at Fiscal Year End



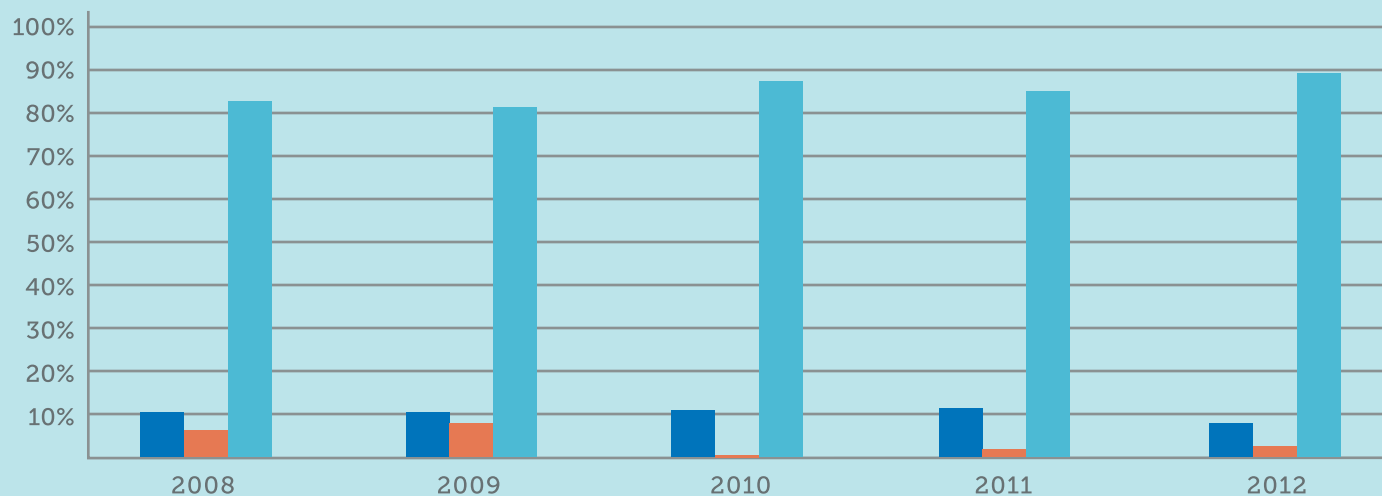
REVENUE GROWTH

■ Reflects Total TOF Revenue at Fiscal Year End



A VIEW OF HOW WE'VE BEEN SPENDING EVERY DOLLAR DONATED

■ Management and General
 ■ Fundraising
 ■ Program Services



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Mark J. Spalding – President
 Karen Muir – Chief Operating Officer
 Kama Dean – Program Officer
 Andrea DeGirolamo – Program Associate
 Emily Franc – Research Associate
 Sarah Martin – Communications Associate

Nora Burke – Foundation Associate
 Guyltone Sukawati – Foundation Associate
 Diane Davidson – Senior Legal and Program Consultant
 Tamika L. Washington – Accounting and Tax Preparation Consultant
 Shree Laxmi Karmacharya – Bookkeeper

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 Kevin Ranker
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 David Guggenheim



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The Ocean Foundation is the only international community foundation dedicated to the oceans. Its niche is providing high-end philanthropic advice for the community of donors who care about coasts and the ocean.

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