

TOF FINANCIAL STATEMENT

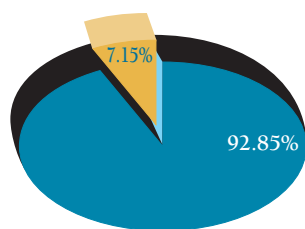
STATEMENT OF FINANCIAL POSITION JUNE 30, 2006

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$589,624
Accounts receivable	8,500
Prepaid expenses	2,860
	<u>600,984</u>
PROPERTY AND EQUIPMENT	
Equipment	8,493
Less: accumulated depreciation	1,291
	<u>7,202</u>
TOTAL ASSETS	<u>\$608,186</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable & accrued expenses	\$31,417
NET ASSETS	
Unrestricted	171,163
Temporarily restricted	405,606
TOTAL NET ASSETS	<u>576,769</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$608,186</u>

	Unrestricted	Temporarily Restricted	Total
REVENUE			
Grants & contributions	\$394,576	\$1,237,382	\$1,631,958
Interest income	7,677	—	7,677
Other revenue	2,761	—	2,761
	<u>405,014</u>	<u>1,237,382</u>	<u>1,642,396</u>
Net assets released from:			
Satisfaction of program restrictions	1,129,030	(1,129,030)	—
Total revenue	<u>1,534,044</u>	<u>108,352</u>	<u>1,642,396</u>
EXPENSES			
Program Services			
Reef Protection	246,004	—	245,004
Marine Mammals Conservation	96,461	—	96,461
Community Development	610,619	—	610,619
Oceans & Climate Change	132,003	—	132,003
Other Conservation Programs	196,839	—	196,839
Total program expenses	<u>1,281,926</u>	<u>—</u>	<u>1,281,926</u>
Support Services			
Management & General	105,443	—	105,443
Fundraising	79,858	—	79,858
Total expenses	<u>1,467,227</u>	<u>—</u>	<u>1,467,227</u>
CHANGE IN NET ASSETS (DEFICIT)			
	66,817	108,352	175,169
Beginning net assets	104,346	297,254	401,600
Ending net assets	<u>\$171,163</u>	<u>\$405,606</u>	<u>\$576,769</u>

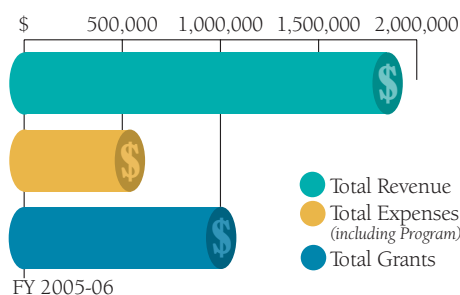
(The Ocean Foundation's complete audited financial statements may be obtained by writing to our CFO, Viviana Jiménez at vjimenez@oceanfdn.org)

PROGRAM EXPENDITURES FY 2005 - 2006



- Administration and Infrastructure
- Program and Grantmaking

REVENUES, EXPENSES, AND GRANTS FY 2005 - 2006



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THE OCEAN FOUNDATION

TURNING THE TIDE FOR CONSERVATION

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REPORT OF ACTIVITIES

JULY 1, 2005 TO JUNE 30, 2006

THE OCEAN FOUNDATION

is a boutique community foundation with a specialized practice. Its niche is providing high-end philanthropic advice for the community of donors who care about the coast and oceans.

The Ocean Foundation has accelerated increased efficiency in ocean conservation funding by sharing the costs of identifying, funding, and evaluating ocean conservation organizations among a broad community of donors, increasing the number of funders and amount of funding available. In FY06, TOF gained 83 donors who were new to ocean conservation funding.

In fiscal year 2005-6, The Ocean Foundation raised \$1.7 million, gave away \$1.2 million in grants, spent \$272,000 on programs, and spent less than 8% on administrative and fundraising costs. Most important to us, 77% of The Ocean Foundation grant dollars went to projects and organizations outside the USA, where small grants can make a big difference in improving the health of ocean resources and the communities that depend on them.

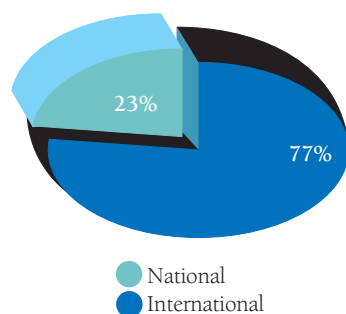


HIGHLIGHTS OF OUR WORK THIS YEAR INCLUDE:

In FY06, The Ocean Foundation has undertaken or supported a wide array of projects and successfully brought new funding to marine conservation:

TOF GRANTMAKING FY 2005 - 2006

(Percentage of total dollars spent)



- 77% of The Ocean Foundation (TOF) grant dollars went to projects and organizations outside the USA.
- TOF staff have traveled the globe conducting site visits and meeting potential grantees in: *Australia, Belize, Cuba, Fiji, Greece, Madagascar, Mexico, St. Kitts & Nevis, the U.S. Virgin Islands, Alaska, California, Florida, Maine, Massachusetts, New York, and Texas.* In addition, we have met with groups from *Argentina, Brazil, Canada, China, Costa Rica, Indonesia, Israel, Japan, and Papua New Guinea.*
- We welcomed a new board member: *Lisa Hook* (Washington, DC), and seven new advisory board members: *Dr. Nyawira Muthiga* (Kenya), *Erik Bluemel* (Washington DC), *Dr. Paul J. Boyle* (New York), *Dr. Magnus Ngoile* (Tanzania), *Walter Parker* (Alaska), *Dr. Nirmal Jivan Shah* (Seychelles) and *Dr. Richard Steiner* (Alaska).
- TOF promoted increased communication and solution-sharing in the field through the hosting, sponsorship, and participation in many national and international workshops and conferences.
- TOF published quarterly e-newsletters, providing philanthropic investment opportunities and key information on the most important marine issues, which can be found on our website at www.oceanfdn.org
- To supplement the quarterly newsletters, **President's Reports** were sent out to a broad base of readers, featuring Ocean Alliance, the Marine Funders' Meeting in

Belize, the Social Ventures Network in Maine, and most recently, a report on the South Pacific Island nations' marine conservation efforts.

- We co-sponsored the first ever **Conference on Ocean Literacy** with our partners, the National Marine Sanctuary Foundation and the National Oceanic & Atmospheric Administration, as well as repeated our annual support for Capital Hill Oceans Week.
- As the result of funding from TOF, *Dr. John Wise* and *Dr. David Evers* presented their results from laboratory analysis of whale samples collected by yet another TOF grantee, Ocean Alliance on its five-year "**Voyage of the Odyssey.**" High levels of chromium and mercury are being found in whale tissue samples from oceans around the world and now the task is to find the sources and determine the effect on whale health, and ultimately, on human health. The presentation and body of work from "**Voyage of the Odyssey,**" resulted in other scientists requesting collaborations with John and David on similar projects advancing the knowledge of contaminants and their impacts on marine life.
- TOF was accepted as a new member of the Social Venture Network, which is a network of businesses that have proven that you can do good and do well at the same time. Our membership helps to ensure that we keep up with trends in corporate social responsibility.
- TOF hosted a coral reef funders working group meeting on the impact of the coral jewelry, curio and aquarium trade, which includes the sale of live reef fish and curio pieces (e.g. coral jewelry, sea shells, dead sea horses and starfish). It is hoped that a campaign to reduce demand for the trade will increase awareness of threats to reef health and reduce the impact of the trade on fragile reef systems.
- Through our grantmaking, we played a small role in the June 2006 designation of the Northwest Hawaiian Islands as a National Monument, which will be the largest marine protected area in the country, protecting dozens of marine species, including marine mammals, seabirds, fish, and corals.
- TOF gained new Donor-Advised Funds, including the Tag-A-Giant fund (www.tagagiant.org), which supports radio tag/satellite tracking of the ocean's magnificent fish (e.g. bluefin tuna) to provide data on the species' movement and health to help inform better management.
- One of TOF's resort partnership funds, The Loreto Bay Foundation (www.LoretoBayFoundation.org), gave away more than \$500,000 to benefit the Loreto Bay National Marine Park and the municipalidad of Loreto.



TELL US WHAT YOU WANT TO DO FOR THE OCEAN – We will take care of the rest