THE OCEAN FOUNDATION

THE ANNUAL REPORT

JULY 1, 2010 - JUNE 30, 2011

Tell us what you want to do for the ocean, we will take care of the rest

Dear Friends of The Ocean Foundation,

In the midst of the persistent effects of the financial crisis, The Ocean Foundation has weathered the most difficult years of its history. Motivated by this stressful period, we have improved the organizational and operational structure of TOF by increasing our strategic assets (whether human and financial resources), as well as by reducing some operational, business and management risks and costs.

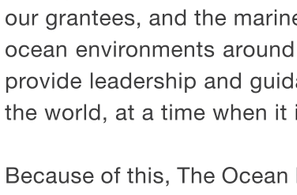
During this time, I have especially appreciated the support of our community of donors who care about the coasts and ocean, as well as the efforts of our staff and the cooperation of our grantees and fiscally sponsored projects. Together we have set priorities for building the capacity of our projects, our grantees, and the marine conservation community in general to reverse the trend of destruction of ocean environments around the world. These efforts are bringing visible results as TOF continues to provide leadership and guidance to the marine conservation community and key stakeholders around the world, at a time when it is needed most.

Because of this, The Ocean Foundation developed and launched our Ocean Leadership Fund this year to respond to growing needs and urgent issues relating to ocean conservation, as well as to strengthen the knowledge and expertise of the ocean community as a whole. Building on its track record of "ocean leadership," The Ocean Foundation's philosophy has always been based on "engaged, active philanthropy," which aims to encourage a strong, vibrant and well-connected community of key ocean stakeholders working to improve and protect earth's oceans and marine eco-systems. To attract new capital, advocate this philosophy of philanthropy and inspire a variety of stakeholders, we work hard to be well prepared, professional and responsive.

The new Ocean Leadership Fund is the vehicle through which The Ocean Foundation is able to support work to address significant threats to the ocean which are global in nature, yet require local, national, and regional partnerships to promote diverse, thoughtful, multi-faceted solutions. We respond to these threats by: 1) conducting research and providing information, 2) building the capacity of the marine conservation community, and 3) fostering and facilitating collaboration.

It is now, more than ever, that actively engaged, aware and innovative leadership is needed most... and this is what the Ocean Leadership Fund will support, even as The Ocean Foundation continues to house and invest in dedicated people working on behalf of healthy marine communities all over the world.

All the best,



Mark J. Spalding
President and Chair

2011 ACCOMPLISHMENTS

- Welcomed 5 new fiscal sponsorship projects: Blue Cloud Spatial, Colorado Ocean Coalition, LiVEBLUE, Sea Stewards, and The Watersheds Project;
- Doubled the CORE staff at our DC Headquarters office and welcomed new board member Samantha Campbell;
- The International Seafood Sustainability Foundation started a Committee Advised Fund to support sea turtle conservation and research;
- Our founding Chair, Wolcott Henry, was awarded the Lifetime Achievement Award at the National Marine Sanctuary Foundation's Leadership Awards Dinner;
- Hosted the Conservation Science Symposium in Loreto, BCS and;
- Launched our Ocean Leadership Fund.

MONEY RAISED PER CATEGORY

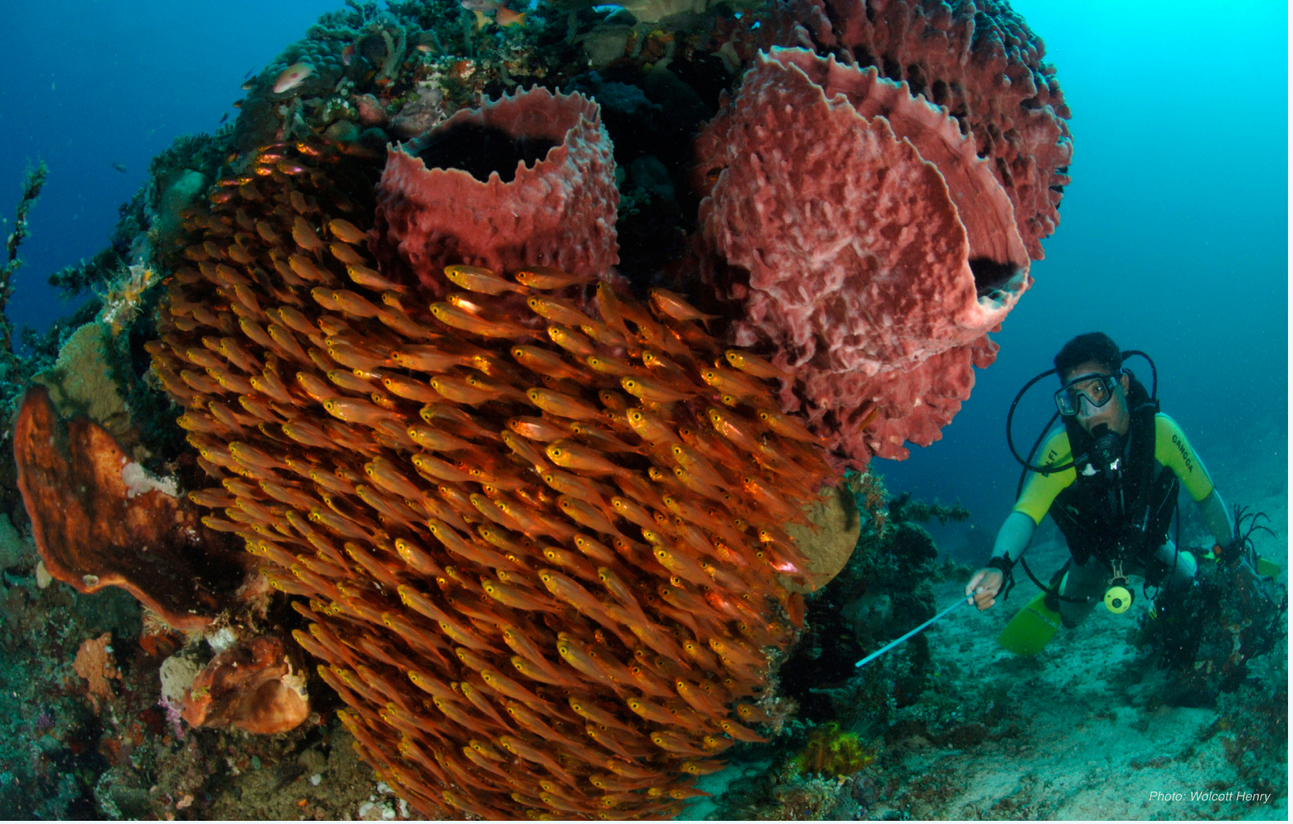
$872,159..... Conserving Marine Habitats and Special Places

$1,025,988..... Protecting Species of Concern

$777,371..... Building the Capacity of the Marine Conservation Community

$1,450,076..... Expanding Ocean Literacy and Public Awareness

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 Heroes), to expand on their incredible accomplishments and advancements over the past year. For additional information on any given category or project, please visit us online at **www.oceanfdn.org** *or email us at* **info@oceanfdn.org**.



Conserving Marine Habitats and Special Places $872,159

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 the human communities that depend on them.

OCEAN HERO: Jonathan Smith (Run to the Sea)

An award-winning speaker and writer, Jonathan Smith is an expert in cause marketing, message management and grassroots advocacy. Jonathan served as the President and CEO of Global Alerts—a company dedicated to product stewardship and recycling. Under Jonathan, Global Alerts, LLC of Scottsdale, AZ turned a portfolio of revolutionary public/private partnerships (including AMBERAlert.com, Pets911.com, and Earth911.com) into a family of leading cause web platforms. In 2008, Jonathan joined forces with Alexandra Cousteau to create and launch the Blue Legacy International project at The Ocean Foundation. In addition to producing two major expeditions and more than 84 films, Blue Legacy gave rise to Jonathan and Alexandra's second fiscally-sponsored project at The Ocean Foundation -- a project called "Run to the Sea." Inspired by their explorations in the Upper Gulf region of the Sea of Cortez and the innovative restoration work on the Colorado River led by scientists and NGOs working in the region, Jonathan and Alexandra established Run to the Sea in 2011,as a collaborative campaign on critical estuary systems and a point of engagement for mainstream consumers and corporate partners. **www.AlexandraCousteau.org**

BLUE LEGACY

FSF: Laguna San Ignacio Ecosystem Science Program

Laguna San Ignacio ecosystem science program
a project of The Ocean Foundation

The Laguna San Ignacio Science Program (LSIESP) investigates the ecological status of the lagoon and its living marine resources, and provides science-based information that is relevant to resource management questions and concerns about development, eco-tourism and the sustainability of the lagoon ecosystem in Baja California Sur, Mexico as a viable habitat for marine wildlife. The program monitors the gray whales that visit the lagoon each winter, the lagoon, and it's wildlife as an entire inter-related system. LSIESP encourages social awareness, education and community participation in the conservation of this marine protected area, promotes human activities and alternatives that are in balance with the natural components of the region, and that recognize the needs of the local community.

After four years (2007-2010) of declining counts of Eastern North Pacific gray whales within Laguna San Ignacio, Baja California, Sur, Mexico, the number of whales utilizing this lagoon during their 2011 winter breeding season was significantly higher than that seen in recent winters. In June 2011, LSIESP presented results from a study that used photo-identification methods to document movements of critically endangered western gray whales identified off Sakhalin Island, Russia, to Laguna San Ignacio, Baja California, Mexico. LSEISP hopes that these initial matches demonstrating movements of gray whales between the western and eastern North Pacific will provide the impetus for a collaborative Pacific wide study of gray whales under the auspices of the International Whaling Commission, similar in scope to what has been done for humpback whales in the North Atlantic (YoNAH) and in the North Pacific (SPLASH). **www.lsiecosystem.org**

Photo Credit: Playa Viva

Photo Credit: Ann Luskey

Protecting Species of Concern $1,025,988

For many of us, our first interest in the oceans began with an interest in the large animals that call it home. Whether it be the awe inspired by a gentle humpback whale, the undeniable charisma of a curious dolphin, or the ferocious gaping maw of a great white shark, these animals are more than just the ambassadors of the sea. These apex predators and keystone species keep the ocean ecosystem in balance, and the health of their populations often serves as an indicator for th health of the oceans as a whole.

Photo: David Guggenheim

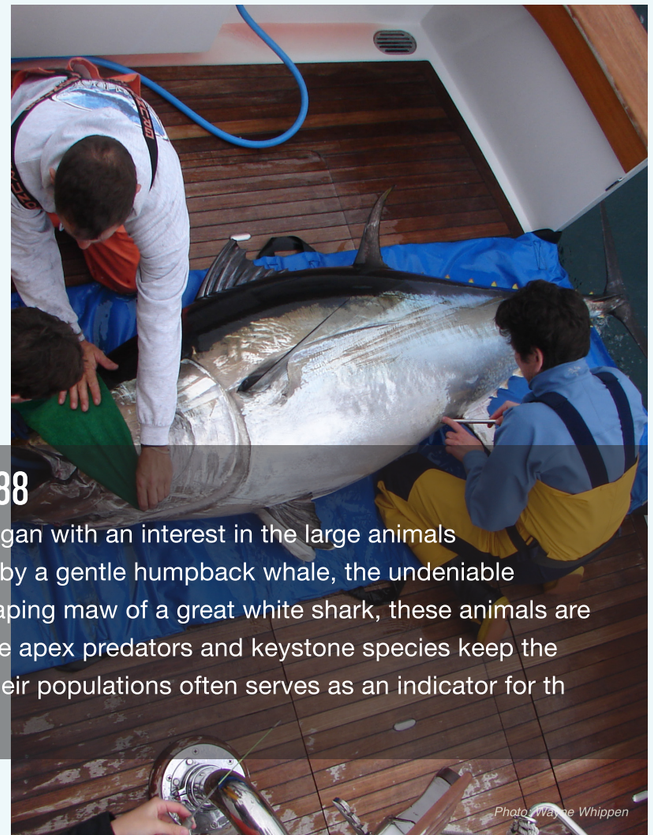
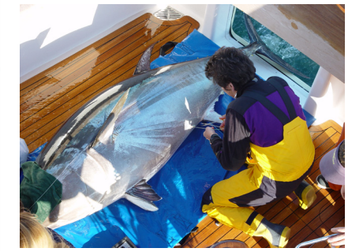


Photo: Wayne Whippen

OCEAN HERO: Dr. Barbara Block (Tag-A-Giant)



Dr. Barbara Block, professor of marine sciences at Stanford University, serves as the Scientific Advisor to Tag-A-Giant (TAG), one of the original projects of The Ocean Foundation. TAG is dedicated to advancing the scientific research, policy and conservation initiatives necessary to reverse the decline of one of the ocean's most majestic animals - the giant bluefin tuna. Block's team has deployed over 1,800 electronic tags on bluefin in the Atlantic and Pacific oceans, allowing us to venture beneath the sea with this ocean predator and learn about its journeys and behaviors - knowledge that is critical to protecting the species. Tragically, the 2010 Deepwater Horizon oil spill occurred on the already depleted western Atlantic bluefin's only known spawning ground in the Gulf of Mexico at the time of peak spawn. In response, last fall TAG deployed 38 satellite-transmitting tags on giant bluefin tuna (some over 1000 lbs!) in the Gulf of St. Lawrence, Canada. Many of these fish were destined for the Gulf of Mexico, allowing Dr. Block and her team to detect any lingering impacts of the spill on spawning bluefin tuna in the first year following the disaster. www.tagagiant.org

TAG
TAG A GIANT

FSF: Eastern Pacific Hawksbill Initiative (ICAPO)

The Eastern Pacific Hawksbill Initiative (ICAPO) was formally established in July 2008 to promote the recovery of hawksbill turtles in the eastern Pacific. ICAPO engages individuals and organizations, ranging from local fishermen, government representatives, as well as experts in the field of hawksbill and sea turtle conservation, hailing from every country in the eastern Pacific from the US to Peru. The group fulfills its mission to protect and recover hawksbills in the eastern Pacific by sharing information, raising awareness, forming alliances, conducting research and initiating conservation. This is achieved through close collaborations with coastal community members, scientists and policy makers throughout the region. ICAPO has established numerous conservation projects, consolidated an important body of scientific literature, and brought hawksbill turtles to the forefront of the global marine turtle conservation agenda.

In 2011, ICAPO released the results of a three-year study that determined the Eastern Pacific Hawksbill populations were more numerous than once assumed; the turtles had made a "never-before-seen habitat adaptation" and were found living in mangrove estuaries rather than on coral reefs. The new discovery of Hawksbill habitats allows for conservation efforts to be better informed and increases the opportunity for recovery of an almost extinct species. www.hawksbill.org

ICAPO
Iniciativa Carey del Pacífico Oriental

Building the Capacity of the Marine Conservation Community $777,371

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.

Photo: Wolcott Henry

Photo: Laguna San Ignacio Ecosystem Program

OCEAN HERO: Brad Nahill (SEE the WILD)

Brad co-founded SEE Turtles with Dr. Wallace J. Nichols in 2007 to build the market for sea turtle conservation tourism. To date, SEE Turtles has generated more than $250,000 for turtle conservation and local communities. In early 2011, Brad and Dr. Nichols founded SEEtheWILD, an expansion of SEE Turtles to other species. Brad has worked in sea turtle conservation, ecotourism, and environmental education for 12 years with organizations including Ocean Conservancy, Rare, Asociacion ANAI (Costa Rica), and the Academy of Natural Sciences (Philadelphia). He has also consulted for several ecotourism companies and non-profits, including EcoTeach and Costa Rican Adventures. In addition, he has co-authored several abstracts on turtle conservation in Costa Rica and turtle watching best practices and has presented at major travel conferences. Brad has a BS in Environmental Economics from Pennsylvania State University. **www.SEEtheWILD.org**

see wild
seeTHEWILD.ORG

FSF: Ocean Conservation Research

Ocean Conservation Research is focused on understanding the scope of, and exploring solutions to the growing problem of human generated noise pollution and its impact on marine animals. It promotes and supports marine biological and technological research based on conservation priorities. OCR uses the products of this research to inform the policies and practice of the public, industry, and lawmakers so that we may all become better stewards of the sea.

In 2011, OCR developed a highly interactive website with WWF and NRDC focusing on the acoustical impacts of fossil fuel operations in the arctic, **www.buckehead.org**, which launches in December 2011. OCR also launched a Youtube channel (www.youtube.com/OCRdotORG) of mini-lectures on bio-acoustics that you don't want to miss. **www.ocr.org**

OCEAN CONSERVATION RESEARCH
Science and technology serving the sea

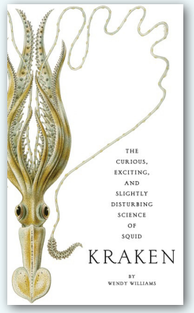
Expanding Ocean Literacy and Public Awareness $1,450,076

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 think of the oceans as vast, almost unlimited sources of food and recreation with abundant animals, plants, and protected spaces. 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.

Photo: Blue Marbles

OCEAN HERO: Wendy Williams (Vertebrates' Conceit)

Award-winning science journalist and investigative reporter Wendy Williams, the author of four previous books, released her fifth book this year. Kraken: The Curious, Exciting, and Slightly Disturbing Science of Squid, sponsored in part by The Ocean Foundation, received rave reviews from publications worldwide. "Williams is a fine writer and takes us on an engaging and informative journey through the world of cephalopod science…" wrote reviewer John Farndon for Britain's The Spectator. "Titbits of natural history…interwoven with a compelling historical narrative…. it's easy to see how cephalopods can mesmerise people. Reading Kraken could put you under that spell too," wrote Cian O'Luanagh for The New Scientist. Kraken is "an absorbing, accessible portrait," wrote Paul Bloomfield, deputy editor of BBC Wildlife Magazine. On U.S. side of the Atlantic, Williams received equally kind comments from publications like The Los Angeles Times, Science News, The New York Post, and so many other places.



www.krakenbook.com

FSF: LiVEBLUE's BlueMind Project

The LIVEBLUE project works to inspire people to LIVEBLUE- to make daily choices that support a healthy ocean ecosystem. The LIVEBLUE project is made up of a collection of initiatives lead by Dr. Wallace J. Nichols, including the BLUEMiND project. BLUEMiND explores the intersection of mind and ocean, through the lens of cognitive neuroscience.

If you have ever wondered why the ocean REALLY makes your brain and body feel so good? Or why you long to get back to it? Or, why "ocean view" is the most valuable phrase in the English language? Or why the ocean is romantic? What happens to the brain when a person is in proximity to the ocean? Why do we spend hard earned money to vacation near the sea? What are the links between the ocean, meditation, stress and public health? On June 1st, 2011, Dr. Nichols's project brought together experts in a unique, cutting edge conversation at the California Academy of Science to answer these questions.

www.mindandocean.org

The Ocean Foundation

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2011

CURRENT ASSETS	
Cash and cash equivalents	$1,314,880
Grants and accounts receivable	$2,705,116
Prepaid expenses	$100,256
	$4,147,252
PROPERTY AND EQUIPMENT	
Equipment and software	$80,826
Furniture and fixtures	$2,041
Less: accumulated depreciation	$60,964
	$21,903
TOTAL ASSETS	**$4,169,154**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable & accrued expenses	$86,517
Loans and other current liabilities	$676,632
TOTAL LIABILITIES	**$763,149**
NET ASSETS	
Unrestricted, Undesignated	($444,917)
Unrestricted, Designated	$1,154,674
Temporarily Restricted	$2,696,247
TOTAL NET ASSETS	**$3,406,005**
TOTAL LIABILITIES AND NET ASSETS	**$4,169,154**

The Ocean Foundation

STATEMENT OF ACTIVITIES

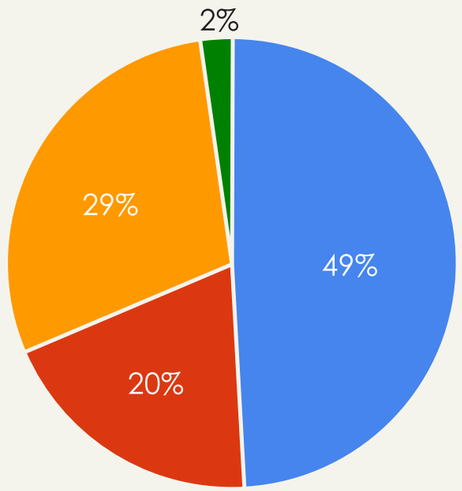
JUNE 30, 2011

	Unrestricted	Temporarily Restricted	Total
REVENUE & SUPPORT			
Grants & contributions	$143,839	$4,744,921	$4,888,759
Program service revenue	$105,805		$105,805
Interest income	$9,601	$4,744,921	$9,601
	$259,244	**$4,744,921**	**$5,004,165**
NET ASSETS RELEASED FROM RESTRICTION:			
Satisfaction of program resrictions	$5,108,664	($5,108,664)	
Total revenue & support	**$5,367,908**	**($363,743)**	**$5,004,165**
EXPENSES			
Program Services			
Protecting Marine Habitats	$499,756		$499,756
Protecting Species of Concern	$1,103,049		$1,103,049
Building Marine Community Capacity	$819,466		$819,466
Ocean Literacy	$2,404,773		$2,404,773
Total program expenses	**$4,827,045**		**$4,827,045**
SUPPORT SERVICES			
Management & general	$638,780		$638,780
Fundraising	$172,340		$172,340
Total expenses	**$5,638,165**		**$5,638,165**
CHANGE IN NET ASSETS *(DEFICIT)*	($270,257)	($363,743)	($634,000)
Beginning net assets	**$980,014**	**$ 3,059,991**	**$4,040,005**
Ending net assets	**$709,757**	**$2,696,248**	**$3,406,005**

INCOME BY TYPE
FISCAL YEAR ENDED JUNE 30, 2011

Total Income $5,004,165

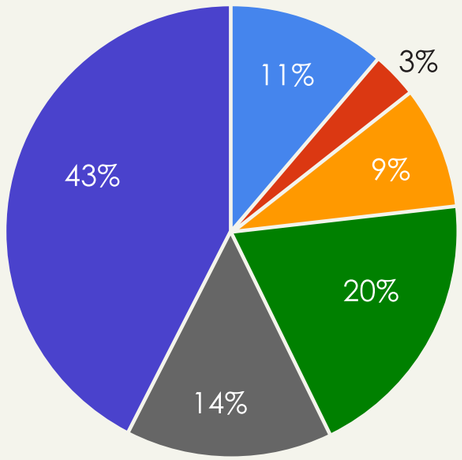
- Grants $2,458,032
- Contributions $977,256
- Government Contracts $1,453,471
- Program Service Revenue $105,805
- Interest Income $9,601



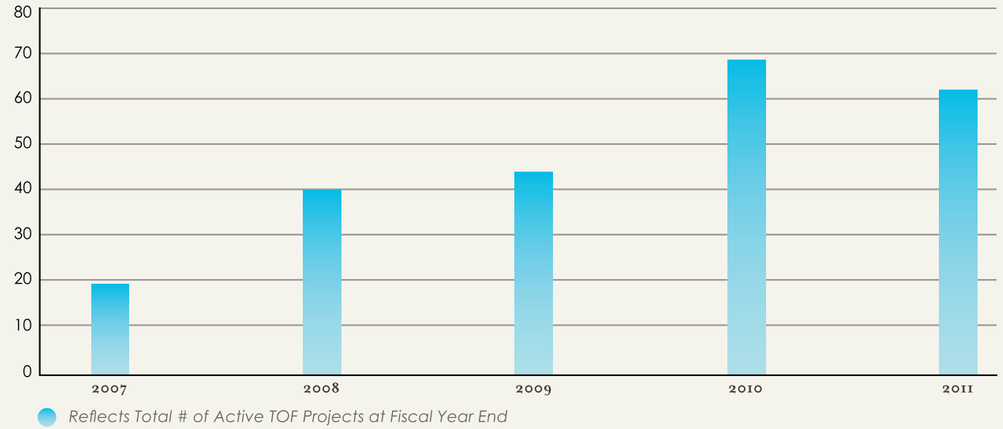
EXPENSES BY PROGRAM AND SUPPORT FUNCTION
FISCAL YEAR ENDED JUNE 30, 2011

Total Expenses $5,638,165

- Management & General $638,780
- Fundraising $172,340
- Protecting Marine Habitats $499,756
- Protecting Species of Concern $1,103,049
- Expanding Ocean Literacy $819,466
- Building Marine Community Capacity $2,404,773

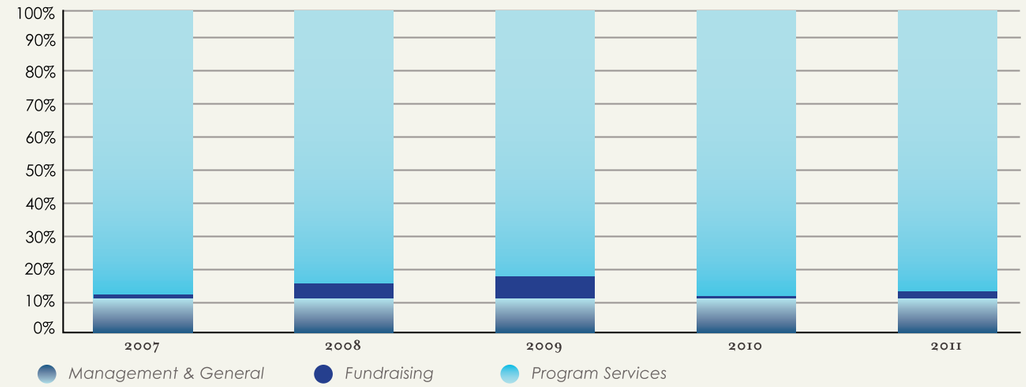


PROJECT GROWTH



Reflects Total # of Active TOF Projects at Fiscal Year End

ANALYSIS OF PROGRAM VS. ADMIN SPENDING



Type of Funds The Ocean Foundation Manages

Please tell us what you would like to do for the ocean

Donor-Advised Funds are set up by a donor to be spent in support of marine conservation with a special emphasis on those areas perceived as having the greatest need, as advised by the donor.

Field of Interest Funds leverage the contributions of multiple donors in support of conservation efforts in specific geographic or issue areas of concern, such as Alaska's oceans, coral reefs or marine mammals.

Fiscal Sponsorship Funds are semi-independent, short term or incubatory projects housed at The Ocean Foundation, for which we provide financial oversight, tax and corporate compliance, and other services as needed.

Committee-Advised and Resort Partnership Funds are generally geographically or topically specific and each has a Board of Advisors that provides input into how funds are sent.

Greater detail about all of our funds can be found on The Ocean Foundation website

www.oceanfdn.org

The Ocean Foundation

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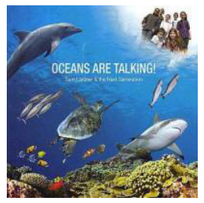
info@oceanfdn.org

www.oceanfdn.org

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.

LiVBLUE · Laguna San Ignacio ecosystem science program, a project of The Ocean Foundation · The Ocean Project · AdoptanOcean · The Maldives Model · The Science Exchange Intercambios Científicos · theLASTOCEAN



Colorado Ocean Coalition (coloradoocean.org) · Blue Legacy · TAG – Tag a Giant · Ocean Conservation Research – Science and technology serving the sea · WatershedsProject · Ocean Revolution (www.oceanrevolution.org) · Blue Climate Solutions

Ocean Connectors (Connecting Youth for Conservation, www.propeninsula.org) · Surfers Without Borders · Proyecto Caguama (www.grupotortuguero.org, México – Hawaii – Japón) · Ocean Doctor · Media for a Healthy Ocean (www.seastewards.org) · Shark Advocates International · seewild / seeTHEWILD.org · Kraken (The curious, exciting, and slightly disturbing science of squid, by Wendy Williams) · ICAPO – Iniciativa Carey del Pacífico Oriental, Eastern Pacific Hawksbill Initiative

At Sea Level • Atlantic Salmon: Lost At Sea • Blue Cloud Spatial • Deep Surface • Guanaja Mangrove Restoration Project • Lateral Line Fund
Marine Ecosystem Services Partnership • Run to the Sea • Sonar and Whales

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