

**RESPONSIBLE OFFSHORE SCIENCE ALLIANCE**

**FINANCIAL STATEMENTS**

**December 31, 2024 and 2023**

RESPONSIBLE OFFSHORE SCIENCE ALLIANCE  
FINANCIAL STATEMENTS  
December 31, 2024 and 2023

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Responsible Offshore Science Alliance  
Washington, D.C.

### *Opinion*

We have audited the accompanying financial statements of Responsible Offshore Science Alliance (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Responsible Offshore Science Alliance as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Responsible Offshore Science Alliance and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these 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 Responsible Offshore Science Alliance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.


*Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Responsible Offshore Science Alliance'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 Responsible Offshore Science Alliance'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.



German, Vreeland & Associates, LLP

Cedar Knolls, New Jersey

July 31, 2025

RESPONSIBLE OFFSHORE SCIENCE ALLIANCE  
STATEMENTS OF FINANCIAL POSITION  
December 31, 2024 and 2023

ASSETS

	<u>2024</u>	<u>2023</u>
<b>CURRENT ASSETS</b>		
Cash and equivalents	\$ 502,364	\$ 841,670
Unconditional promises to give	322,633	150,000
Prepaid insurance	4,034	848
Total current assets	<u>829,031</u>	<u>992,518</u>
 Fixed assets - net	 <u>1,730</u>	 <u>-</u>
 <b>TOTAL ASSETS</b>	 <u><u>\$ 830,761</u></u>	 <u><u>\$ 992,518</u></u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 43,981	\$ 4,518
Salaries and benefits payable	16,594	20,056
Deferred revenue	-	360,000
Total current liabilities	<u>60,575</u>	<u>384,574</u>
 <b>NET ASSETS</b>		
Without donor restrictions	470,186	357,944
With donor restrictions	300,000	250,000
Total net assets	<u>770,186</u>	<u>607,944</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u><u>\$ 830,761</u></u>	 <u><u>\$ 992,518</u></u>

RESPONSIBLE OFFSHORE SCIENCE ALLIANCE  
STATEMENTS OF ACTIVITIES  
Years Ended December 31, 2024 and 2023

	2024			2023		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>SUPPORT AND REVENUE</b>						
Contributions	\$ 411,028	\$ 250,000	\$ 661,028	\$ 415,000	\$ 250,000	\$ 665,000
Program service revenue	410,000	-	410,000	-	-	-
Interest Income	8,139		8,139	-	-	-
Net assets released from restrictions	200,000	(200,000)	-	150,000	(150,000)	-
Total support and revenue	1,029,167	50,000	1,079,167	565,000	100,000	665,000
<b>EXPENSES</b>						
Program services	680,431	-	680,431	351,771	-	351,771
Management and general	177,840	-	177,840	107,643	-	107,643
Fundraising	58,654	-	58,654	32,251	-	32,251
Total expenses	916,925	-	916,925	491,665	-	491,665
<b>CHANGE IN NET ASSETS</b>	112,242	50,000	162,242	73,335	100,000	173,335
<b>NET ASSETS, Beginning of year</b>	357,944	250,000	607,944	284,609	150,000	434,609
<b>NET ASSETS, End of year</b>	\$ 470,186	\$ 300,000	\$ 770,186	\$ 357,944	\$ 250,000	\$ 607,944

See accompanying notes to financial statements.



RESPONSIBLE OFFSHORE SCIENCE ALLIANCE  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended December 31, 2024

	2024			
	Program Services	Management and General	Fundraising	Total Expenses
Payroll	\$ 379,747	\$ 112,320	\$ 42,788	\$ 534,855
Consultants	127,618	-	-	127,618
Information technology	12,625	1,485	743	14,853
Payroll taxes	33,233	9,830	3,744	46,807
Employee benefits	32,590	9,639	3,673	45,902
Professional fees	9,805	36,920	-	46,725
Travel	35,252	-	-	35,252
Conferences	16,389	-	-	16,389
Dues and subscriptions	12,003	-	-	12,003
Insurance	5,133	604	301	6,038
Telephone	6,732	792	397	7,921
Miscellaneous	3,486	-	-	3,486
Special events	-	-	6,801	6,801
Payroll fees	3,518	414	207	4,139
Office expenses	-	1,782	-	1,782
Postage	-	1,528	-	1,528
Licenses and registrations	-	2,526	-	2,526
Advertising	1,662	-	-	1,662
Depreciation	638	-	-	638
Total expenses	<u>\$ 680,431</u>	<u>\$ 177,840</u>	<u>\$ 58,654</u>	<u>\$ 916,925</u>

See accompanying notes to financial statements.

RESPONSIBLE OFFSHORE SCIENCE ALLIANCE  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended December 31, 2023

	2023			
	Program Services	Management and General	Fundraising	Total Expenses
Payroll	\$ 244,824	\$ 72,413	\$ 27,586	\$ 344,823
Consultants	26,226	-	-	26,226
Information technology	13,718	1,614	807	16,139
Payroll taxes	21,414	6,334	2,412	30,160
Employee benefits	8,020	2,372	904	11,296
Professional fees	-	22,205	-	22,205
Travel	13,006	-	-	13,006
Conferences	4,275	-	-	4,275
Dues and subscriptions	5,056	-	-	5,056
Insurance	4,330	509	256	5,095
Telephone	2,111	248	125	2,484
Miscellaneous	5,245	-	-	5,245
Payroll fees	2,745	323	161	3,229
Office expenses	-	1,625	-	1,625
Advertising	801	-	-	801
Total expenses	<u>\$ 351,771</u>	<u>\$ 107,643</u>	<u>\$ 32,251</u>	<u>\$ 491,665</u>



RESPONSIBLE OFFSHORE SCIENCE ALLIANCE  
STATEMENT OF CASH FLOWS  
Years Ended December 31, 2024 and 2023

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 162,242	\$ 173,335
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	638	-
Change in operating assets and liabilities		
Unconditional promises to give	(172,633)	(25,000)
Prepaid expenses	(3,186)	161
Accounts payable	39,463	(352)
Salaries and benefits payable	(3,462)	20,056
Deferred revenue	(360,000)	360,000
Net cash (used in) provided by operating activities	<u>(336,938)</u>	<u>528,200</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<u>(2,368)</u>	<u>-</u>
Net cash (used in) investing activities	<u>(2,368)</u>	<u>-</u>
 <b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	 (339,306)	 528,200
 <b>CASH AND CASH EQUIVALENTS, Beginning of year</b>	 <u>841,670</u>	 <u>313,470</u>
 <b>CASH AND CASH EQUIVALENTS, End of year</b>	 <u><u>\$ 502,364</u></u>	 <u><u>\$ 841,670</u></u>
 <b>SUPPLEMENTAL CASH FLOW DISCLOSURE:</b>		
Interest paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

RESPONSIBLE OFFSHORE SCIENCE ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Responsible Offshore Science Alliance (the “Organization”) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**Organization** – The Organization is a not-for-profit organization. Its mission is an improved understanding of ocean and coastal ecosystems that allows for informed compatibility of sustainable fisheries and offshore wind energy. The Organization aims to realize its mission by advancing regional research and monitoring of fishery and offshore wind interactions in the waters from Maine to North Carolina. The Organization is supported primarily through contributions.

**Tax Status and Incorporation** – The Organization was incorporated on March 8, 2019, pursuant to the District of Columbia Nonprofit Corporation Act. The corporation is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for federal income taxes. The Organization has no uncertain tax positions at December 31, 2024 and 2023. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax year in progress.

**Financial Statement Presentation** – The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors; net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

**Promises to Give** – Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. 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 more than one year are recorded at fair value, which is measured at the present value of future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

**Revenue and Revenue Recognition** – Grants awards having the existence of a condition but lacking in both the existence of a barrier and right of return to the resource provider, are classified as restricted contribution revenue until conditions of the award are met. Conditional grant awards, having both the existence of a barrier and right of return to the resource provider, are classified as deferred revenue when received and are recognized as contribution revenue when the awards are expended for the purpose of the grant or other conditions are satisfied.

The Organization periodically enters into contracts with various entities for various projects. Revenues are generally recognized over the course of the contract as costs related to the contract are incurred and/or when the services are provided. Amounts received, but not yet recognized as revenue are included with deferred revenue.

RESPONSIBLE OFFSHORE SCIENCE ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**Cash and Cash Equivalents** – Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity (three months or less) that they present insignificant risk of changes in value because of changes in interest rates.

**Fixed Assets and Depreciation** – Items capitalized as fixed assets are carried at cost. Expenditures for additions and improvements that add to or extend the lives of assets are capitalized. Depreciation is provided for fixed assets over their estimated useful lives using the straight-line method. The Organization continually evaluates whether current events or circumstances require adjustments to the carrying value or estimated useful lives of fixed assets.

**Valuation of Long-Lived Assets** – In accordance with the accounting pronouncements related to accounting for the impairment or disposal of long-lived assets, the Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no assessment was required for the periods presented in these financial statements.

**Functional Expenses** – Expenses are charged to each program based on direct expenditures that are incurred. Any program expenditures not directly chargeable are allocated based on management's estimates. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies.

**Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures included in the financial statements. Accordingly, actual results could differ from those estimates.

**Advertising** – The Organization expenses advertising costs as incurred.

**NOTE 2 – PROMISES TO GIVE** – Unconditional promises to give consist of the following at December 31, 2024 and 2023:

	2024	2023
Unconditional promises to give	\$ 322,633	\$ 150,000
Less: Unamortized discount	-	-
Net unconditional promises to give	<u>\$ 322,633</u>	<u>\$ 150,000</u>
Amounts due in:		
Less than one year	\$ 322,633	\$ 150,000
One to five years	-	-
Total	<u>\$ 322,633</u>	<u>\$ 150,000</u>

Unconditional promises to give due in more than one year are recognized at fair value, using present value techniques and a discount rate of 2%. As of December 31, 2024 and 2023, all unconditional promises to give are expected to be collected.



RESPONSIBLE OFFSHORE SCIENCE ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 3 – FIXED ASSETS AND DEPRECIATION** - Fixed assets and accumulated depreciation at December 31, 2024 and 2023 were comprised of:

	Life Years	2024	2023
Computers and servers	3	\$ 2,368	\$ -
Less: accumulated depreciation		(638)	-
Net fixed assets		<u>\$ 1,730</u>	<u>\$ -</u>

Depreciation expense for the year ended December 31, 2024 totaled \$630.

**NOTE 4 – DEFERRED REVENUE** - Deferred revenue represents funds received for programs that will be completed in future periods.

**NOTE 5 – CONCENTRATION OF CREDIT RISK** - The Organization maintained cash balances on deposit with financial institutions in excess of insurable limits for the year ended December 31, 2024 and 2023. The condition is mitigated by having funds deposited with a high quality financial institution. The Organization does not believe that it is exposed to any significant credit risk on its cash and cash equivalents.

**NOTE 6 – NET ASSETS WITHOUT DONOR RESTRICTIONS** - Net assets without donor restrictions are resources available to support the Organization. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS** - At December 31, 2024 and 2023, \$300,000 and \$250,000, respectively, of net assets were donor restricted.

**NOTE 8 – OCCUPANCY** - The Organization does not rent office space. The Organization's functions are performed by staff of the Organization from their respective home offices. The Organization does not have any lease agreements with these individuals and no payment of rent is required.

RESPONSIBLE OFFSHORE SCIENCE ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 9 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS** - The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions:

	<u>2024</u>	<u>2023</u>
Cash and equivalents	\$ 502,364	\$ 841,670
Unconditional promises to give	322,633	150,000
Total financial assets	<u>824,997</u>	<u>991,670</u>
Contractual or donor-imposed restrictions	<u>(300,000)</u>	<u>(250,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 524,997</u>	<u>\$ 741,670</u>

**NOTE 10 – RELATED PARTY TRANSACTIONS** – During the years ended December 31, 2024 and 2023, the Organization recognized unconditional promises to give of \$100,000 and \$250,000, respectively, from companies whose officer employees are also serve on the Board of Directors of the Organization.

**NOTE 11 – CONSULTING** - Consultants include facilitation, communication, as well as research and development services.

**NOTE 12 – RECENT ACCOUNTING PRONOUNCEMENTS** - In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses* (ASC 326). The Organization has adopted the current expected credit losses (CECL) methodology for estimating credit losses on financial assets, effective January 1, 2023, utilizing the modified retrospective transition method. The adoption of CECL resulted in changes to the Organization's accounting policies, including the recognition of credit losses based on expected future credit losses rather than incurred credit losses. The adoption of this standard did not have a material impact on the Organization’s financial statements but did change how the allowance for credit losses is determined.

**NOTE 13 – SUBSEQUENT EVENTS** – Management has evaluated subsequent events through July 31, 2025, the date on which the financial statement were available to be issued. There were no subsequent events that required recognition or disclosure in the financial statements.