



THE OPS FOUNDATION

(NON-PROFIT ORGANIZATION)

Financial Statements
for the year ended December 31, 2020

and independent auditor's report

THE OPS FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
The OPS Foundation
Greenbrae, CA**

We have audited the accompanying consolidated financial statements of The OPS Foundation (a non-profit organization), which comprise the consolidated statement of assets, liabilities, and net assets as of December 31, 2020, and the related consolidated statements of support, revenue, expenses, and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion.

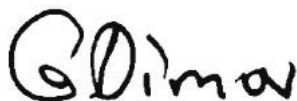
An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of The OPS Foundation (a non-profit organization) as of December 31, 2020, and its support, revenue, expenses, and changes in net assets, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Sincerely,

A handwritten signature in black ink that reads "G Dimov". The "G" is large and stylized, with a loop. The "Dimov" is written in a cursive, slightly slanted font.

George Dimov, CPA
New York, NY
July 8, 2022

dimov

GEORGE DIMOV CPA

**THE OPS FOUNDATION
CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
AS OF DECEMBER 31, 2020**

	December 31, 2020
ASSETS	
Current assets	
Cash and cash equivalents	2,465,325
Accounts receivable	7,540
Total Current Assets	2,472,865
Non-current assets	
Property and equipment	13,541
Other non-current assets	13,003
Total non-current assets	26,544
TOTAL ASSETS	2,499,409
 LIABILITIES AND NET ASSETS	
Current liabilities	
Accounts payable - related party	456,137
Total current liabilities	456,137
Non-current liabilities	
Recoverable grants	150,000
Total non-current liabilities	150,000
Unrestricted net assets	1,893,272
TOTAL LIABILITIES AND NET ASSETS	2,499,409

The accompanying notes are an integral part of these consolidated financial statements.
The independent auditor's report is on pages 3-4.

**THE OPS FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Year ended December 31, 2020
Unrestricted revenues and support	
Contributions	2,290,934
Film revenue	30,196
Other income	20,566
	2,341,696
Total revenues and support	
Program expenses	
Payroll and related taxes	(223,486)
Contract labor	(142,078)
Production and post productions costs	(132,779)
Revenue share distributions	(125,826)
Insurance	(19,994)
Travel	(18,738)
Depreciation of production equipment	(3,575)
Other program expenses	(202)
	(666,678)
Total program expenses	
Supporting expenses	
Administrative expenses	(38,838)
Fundraising	(26,928)
Accounting	(11,071)
Legal fees	(1,000)
	(77,837)
Total supporting expenses	
CHANGE IN NET ASSETS	1,597,181
NET ASSETS, BEGINNING OF THE YEAR	296,091
NET ASSETS, END OF THE YEAR	1,893,272

The accompanying notes are an integral part of these consolidated financial statements.
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**THE OPS FOUNDATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Year ended
December 31,
2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	1,597,181
Adjustments for:	
Depreciation	3,575
Other income	(20,566)
Changes in accounts receivable	(7,540)
Changes in accounts payable - related party	(17,305)
Changes in notes payable - related party	(3,747)
	(3,747)
Net cash provided by operating activities	1,551,598

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(15,285)
	(15,285)
Net cash used by investing activities	(15,285)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from recoverable loans	150,000
	150,000
Net cash provided by financing activities	150,000

NET CASH FLOW DURING THE YEAR	1,686,313
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CASH - BEGINNING OF THE YEAR	779,012
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CASH - END OF THE YEAR	2,465,325
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**THE OPS FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020**

NOTE 1: NATURE OF OPERATIONS

The OPS Foundation (the “Foundation” or the “Organization”) is a Section 501(c)(3) exempt private foundation operating under the laws of the State of California. The Foundation is engaged in production of documentaries, films and media dedicated to marine conservation, environmental protection and solving complex global issues.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The consolidated financial statements include the accounts of the Foundation and its wholly owned subsidiaries: The Great Filter LLC, Food 2.0 LLC (DBA “United Theory of Health”) and Leuser Film LLC. All intercompany balances and transactions are eliminated in consolidation.

These consolidated financial statements are presented in US Dollars, unless otherwise indicated. These consolidated financial statements have been prepared under the historical cost convention, except for the evaluation of certain financial instruments carried at fair value.

Basis of Presentation

Financial Statement presentation follows the presentation requirements of Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117 the Organization is required to report information regarding its combined financial position and activities according to three classes of net assets; permanently restricted, temporarily restricted or unrestricted

Unrestricted, Temporarily Restricted or Permanently Restricted Net Assets

<i>Unrestricted Net Assets</i>	Consist of resources available without restriction for the various programs and administration of the organization.
<i>Temporarily Restricted Net Assets</i>	Net assets subject to donor imposed stipulations that may or will be satisfied through the actions of the Organization and/or the passage of time.
<i>Permanently Restricted Net Assets</i>	Net assets subject to donor imposed stipulations that the Organization permanently maintain certain contributed assets. Permanent restrictions do not pass with the expiration of time, nor can they be removed through the Corporation’s actions.

Functional Expenses

The Organization classifies expenses not directly related to the provision of program services as management & general and fundraising expenses. The costs of providing the program and other activities have been summarized on a functional basis.

Going concern

The Organization's management has assessed the Organization's ability to continue as a going concern and is satisfied that the Organization has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Organization's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

Cash and cash equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Maintenance and repair costs are charged to operations as incurred. Renewals and betterments are charged to the appropriate asset account. Depreciation is provided using the straight-line over the estimated useful lives of the assets.

Film costs capitalization

Film costs include capitalizable production costs, production overhead, interest, development costs, and acquired production costs and per ASC 926 Entertainment - Film these costs should be stated at the lower of cost, less accumulated amortization, or fair value on the consolidated statement of financial position. The Organization does not capitalize film costs incurred during the production of their documentary films as there is no persuasive evidence existing at the time the films are being produced that indicates there will be ultimate revenue from their creation. Thus, all production, marketing, distribution, and general and administrative costs are expensed as incurred.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of support, revenue, and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Concentration and Credit Risks

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances.

Two biggest donors accounted for 44% and 44% of contribution received during 2020.

Taxes and Tax-Exempt Status

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as a private foundation under Section 509(a)(1). However, income from activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income.

The subsidiaries of the Foundation – The Great Filter LLC, Food 2.0 LLC (DBA “United Theory of Health”) and Leuser Film LLC – are pass-through entities for federal and state income tax purposes; accordingly, a provision for income tax expense has not been recorded in the consolidated financial statements.

The Organization believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for recognition or disclosure in the consolidated financial statements. The Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2018.

NOTE 3: RELATED PARTY TRANSACTIONS

Accounts payable to the related party – Oceanic Preservation Society Charity – as of December 31, 2020 amounted to \$456,137.

Revenue share distributions paid to Oceanic Preservation Society Charity during the year ended December 31, 2020 amounted to \$114,651.

NOTE 4: EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 8, 2022, the date on which the consolidated financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2020 have been incorporated into these consolidated financial statements and there are no subsequent events that require disclosure.

NOTE 5: APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements have been approved by management of the Organization and authorized for issue on July 8, 2022.