



OCEANIC PRESERVATION SOCIETY

(NON-PROFIT ORGANIZATION)

Consolidated Financial Statements
for the year ended December 31, 2024

and independent auditor's report

dimov
TAX SPECIALISTS

**CONSOLIDATED FINANCIAL STATEMENTS
OCEANIC PRESERVATION SOCIETY**

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To Board of Directors
Oceanic Preservation Society
Greenbrae, CA

Independent Auditor's Report

Opinion

We have audited the accompanying consolidated financial statements of the Oceanic Preservation Society (a non-profit organization) and its fully owned subsidiary Plastics Future, LLC, which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities and change in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Oceanic Preservation Society (a non-profit organization) and its fully owned subsidiary Plastics Future, LLC as of December 31, 2024, and their consolidated activities and change in net assets, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 consolidated 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.

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.

Sincerely,



George Dimov, CPA
New York, NY
May 23, 2025

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GEORGE DIMOV CPA

OCEANIC PRESERVATION SOCIETY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024

	December 31, 2024
ASSETS	
Current assets	
Cash and cash equivalents	456,103
Short-term investments (Note 2)	999,227
Accounts receivable (Note 5)	256,210
Other assets	20,100
Total Current Assets	1,731,640
Non-current assets	
Property and equipment (Note 4)	92,837
Capitalized production costs (Note 2)	3,758,047
Investment in Equity Securities (Note 3)	832,339
Total non-current assets	4,683,223
 TOTAL ASSETS	 6,414,863
 LIABILITIES AND NET ASSETS	
Current liabilities	
Credit cards	14,709
Accounts payable	19,382
Other liabilities	280
Total current liabilities	34,371
Non-current liabilities	
Equity investments received	2,935,000
Deferred revenue	1,194,270
Total non-current liabilities	4,129,270
Net assets	
Unrestricted net assets	2,251,222
Total net assets	2,251,222
 TOTAL LIABILITIES AND NET ASSETS	 6,414,863

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

OCEANIC PRESERVATION SOCIETY

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Year ended December 31, 2024 (Without Donor Restrictios)
Unrestricted revenues and support	
Contribution income	2,465,613
Production fees	64,506
Fiscal sponsorship	2,700
Other revenue and support	549
	<hr/>
Total revenues and support	2,533,368
Program services and expenses	
Grant expenses	(381,100)
Payroll and related taxes	(202,161)
Contract labor	(176,269)
Depreciation of production equipment	(56,313)
Advertisement and marketing	(41,756)
Production and post productions costs	(12,204)
Travel	(8,510)
Insurance	(7,735)
Other program expenses	(1,738)
	<hr/>
Total program expenses	(887,786)

OCEANIC PRESERVATION SOCIETY

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)**

	Year ended December 31, 2024 (Without Donor Restrictios)
Management and general expenses	
Rent	(134,416)
Salaries and wages	(124,289)
Insurance	(42,104)
Legal and professional fees	(27,685)
Website	(17,968)
Software	(4,665)
Printing	(1,605)
Telephone	(1,376)
Other expenses	(8,213)
Total supporting expenses	<u>(362,321)</u>
Other non-operating income	10,990
Reimbursement from OPS Foundation for film productions	<u>127,996</u>
CHANGE IN NET ASSETS	<u>1,422,247</u>
NET ASSETS, BEGINNG OF THE YEAR	828,975
NET ASSETS, END OF THE YEAR	<u><u>2,251,222</u></u>

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

OCEANIC PRESERVATION SOCIETY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Year ended December 31, 2024
Cash flows from operating activities	
Change in net assets	1,422,247
Adjustments for:	
Depreciation	56,313
Changes in accounts receivable	(209,492)
Change in other assets	(20,100)
Changes in accounts payable	(22,254)
Changes in other liabilities	(34,596)
Changes in deferred revenue	870,000
Changes in credit cards	(19,098)
	2,043,020
Cash flows from investing activities	
Cash outflow from short-term investments	(999,227)
Cash outflow from investments to Carpathia II, Corp.	(832,339)
Capitalized production costs	(1,323,485)
	(3,155,051)
Cash flows from financing activities	
Proceeds from equity investments received	450,000
	450,000
Net cash flow during the year	(662,031)
Cash - beginning of the year	1,118,134
Cash - end of the year	456,103

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

OCEANIC PRESERVATION SOCIETY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2024

NOTE 1: NATURE OF OPERATIONS

The consolidated financial statements include the accounts of the Oceanic Preservation Society (a non-profit organization) and its fully owned subsidiary Plastics Future, LLC as of December 31, 2024.

The Oceanic Preservation Society (the "Organization") is a California-based 501(c)(3) non-profit organization founded in 2005 for the purpose of promoting marine conservation and environmental protection by combating complex global issues such as biodiversity loss, climate change, illegal wildlife trading, deforestation, and unsustainable fishing through documentary and media.

Plastics Future, LLC is a California based limited liability company established specifically for the production of the motion picture currently entitled "Plastics Future." The film explores the future of plastics, with a focus on sustainability, innovation, and the environmental impact of plastic use.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities.

As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.

Net Assets With Donor Restrictions – Net assets may be subject to donor-imposed stipulations that are more restrictive than the Organization's mission and purpose. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

Statement of compliance

The consolidated financial statements include the accounts of the Oceanic Preservation Society (a non-profit organization) and its fully owned subsidiary Plastics Future, LLC as of December 31, 2024.

As part of the consolidation process, all significant intercompany transactions and balances between Oceanic Preservation Society and Plastics Future, LLC have been eliminated. This includes intercompany revenues, expenses, receivables, payables, and any unrealized gains or losses arising from transactions within the group. The purpose of these eliminations is to present the consolidated financial statements as if the group were a single economic entity, in accordance with applicable accounting standards.

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.

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.

Capitalized Production Costs

The Organization accounts for motion picture production costs in accordance with ASC 926 – Entertainment – Films. In accordance with this guidance, costs directly attributable to the development and production of motion pictures, including acquisition of rights, pre-production, production, and post-production expenses, are capitalized. These capitalized costs are amortized using the individual-film-forecast method, based on the ratio of current period actual revenues to estimated total ultimate revenues over the life of the film. The Organization evaluates the recoverability of these costs on a regular basis, and if estimated future revenues are not sufficient to recover the unamortized film costs, an impairment charge is recognized for the amount by which the carrying value exceeds fair value.

As of December 31, 2024 capitalized production costs of the Organization amounted to \$3,758,047.

Contributed Assets

Assets with fair market values in excess of \$5,000 (per unit) that are contributed to the Organization shall be capitalized as fixed assets on the financial statements. Contributed items with market values below this threshold shall be expensed in the year contributed.

Capitalized contributed assets are accounted for at their market value at the time of donation and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives, as described later.

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.

In-kind Services and Materials

In kind professional services are recorded at the respective fair values of the services received. Donated materials are recorded at fair value at the date of donation.

Taxes and Tax-Exempt Status

The Oceanic Preservation Society is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi). However, income from activities not directly related to OPS's tax-exempt purpose is subject to taxation as unrelated business income. 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 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 2022.

Plastics Future, LLC is a limited liability company treated as a pass-through entity for U.S. federal and state income tax purposes. Accordingly, the Company does not incur income taxes at the entity level. Instead, all income, deductions, and tax attributes are passed through to, and reported by, the members on their respective income tax returns. As such, no provision for income taxes has been included in the accompanying consolidated financial statements. The Management evaluates uncertain tax positions in accordance with ASC 740, Income Taxes, and has determined that there are no material uncertain tax positions that require recognition or disclosure.

Short-term investments

The Organization maintains short-term investments in brokerage accounts. These investments are recorded at fair value in accordance with ASC 320, Investments—Debt and Equity Securities. The Organization regularly monitors its investment portfolio for impairment or significant changes in fair value and considers the creditworthiness of issuers and market conditions in its assessment.

Short-term investments of the Organization as of December 31, 2024 amounted to \$999,227.

Deferred revenue

In accordance with ASC 606 – Revenue from Contracts with Customers, revenue is recognized only when the Organization has satisfied its performance obligations—typically upon completion and delivery of the finished film. Until such time, all related income is classified as deferred revenue. As of December 31, 2024 the Organization had deferred revenue of \$1,194,270, representing amounts received for film production services not yet recognized as revenue or income.

NOTE 3 – INVESTMENT IN EQUITY SECURITIES

In 2024, the Organization acquired a 10% ownership interest in Carpathia II, Corp., a privately held corporation, for a total purchase price of \$831,931. The investment does not provide the Organization with significant influence over the investee and is therefore accounted for in accordance with ASC 321, Investments – Equity Securities.

As Carpathia II, Corp. is a privately held entity and does not have a readily determinable fair value, the Organization has elected to measure the investment using the measurement alternative permitted under ASC 321. Under this method, the investment is recorded at cost, less any impairment, and adjusted for observable price changes in orderly transactions for the same or similar equity securities of the investee.

As of December 31, 2024, no impairments or observable price changes have been identified, and the investment is carried at its original cost of \$831,931 on the balance sheet under non-current assets.

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment of the Organization as of December 31, 2024 were as follows:

	December 31, 2024
Computer Equipment	259,088
Camera Equipment	279,328
Dive Equipment	25,539
Accumulated Depreciation	<u>(471,118)</u>
	<u><u>92,837</u></u>

NOTE 5: ACCOUNTS RECEIVABLE

Accounts receivable of the Organization as of December 31, 2024 were as follows:

	December 31, 2024
Accounts receivable from related parties	156,210
Pledges receivable	<u>100,000</u>
	<u><u>256,210</u></u>

NOTE 6: EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 23, 2025, the date on which the consolidated financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2024 have been incorporated into these consolidated financial statements and there are no subsequent events that require disclosure.

NOTE 7: APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements have been approved by the management of the Organization and authorized for issue on May 23, 2025.