CLEAN OCEAN ACTION, INC.

FINANCIAL STATEMENTS

December 31, 2025 and 2024

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GERMAN, VREELAND & ASSOCIATES, LLP

CERTIFIED PUBLIC ACCOUNTANTS

JEFFREY M. GERMAN, MBA, CPA
DAVID A. HULSIZER, CPA
VICTOR MAISANO, CPA*
KEVIN O'CONNOR, MBA, CPA
RAJESH K. SETHI, CPA, MST

2 RIDGEDALE AVENUE - SUITE 300
CEDAR KNOLLS, NJ 07927-1119
(973) 605-2777
FAX (973) 605-8064
www.gvacpa.com

MARIA BATTERSHALL, CPA
ROBERT W. DODDS, CPA*

RETIRED
LOUIS T. GERMAN (1923 - 2013)
CURT L. PALATSKY (1951 - 2018)
GORDON A. VREELAND

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Clean Ocean Action, Inc.
Long Branch, New Jersey

Opinion

We have audited the accompanying financial statements of Clean Ocean Action, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, 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 Clean Ocean Action, Inc. as of December 31, 2025 and 2024, 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 Clean Ocean Action, Inc. 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 Clean Ocean Action, Inc.'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 Clean Ocean Action, Inc.'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 Clean Ocean Action, Inc.'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

German, Vreeland & Associates, LLP
Cedar Knolls, New Jersey
April 22, 2026

CLEAN OCEAN ACTION, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and equivalents	$ 673,260	$ 524,027
Grant receivable	53,697	83,427
Investments	1,775,744	1,696,919
Accrued interest	29,254	35,465
Prepaid expenses	5,348	4,621
Total current assets	2,537,303	2,344,459
PROPERTY AND EQUIPMENT, NET	886,169	901,655
TOTAL ASSETS	$ 3,423,472	$ 3,246,114

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 22,796	$ 1,891
NET ASSETS		
Without donor restrictions	3,000,676	2,844,223
Without donor restrictions - board designated	350,000	350,000
With donor restrictions	50,000	50,000
Total net assets	3,400,676	3,244,223
TOTAL LIABILITIES AND NET ASSETS	$ 3,423,472	$ 3,246,114

See accompanying notes to financial statements.

CLEAN OCEAN ACTION, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2025 and 2024

	2025			2024		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE						
Contributions	$ 518,844	$ -	$ 518,844	$ 500,280	$ -	$ 500,280
Grants	258,059	50,000	308,059	460,916	50,000	510,916
Special events, less direct costs of $85,701						-
for 2025 and $27,800 for 2024	231,128	-	231,128	147,774	-	147,774
Investment income	83,949	-	83,949	89,758	-	89,758
Net assets released from restrictions	50,000	(50,000)	-	50,000	(50,000)	-
Total support and revenue	1,141,980	-	1,141,980	1,248,728	-	1,248,728
EXPENSES						
Program services	845,045	-	845,045	999,169	-	999,169
Management and general	101,399	-	101,399	87,198	-	87,198
Fundraising	39,083	-	39,083	44,267	-	44,267
Total expenses	985,527	-	985,527	1,130,634	-	1,130,634
CHANGE IN NET ASSETS	156,453	-	156,453	118,094	-	118,094
NET ASSETS, Beginning of year	3,194,223	50,000	3,244,223	3,076,129	50,000	3,126,129
NET ASSETS, End of year	$ 3,350,676	$ 50,000	$ 3,400,676	$ 3,194,223	$ 50,000	$ 3,244,223

See accompanying notes to financial statements.

CLEAN OCEAN ACTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2025

	2025			
	Program Services	Management and General	Fundraising	Total Expenses
Payroll	$ 483,646	$ 57,968	$ 32,166	573,780
Payroll taxes	40,954	4,907	2,726	48,587
Employee benefits	20,065	2,404	1,335	23,804
Total payroll and benefits	544,665	65,279	36,227	646,171
Direct program expenses	73,478	-	-	73,478
Printing and publications	19,148	1,702	426	21,276
Supplies	31,659	-	-	31,659
Direct special events costs	-	-	85,701	85,701
Professional fees	26,625	14,875	-	41,500
Consultants	56,631	10,547	-	67,178
Postage and shipping	5,923	526	132	6,581
Travel	8,897	791	198	9,886
Maintenance and Cleaning	5,240	466	116	5,822
Utilities	3,899	347	87	4,333
Office expenses	12,731	1,273	141	14,145
Insurance	16,289	1,448	362	18,099
Telephone	972	86	22	1,080
Credit card fees	6,616	588	147	7,351
Training workshop	7,090	630	158	7,878
Payroll fees	3,792	531	138	4,461
Advertising	4,394	391	98	4,883
Dues and subscriptions	1,183	105	27	1,315
Depreciation	13,163	1,549	774	15,486
Miscellaneous	2,650	265	30	2,945
	845,045	101,399	124,784	1,071,228
Less: Direct special event costs	-	-	(85,701)	(85,701)
Total expenses	$ 845,045	$ 101,399	$ 39,083	$ 985,527

See accompanying notes to financial statements.

CLEAN OCEAN ACTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	2024			
	Program Services	Management and General	Fundraising	Total Expenses
Payroll	$ 672,875	$ 46,008	$ 36,173	$ 755,056
Payroll taxes	57,823	3,951	3,108	64,882
Employee benefits	38,009	2,597	2,043	42,649
Total payroll and benefits	768,707	52,556	41,324	862,587
Direct program expenses	51,096	-	-	51,096
Printing and publications	21,288	1,892	473	23,653
Supplies	31,544	-	-	31,544
Direct special events costs	-	-	27,800	27,800
Professional fees	20,925	12,975	-	33,900
Consultants	10,164	10,547	-	20,711
Postage and shipping	5,129	456	114	5,699
Travel	12,661	1,125	282	14,068
Maintenance and Cleaning	6,018	535	133	6,686
Utilities	3,872	344	86	4,302
Office expenses	13,840	1,384	154	15,378
Insurance	15,098	1,342	336	16,776
Telephone	932	83	21	1,036
Credit card fees	6,260	556	139	6,955
Training workshop	9,393	835	209	10,437
Payroll fees	3,545	496	130	4,171
Advertising	2,226	198	50	2,474
Dues and subscriptions	569	51	12	632
Depreciation	13,163	1,549	774	15,486
Miscellaneous	2,739	274	30	3,043
	999,169	87,198	72,067	1,158,434
Less: Direct special event costs	-	-	(27,800)	(27,800)
Total expenses	$ 999,169	$ 87,198	$ 44,267	$ 1,130,634

See accompanying notes to financial statements.

CLEAN OCEAN ACTION, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 156,453	$ 118,094
Adjustments to reconcile change in net assets		
to net cash provided by (used in) operating activities		
Depreciation	15,486	15,486
Donated stock	(25,195)	(20,919)
Realized and unrealized (gains) losses	176	(642)
Change in operating assets and liabilities		
Grant receivable	29,730	(33,417)
Accrued interest	6,211	79
Prepaid expenses	(727)	444
Accounts payable and accrued expenses	20,905	(12,435)
Net cash provided by operating activities	203,039	66,690
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	2,120,194	1,599,399
Purchase of investments	(2,174,000)	(1,695,000)
Net cash (used in) investing activities	(53,806)	(95,601)
NET CHANGE IN CASH AND CASH EQUIVALENTS	149,233	(28,911)
CASH AND CASH EQUIVALENTS, Beginning of year	524,027	552,938
CASH AND CASH EQUIVALENTS, End of year	$ 673,260	$ 524,027
SUPPLEMENTAL CASH FLOW DISCLOSURE:		
Interest paid	$ -	$ -

See accompanying notes to financial statements.

CLEAN OCEAN ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Clean Ocean Action, Inc. (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 that works to improve the degraded water quality of the waters off the New Jersey and New York coast. The Organization identifies the sources of pollution and mounts an attack on each source by using research, education and citizen action to improve and protect the coast from pollution, plastics, industrialization, and climate change. The Organization is supported primarily through donor contributions and grants.

Tax Status and Incorporation - The Organization was incorporated under Title 15 of the revised statutes of the State of New Jersey as a not-for-profit corporation. 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, 2025 and 2024. Generally, in accordance with the statutes of limitations, the Organization is no longer subject to examinations by the Internal Revenue Service for returns filed prior to 2022. There have been no related tax penalties or interest classified as a tax expense in the statement of activities.

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.

Revenue and Support Recognition - The Organization recognizes contributions as support when they are received or unconditionally pledged and records contributions as unrestricted or restricted support according to donor stipulations that limit the use of these assets due to time or purpose restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified and reported in the statements of activities as net assets released from restrictions. However, the receipt of restricted contributions whose restrictions expire or are otherwise satisfied within the period of receipt are reported as unrestricted revenues in the statements of activities.

Government grants have been evaluated and are considered to be conditional non-reciprocal transactions that fall under the scope of FASB ASC 958-605. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance-related outcomes are achieved, and other conditions under the agreements are met. Payments received in advance of the conditions being met are treated as liabilities.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

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.

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.

Grant receivable – Grant receivable is recorded at its net realizable value, which approximates fair value. Management considers the full amount of the grant receivable to be collectible within one year. Accordingly, no allowance for a doubtful account is required.

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.

Donated Services – No amounts have been reflected in the financial statements for donated services as the services did not meet the criteria for recognition. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance. The Organization has approximately 10,000 volunteers.

Functional Expenses – The costs of providing the various programs and supporting services are summarized on a functional basis in the statements of functional expenses. Expenses which may be identified with a program or supporting service activity to which they relate are directly charged. Other expenses have been allocated among program and supporting services based upon program and supporting services benefited. All expenses are allocated using time and effort.

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 – INVESTMENTS

The Organization has provided fair value disclosure information for relevant assets and liabilities in these financial statements. The Organization values such assets using quoted market prices in active markets (Level 1) for identical assets to the extent possible. To the extent possible that such markets are not available, the Organization values such assets using observable measurement criteria, including quoted market prices of similar assets in active and inactive markets and other corroborated factors (Level 2). In the event that quoted market prices in active markets and other observable measurement criteria are not available, the Organization develops measurement criteria based on the best information available (Level 3). The following table summarizes assets which have been accounted for at fair value on a recurring basis as of December 31, 2025 and 2024, along with the basis for the determination of fair value:

	Total	Quoted Prices In Active Markets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
2025				
Certificates of deposit	$ 1,775,744	$ -	$ 1,775,744	$ -
2024				
Certificates of deposit	$ 1,696,919	$ -	$ 1,696,919	$ -

It is the Organization's investment policy to sell any stocks or similar investments that are donated to the Organization immediately as feasible after receipt.

NOTE 3 – PROPERTY AND EQUIPMENT

Property, equipment, and accumulated depreciation at December 31, 2025 and 2024 were comprised of:

	Years	2025	2024
Land	-	$ 367,400	$ 367,400
Building	40	619,428	619,428
Equipment	5	3,457	3,457
		990,285	990,285
Less: accumulated depreciation		(104,116)	(88,630)
Net property and equipment		$ 886,169	$ 901,655

Depreciation expense for the years ended December 31, 2025 and 2024 were $15,486 and $15,486, respectively.

NOTE 4 – NET ASSETS WITHOUT DONOR RESTRICTIONS – BOARD DESIGNATED

At December 31, 2025 and 2024, the Board designated $300,000 of cash and equivalents as operating reserves. In addition, at December 31, 2025 and 2024, the Board designated $50,000 as reserves for construction and maintenance related to the building and property of the Organization.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2025 and 2024, net assets with donor restrictions were comprised of the following amounts:

	2025	2024
Subject to occurrence of passage of time		
General operations	$ 50,000	$ 50,000
Total net assets with donor restrictions	$ 50,000	$ 50,000

NOTE 6 – OCCUPANCY

The Organization owns and occupies a facility (building and land) at 49 Avenel Boulevard, Long Branch, New Jersey.

NOTE 7 – CONCENTRATION OF CREDIT RISK

The Organization maintained cash balances on deposit with financial institutions which from time to time may be in excess of insurable limits. The condition is mitigated by having funds deposited with high quality financial institutions and management reviews cash balances on a continual basis. The Organization does not believe that it is exposed to any significant credit risk on its cash and cash equivalents.

NOTE 8 – CONTINGENCY

The Organization was awarded a grant from the State of New Jersey. Entitlement to the resources is conditional upon compliance with the terms and conditions of the grant agreement and applicable regulations. The grant may be subject to a compliance audit by the grantor.

NOTE 9 – 2025 MAJOR SOURCES OF PUBLIC SUPPORT

The Organization received 96% of its annual income from public support. In 2025, non-grant contributions totaled 52%, corporations totaled 21%, and private foundations totaled 23%. The remaining 4% of the 2025 annual income was a grant awarded by the NJ Department of Environmental Protection to track down and eliminate water pollution.

NOTE 10 – 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. At December 31, 2025 and 2024, the Board has designated $350,000 of funds without donor restrictions as operating reserves and construction and maintenance reserves:

	2025	2024
Cash and equivalents	$ 673,260	$ 524,027
Grant receivable	53,697	83,427
Investments	1,775,744	1,696,919
Accrued interest	29,254	35,465
Total financial assets	2,531,955	2,339,838
Contractual or donor-imposed restrictions	(50,000)	(50,000)
Reserves	(350,000)	(350,000)
Financial assets available to meet cash needs for general expenditures withing one year	$ 2,131,955	$ 1,939,838

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 22, 2026, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.