# Table of Contents

**GLOBAL FISHING WATCH, INC.**  
**DATE: DECEMBER 31, 2019**

## INDEPENDENT AUDITOR’S REPORT
1 - 2

## FINANCIAL STATEMENTS

- Statement of financial position 3
- Statement of activities and changes in net assets 4
- Statement of functional expenses 5
- Statement of cash flows 6
- Notes to financial statements 7 - 14
INDEPENDENT AUDITOR’S REPORT

To the Board of Directors of
Global Fishing Watch, Inc.

We have audited the accompanying financial statements of Global Fishing Watch, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility 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; this includes 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.

Auditor’s Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Global Fishing Watch, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Taurus CPA Solutions, LLC
Ellicott City, Maryland
August 28, 2020
GLOBAL FISHING WATCH, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

**ASSETS**

**CURRENT ASSETS**
- Cash and cash equivalents: $5,269,289
- Accounts and grants receivable: 341,194
- Prepaid expenses: 46,901
- Deposits: 16,443

Total current assets: 5,673,827

**PROPERTY AND EQUIPMENT**
- Computers and office equipment: 39,902
- Accumulated depreciation: (6,232)

Property and equipment - net: 33,670

**TOTAL ASSETS**

$5,707,497

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**
- Credit card and accounts payable: $210,830
- Accrued payroll taxes and benefits: 88,529

Total liabilities: 299,359

**NET ASSETS**
- Without donor restrictions: 603,608
- With donor restrictions: 4,804,530

Total net assets: 5,408,138

**TOTAL LIABILITIES AND NET ASSETS**

$5,707,497

The accompanying notes are an integral part of these financial statements
GLOBAL FISHING WATCH, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUPPORT AND REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>$197,870</td>
<td>$5,074,871</td>
<td>$5,272,741</td>
</tr>
<tr>
<td>In-kind donations</td>
<td>845,508</td>
<td>-</td>
<td>845,508</td>
</tr>
<tr>
<td>Investment income</td>
<td>37,720</td>
<td>-</td>
<td>37,720</td>
</tr>
<tr>
<td>Other income and donations</td>
<td>7,567</td>
<td>-</td>
<td>7,567</td>
</tr>
<tr>
<td>Loss on disposal of assets</td>
<td>(3,406)</td>
<td>-</td>
<td>(3,406)</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>4,593,991</td>
<td>(4,593,991)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total support and revenue</strong></td>
<td>5,679,250</td>
<td>480,880</td>
<td>6,160,130</td>
</tr>
</tbody>
</table>

| **EXPENSES** |                             |                          |       |
| Program services | 5,449,879                  | -                        | 5,449,879 |
| General and administrative | 42,192                    | -                        | 42,192   |
| Fundraising       | 53,935                      | -                        | 53,935   |
| **Total expenses** | 5,546,006                  | -                        | 5,546,006 |

**INCREASE IN NET ASSETS**

133,244          480,880          614,124

**NET ASSETS - BEGINNING OF YEAR**

470,364          4,323,650          4,794,014

**NET ASSETS - END OF YEAR**

$603,608          $4,804,530          $5,408,138

The accompanying notes are an integral part of these financial statements 4
GLOBAL FISHING WATCH, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Supporting Services</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>General and Admin.</td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td><strong>STAFF AND BENEFITS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td>$ 93,227</td>
<td>$ 4,422</td>
<td>$ 2,875</td>
<td>$ 100,524</td>
</tr>
<tr>
<td>Wages</td>
<td>1,245,213</td>
<td>29,642</td>
<td>38,423</td>
<td>1,313,278</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>110,880</td>
<td>2,034</td>
<td>4,402</td>
<td>117,316</td>
</tr>
<tr>
<td><strong>Total staff and benefits</strong></td>
<td>1,449,320</td>
<td>36,098</td>
<td>45,700</td>
<td>1,531,118</td>
</tr>
<tr>
<td><strong>OTHER EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data licenses and support</td>
<td>203,098</td>
<td>-</td>
<td>-</td>
<td>203,098</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,503</td>
<td>-</td>
<td>-</td>
<td>5,503</td>
</tr>
<tr>
<td>Grants to others</td>
<td>773,906</td>
<td>-</td>
<td>-</td>
<td>773,906</td>
</tr>
<tr>
<td>Insurance</td>
<td>23,086</td>
<td>575</td>
<td>728</td>
<td>24,389</td>
</tr>
<tr>
<td>Legal and professional</td>
<td>80,958</td>
<td>4,585</td>
<td>277</td>
<td>85,820</td>
</tr>
<tr>
<td>Marketing, content and website</td>
<td>244,287</td>
<td>67</td>
<td>9</td>
<td>244,363</td>
</tr>
<tr>
<td>Office expenses</td>
<td>34,485</td>
<td>859</td>
<td>1,087</td>
<td>36,431</td>
</tr>
<tr>
<td>Program consultants</td>
<td>423,405</td>
<td>-</td>
<td>4,400</td>
<td>427,805</td>
</tr>
<tr>
<td>Research, innovation and analysis</td>
<td>497,254</td>
<td>-</td>
<td>-</td>
<td>497,254</td>
</tr>
<tr>
<td>Technology development</td>
<td>1,328,535</td>
<td>-</td>
<td>-</td>
<td>1,328,535</td>
</tr>
<tr>
<td>Travel</td>
<td>386,042</td>
<td>8</td>
<td>1,734</td>
<td>387,784</td>
</tr>
<tr>
<td><strong>Total other expenses</strong></td>
<td>4,000,559</td>
<td>6,094</td>
<td>8,235</td>
<td>4,014,888</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$ 5,449,879</td>
<td>$ 42,192</td>
<td>$ 53,935</td>
<td>$ 5,546,006</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements
GLOBAL FISHING WATCH, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES
Increase in net assets $ 614,124

Adjustments to reconcile increase in net assets to net cash provided by operating activities:
  Depreciation 5,503
  Loss on disposal of assets 3,406

(Increase) decrease in assets:
  Accounts and grants receivable (336,984)
  Prepaid expenses (13,751)
  Deposits (11,443)

Increase (decrease) in liabilities:
  Credit card and accounts payable (53,016)
  Accrued payroll taxes and benefits 51,422

NET CASH PROVIDED BY OPERATING ACTIVITIES 259,261

CASH FLOWS FROM INVESTING ACTIVITIES
Purchase of property and equipment (32,211)

NET CASH (USED) BY INVESTING ACTIVITIES (32,211)

NET INCREASE IN CASH AND CASH EQUIVALENTS 227,050

CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD 5,042,239

CASH AND CASH EQUIVALENTS - END OF PERIOD $ 5,269,289

The accompanying notes are an integral part of these financial statements
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization
The Organization was organized in 2017 as a nonprofit corporation committed to advancing the sustainability of the oceans through increased transparency. By harnessing cutting-edge technology, the mapping platform provides a powerful tool for ocean governance, empowering anyone to view or download data and investigate global fishing activity in near real-time, for free. Their research, data and technology partners are central to achieving the mission to accelerate innovation and deliver actionable insights to increase transparency in commercial fishing and the sustainable management of the oceans.

Method of accounting
The financial statements are prepared on the accrual basis of accounting.

Basis of presentation
The Organization has adopted the Financial Accounting Standards Board ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities which includes the presentation requirements that net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: accounts for net assets that are not subject to donor-imposed restrictions and may be expended for purposes in performing the primary objectives of the Organization. The Organization’s Board may designate assets without restrictions for specific operational purposes or projects.

Net assets with donor restrictions: accounts for net assets that have donor imposed restrictions that permit the Organization to expend the donated assets as specified and is satisfied either by the passage of time or by actions of the Organization. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Revenue recognition
The Organization recognizes revenue from contributions, grants and contracts in accordance with Accounting Standards Update (ASU) 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASU 2018-08). Accordingly, the Organization evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Organization applies guidance under Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers (ASC 606). If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor’s obligation to transfer assets.
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)
Both ASU 2018-08 and ASC 606 were effective for the year ended December 31, 2019 and both permitted modified retrospective application. Both standards did not have a material impact on the statements of financial position, statements of activities, cash flows, business processes, controls or systems of the Organization. There was no cumulative effect of a change in accounting principle recorded related to the adoption of ASU 2018-18 and ASC 606 on January 1, 2019.

Contributions received are recorded as either net assets without donor restrictions or net assets with donor restrictions for its support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction has been satisfied or expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

Non-monetary contributions of goods, including fixed assets and equipment, and services are recorded at their fair values in the period received. Donated services are recorded provided that such services either create or enhance non-financial assets or the services are considered “professional” services which the Organization would otherwise be required to purchase.

Use of estimates
Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Cash and cash equivalents
For purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Accounts and grants receivable
Accounts receivable consist of amounts due under contracts or other exchange transactions. Grants receivable are uncollateralized obligations that do not accrue interest. Legally enforceable unconditional grants less an allowance for uncollectible amounts are recorded as grant revenue and grant receivables in the year made. The Organization provides an allowance for doubtful accounts, as needed, for amounts deemed uncollectible. The allowance is based on historical experience and management’s analysis of grants receivable. No allowance for uncollectible accounts is provided for the grant receivable because management does not deem it necessary based on collection experience.
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts and grants receivable (continued)
Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. As of December 31, 2019, the Organization had conditional grants receivable totaling $3,086,613 that will be recognized upon satisfaction of the time, performance and reporting requirements as defined by the grant.

Property and equipment
Property and equipment are stated at cost if purchased or fair market value at date of gift. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized. The Organization capitalizes all property and equipment greater than $500 with a useful life of a year or more. The cost of, or fair market value of, property and equipment is depreciated over the estimated useful lives of the related assets using the straight-line method over estimated useful lives ranging from five to seven years. Depreciation expense was $5,503 for the year ended December 31, 2019.

Grants and grants payable
The Organization makes grants to others based on the agreed upon terms of the subgrant agreements and are recorded as an expense and related liability, as needed, when all significant conditions have been met. As of December 31, 2019, the Organization had conditional grants outstanding of $95,346 that will be recognized upon satisfaction of the time, performance and reporting requirements as defined by the grants.

Income taxes
The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is not a private foundation.

The Organization did not have any unrecognized tax benefits as of December 31, 2019 and does not expect this to change significantly over the next twelve months. The Organization will recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. As of December 31, 2019, the Organization has not accrued interest or penalties related to uncertain tax positions.

Functional allocation of expenses
The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program and support services, such as certain salaries, payroll taxes and benefits, are allocated directly according to their natural expenditure classification. Other indirect expenses are allocated on an equitable basis based on various applicable criteria determined by management.

Compensated absences
The Organization accrues vacation pay when earned.
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency transactions
The Organization employs individuals outside of the United States who are paid using the functional currency of the British pound sterling. Foreign financial activities are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, possible limitations on foreign investment and income repatriation, government price or foreign exchange controls, and restrictions on currency exchange. Net assets of foreign accounts are less than 1% of the Organization’s total net assets.

The functional currency of the Organization’s foreign payroll related costs are the local currencies. The financial statements of the Organization’s foreign activity and balances have been translated into U.S. dollars. The balance sheet accounts have been translated using the exchange rate in effect at the balance sheet date. Income statement amounts have been translated using the exchange rate based on the foreign account funding. There are no significant translation or transaction gains or losses resulting from the exchange rate fluctuations as of and for the year ended December 31, 2019.

Change in accounting principles
In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). Topic 606 supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and requires the reporting entity to recognize revenues when control of promised goods or services is transferred to customers and at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

In June 2018, the FASB issued ASU No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which requires organizations to determine whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor’s obligation to transfer assets. If the agreement (or a referenced document) includes both, the recipient is not entitled to the transferred assets (or a future transfer of assets) until it has overcome the barriers in the agreement. The effective date for resource recipients was periods beginning after December 15, 2018. Accordingly, the Organization adopted the provisions for resource recipients during the year ended December 31, 2019.

On January 1, 2019, the Organization adopted ASU 2018-18 and Topic 606 using the modified retrospective method applied to those contracts which were not completed as of January 1, 2019, (the practical expedient elected). Results for reporting periods beginning after January 1, 2019, are presented under ASU 2018-18 and Topic 606, while prior period amounts are not adjusted and continue to be reported in accordance with the Organization’s historic accounting.
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in accounting principles (continued)
There were no material changes in the timing of recognition of revenue and therefore there was no adjustment to the opening balance of net assets without donor restrictions. The Organization does not expect the adoption of the new revenue standard to have a significant impact on its changes in net assets on an ongoing basis.

Recently issued accounting pronouncements not yet adopted
In February 2016, the FASB issued ASU 2016-02, Leases. This update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in the statement of financial position, along with the expansion of the required quantitative and qualitative lease disclosures. This ASU was to be effective for the Organization beginning in 2020; however, has been deferred to 2021 resulting from the coronavirus pandemic. The Organization is currently evaluating the impact that the adoption of this guidance will have on its financial statements.

NOTE 2 - CASH AND CASH EQUIVALENTS

The Organization is required to maintain a separate bank account for all unspent or uncommitted funds for a grant agreement. The account is to be a highly liquid account to preserve the grant funds availability for the program being funded. The Organization has a separate account in the amount of $509,479, which sufficiently covers the donor-restricted balance, as of December 31, 2019.

At times during the year, the Organization maintains cash balances at financial institutions which exceed the Federal Deposit Insurance Corporation (FDIC) insurance limits. Management believes the risk in these situations to be minimal.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization has $5,673,827 of financial assets available within one year from December 31, 2019 to meet cash needs for general expenditures consisting of cash and cash equivalents of $5,269,289, receivables and deposits of $357,637, and prepaid expenses of $46,901. Receivables are expected to be collected within one year.

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Excess cash is generally held in interest-bearing bank accounts.
NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

The Organization’s net assets with donor restrictions consists of grant funding which has been restricted for a specific or limited period of time and/or stated purpose reporting are available for the following as of December 31, 2019:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transparency</td>
<td>$ 3,589,359</td>
</tr>
<tr>
<td>Transshipment</td>
<td>141,316</td>
</tr>
<tr>
<td>Tuna watch initiative</td>
<td>157,647</td>
</tr>
<tr>
<td>Analysis</td>
<td>241,716</td>
</tr>
<tr>
<td>Research</td>
<td>63,665</td>
</tr>
<tr>
<td>Marine reserves</td>
<td>84,304</td>
</tr>
<tr>
<td>General program support</td>
<td>526,523</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 4,804,530</strong></td>
</tr>
</tbody>
</table>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors during the year ended December 31, 2019:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transparency</td>
<td>$ 2,836,837</td>
</tr>
<tr>
<td>Transshipment</td>
<td>210,786</td>
</tr>
<tr>
<td>Tuna watch initiative</td>
<td>590,721</td>
</tr>
<tr>
<td>Analysis</td>
<td>63,284</td>
</tr>
<tr>
<td>Research</td>
<td>160,235</td>
</tr>
<tr>
<td>Marine reserves</td>
<td>115,695</td>
</tr>
<tr>
<td>General program support</td>
<td>616,433</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 4,593,991</strong></td>
</tr>
</tbody>
</table>

NOTE 5 - BOARD DESIGNATED NET ASSETS

The Organization’s Board unanimously adopted and approved a goal for management to retain an unrestricted operating reserve equal to six months of forward expected spending. The Organization is building this reserve annually based on the previous years' increase in net assets without donor restrictions. This reserve, which is included on the annual approved budget, is $464,856 as of December 31, 2019. No separate bank account is required for this reserve and progress monitored at regularly scheduled Board meetings.

NOTE 6 - IN-KIND DONATIONS

The Organization generally pays for services requiring specific expertise. However, on occasion, vendors will provide services at discounted or no cost. Donated services requiring specific expertise are recorded at their fair market value based on estimated billing rates and data usage rates. For the year ended December 31, 2019, the Organization received discounted professional services for cloud computing and event hosting, along with donated personnel hours for engineer services totaling $845,508.
NOTE 7 - EMPLOYEE BENEFIT PLANS

The Organization participates in defined contribution plans for its employees who are at least 21 years of age. The Organization matches employee contributions up to 5% of salary for eligible employees as defined by the plan agreement. Pension expense totaled $54,143 for the year ended December 31, 2019.

NOTE 8 - CONCENTRATIONS

The Organization received 39% of its program support from two companies for the year ended December 31, 2019.

NOTE 9 - COMMITMENTS

The Organization has entered into various license agreements for Automatic Identification System Data packages to support its programs. The agreements expire on various dates through August 2022 and are paid in quarterly payments totaling $41,250. Future minimum payments under these agreements total $453,750 through August 2022. Data license expense was $203,098 for the year ended December 31, 2019.

NOTE 10 - RELATED PARTY TRANSACTIONS

During 2018, SkyTruth, a founding partner of the Organization, entered into a 16-month subgrant agreement in the amount of $125,000 to assist with the Tuna Watch Initiative and has been approved by the donor. In addition, two executive employees of this company are also members of the Organization’s Board of Directors. No amounts were paid during the year ended December 31, 2019; however, $25,000 was due to SkyTruth as of December 31, 2019.

All parties adhere to the Organization’s Conflicts of Interest policy and get approval from the Board of Directors on any potential “interested” transactions. In addition, the Organization instituted a Conflicts of Interest Disclosure documentation process which is completed annually by each Officer and Director.

NOTE 11 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through August 28, 2020, the date which the financial statements were available to be issued.

On March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The length or severity of this pandemic, or the extent to which the disruption may materially impact the financial position, results of operations, and cash flows cannot be reasonably estimated for fiscal 2020. As of the date of the financial statements, operations have continued subject to regulated limitations and restrictions.
NOTE 11 -  SUBSEQUENT EVENTS (CONTINUED)

In August 2020, the Organization was notified that it is to be registered with the Costa Rican Administrative Court to intervene in a precautionary measure as an Affected Third Party as part of a legal defense by an international government agency against a commercial fishing industry association seeking to nullify the agency’s agreement with the Organization. The Organization plans to enter the lawsuit as a third party for direct presentation of information on their own behalf. The ultimate outcome of this matter is not presently determinable or quantifiable and it is the opinion of management that participation in the defense will not have a material adverse effect on the financial position or results of operation of the Organization.