



2014 S.L. Gimbel Foundation Fund Grant Application

Internal Use Only:
Grant: 20140448

\$25,000



ORIGINAL

Organization / Agency Information

| | | | |
|--|--------------------------|---|------|
| <i>Organization/Agency Name:</i> Ocean Institute | | | 9735 |
| <i>Physical Address:</i> 24200 Dana Point Harbor Drive | | <i>City/State/Zip</i> Dana Point, CA | |
| <i>Mailing Address:</i> same | | <i>City/State/Zip</i> 92629 | |
| <i>CEO or Director:</i> Dan Stetson | | <i>Title:</i> President and CEO | |
| <i>Phone:</i> 949-496-2274 x 210 | <i>Fax:</i> 949-248-5557 | <i>Email:</i> dstetson@ocean-institute.org | |
| <i>Contact Person:</i> Jane Birmingham | | <i>Title:</i> Grants Manager | |
| <i>Phone:</i> 949/496-2274 x 410 | <i>Fax:</i> 949-248-5557 | <i>Email:</i> jbirmingham@ocean-institute.org | |
| <i>Web Site Address:</i> www.ocean-institute.org | | <i>Tax ID:</i> 33-0203488 | |

Program / Grant Information

Interest Area: Health Environment Animal Protection Education Human Dignity

| | | |
|---|--|--|
| <i>Program / Project Name:</i> Watershed Education Program | | |
| <i>Amount of Grant Requested:</i> \$25,000 | <i>Total Organization Budget:</i> \$7,992,867 | <i>Percentage of Organization's Total Budget used for Administration:</i> 15% |
| <i>Purpose of Grant Request (one sentence):</i> The annual Watershed Education Program cleverly uses science and the ocean to inspire learning and environmental stewardship in 2,000 fifth grade students from all walks of life. | | |
| <i>Gimbel Grants Received: List Year(s) and Award Amount(s)</i> We have not received a grant from the S.L. Gimbel Foundation. | | |

Signatures

| | | |
|---|-----------------------|-------------------------|
| <i>Board President / Chair: (Print name and Title)</i> Maurice Masson, Ocean Institute Board Chair | <i>Signature:</i> | <i>Date:</i> 2/11/14 |
| <i>Executive Director/President: (Print name and Title)</i> Dan Stetson, President and CEO | <i>Signature:</i> | <i>Date:</i> 2/14/14 |

I. Organization Background; Target Population:

A) The Ocean Institute, founded in 1977, inspires over 100,000 students and public visitors and 8,000 teachers annually through marine science, maritime history and environmental education programs. Located on 2.4 acres in the Dana Point Harbor, at the edge of the Pacific Ocean and the end of a watershed, the site is ideal for hands-on learning about the ocean and nearby ecosystems. All programs are designed to spark curiosity through maximum immersion, develop critical thinking skills and inspire deep commitment to learning.

B) The Institute has implemented several successful educational initiatives in recent years. A family foundation generously funds three unique science initiatives: Anaheim Union High School District Earth Science Collaboration, Savanna Elementary School District Science Immersion Project, and our Child Services Outreach Program. Also, our Education Department has managed challenging educational projects such as a NOAA-funded Weather and Water program to address rigorous science standards, and two National Science Foundation-funded projects: *Sea Floor Science* and *SeaTech: Underserved Teens Hooked on Ocean Technology!*. Last year we opened the Maddie James Seaside Learning Center, providing a new educational platform for on-the-water adventures.

C) The Institute is a regional resource for in-depth, standards-based marine science, terrestrial ecology, and maritime and California history programs. K-12 students come from all nearby counties; demographics average 45% Hispanic, 39% White, 14% Asian and 2% African American. Our Adopt A Class and student aid initiatives raise funds to include students from Title I schools in underserved communities.

II. Project Information:

A) 1. Citizens need increased knowledge in order to make informed decisions on environmental issues facing watersheds and our oceans. The aim of the grant-funded Watershed Education Program is to cleverly use science to help fifth grade students and teachers recognize their power to effect environmental change through every day actions. This program gives students the opportunity to conduct scientific investigations and articulate their findings to raise environmental awareness. Combined with classroom experiences that also promote critical thinking and decision-making skills, students become empowered to advocate for change, and effectively expand the scope of this project to influence the thinking in entire communities.

B) 1. The goal is for fifth grade students to delve deeply into science, explore the concept of environmental stewardship, and cultivate their skills as communicators. Watershed is an integrated-discipline, standards-based experience designed to bring fifth grade students from all walks of life to the Ocean Institute to immerse themselves in marine and watershed science. Even living relatively close-by, many of the fifth graders have never been to the ocean and more have never felt the sea spray on their faces out on a boat. We capture their enthusiasm to explore internal systems, water quality, hydrologic cycle, Earth's water supply, nutrient cycles, biological assessments, ecological integrity, and research techniques. The students experience science well beyond the confines of their classroom as they deploy scientific equipment aboard the *R/V Sea Explorer* and conduct experiments in our learning centers. Students use their field experiences to develop research projects and present them at the culminating *Kids' Conferences on Watersheds*.

2. Objective I: Provide the unique opportunity for students to experience a rich field experience in science. Activities: Student Field Trip and Class Research Project
Objective II: Inspire students to value and take action to improve the health of our marine, coastal, and land environments. Activities: Student Field Trip, Class Research Project, and Kids' Conferences on Watersheds
Objective III: Extend the impact of the program through student-led outreach promoting environmental stewardship, ultimately expanding scientific knowledge to create an informed citizenry. Activities: School and Community Presentations

Project Timeline:

- Teacher Training Workshop – August 2014
- Pre-Field Trip Preparation – September 2014
- Student Field Trips to the Ocean Institute (2-hour Lab program and 2-hour Research Cruise aboard the *R/V Sea Explorer*) – September - October 2014
- Independent Environmental Research – September 2014 - January 2015
- Kids' Conferences on Watersheds – January 2015
- Community/School Presentations – January - June 2015

3. The Watershed Education Program is a valuable educational resource for students and teachers and any fifth grade teacher may apply. Since 2004, over 20,000 students in 722 classes from 84 schools in 37 cities have participated. Of those 84 schools, 51 are Title I with the majority of students participating in the federal Free/Reduced Price Meal program and classified as English Language Learners. An example is McKinley Avenue Elementary with 64% English Language Learners and 95% on the Free/Reduced Price Meal program. Program activities include:
Teacher Training Workshop: All participating teachers come to the Ocean Institute to be introduced to the program, learn about watershed science, preparing students for their field trip, and how to help students develop a testable question and conduct scientific research.
Field Trip Preparation: Students are prepared in their classroom to participate in the Ocean Institute Field Program. Teachers are provided with pre-trip classroom activities.
Field Trip to the Ocean Institute: Students participate in a two-hour Watershed Science Cruise on the *R/V Sea Explorer* and a two-hour Watershed Science Lab.
Independent Research: As scientists, students develop a testable question and research plan. They spend the time between their field trip and the Kids' Conferences on Watersheds conducting relevant experiments, recording data, drawing conclusions, and writing their report and presentation. Teachers and students receive ongoing support from Ocean Institute staff.
Kids' Conferences on Watersheds: In January, students return for the Kids' Conferences on Watersheds and present their research projects to other students, teachers, and invited guests.
School and Community Presentations: Students are encouraged to present their research findings at school assemblies, city council meetings, and community events. Any class can submit designs for community educational materials and may be awarded resources to produce them.

4. The Watershed Education Program brings regional fifth grade students to the Ocean Institute to explore the science of watersheds for no cost. While our program might have similar elements as projects in the area such as OC Coastkeeper's WHALES program, we provide a more comprehensive and immersive examination of Southern California. Our program is unique not

only for the age group, but for its educational components such as the open-ocean research cruise. We have two community partners: Miocean Foundation that provides community funding and the Watershed Division of the OC Department of Public Works that provides experts for the Kids' Conferences and educational materials. Parental volunteers play a critical role by chaperoning field trips and assisting with students' research and outreach materials.

C) 1. Key anticipated outcomes of the project and impact on participants are:

- Students have increased knowledge of scientific concepts and environmental concerns.
- Students are informed citizens on serious issues affecting watersheds and the ocean.
- Students actively work to educate others about environmental issues.

2. and 3. Teachers often provide candid feedback in letters about the impact they see on their students. Progress toward the objectives is tracked and outcomes measured through four assessments. Pre-tests will be administered to assess student knowledge of specific scientific principles, concepts, and procedures. In order to determine readiness for fieldwork at the Ocean Institute, students must demonstrate their understanding of the concepts introduced through targeted classroom activities. Teachers assess student performance through observation and discussion. Post-tests will be administered at the conclusion of the Field Trip, as well as after the Kids' Conferences. And, the research projects provide a unique insight into student understanding of both conceptual ideas and scientific facts.

D) The grant would specifically help fund the ocean cruises on the *R/V Sea Explorer*. Each participating fifth grader experiences this integral part of the Watershed Education Program.

III. Project Future:

A) Since 2004, Watershed has received grant funding to operate and organizational support from the Education staff and Board of Directors. The team will continue to actively recruit new teachers, refresh program content as needed to respond to state educational objectives, and seek grants and scientific partners to sustain the program.

IV. Governance, Executive Leadership and Key Personnel/Staff Qualifications:

A) Our Board of Directors provides overall governance for the Ocean Institute. The Board is made up of Southern California's community leaders and corporate executives, all of whom have an interest in the ocean, education, and the success of the Institute's mission. The Executive Committee meets monthly and approves all action items, which are then voted on by the full Board quarterly. Committees are: Executive, Finance, Major Gifts, and Board Governance.

B) Jonathan Witt oversees the program. Before joining the Ocean Institute in 2004, Jonathan worked at the California Environmental Project and the Conservancy of Southwest Florida. Jonathan was promoted to Director of Environmental Programs in 2008 managing 17 staff. In 2013, he became Senior Education Director in charge of 7 educational divisions. Karen Jhawar received her BS in marine science and teaching credential from CSU Long Beach. In 2009, she became an Institute instructor, was promoted to Coordinator for the Outdoor Education department, and is now Director of Environmental Programs. Holly Dennard came on board in 2008 and is now Ocean Education Center Program Coordinator. She has a teaching credential and has taught several grade levels, including fifth, and Special Education.

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V. Project Budget

A) Please provide a detailed line-item budget for your project by completing the table below. Include all sources of funding for the proposed project.

| Line Item Description | Line Item Explanation (Formula/equation used as applicable. Example: 40 books @ \$100 each = \$4000) | Support From Your Agency | Support From Other Funders | Requested Amount From TCF | Line Item Total of Project |
|---|--|--------------------------|----------------------------|---------------------------|----------------------------|
| Salaries | .7 FTE Program Coordinator | \$30,750 | 0 | 0 | \$30,750 |
| Wages | Instructors at \$18/hour | \$19,600 | \$14,000 | 0 | \$33,600 |
| Fringe benefits | @ 20% | \$6,150 | 0 | 0 | \$6,150 |
| Staff travel | Trips as needed to schools | \$3,000 | 0 | 0 | \$3,000 |
| Supplies, Materials | For projects and boat/lab | \$2,000 | 0 | 0 | \$2,000 |
| Bus transportation | Round trips for field trips and Kids' Conferences | 0 | \$56,250 | 0 | \$56,250 |
| Teacher training | Includes curriculum, R/V <i>Sea Explorer</i> cruise, lunch | \$1,500 | 0 | 0 | \$1,500 |
| Research Project Funding | Available to schools for projects | \$3,000 | 0 | 0 | \$3,000 |
| R/V <i>Sea Explorer</i> student cruises | For all students and teachers | 0 | \$38,750 | \$25,000 | \$63,750 |
| Indirect cost | N/A for this program | 0 | 0 | 0 | 0 |
| TOTALS: | | \$66,000 | \$109,000 | \$25,000 | \$200,000 |

VI. Sources of Funding: Please list your current sources of funding and amounts.

Secured/Awarded

| Name of Funder: Foundation, Corporation, Government | Amount |
|---|--------------------|
| Miocean Foundation, Edward Lifesciences Foundation | \$50,000, \$2,500 |
| Norris Foundation, Draper Family Foundation | \$10,000, \$10,000 |
| SDG&E Environmental Champions Fund, SIMA Environmental Fund | \$20,000, \$17,100 |
| | |

Pending

| Name of Funder: Foundation, Corporation, Government | Amount | Decision Date |
|---|-----------|----------------|
| EPA Environmental Education (government) | \$150,000 | Not confirmed |
| S.L. Gimbel Foundation | \$25,000 | April 30, 2014 |
| Wells Fargo Foundation | \$10,000 | Unknown |

VII. Financial Analysis

Agency Name: Ocean Institute

Most Current Fiscal Year (Dates): From 1/1/12 To: 12/31/12

This section presents an overview of an applicant organization’s financial health and will be reviewed along with the grant proposal. Provide all the information requested on your entire organization. Include any notes that may explain any extraordinary circumstances. Information should be taken from your most recent 990 and audit. Double check your figures!

Program to Total Expenses Ratio: Percentage of expenses used to support programming versus how much is spent for general management and fundraising. A general rule is that at least 75 percent of total expenses should be used to support programs – the higher the percentage the better.

| Program Expenses | /Total Operating Expenses | = Program Expense Ratio |
|-------------------------|----------------------------------|--------------------------------|
| \$ 4,746,642 | \$ 6,268,380 | 76 % |

990: Part IX, Column B, Line 25 990: Part IX, Column A, Line 25

| Administrative Expense (100%-Program Expense ratio) per 990 above | Percentage of Organization’s <u>Current</u> Total Budget used for Administration (from cover page) | Differential |
|--|---|---------------------|
| 24 % | 15 % | - 9 % |

If the differential is above (+) or below (-) 10%, provide an explanation:

The way the 24% figure is calculated, it includes both administrative (12%) and fundraising (12%) costs.

Quick Ratio: Measures the level of liquidity and measures only current assets that can be quickly turned to cash. A generally standard Quick Ratio equals 1 or more.

| Cash | + Accounts Receivables | /Current Liabilities | = Quick Ratio |
|--------------|-------------------------------|-----------------------------|----------------------|
| \$ 1,061,386 | \$ 32,825 | 733,623 | 1.49 |

Excess or Deficit for the Year:

| Excess or (Deficit) Most recent fiscal year end 2012 | Excess or (Deficit) Prior fiscal year end 2011 |
|---|---|
| \$ 771,772 | \$ (16,904) |

Notes:

Diversity of Funding Sources: A financially healthy organization should have a diverse mix of funding sources. Complete those categories that apply to your organization using figures from your most recent fiscal year.

| Funding Source | Amount | % of Total Revenue | Funding Source | Amount | % of Total Revenue |
|----------------------------|---------------|---------------------------|-----------------------|---------------|---------------------------|
| Contributions | \$779,335 | 11 | Program Fees | \$2,609,130 | 37 |
| Fundraising/Special Events | \$255,400 | 4 | Interest Income | \$62,360 | 0 |
| Corp/Foundation Grants | \$1,867,755 | 26 | Other:gift shop, | \$ -- | -- |
| Government Grants | \$0 | 0 | raffle, rental | \$1,570,449 | 22 |



Board of Directors

Doug Abramson
RBF Consulting

Lisa Bartlett
City of Dana Point

Bruce Brainerd
The Ritz-Carlton, Laguna Niguel

Bud Bruggeman
Retired Radiologist

Scott Burrows
Smith Barney Citi Bank

Gary Capata
Capata & Company

Mel Chambers - **Secretary**
MLPC Investments, LLC

Scott Connella – **Vice Chair /Treasurer**
Union Bank of California

Derrick Davidson
Cox Media

Sanford Edward
Headlands Reserve, LLC

Dennis Gabrick
Preserved Treescapes Intn'l

Rick Hadley
Hawaiian Springs, LLC

Toni Iseman
City of Laguna Beach

Harold Kaufman
EPS Settlements

Brett Mansfield
Union Bank

Joe Martino
Howard S. Wright Constructors

Maurice Masson – **Chair**
Masson Family Foundation

Bob McKnight
Quiksilver, Inc.

Tim McMahon – **At Large**
CB Richard Ellis / Retail

Barbara Merriman
Lantern Bay Charters

Gail Moscoso
Pacific Life Insurance Co.

Kim Castellano
Things That Stick

Wayne Rayfield
Retired Business Leader

Jim Samuels
Laguna Cliffs Marriott Resort

Mark Slymen
Montage Hotels & Resorts

Johnny So
St. Regis Monarch Beach Resort & Spa

Bill Steel –**At Large**
Samuels Green & Steel

Charlie Steinmetz
JCA Associates, Inc.

Dan Stetson
Ocean Institute

Jeannie Sticher
Sand Dollar Guild

Bryan Stirrat
Bryan A. Stirrat & Associates

Jim Swenson
Retired Business Leader

Michael Torcaso
Toshiba America Business Solutions, Inc.

Jens Von Gierke
Makar Properties

John Williams – **Past Chair**
Gibson, Dunn & Crutcher LLP

Greg Wohl
Wohl Investment Company

Wyland
Marine Artist

| OCEAN INSTITUTE | 2014 PLAN | 2013 ACTUAL (UNAUDITED) |
|---|----------------------|--|
| UNRESTRICTED / OPERATIONS REVENUE | | |
| Total Educational Programs | 3,866,155 | 3,468,653 |
| Total Retail | 626,425 | 587,736 |
| Total Fundraising | 1,509,450 | 1,553,343 |
| Total General and Administrative | 0 | 4,282 |
| Home Raffle | 2,973,900 | 2,974,257 |
| Contra Revenue (Grants/AAC) | (749,850) | (836,868) |
| TOTAL UNRESTRICTED REVENUE | 8,226,080 | 7,751,403 |
| Cost of Goods Sold | 156,566 | 153,991 |
| GROSS OPERATIONAL PROFIT | \$8,069,513 | \$7,597,412 |
| OPERATIONAL EXPENSES | | |
| Total Educational | 3,843,370 | 3,519,623 |
| <i>as % of Educational Revenue</i> | <i>99.4%</i> | <i>101.5%</i> |
| Total Retail | 269,543 | 242,486 |
| <i>as % of Retail Revenue</i> | <i>43.0%</i> | <i>41.3%</i> |
| Total Fundraising | 719,587 | 514,276 |
| <i>as % of Fundraising Revenue</i> | <i>47.7%</i> | <i>33.1%</i> |
| Raffle Expenses | 1,971,351 | 1,927,906 |
| <i>as % of Raffle Revenue</i> | <i>66.3%</i> | <i>64.8%</i> |
| Total General and Administrative | 1,189,016 | 1,145,787 |
| <i>as % of Gross Profit Revenue</i> | <i>14.7%</i> | <i>15.1%</i> |
| TOTAL OPERATIONAL EXPENSES | \$7,992,867 | \$7,350,078 |
| <i>as % of Gross Profit Revenue</i> | <i>99.1%</i> | <i>96.7%</i> |
| TOTAL NET INCOME BEFORE DEPRECIATION | 76,647 | 247,334 |
| Depreciation | 750,000 | 657,309 |
| NET UNRESTRICTED INCOME (LOSS) | (\$673,353) | (\$409,975) |
| RESTRICTED REVENUE | | |
| Capital Campaign - MJSLC | 454,200 | 2,003,984 |
| Endowment - Permanently Restricted | 139,000 | 123,650 |
| TOTAL RESTRICTED REVENUE | 593,200 | 2,127,634 |
| RESTRICTED EXPENSES | | |
| Restricted Expenses | 86,809 | 93,817 |
| TOTAL RESTRICTED EXPENSES | 86,809 | 93,817 |
| NET RESTRICTED INCOME (LOSS) | 506,391 | 2,033,817 |
| NET INCOME (LOSS) | (\$166,962) | \$1,623,842 |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.

| | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|--|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21 | 0 | 0 | | |
| 2 Grants and other assistance to individuals in the United States. See Part IV, line 22 | 0 | 0 | | |
| 3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16 | 0 | 0 | | |
| 4 Benefits paid to or for members | 0 | 0 | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 596,852 | 102,352 | 275,596 | 218,904 |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | 0 | 0 | 0 | 0 |
| 7 Other salaries and wages | 2,267,537 | 1,958,078 | 190,159 | 119,300 |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | 37,742 | 28,482 | 2,165 | 7,095 |
| 9 Other employee benefits | 271,568 | 202,515 | 38,401 | 30,652 |
| 10 Payroll taxes | 209,726 | 147,116 | 32,491 | 30,119 |
| 11 Fees for services (non-employees): | | | | |
| a Management | 0 | 0 | 0 | 0 |
| b Legal | 1,488 | 0 | 1,488 | 0 |
| c Accounting | 35,260 | 0 | 35,260 | 0 |
| d Lobbying | 24,000 | 16,539 | 3,506 | 3,955 |
| e Professional fundraising services. See Part IV, line 17 | 0 | | | 0 |
| f Investment management fees | 9,025 | 0 | 9,025 | 0 |
| g | 113,832 | 83,066 | 5,264 | 25,867 |
| 12 Advertising and promotion | 206,259 | 172,651 | 1,168 | 32,440 |
| 13 Office expenses | 1,009,019 | 919,216 | 18,016 | 71,787 |
| 14 Information technology | 67,311 | 46,386 | 9,834 | 11,091 |
| 15 Royalties | 0 | 0 | 0 | 0 |
| 16 Occupancy | 445,888 | 368,995 | 29,459 | 47,434 |
| 17 Travel | 92,012 | 74,309 | 4,105 | 13,598 |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | 0 | 0 | 0 | 0 |
| 19 Conferences, conventions, and meetings | 16,599 | 11,203 | 1,337 | 4,059 |
| 20 Interest | 7,313 | 5,040 | 1,068 | 1,205 |
| 21 Payments to affiliates | 0 | 0 | 0 | 0 |
| 22 Depreciation, depletion, and amortization | 633,598 | 444,048 | 88,702 | 100,848 |
| 23 Insurance | 169,204 | 142,236 | 12,674 | 14,294 |
| 24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) | | | | |
| a <u>Miscellaneous Expenses</u> | 54,047 | 24,410 | 1,152 | 28,485 |
| b _____ | | | | |
| c _____ | | | | |
| d _____ | | | | |
| e All other expenses | 0 | 0 | 0 | 0 |
| 25 Total functional expenses. Add lines 1 through 24e | 6,268,380 | 4,746,642 | 760,870 | 760,868 |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) | | | | |

Internal Revenue Service

Department of the Treasury

P. O. Box 2508
Cincinnati, OH 45201

Date March 24, 2000

Person to Contact:
Kathy Masters #31-04015
Customer Service Representative
Toll Free Telephone Number:
8:00 a.m. to 9:30 p.m. EST
877-829-5500
Fax Number:
513-263-3756
Federal Identification Number:
33-0203488

Ocean Institute
P.O. Box 69
Dana Point, CA 92629-0069

Dear Sir or Madam:

This letter is in response to your request to change the name of your organization from Friends of the Marine Institute of Orange County to Ocean Institute as shown in your amended articles dated November 23, 1999.

Our records indicate that a determination letter issued in July 1997 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Ocean Institute
33-0203488

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

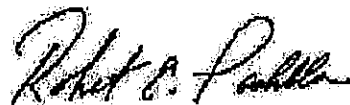
The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. You are also required to make available for public inspection a copy of your organization's exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,



Robert C. Padilla
Manager, Customer Service



The
Community
Foundation

Serving the Counties of Riverside and San Bernardino

S. L. Gimbel Foundation Fund

BOARD OF DIRECTORS July 24, 2014

James Cuevas
Chair of the Board

Philip Savage IV
Vice Chair of the Board

Pat Spafford, CPA
Chief Financial Officer

Sean Varner
Secretary of the Board

Glenda Bayless

Sergio Bohon

Rabbi Hillel Cohn

Andrea Dutton

Robert Fey

Paul Granillo

Stanley Grube

Kirk Harns

Dr. Albert Karnig

D. Matthew Pim

Patrick O'Reilly

Rose Salgado

Beverly Stephenson

Grover Trask
Immediate Past Board Chair

Dr. Jonathan Lorenzo Yorba
President and CEO

Mr. Dan S. Stetson
President & CEO

Ocean Institute
24200 Dana Point Harbor Drive
Dana Point, CA 92629

Dear Mr. Stetson:

Congratulations! A grant has been approved for **Ocean Institute** in the amount of **\$25,000** from the S.L. Gimbel Foundation. The **performance period for this grant is August 1, 2014 to July 31, 2015**. Additional funding beyond the performance period is not guaranteed. It is highly recommended that alternative funding sources be sought accordingly. The grant is to support the following as specified in your proposal:

Watershed Education Program: To use science and the ocean to inspire learning and environmental stewardship in 2,000 5th grade students from all walks of life.

This grant is subject to the terms outlined in the enclosed Grant Agreement. After you have reviewed the terms and conditions of the Grant Agreement, please sign and date the enclosed copy and return the original copy to The Community Foundation within the next two weeks. Please retain a copy of the signed agreement for your records. Funds will be released upon receipt of the signed Grant Agreement.

A condition of this grant is that you agree to submit the Grant Evaluation Form which includes a narrative report and fiscal report. The **Grant Evaluation is due on August 15, 2015** and a copy will be available online at www.thecommunityfoundation.net under Grants/Forms.

If you have any questions, please call me at 951-684-4192 ext. 114 or email me at ccudiamat@thecommunityfoundation.net.

Sincerely,

Celia Cudiamat
Executive Vice President

Ocean Institute

20140448

GIMB1/2



Confirmed in Compliance
with National Standards for
U.S. Community Foundations

2014 S.L. Gimbel Foundation Fund

Grant Agreement

Organization: Ocean Institute
Grant Amount: \$ 25,000 **Grant Number:** 20140448
Grant Period: August 1, 2014 through July 31, 2015 (Final report due by August 15, 2015)
Purpose: Watershed Education Program: To use science and the ocean to inspire learning and environmental stewardship in 2,000 5th grade students from all walks of life.

1. Use of Grant Funds

Grant funds must be expended within the grant period, for the purpose and objectives described in your grant proposal. Grant funds may not be expended for any other purpose without prior written approval by The Community Foundation. If there are significant difficulties in making use of the funds as specified in your proposal, or if the grant funds cannot be spent within the grant period, notify us in writing promptly.

Formal requests for extensions or variances must be submitted to the Foundation's Board of Directors for approval a minimum of 60 days before the end of the grant period.

Requests for variances or extensions are reviewed on a case-by-case basis and approved by the Board of Directors. If a request is denied, unused funds must be immediately refunded to the Foundation.

2. Payment of Grant Funds

The grant funds will be paid in full by the Foundation upon receipt of the signed Grant Agreement. Challenge grant funds will be paid in full upon receipt of the signed Grant Agreement and upon receipt of documentation providing evidence that condition(s) of the challenge grant has/have been met.

3. Certification and Maintenance of Exempt Organization Status

This grant is specifically conditioned upon Grantee's status as an eligible grantee of The Community Foundation. The Foundation has obtained a copy of the Grantee's IRS determination letter. Grantee confirms that it has not had any change in its tax-exempt status, and shall notify the Foundation immediately of any such change.

4. Final Report and Records

The Grantee will submit the Grant Evaluation report per the deadline set forth in the award letter. This report includes a narrative on outcomes based on goals and objectives set forth in the grant proposal and an expenditure report documenting use of grant funds. If equipment was purchased, copies of receipts need to be included.

5. Grantee's Financial Responsibilities

Grantee will keep records of receipts and expenditures of grant funds and other supporting documentation related to the grant at least four (4) years after completion of the grant and will make such records of receipts, expenditures and supporting documentation available to the Foundation upon request.

6. Publicity

The Community Foundation recommends publicity for the grant and acknowledging The Community Foundation in internal correspondence, brochures as appropriate; newsletters, annual reports and email blasts or e-newsletters.

The credit line of "Made possible in part by a grant from the "S.L. Gimbel Foundation Advised Fund at The Community Foundation – Inland Southern California" is suggested. When your donors are listed in printed materials, include the S.L. Gimbel Foundation Advised Fund at The Community Foundation in the appropriate contribution size category. When

publishing our name, please note the "The" at the beginning of our name is a legal part of our name. It should always be used and capitalized. Attaching our logo is also appreciated. Our logo can be downloaded from our website at www.thecommunityfoundation.net.

7. Indemnification

In the event that a claim of any kind is asserted against the Grantee or the Foundation related to or arising from the project funded by the Grant and a proceeding is brought against the Foundation by reason of such claim, the Grantee, upon written notice from the Foundation, shall, at the Grantee's expense, resist or defend such action or proceeding, at no cost to the Foundation, by counsel approved by the Foundation in writing.

Grantee hereby agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless the Foundation, its offices, directors, employees, and agents, from and against any and all claims, liabilities, losses, and expenses (including reasonable attorneys' fees) directly, indirectly, wholly, or partially arising from or in connection with any act or omission by Grantee, its employees, or agents in applying for or accepting the Grant, in expending or applying the Grant funds or in carrying out any project or program supported by the Grant, except to the extent that such claims, liabilities, losses, and expenses arise from or in connection with any bad faith act or omission by the Foundation, its officers, directors, employees, or agent.

8. Termination

The Community Foundation may terminate this agreement, withhold payments, or both at any time, if, in the Community Foundation's judgment: a) The Community Foundation is not satisfied with the quality of the Grantee's progress toward achieving the project goals and objectives; b) the Grantee dissolves or fails to operate; c) the Grantee fails to comply with the terms and conditions of this agreement.

9. Limitation of Support

This Agreement contains the entire agreement between the parties with respect to the Grant and supersedes any previous oral or written understandings or agreements.

I have read and agree to the terms and conditions of the Grant Agreement.

Jonathan Witt
Signature

8/7/14
Date

Jonathan Witt
Printed Name

Director of Education
Title

Organization: 9735 Ocean Institute
Grant Number: 20140448

DC
8/11/14



Serving the Counties of Riverside and San Bernardino

S. L. Gimbel Foundation Fund

BOARD OF DIRECTORS August 6, 2014

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Chair of the Board

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Vice Chair of the Board

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Chief Financial Officer

Sean Varner
Secretary of the Board

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Sergio Bohon

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D. Matthew Pim

Patrick O'Reilly

Rose Salgado

Beverly Stephenson

Grover Trask
Immediate Past Board Chair

Dr. Jonathan Lorenzo Yorba
President and CEO

Mr. Dan S. Stetson
President & CEO
Ocean Institute
24200 Dana Point Harbor Drive
Dana Point, CA 92629

Dear Mr. Stetson:

The Community Foundation is pleased to enclose a grant check for \$25,000 from the S. L. Gimbel Foundation, a component fund at The Community Foundation. By cashing the grant check, you are agreeing to the conditions stated under the *Terms of Grant* which you have signed and returned. The completed Grant Evaluation form is due by August 15, 2015 and will be available online on The Community Foundations website under Grants/Forms. Please note that any grant variances or extensions must be requested in writing and in advance. Any remaining grant funds must be returned to The Community Foundation at the end of the grant period.

We greatly appreciate any help you can give us in publicizing the grant. Please use the following credit in any grant announcements or materials funded by the grant: "The (name of project/program) is supported by a grant from The S. L. Gimbel Foundation." You may send copies of articles printed in local papers, stories in your agency newsletter, annual report, press releases, and other publications for our files.

If you have any questions, please contact me at 951-684-4194.

Sincerely,

Celia Cudiamat
Executive Vice President

20140448

37806

GIMBR1-2



Confirmed in Compliance
with National Standards for
U.S. Community Foundations

3700 Sixth Street, Suite 200 ~ Riverside, California 92501
P: 951.241.7777 ~ F: 951.684.1911 ~ www.thecommunityfoundation.net



3700 SIXTH STREET, SUITE 200
RIVERSIDE, CA 92501
951-241-7777 / FAX 951-684-1911



PAY * Twenty-Five Thousand and no/100 *

TO THE ORDER OF

DATE

AMOUNT

07/28/2014

\$****25,000.00

Ocean Institute
24200 Dana Point Harbor Drive
Dana Point, CA 92629



Jonathan Lorenzo York
Celia Andramat
AUTHORIZED SIGNATURE

⑈037806⑈ ⑆122234149⑆ 244124437⑈

The Community Foundation

37806

9735 Ocean Institute

07/28/2014 037806

20140448 07/24/2014 Wathershed Education Program
GIMB S.L. Gimbel Foundation Advised Fund

25,000.00 - 25,000.00

CHECK TOTAL: \$****25,000.00

The Community Foundation

37806

9735 Ocean Institute

07/28/2014 037806

20140448 07/24/2014 Wathershed Education Program
GIMB S.L. Gimbel Foundation Advised Fund

25,000.00 25,000.00

CHECK TOTAL: \$****25,000.00

Security features. Details on back.