



2015 S.L. Gimbel Foundation Fund Grant Application

Internal Use Only:
Grant: \$25,000

Organization / Agency Information

20150352

Organization/Agency Name: Ocean Institute		
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Mailing Address: same as above		
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Program / Grant Information

Interest Area: Animal Protection Education Environment Health Human Dignity

Program/Project Name: Watershed Education Program			Amount of Grant Requested: \$25,000
Total Organization Budget: \$6,110,144	Per 990, Percentage of Program Service Expenses (Column B/ Column A x 100): 77.8%	Per 990, Percentage of Management & General Expenses Only (Column C / Column A x 100): 9.3%	Per 990, Percentage of Management & General Expenses and Fundraising (Column C+D / Column A x 100): 22.2%
Purpose of Grant Request (one sentence): The Watershed Education Program uses the ocean to inspire learning and environmental stewardship in 2,000 fifth graders from all socio-economic backgrounds while empowering them to broaden ocean awareness with their families and others in their communities.			
Gimbel Grants Received: List Year(s) and Award Amount(s) We received a \$25,000 grant in 2014 for the Watershed Education Program. Thank you.			

Signatures

Board President / Chair: (Print name and Title)	Signature:	Date:
Maurice Masson, Chairman	<i>Maurice Masson</i>	2/26/15
Executive Director/President: (Print name and Title)	Signature:	Date:
Dan Stetson, President and CEO	<i>Dan Stetson</i>	2/26/15

I. Organization Background and Target Population:

A) Since 1977, the Ocean Institute has used the mystery and allure of the ocean to drive powerful, authentic-learning experiences for K-12 students from all walks of life. The Ocean Institute's trained instructors engage over 100,000 students and public visitors and 8,000 teachers annually in 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 Institute's site is ideal for in-depth learning about the ocean and nearby ecosystems.

B) The Institute has implemented several successful educational initiatives in recent years. Grant funding supports science initiatives such as Earth's Changing Climate with Anaheim high school students, Science Immersion Project with Savanna Elementary School District, and Child Services and Special Needs Ocean-in-Motion outreach. In prior years, staff has launched collaborations such as a NOAA-funded Weather and Water Program and two National Science Foundation-funded projects: *Sea Floor Science* and *SeaTech: Underserved Teens Hooked on Ocean Technology*. Our newly-opened Maddie James Seaside Learning Center provides captivating experiences on its floating platform over the harbor.

C) The Institute provides over 60 standards-based marine science, terrestrial ecology, and maritime and California history programs that address State Standards. K-12 students come from Orange and surrounding Counties with overall demographics of 45% Hispanic, 39% White, 14% Asian, and 2% African American. We raise funds for Adopt-A-Class and student aid initiatives to include severely underserved students attending Title I schools with sample demographics of over 90% Hispanic and a high percentage qualifying for the federal free meal plan and classified as English Learners. Many Title I students see the ocean for the very first time as a result of our educational offerings provided by grant funding.

II. Project Information:

A) 1. We all need increased knowledge to be equipped to make informed decisions on environmental issues involving watersheds and our oceans. The aim of the grant-funded Watershed Education Program is to use science to promote ocean and environmental awareness in fifth grade students and teachers and empower them to effect positive change. The program gives students the opportunity to conduct scientific investigations and articulate their findings to raise environmental awareness. Combined with classroom activities that promote critical thinking and encourage informed decision making, students become empowered to advocate for change and expand the program's scope to influence entire communities.

B) 1. The goal is for fifth grade students to delve deeply into marine science, explore the concept of environmental stewardship, and cultivate their skills as communicators. Watershed is an integrated-discipline, standards-based experience that brings students from all socio-economic levels to the Institute to be immersed in marine and watershed science. Even while living relatively close-by, many of the fifth graders have never been to the ocean or out to sea to feel the sea spray on their faces. We let the ocean provide the intriguing framework for exploring rigorous concepts of 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 have a rich field experience in science. Activities: Student Field Trip and Class Environmental 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 Environmental 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 2015
- Field Trip Preparation – September 2015
- Student Field Trips (2-hour Lab, 2-hour Ocean Cruise) – September - October 2015
- Class Environmental Research Project – September 2015 - January 2016
- Kids' Conferences on Watersheds – January 2016
- School and Community Presentations – January - June 2016

3. The Watershed Education Program is a valuable educational resource for students and teachers and any fifth grade teacher may apply. Since 2004, 22,000 students in 784 classes from 87 schools in 37 cities have participated. Most schools are Title I with the majority of students participating in the federal Free/Reduced Price Meal Program and classified as English Learners. For the 2015-2016 academic year, our goal is 70 classes. Program activities include:

Teacher Training Workshop: Participating teachers come to the Ocean Institute to be introduced to the program, learn about watershed science, how to prepare students for the field trip, and how to guide students to develop a testable question and conduct scientific research.

Field Trip Preparation: Instructors visit classrooms to prepare students with pre-trip activities.

Student Field Trips: Students participate in a two-hour Watershed Science Cruise on the *R/V Sea Explorer* and a two-hour Watershed Science Lab.

Class Environmental Research Project: As scientists, students develop a testable question and research plan. Between their field trip and the Kids' Conferences on Watersheds, they conduct relevant experiments, record data, draw conclusions, and create their report and presentation.

Our educators provide support at each step.

Kids' Conferences on Watersheds: 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 projects at school assemblies and city council and community meetings. Classes may extend the program's reach even further and receive funding to develop community educational materials.

4. Watershed has no fee and brings fifth graders to the Ocean Institute to explore scientific aspects of the area's aquatic environment. While Watershed might have similar elements to projects such as OC Coastkeeper's, we provide a deeper examination of regional ecosystems. Our program is unique for the age group and the open-ocean research cruise. We have two community partners: Miocean Foundation and the Watershed Division of the OC Department of

Public Works, providing founder's sponsorship, speakers for Kids' Conferences, and educational materials. Parental volunteers are critical to the program's success by chaperoning and assisting with students' research and outreach.

C) 1. Anticipated impact and key outcomes are:

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

2. and 3. We encourage candid teacher feedback about results and impact. We track progress toward objectives and evaluate outcomes through various assessments. We administer pre-tests to gauge knowledge of specific scientific principles and concepts. In order to determine readiness for fieldwork at the Ocean Institute, students must demonstrate understanding of concepts introduced through specific classroom activities. Teachers assess student involvement levels with observation and discussion. We administer post-tests after the Field Trip and Kids' Conferences and gain insight into the retention of concepts by observing student presentations.

D) Your grant would fund oceanographic excursions on the *R/V Sea Explorer*. All participants experience this inspiring opportunity.

III. Project Future:

A) The Watershed Education Program will always be a grant-funded, no-fee educational opportunity for area teachers and their students. The Watershed team will actively continue to recruit new teachers, revise program content to address State educational objectives, and seek grants and scientific partners to sustain this initiative. The financial sustainability plan includes 1. actively seeking Board contacts who are individual and family foundation prospects, 2. introducing them to the program by hosting them at Kids' Conference on Watersheds, 3. researching and identifying additional regional foundation funding sources, 4. using the development department's part-time researcher to discover national foundations where Watershed fits the guidelines exactly and 5. crafting a model letter of inquiry.

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

A) Our Board of Directors provides overall Institute governance. The Board includes business and community leaders who are invested in the ocean, education, and organizational success. The Executive Committee meets monthly, approves all action items, and the full Board meets quarterly. Other committees are Education, Finance, Major Gifts, and Board Governance.

B) Jonathan Witt manages the program and has been at the Ocean Institute for 11 years. Prior to this, he was with CA Environmental Project and Conservancy of Southwest Florida. Promoted to Director of Environmental Programs in 2008, he became Senior Education Director in 2013 overseeing seven divisions. Karen Jhavar has a BS in marine science and teaching credential from CSU Long Beach and joined the Institute in 2009. She has been Coordinator of Outdoor Education and is now Director of Environmental Programs. Holly Dennard, Program Coordinator, came on board in 2008 with a teaching credential and experience teaching fifth and other grade levels, including Special Education.

2015 S.L. Gimbel Foundation APPLICATION

V. Project Budget

Line Item Description	Line Item Explanation	Support From Your Agency	Support From Other Funders	Requested Amount From TCF	Line Item Total of Project
Salaries	.7 FTE Program Coordinator	\$31,500	0	0	\$31,500
Fringe Benefits	20% of \$31,500	\$6,300	0	0	\$6,300
Field Trip Staff Wages	9 Instructional staff at \$18 per hour for 18, 10-hour days	\$17,490	\$11,670	0	\$29,160
Kids' Conferences Staff Wages	6 Instructional staff at \$18 per hour for 10, 5-hour days	5,400	0	0	\$5,400
Staff Travel: School Visits for Project Assistance	Average 70 trips per project year	\$3,000	0	0	\$3,000
Bus Transportation	2 round trips per class (Field Trip, Kids' Conferences)	0	\$55,000	0	\$55,000
Teacher Training	Includes curriculum, <i>RV Sea Explorer</i> cruise, lunch	\$1,500	0	0	\$1,500
Class Project Funding	Water Monitoring Kits 70 at \$40	0	\$2,800	0	\$2,800
Research Cruises	Student research trips aboard the <i>RV Sea Explorer</i> . 70 at \$950	0	\$41,500	\$25,000	\$66,500
Supplies, Lab Equipment	Nitrate Test Kits 20 at \$20	0	\$400	0	\$400
	Nitrite Test Kits 20 at \$20	0	\$400	0	\$400
	Phosphate Kits 20 at \$20	0	\$400	0	\$400
	pH Test Kits 10 at \$40	0	\$400	0	\$400
	Dissolved Oxygen Test Kits 4 at \$55	0	\$220	0	\$220
	Hydrometers 8 at \$20	0	\$160	0	\$160
	Thermometers 4 at \$25	0	\$100	0	\$100
Indirect Cost	N/A for this program	0	0	0	0
TOTALS:		\$65,190	\$113,050	\$25,000	\$203,240

2015 S.L. Gimbel Foundation APPLICATION

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

Secured/Awarded

Name of Funder: Foundation, Corporation, Government	Amount
Miocean Foundation	\$25,000
SIMA Environmental Fund	\$15,000
Massen Greene Foundation	\$25,000

Pending

Name of Funder: Foundation, Corporation, Government	Amount	Decision Date
S.L. Gimbel Foundation	\$25,000	July
Norris Foundation	\$10,000	October
SDG&E	\$20,000	December
Wells Fargo Foundation	\$10,000	October
Edwards Lifesciences Foundation	\$2,500	November
Orange County Community Foundation	\$5,000	July

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	\$786,286	10	Program Fees	\$2,648,948	33
Fundraising/Special Events	\$258,435	3	Interest Income	\$33,965	1
Corp/Foundation Grants	\$2,651,947	33	Book/Gift Shop	\$338,134	4
Government Grants	\$0	0	Rental & Raffle	\$1,295,201	16

Notes:

2015 S.L. Gimbel Foundation APPLICATION

VII. Financial Analysis

Agency Name: Ocean Institute

Most Current Fiscal Year (Dates): From 1/1/13 To: 12/31/13

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!**

Form 990, Part IX: Statement of Functional Expenses

1) Transfer the totals for each of the columns, Line 25- Total functional expenses (page 10)

(A) Total Expenses	(B) Program service expenses	(C) Management & general expenses	(D) Fundraising expenses
✓ \$ 6,110,144	✓ \$ 4,750,759	✓ \$ 573,620	✓ \$ 785,765

2) Calculate the percentages of Columns B, C, and D, over A (per totals above)

- Program services (B) – A general rule is that at least 75% of total expenses should be used to support programs
- Management & general administration (C) – A general rule is that no more than 15% of total expenses should be used for management & general expenses
- Fundraising (D) – A general rule is that no more than 10% of total expenses should be used for fundraising

(A) Total Expenses	(B) Program service expenses	(C) Management & general expenses	(D) Fundraising expenses
	Columns B / A x 100	Columns C / A x 100	Columns D / A x 100
Must equal 100%	✓ 77.8%	✓ 9.3%	✓ 12.9%

3) Calculate the difference between your CURRENT year budget for management & general expenses and your previous management & general expenses per your 990 (Column C)

Percentage of Organization's Current Total Budget used for Administration (from cover page)	Column C, Management & general expenses per 990 above	Differential
15.9%	9.3%	6.6%

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

The Ocean Institute takes a very conservative approach to budgeting. The 2015 budget percentage of 15.9 is a planned figure. We historically end the year at a much lower percentage of Administrative expense such as 9.3 in 2013. Thank you.

2015 S.L. Gimbel Foundation APPLICATION

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
\$1,404,358	\$ 9,439	\$579,003	2.4

Excess or Deficit for the Year:

Excess or (Deficit) Most recent fiscal year end 2013	Excess or (Deficit) Prior fiscal year end 2012
\$ 1,672,519	\$ 766,330

Notes: These figures are from our 990s.

VIII. Application submission check list:

	<u>Submit FOUR (4) Copies: 1 ORIGINAL (WITH ORIGINAL SIGNATURES) and 3 copies, collated and stapled together of the following:</u>		<u>Submit ONE (1) Copy:</u>
✓	Completed Grant Application Form (cover sheet, narrative (3 pages maximum), budget and sources of funding, financial analysis page	✓	A copy of your current 501(c)(3) letter from the IRS
✓	A list of your Board members and their affiliations	✓	A copy of your most recent year-end financial statements (audited if available; double-sided)
✓	Your current operating budget and the previous year's actual expenses	✓	A copy of your most recent 990 (double-sided)
✓	Part IX only of the 990 form, Statement of Functional Expenses (one page). If you completed a 990-EZ, fill out the attached Part IX, Functional Expenses of the 990 form using figures from your 990-EZ		
✗	For past grantees, a copy of your most recent final report. Our report is due by August 15.		



OCEAN INSTITUTE

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OCEAN INSTITUTE	2015 PLAN
UNRESTRICTED / OPERATIONS REVENUE	
Total Educational Programs	4,195,874
Total Retail	643,160
Total Fundraising	1,621,500
Total General and Administrative	0
Home Raffle	2,850,000
Contra Revenue (Grants/AAC)	(956,497)
TOTAL UNRESTRICTED REVENUE	8,364,036
Cost of Goods Sold	155,547
GROSS OPERATIONAL PROFIT	\$8,198,490
OPERATIONAL EXPENSES	
Total Educational	3,927,375
<i>as % of Educational Revenue</i>	93.6%
Total Retail	270,223
<i>as % of Retail Revenue</i>	42.0%
Total Fundraising	733,685
<i>as % of Fundraising Revenue</i>	45.2%
Raffle Expenses	2,092,389
<i>as % of Raffle Revenue</i>	73.4%
Total General and Administrative	1,337,203
<i>as % of Gross Profit Revenue</i>	16.3%
TOTAL OPERATIONAL EXPENSES	\$8,360,875
<i>as % of Gross Profit Revenue</i>	102.0%
TOTAL NET INCOME BEFORE DEPRECIATION	(162,386)
Depreciation	750,000
NET UNRESTRICTED INCOME (LOSS)	(\$912,386)
RESTRICTED REVENUE	
Capital Campaign - MJSLC	466,200
Endowment - Permanently Restricted	142,000
TOTAL RESTRICTED REVENUE	608,200
RESTRICTED EXPENSES	
Restricted Expenses	40,909
TOTAL RESTRICTED EXPENSES	40,909
NET RESTRICTED SURPLUS (DEFICIT)	567,291
NET SURPLUS (DEFICIT)	(\$345,095)

OCEAN INSTITUTE	2014 ACTUAL (UNAUDITED)
UNRESTRICTED / OPERATIONS REVENUE	
Total Educational Programs	3,750,907
Total Retail	589,897
Total Fundraising	2,025,537
Total General and Administrative	10,902
Home Raffle	2,627,113
Contra Revenue (Grants/AAC)	(1,110,826)
TOTAL UNRESTRICTED REVENUE	7,893,530
Cost of Goods Sold	153,912
GROSS OPERATIONAL PROFIT	\$7,739,618
OPERATIONAL EXPENSES	
Total Educational	3,826,821
<i>as % of Educational Revenue</i>	<i>102.0%</i>
Total Retail	248,459
<i>as % of Retail Revenue</i>	<i>42.1%</i>
Total Fundraising	637,447
<i>as % of Fundraising Revenue</i>	<i>31.5%</i>
Raffle Expenses	2,065,570
<i>as % of Raffle Revenue</i>	<i>78.6%</i>
Total General and Administrative	1,196,614
<i>as % of Gross Profit Revenue</i>	<i>15.5%</i>
TOTAL OPERATIONAL EXPENSES	\$7,974,911
<i>as % of Gross Profit Revenue</i>	<i>103.0%</i>
TOTAL NET INCOME BEFORE DEPRECIATION	(235,293)
Depreciation	749,801
NET UNRESTRICTED INCOME (LOSS)	(\$985,094)
RESTRICTED REVENUE	
Capital Campaign - MJSLC	1,100
Endowment - Permanently Restricted	27,579
TOTAL RESTRICTED REVENUE	28,679
RESTRICTED EXPENSES	
Restricted Expenses	57,094
TOTAL RESTRICTED EXPENSES	57,094
NET RESTRICTED SURPLUS (DEFICIT)	(28,415)
NET SURPLUS (DEFICIT)	(\$1,013,509)

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 or note to any line 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	478,157	35,424	284,426	158,307
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	2,213,369	1,945,817	66,348	201,204
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	236,421	186,695	7,295	42,431
10 Payroll taxes	204,667	171,742	5,550	27,375
11 Fees for services (non-employees):				
a Management	0	0	0	0
b Legal	653	0	653	0
c Accounting	34,015	0	34,015	0
d Lobbying	24,948	17,192	3,645	4,111
e Professional fundraising services. See Part IV, line 17	0			0
f Investment management fees	4,227	0	4,227	0
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	160,560	114,085	1,332	45,143
12 Advertising and promotion	214,008	194,909	1,070	18,029
13 Office expenses	1,252,811	1,143,398	13,116	96,297
14 Information technology	82,026	56,527	11,983	13,516
15 Royalties	0	0	0	0
16 Occupancy	251,638	184,800	30,920	35,918
17 Travel	34,085	29,655	440	3,990
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19 Conferences, conventions, and meetings	26,927	20,557	1,711	4,659
20 Interest	1,444	995	211	238
21 Payments to affiliates	0	0	0	0
22 Depreciation, depletion, and amortization	646,322	451,750	90,531	104,041
23 Insurance	198,794	166,190	15,323	17,281
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>	45,072	31,023	824	13,225
b				
c				
d				
e All other expenses	0	0	0	0
25 Total functional expenses. Add lines 1 through 24e	6,110,144	4,750,759	573,620	785,765
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.

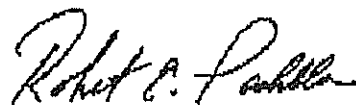
The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. You are also required to make available for public inspection a copy of your organization's exemption application, any supporting documents and 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

BOARD OF DIRECTORS

May 26, 2015

Philip Savage IV
Chair of the Board

Sean Varner
Vice Chair of the Board

Pat Spafford, CPA
Chief Financial Officer

Sergio Bohon
Secretary of the Board

Glenda Bayless

Dr. Paulette Brown-Hinds

Rabbi Hillel Cohn

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Immediate Past Board Chair

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Kirk Harns

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Andrew Jaramillo

Dr. Albert Karnig

D. Matthew Pim

Teresa Rhyne

Dr. Henry Shannon

Tamara Sipos

Beverly Stephenson

Randall Tagami

Diane Valenzuela

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 June 1, 2015 to May 30, 2016**. 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 inspire learning and environmental stewardship in 2,000 5th graders from all socio-economic backgrounds while empowering them to broaden ocean awareness with their families and others in their communities.

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 by June 15, 2016** and a copy will be available online.

We wish you great success and look forward to working with you during the grant performance period.

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 of Programs

9735 Ocean Institute 20150352 GIMB2



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

2015 S.L. Gimbel Foundation Fund

Grant Agreement

Organization: Ocean Institute

Grant Amount: \$ 25,000

Grant Number: 20150352

Grant Period: June 1, 2015 to May 30, 2016 (Evaluations due by June 15, 2016)

Purpose: Watershed Education Program: To inspire learning and environmental stewardship in 2,000 5th graders from all socio-economic backgrounds while empowering them to broaden ocean awareness with their families and others in their communities.

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.

Daniel T. Stetson
Signature

6/1/2015
Date

DANIEL T. STETSON
Printed Name

President/CEO
Title

Organization: 9735 Ocean Institute
Grant Number: 20150352

DT
6/1/15



The
Community
Foundation

Strengthening Inland Southern California through Philanthropy

S. L. Gimbel Foundation Fund

BOARD OF DIRECTORS

June 8, 2015

Phillip Savage IV
Chair of the Board

Sean Varner
Vice Chair of the Board

Pat Spafford, CPA
Chief Financial Officer

Sergio Bohon
Secretary of the Board

Glenda Bayless

Dr. Paulette Brown-Hinds

Rabbi Hillel Cohn

James Cuevas
Immediate Past Board Chair

Paul Granillo

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Dr. Fred Jandt

Andrew Jaramillo

Dr. Albert Karnig

D. Matthew Pim

Teresa Rhyne

Dr. Henry Shannon

Tamara Sipos

Beverly Stephenson

Randall Tagami

Diane Valenzuela

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 June 15, 2016 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 of Programs

20150352

39264

GIMB2

Dr. Jonathan Lorenzo Yorba
President and CEO



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

SHOUL TO LIGHT TO VIEW WATERMARK IN PAPER'S HEAT SENSITIVE RED IMAGE DISAPPEARS WITH HEAT. DETECTION CIRCLE REVEALS A LOCK WHEN TESTED.

39264

The Community Foundation

Strengthening Inland Southern California through Philanthropy
3700 SIXTH STREET, SUITE 200
RIVERSIDE, CA 92501
951-241-7777 / FAX 951-684-1911

CITIZENS BUSINESS BANK

A Financial Services Company
3695 Main Street, Riverside, CA 92501
90-3414-1222

Check Fraud Protection for Business

PAY * Twenty-Five Thousand and no/100 *

TO THE ORDER OF

DATE

05/26/2015

AMOUNT

\$****25,000.00

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



Jonathan Lorenzo Galbra
Celia Andriani
AUTHORIZED SIGNATURE

Security features. Details on back.

⑈039264⑈ ⑆122234149⑆ 244124437⑈

The Community Foundation

39264

9735 Ocean Institute

05/26/2015 039264

20150352 05/26/2015 Watershed Education Program
GIMB S.L. Gimbel Foundation Advised Fund

25,000.00 25,000.00

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

The Community Foundation

39264

9735 Ocean Institute

05/26/2015 039264

20150352 05/26/2015 Watershed Education Program
GIMB S.L. Gimbel Foundation Advised Fund

25,000.00 25,000.00

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