



North American Marine Alliance, Inc.

Financial Statements

For the Year Ended December 31, 2024

(With Independent Auditors' Report Thereon)

North American Marine Alliance, Inc.

Financial Statements

For the Year Ended December 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
North American Marine Alliance, Inc.
222 Main Street, Gloucester, MA. 01930

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of North American Marine Alliance, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North American Marine Alliance, Inc. as of December 31, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North American Marine Alliance, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about North American Marine Alliance, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of North American Marine Alliance, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about North American Marine Alliance, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Murphy Gaudreau Hoskinson Inc.

Murphy Gaudreau Hoskinson, Inc.
Nashua, New Hampshire

August 7, 2025

ASSETS

Current Assets

Cash and cash equivalents	\$ 667,627
Accounts receivable, Net of allowance for credit losses of \$-0-	100,239
Current portion of pledges receivable	570,510
Prepaid expenses	2,465
Total Current Assets	<u>1,340,841</u>

Property and Equipment - Net	<u>695</u>
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Long-term pledges receivable, Net of discount on long-term pledges of \$34,490	<u>415,510</u>
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Operating Leases Right-of-Use Assets - Net	<u>2,099</u>
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Total Assets	<u>\$ 1,759,145</u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Current portion of leases liability	\$ 2,200
Accounts payable	28,530
Accrued expenses	68,773
Total Current Liabilities	<u>99,503</u>

Long-Term Liabilities

Long-term notes payable - net of current portion	<u>149,900</u>
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Total Liabilities	<u>249,403</u>
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Net Assets

Without donor restrictions	939,755
With donor restrictions - Time and Purpose	569,987
Total Net Assets	<u>1,509,742</u>

Total Liabilities and Net Assets	<u>\$ 1,759,145</u>
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The accompanying notes are an integral part of these financial statements.

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Grant Revenue	\$ 1,556,770	\$ 1,167,569	\$ 2,724,339
Contributions	16,382	-	16,382
Interest	1,493	-	1,493
Net assets released from restrictions	964,510	(964,510)	-
Total Revenue and Support	2,539,155	203,059	2,742,214
Expenses			
Program services	1,335,978	-	1,335,978
General and administration services	218,236	-	218,236
Fundraising	75,810	-	75,810
Total Expenses	1,630,024	-	1,630,024
Change in Net Assets	909,131	203,059	1,112,190
Net Assets - Beginning	30,624	366,928	397,552
Net Assets - Ending	\$ 939,755	\$ 569,987	\$ 1,509,742

The accompanying notes are an integral part of these financial statements.

	Program Services	Support Services			
	Total Program Services	General and Administration	Fundraising	Total Support Services	Total Functional Expenses
Salaries and wages	\$ 628,537	\$ 132,453	\$ 54,916	\$ 187,369	\$ 815,906
Outside Services	248,967	19	8	27	248,994
Travel and Entertainment	198,291	158	2,260	2,418	200,709
Employee Benefits	79,824	24,177	9,498	33,675	113,499
Gifts and Contributions	72,573	-	-	-	72,573
Payroll taxes	55,015	10,774	4,622	15,396	70,411
Legal and Professional	-	38,695	-	38,695	38,695
Dues and Subscriptions	14,428	3,040	1,261	4,301	18,729
Office Supplies	11,964	2,521	1,045	3,566	15,530
Occupancy	10,801	2,276	944	3,220	14,021
Telephone and Internet	6,051	1,275	529	1,804	7,855
Advertising and Promotions	3,982	839	348	1,187	5,169
Interest	3,180	670	278	948	4,128
Insurance	1,154	243	101	344	1,498
Honorarium Expense	1,000	-	-	-	1,000
Miscellaneous	200	437	-	437	637
Depreciation Expense	-	429	-	429	429
Bank and Other Fees	11	230	-	230	241
Total Functional Expenses	<u>\$ 1,335,978</u>	<u>\$ 218,236</u>	<u>\$ 75,810</u>	<u>\$ 294,046</u>	<u>\$ 1,630,024</u>

The accompanying notes are an integral part of these financial statements.

Cash Flows from Operating Activities	
Change in net assets	\$ 1,112,190
Non-cash items included in change in net assets:	
Depreciation & Amortization	429
Changes in operating assets and liabilities:	
Accounts receivable	(46,841)
Pledges receivable	(826,020)
Prepaid expenses	641
Operating lease right-of-use asset	12,467
Operating lease liability	(12,966)
Accounts payable	17,422
Accrued expenses	8,867
	<u>266,189</u>
Net Cash Provided by Operating Activities	<u>266,189</u>
Net Increase in Cash and Cash Equivalents	266,189
Cash and Cash Equivalents - Beginning of Year	<u>401,438</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 667,627</u></u>
Supplemental Disclosures of Cash Flow Information	
Cash paid during the year for:	
Interest	<u><u>\$ 5,200</u></u>

The accompanying notes are an integral part of these financial statements.

NOTE – A: DESCRIPTION OF THE ORGANIZATION

North American Marine Alliance, Inc. (the Organization) (formerly known as Northwest Atlantic Marine Alliance, Inc.) was incorporated in 1997 under the laws of the State of Maine and was granted an exemption from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization was formed for the purpose of conserving natural marine resources and to restore and enhance an enduring marine ecosystem. The Organization works with community-based fishermen on market and policy alternatives that protect and maintain marine biodiversity while ensuring healthy local fishing economies that feed healthy food systems and advocates for policies and practices that sustain fisheries.

NOTE – B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the Organization's financial statements.

Basis of Accounting/Presentation: The accompanying financial statements have been prepared on the accrual basis of accounting. The financial statements and notes are representations of management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations plus those resources for which donor-imposed stipulations have been satisfied. Net assets without donor restrictions may otherwise be designated for specific purposes by action of the Board of Directors.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or will be met either by actions of the organization (purpose restrictions) and/or passage of time (time restrictions). As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the accompanying financial statements as net assets released from restrictions.

Additionally, net assets with donor restrictions may be stipulated by donors to be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as net assets without donor restrictions.

Cash and Cash Equivalents: Cash and cash equivalents include highly liquid short-term investments with remaining maturities at date of purchase of three months or less. If applicable, cash equivalents also include investments in money market funds and certificate of deposits that are expected to mature in less than three months.

Concentration of Credit Risk: The Organization places its excess cash with high credit quality financial institutions. At times, such balances may be more than federally insured limits. The Organization uses a bank which is backed by the Depositors Insurance Fund (DIF) which covers deposits in excess of FDIC limits. Management believes they are not exposed to any significant credit risk on cash and cash equivalents.

NOTE – B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable and Allowance for Credit Losses: Accounts receivable for the Organization consist of reimbursement of shared employee wages with a related not-for-profit as discussed in Note H. The Organization establishes an allowance for credit losses through a review of several factors, including historical collection experience, and current aging status of the accounts. For the year ended December 31, 2024, the associated allowance amounted to \$-0-.

Pledges Receivable: Pledges receivable are stated at the amount management expects to collect from outstanding contributors, discounted to the anticipated net realizable value (NRV) of future cash flows. Management provides an allowance for doubtful accounts based on an assessment of the current status of individual accounts. Additionally, an allowance is also provided when management deems it reasonable and probable that a portion, or the entire amount, of an individual account receivable is not expected to be realized. Such allowances are recorded through a provision to bad debt expense and an adjustment to a valuation allowance. The Organization's management, as of December 31, 2024, considers its pledge receivable in the amount of \$986,020 net of allowance for doubtful accounts in the amounts of \$-0-, of which \$415,510, net of discount for present value adjustment, has been determined to be considered as long-term, for the year ended December 31, 2024 to be fully collectable.

Property and Equipment: Property and equipment is stated at cost. Depreciation is computed for financial statement purposes on a straight-line basis over the estimated useful lives of the related assets, as follows:

	<u>Years</u>
Equipment	3-5

Expenditures for major additions, renewals and betterments are capitalized when incurred, while expenditures for repairs and maintenance are expensed when incurred. Upon the retirement or disposal of related property and equipment, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in revenue or expenses.

For the year ended December 31, 2024, depreciation expenses in the statement of activities amounted to \$429.

Valuation of Long-Lived Assets: The Organization reviews the carrying value of long-lived assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition.

NOTE – B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets: The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It required that the amounts for each of the classes of net assets be displayed in the statement of financial position and that the amounts of change in each of those classes of net assets be displayed in the statement of activities. In accordance with accounting principles generally accepted in the United State of America (US GAAP), North American Marine Alliance, Inc. reports information regarding its financial position and activities according to the following two classes of net assets:

Net Assets Without Donor Restrictions: Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions: Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restrictions will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restrictions is

reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Classification of Transactions: All revenues and net gains are reported as increases in net assets without donor restrictions in the statements of activities unless restrictions are imposed by donor-imposed stipulations or law. All expenses and net losses are reported as decreases in net assets without donor restrictions. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as net assets released from restrictions. Upon approval by the Board of Directors, transfers are made from undesignated net assets without donor restricted net assets to board designated net assets.

Revenue Recognition: The Organization records revenue in accordance with Accounting Standard Codification (ASC) 606, Revenue from Contracts with Customers (ASC 606). The standard requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The Organization recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer.

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Organization from a customer, are excluded from revenue.

NOTE – B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Performance Obligations: The organization does not have any metrics for meeting or exceeding performance obligations. The organization is at the service of others. Funds and program activities are actively distributed to assist in many shared ventures and projects to combat the negatives effects of and offering solutions to industrial fisheries and aquaculture along the northern Atlantic coast of the United States and North America. Obligations are carried out on day-to-day basis through the direction of the board and management.

Advertising Costs: Advertising costs are charged to operations as incurred. Advertising costs amounted to \$5,171 for the year ended December 31, 2024.

Functional Expenses: The costs of providing the Organization's various programs and other activities have been summarized on a functional basis. Direct and indirect costs are allocated to the Organization's programs and supporting services either directly or based on management's estimate. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Income Taxes: The Organization has been granted an exemption from income taxes under Internal Revenue Code Section 501(c)(3) as a non-profit corporation. Accordingly, no provision for federal and or state income taxes has been provided for in the accompanying financial statements. Certain activities not directly related to the Organization's tax-exempt purpose could be subject to taxation as unrelated business income, however a provision for unrelated business income tax was not required.

The Organization has adopted "Accounting for Uncertainty in Income Taxes" as prescribed by the Accounting Standards Codification which provides guidance for financial statement recognition and measurement of uncertain tax positions taken

or expected to be taken in a tax return for open tax years (generally a period of three years from the later of each return's due date or the date filed) that remains subject to examination by the Organization's major tax jurisdictions. Generally, the Organization is no longer subject to income tax examinations by major taxing authorities for year ending December 31, 2021, and those prior.

In accordance with "Accounting for Uncertainty in Income Taxes", the Organization evaluates its potential income tax liability arising from uncertain tax positions whereby loss contingencies are accrued if the loss is both probable and can be reasonably estimated. Interest and penalties related to uncertain tax positions, if any, would be classified as a component of income tax expense. Accordingly, no such loss contingencies have been recorded for the year ended December 31, 2024, as the Organization believes that it does not have any significant uncertain tax positions requiring recognition or measurement in the accompanying financial statements.

In-Kind Contributions: Donated services represent the estimated fair value of services provided to the Organization. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Local businesses occasionally donate services, most of which are not recognized as contributions in the financial statements since the recognition criteria were not met. During the year ended December 31, 2024, the Organization did not receive any In-Kind Services.

NOTE – B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease Accounting: The Organization adopted FASB Accounting Standards Update No. (ASU) 2016-02, *Leases, Topic 842* (ASC 842) as of January 1, 2022. Under ASC 842, the Organization determines whether the arrangement contains a lease at the inception of an arrangement. If a lease is identified in an arrangement, the Organization recognizes a right-of-use (ROU) asset and liability on its balance sheet and determines whether the lease should be classified as a finance or operating lease. The Organization does not recognize assets or liabilities for leases with lease terms of less than 12 months.

A lease qualifies as a finance lease if any of the following criteria are met at the inception of the lease: (i) there is a transfer of ownership of the leased asset to the Organization by the end of the lease term, (ii) the Organization holds an option to purchase the leased asset that it is reasonably certain to exercise, (iii) the lease term is for a major part of the remaining economic life of the leased asset, (iv) the present value of the sum of lease payments equals or exceeds substantially all of the fair value of the leased asset, or (v) the nature of the leased asset is specialized to the point that it is expected to provide the lessor no alternative use at the end of the lease term. All other leases are recorded as operating leases.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Finance and operating lease assets and liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term using the discount rate implicit in the lease. If the rate implicit is not readily determinable, the Organization utilizes the Applicable Federal Rate at the adoption of ASC 842. Operating

lease assets are further adjusted for prepaid or accrued lease payments. Operating lease payments are expensed using the straight-line method as an operating expense over the lease term. Finance lease assets are amortized to depreciation expense using the straight-line method over the shorter of the useful life of the related asset or the lease term. Finance lease payments are divided into (i) a portion that is recorded as imputed interest expense and (ii) a portion that reduces the finance liability associated with the lease.

Finance leases are recorded in finance lease ROU assets, other current liabilities and long-term finance lease liability on the Organization's statement of financial position.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Some of the Organization's leases provide for minimum annual payments that increase over the life of the lease. These leases may include obligations to pay for other services, such as operations and maintenance. For leases of property, the Organization accounts for these other services as a component of the lease. The aggregate minimum annual payments are expensed on the straight-line basis beginning when the Organization takes possession of the property and extending over the term of the related lease, including renewal options when the exercise of the option is reasonably certain as an economic penalty may be incurred if the option is not exercised.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if it has obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

NOTE – B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments: The Organization's financial instruments consist primarily of cash, pledges and accounts receivable, prepaids, accounts payable, accrued expenses and notes payable. The fair value of these financial instruments approximates their carrying amounts reported in the statement of financial position.

Fair Value Measurements: Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value and establishes a framework for measuring fair value for assets and liabilities that are measured at fair value on a recurring basis.

In accordance with the accounting standards for fair value measurements for those assets and liabilities that are measured at fair value on a recurring basis, the Organization has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the fair value hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Applicable financial assets and liabilities are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities in active markets; quoted prices for similar assets or liabilities in markets that are not active; or model-derived valuations or other inputs that are observable or can be corroborated by observable market data for the assets or liabilities.

Level 3 – Unobservable inputs for the asset or liability that are significant to the fair value measurement. These inputs reflect the Organization's assumptions about the assumptions a market participant would use in pricing the asset or liability.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the statement of financial position dates and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Credit Losses: In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*. The Organization adopted the standard effective January 1, 2023 using a modified-retrospective approach. The ASU requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the income statement reflects the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. The impact on adoption of this standard was not material.

NOTE – C: PLEDGE RECEIVABLE

Total, current and long-term pledges receivable and unconditional promises to give are comprised as follows at December 31, 2024:

Current: Due within 1 year:	\$ 570,510
Long-term: Due in 2-5 years:	450,000
Total Pledges Receivable	1,020,510
Less: Discount to Net Present Value	(34,490)
Pledges Receivable, net	<u>986,020</u>

Each year, the collectability of the remaining receivable is assessed, and any potentially uncollectable amounts are either written-off or posted to an allowance for doubtful accounts.

NOTE – D: PROPERTY AND EQUIPMENT

Major classifications of property and equipment include equipment. Net fixed assets are immaterial. The organizations recorded office equipment and computers as their largest component of property and equipment with no disposal to note.

Depreciation expenses totaled \$429 for the period ending December 31, 2024.

NOTE – E: NOTES PAYABLE

On August 9, 2020 the Organization applied for and entered into a thirty (30) year Small Business Administration (SBA) Economic Injury Disaster Loan (EIDL) in the amount of \$150,000. The note originally provided for the first twelve (12) months of no payments with interest to accrue at the annual interest rate of two and three-quarters percent (2.75%). Subsequently, the SBA issued additional deferments extending the initial twelve (12) month period to a total of thirty (30) months of deferment until February of 2023 at which point the Organization will then be required to make monthly installments of \$641 to be applied to any outstanding accrued interest from the first 30 months until such amount has been repaid and then

subsequently to interest and principal. Accordingly, interest during the extended deferment period continues to accrue at the loan's stated rate of interest. The loan is secured by all assets of the Organization.

As of December 31, 2024, the outstanding principal and accrued interest amounted to \$149,900 and \$2,925, respectively. Future maturities of long-term debt are as follows for fiscal year ending:

2025	\$ -
2026	3,346
2027	3,980
2028	3,872
2029	3,767
Thereafter	<u>134,935</u>
	<u>\$ 149,900</u>

NOTE – F: ACCRUED PAID TIME OFF

The Organization's full-time employees are entitled to paid time off contingent upon the length of service of employment. The maximum any full-time employee is entitled to receive is 25 days per year. Accordingly, the Organization accounts for its paid time off as the services of its employees are performed and earned. As of December 31, 2024 accrued paid time off amounted to \$28,071.

NOTE – G: LEASES

The Organization leases office space at 222 Main Street, Gloucester, MA 01930, under a long-term, operating lease agreement. The lease expires February 28th, 2025. In the normal course of business, it is expected that this lease will be renewed. At this time there is no formal agreement in place to extend the current lease agreement

NOTE – G: LEASES (Continued)

The following is a maturity analysis of the annual undiscounted cash flows for the lease liabilities as of December 31, 2024:

Year Ending	
2025	2,200
Total lease payments	2,200
Less: imputed interest	-
Total lease obligations	2,200
Less: current obligations	(2,200)
Long-term obligations	<u>\$ -</u>

For the year ended December 31, 2024, amortization expense related to the ROU assets for operating leases totaled approximately \$12,468 and interest expense related to the discounted cash flows totaled \$950. The weighted average remaining lease term was approximately two years and the weight average discount rate was 1.82% that was used to measure the Organization's operating lease liabilities at December 31, 2024.

NOTE – H: RELATED PARTY TRANSACTIONS

In January 2022, with board approval, the Organization entered into a contractual consulting agreement with one of its board members. Under the terms of the agreement the board member will assist the Organization to install various projects to maximize the scope of North American Marine Alliance, Inc. overall mission. During the year ended December 31, 2024, the Organization paid \$11,352 to this board member in connection with this agreement.

North American Marine Alliance, Inc. is engaged in shared-leadership model with the National Family Farm Coalition (NFFC). NFFC is an organization with very similar interest in the food system, aquaculture, and fish farming fields. The two organizations have some shared costs. Including but not limited to payroll and payroll processing.

Amounts have all been recorded in the appropriate accounts throughout the fiscal year ending December 31, 2024.

NOTE – I: CONTRIBUTED “IN-KIND” SERVICES AND GOODS

Accounting principles for non-profit organizations require donated services which require specific expertise or enhance a non-financial asset and goods received be recorded in the financial statements at their fair market value. Members of the Organization's Board of Directors provide services in connection with the organization's governance, program services and resource development efforts on a voluntary basis. No amounts have been reflected in the financial statements for these donated services as they are not susceptible to objective measurement or valuation. The Organization did not received any donated professional services in the current year.

NOTE – J: NET ASSETS WITH DONOR RESTRICTIONS

In accordance with the Organization's reporting of information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions – time and purpose as of December 31, 2024 was as follows:

Purpose	\$459,987
Passage of time	<u>110,000</u>
	<u>\$569,987</u>

Net assets with donor restrictions – time and purpose of \$999,511 were released from donor restrictions during the year ended December 31, 2024. Accordingly, those donor restrictions were released by the Organization incurring expenses satisfying the time and purpose restrictions.

NOTE – K: EMPLOYEE BENEFIT PLANS

The Organization has implemented a SIMPLE IRA (the Plan). Under the Plan, all employees are eligible to contribute, with the Organization matching 3% on an annual basis. Matching contributions to the Plan totaled \$14,965 for the year ending December 31, 2024.

NOTE – L: CONCENTRATIONS

For the year ended December 31, 2024 approximately eighty-two percent (82%) of total support and revenue was represented by two contributors. Approximately eighty-five (85%) of the total contribution receivables was represented by one contributor.

NOTE – M: LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following at December 31, 2024:

Financial Assets at Year-End	
Cash and cash equivalents	\$ 667,627
Accounts receivable	100,239
Pledges receivable	<u>570,510</u>
Total Financial Assets at Year-End	1,338,376
Less: net assets with	
Long-term pledge receivable	(415,510)
Net assets with donor restrictions	<u>(569,987)</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	
	<u>\$ 352,879</u>

As part of its liquidity management plan, the Organization maintains sufficient cash to meet current operating needs. As indicated in the schedule of financial assets available for general expenditure, assuming revenue is

consistent in the fiscal year ending December 31, 2025, the Organization has sufficient liquid assets to meet at least one year of expenses.

NOTE – N: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events as of the year ending December 31, 2024 up through August 7, 2025, which is the date the accompanying financial statements were available to be issued. Subsequent to year end, the Organization's office lease as identified in Note G, was renewed through March 2028.