



---

## THE OPS FOUNDATION

(NON-PROFIT ORGANIZATION)

**Financial Statements**  
for the year ended December 31, 2022

**and independent auditor's report**

# THE OPS FOUNDATION

## TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	3-4
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	6
STATEMENT OF FUNCTIONAL EXPENSES	7
CONSOLIDATED STATEMENT OF CASH FLOWS	8
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	9-13

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying consolidated financial statements of The Ops Foundation (a non-profit organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

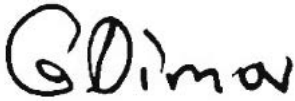
An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of The OPS Foundation (a non-profit organization) as of December 31, 2022, and its support, revenue, expenses, and changes in net assets, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Sincerely,

A handwritten signature in black ink that reads "G Dimov". The "G" is large and stylized, and the "Dimov" is written in a cursive-like script.

**George Dimov, CPA**  
**New York, NY**  
**June 30, 2023**

**dimov**

*GEORGE DIMOV CPA*

**THE OPS FOUNDATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2022**

	<b>December 31, 2022</b>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	2,537,046
Accounts receivable	57,743
Other assets	20,000
Total Current Assets	2,614,789
Non-current assets	
Property and equipment	168,426
Other non-current assets	2,395
Total non-current assets	170,821
<b>TOTAL ASSETS</b>	<b>2,785,610</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>Current liabilities</b>	
Related party loans	165,399
Credit cards	13,460
Accounts payable	123,332
<b>Total current liabilities</b>	<b>302,191</b>
<b>Non-current liabilities</b>	
Loans	153,630
Equity investments received	407,674
Recoverable grants	100,000
<b>Total non-current liabilities</b>	<b>661,304</b>
<b>Unrestricted net assets</b>	<b>1,822,115</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>2,785,610</b>

The accompanying notes are an integral part of these consolidated financial statements.  
The independent auditor's report is on pages 3-4.

**THE OPS FOUNDATION**  
**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>Year ended December 31, 2022</b>
<b>Unrestricted revenues and support</b>	
Film revenue	2,157,687
Contribution income	334,910
Royalty income	252,500
Other income	8,583
<b>Total revenues and support</b>	<b>2,753,680</b>
<b>Program services and expenses</b>	
Payroll and related taxes	(1,470,555)
Production and post productions costs	(593,652)
Travel	(461,455)
Revenue share distributions	(403,993)
Contract labor	(337,732)
Insurance	(34,632)
Depreciation of production equipment	(26,105)
Loss on termination of partnership	(14,824)
Other program expenses	(42,682)
<b>Total program services and expenses</b>	<b>(3,385,630)</b>
<b>Management and general expenses</b>	
Legal and professional fees	(27,641)
Rent	(19,200)
Accounting	(5,175)
Fundraising	(4,518)
Bank fees and charges	(4,734)
Dues and subscriptions	(4,059)
Other expenses	(32,360)
<b>Total management and general expenses</b>	<b>(97,687)</b>
<b>CHANGE IN NET ASSETS FOR THE YEAR</b>	<b>(729,637)</b>
<b>NET ASSETS, BEGINNING OF THE YEAR</b>	<b>2,551,752</b>
<b>NET ASSETS, END OF THE YEAR</b>	<b>1,822,115</b>

The accompanying notes are an integral part of these consolidated financial statements.  
The independent auditor's report is on pages 3-4.

**THE OPS FOUNDATION**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**BREAKDOWN BY SUBSIDIARIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	The OPS Foundation	Food 2.0, LLC	Leuser Film LLC	Unified Theory of Health	The Great Filter LLC	Ripple Effects Productions LLC	Total 2022
<b>Program services and expenses</b>							
Payroll and related taxes	-	(1,098,723)	(179,125)	(191,491)	(1,216)	-	(1,470,555)
Production and post productions	-	(458,259)	(80,392)	(49,926)	(5,075)	-	(593,652)
Travel	-	(313,065)	(110,134)	(29,753)	(8,503)	-	(461,455)
Revenue share distributions	(151,500)	(198,952)	(53,541)	-	-	-	(403,993)
Contract labor	-	(90,844)	(218,377)	(12,550)	(15,961)	-	(337,732)
Insurance	-	(16,629)	(13,000)	(5,003)	-	-	(34,632)
Depreciation of production equipment	-	(6,790)	(17,685)	(759)	(871)	-	(26,105)
Loss on termination of partnership	(14,824)	-	-	-	-	-	(14,824)
Other program expenses	(2,765)	(297)	(26,761)	(15)	-	(12,844)	(42,682)
<b>Total program expenses</b>	<b>(169,089)</b>	<b>(2,183,559)</b>	<b>(699,015)</b>	<b>(289,497)</b>	<b>(31,626)</b>	<b>(12,844)</b>	<b>(3,385,630)</b>
<b>Management and general expenses</b>							
Legal and professional fees	-	(18,086)	(4,984)	(3,565)	(675)	(331)	(27,641)
Rent	-	(9,600)	(5,600)	(4,000)	-	-	(19,200)
Accounting	(5,175)	-	-	-	-	-	(5,175)
Bank fees and charges	-	(3,338)	(1,033)	(417)	59	(5)	(4,734)
Fundraising	-	-	(4,518)	-	-	-	(4,518)
Dues and subscriptions	-	(1,295)	(2,764)	-	-	-	(4,059)
Other expenses	(210)	(6,078)	(23,916)	(2,116)	(10)	(30)	(32,360)
<b>Total management and general expenses</b>	<b>(5,385)</b>	<b>(38,397)</b>	<b>(42,815)</b>	<b>(10,098)</b>	<b>(626)</b>	<b>(366)</b>	<b>(97,687)</b>
<b>TOTAL EXPENSES</b>	<b>(174,474)</b>	<b>(2,221,956)</b>	<b>(741,830)</b>	<b>(299,595)</b>	<b>(32,252)</b>	<b>(13,210)</b>	<b>(3,483,317)</b>

The accompanying notes are an integral part of these consolidated financial statements.  
The independent auditor's report is on pages 3-4.

**THE OPS FOUNDATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Year ended  
December 31,  
2022**

**Cash flows from operating activities**

Change in net assets (729,637)

Adjustments for:

Depreciation	26,105
Changes in accounts receivable	(39,811)
Change in other assets	54,824
Changes in accounts payable	(212,616)
Changes in credit cards	13,384

**Net cash provided by operating activities** (887,751)

**Cash flows from investing activities**

Purchase of property and equipment (177,991)

**Net cash used by investing activities** (177,991)

**Cash flows from financing activities**

Proceeds from equity investments received	250,000
Repayment of related party loans	(15,000)
Proceeds from loans	153,630

**Net cash provided by financing activities** 388,630

**Net cash flow during the year** (677,112)

**Cash - beginning of the year** 3,214,158

**Cash - end of the year** 2,537,046

**Supplemental disclosures of cash flow information**

Interest paid	-
Income taxes paid (refunded)	-

The accompanying notes are an integral part of these consolidated financial statements.  
The independent auditor's report is on pages 3-4.



**THE OPS FOUNDATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2022**

**NOTE 1: NATURE OF OPERATIONS**

The OPS Foundation (the “Foundation” or the “Organization”) is a Section 501(c)(3) exempt private foundation operating under the laws of the State of California. The Foundation is engaged in production of documentaries, films and media dedicated to marine conservation, environmental protection and solving complex global issues.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities.

As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

**Net Assets Without Donor Restrictions** – Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.

**Net Assets With Donor Restrictions** – Net assets may be subject to donor-imposed stipulations that are more restrictive than the Organizations' mission and purpose. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

**Statement of compliance**

The consolidated financial statements include the accounts of the Foundation and its wholly owned subsidiaries: The Great Filter LLC, Food 2.0 LLC (DBA “United Theory of Health”), Leuser Film LLC and Ripple Effects Productions LLC. All intercompany balances and transactions are eliminated in consolidation.

These consolidated financial statements are presented in US Dollars, unless otherwise indicated. These consolidated financial statements have been prepared under the historical cost convention, except for the evaluation of certain financial instruments carried at fair value.

### **Functional Expenses**

The Organization classifies expenses not directly related to the provision of program services as management & general and fundraising expenses. The costs of providing the program and other activities have been summarized on a functional basis.

### **Going concern**

The Organization's management has assessed the Organization's ability to continue as a going concern and is satisfied that the Organization has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Organization's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

### **Cash and cash equivalents**

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents.

### **Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation. Maintenance and repair costs are charged to operations as incurred. Renewals and betterments are charged to the appropriate asset account. Depreciation is provided using the straight-line over the estimated useful lives of the assets.

### **Film costs capitalization**

Film costs include capitalizable production costs, production overhead, interest, development costs, and acquired production costs and per ASC 926 Entertainment - Film these costs should be stated at the lower of cost, less accumulated amortization, or fair value on the consolidated statement of financial position. The Organization does not capitalize film costs incurred during the production of their documentary films as there is no persuasive evidence existing at the time the films are being produced that indicates there will be ultimate revenue from their creation. Thus, all production, marketing, distribution, and general and administrative costs are expensed as incurred.

## **Contributed Assets**

Assets with fair market values in excess of \$5,000 (per unit) that are contributed to the Organization shall be capitalized as fixed assets on the financial statements. Contributed items with market values below this threshold shall be expensed in the year contributed.

Capitalized contributed assets are accounted for at their market value at the time of donation and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives, as described later.

## **Use of Estimates**

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of support, revenue, and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

## **Concentration and Credit Risks**

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances.

## **Taxes and Tax-Exempt Status**

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as a private foundation under Section 509(a)(1). However, income from activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income.

The subsidiaries of the Foundation – The Great Filter LLC, Food 2.0 LLC (DBA “United Theory of Health”), Leuser Film LLC and Ripple Effects Productions LLC – are pass-through entities for federal and state income tax purposes; accordingly, a provision for income tax expense has not been recorded in the consolidated financial statements.

The Organization believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for recognition or disclosure in the consolidated financial statements. The Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2020.

### NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment of the Organization as of December 31, 2022 were as follows:

	<b>December 31, 2022</b>
Computer Equipment	250,006
Camera Equipment	37,020
Editorial Equipment	34,379
Furniture and Fixtures	20,065
Sound Equipment	9,017
Accumulated Depreciation	<u>(182,061)</u>
	<u><u>168,426</u></u>

### NOTE 4: ACCOUNTS RECEIVABLE

Accounts receivable of the Organization as of December 31, 2022 were as follows:

	<b>December 31, 2022</b>
Accounts receivable from related parties	57,606
Other accounts receivable	<u>137</u>
	<u><u>57,743</u></u>

### NOTE 5: ACCOUNTS PAYABLE

Accounts payable of the Organization as of December 31, 2022 were as follows:

	<b>December 31, 2022</b>
Accounts payable to related parties	58,035
Other accounts payable	<u>65,297</u>
	<u><u>123,332</u></u>

### NOTE 6: RELATED PARTY TRANSACTIONS

Accounts receivable from the related party – Oceanic Preservation Society – as of December 31, 2022 amounted to \$57,606.

Accounts payable to the related party – Oceanic Preservation Society – as of December 31, 2022 amounted to \$58,035.

Related party loans received from – Louie Psihoyos – as of December 31, 2022 amounted to \$165,399.

#### **NOTE 7: EVALUATION OF SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 30, 2023, the date on which the consolidated financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2022 have been incorporated into these consolidated financial statements and there are no subsequent events that require disclosure.

#### **NOTE 8: APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

Consolidated financial statements have been approved by management of the Organization and authorized for issue on June 30, 2023.