Marine Technology Society, Inc.

Financial Statements
and Independent Auditors' Report

June 30, 2021 and 2020

Marine Technology Society, Inc.

Financial Statements
June 30, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Marine Technology Society, Inc.

We have audited the accompanying financial statements of Marine Technology Society, Inc. (MTS), which comprise the statements of financial position as of June 30, 2021 and 2020; the related statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

ROGERS & COMPANY

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MTS as of June 30, 2021 and 2020, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted by the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 21-23 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Rogers + Company PLLC

Vienna, Virginia
January 4, 2022

Marine Technology Society, Inc.

Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Cash	$ 1,001,687	$ 726,854
Investments	6,947,439	6,419,334
Accounts receivable	24,797	27,531
Advances paid for conferences	128,474	114,174
Prepaid expenses and deposits	48,476	52,828
Property and equipment, net	36,194	65,906
Total assets	$ 8,187,067	$ 7,406,627
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 191,857	$ 148,205
Deferred revenue	163,890	106,115
Other liabilities	15,093	8,776
Loan payable – Paycheck Protection Program	206,378	104,953
Funds held for Oceans conferences	245,587	83,723
Total liabilities	822,805	451,772
Net Assets		
Without donor restrictions:		
Undesignated	7,288,874	6,931,414
Board-designated	26,386	23,441
Total without donor restrictions	7,315,260	6,954,855
With donor restrictions	49,002	-
Total net assets	7,364,262	6,954,855
Total liabilities and net assets	$ 8,187,067	$ 7,406,627

See accompanying notes.

Marine Technology Society, Inc.

Statement of Activities
For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue and Support			
Membership dues	$ 106,983	$ -	$ 106,983
Conferences and meetings	19,699	-	19,699
Sections and Committees revenue	88,105	-	88,105
Publication revenue	33,526	-	33,526
Scholarship grants and contributions	1,555	50,000	51,555
Other revenue	10,756	-	10,756
Released from restrictions	998	(998)	-
Total operating revenue and support	261,622	49,002	310,624
Expenses			
Program services:			
Conferences and meetings	151,580	-	151,580
Sections and Committees	84,858	-	84,858
Membership	144,687	-	144,687
Publications	180,071	-	180,071
Communications	75,253	-	75,253
Education programming	79,787	-	79,787
Total program services	716,236	-	716,236
Supporting services:			
General and administrative	519,548	-	519,548
Total supporting services	519,548	-	519,548
Total expenses	1,235,784	-	1,235,784
Change in operating net assets	(974,162)	49,002	(925,160)
Non-Operating Activities			
Investment income, net	1,379,530	-	1,379,530
Loss on disposal of property and equipment	(44,963)	-	(44,963)
Total non-operating activities	1,334,567	-	1,334,567
Change in Net Assets	360,405	49,002	409,407
Net Assets, beginning of year	6,954,855	-	6,954,855
Net Assets, end of year	$ 7,315,260	$ 49,002	$ 7,364,262

See accompanying notes.

Marine Technology Society, Inc.

Statement of Activities
For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue and Support			
Membership dues	$ 138,794	$ -	$ 138,794
Conferences and meetings	516,510	-	516,510
Sections and Committees revenue	653,921	-	653,921
Publication revenue	35,776	-	35,776
Scholarship grants and contributions	4,967	-	4,967
Other revenue	3,525	-	3,525
Total operating revenue and support	1,353,493	-	1,353,493
Expenses			
Program services:			
Conferences and meetings	712,027	-	712,027
Sections and Committees	675,267	-	675,267
Membership	187,741	-	187,741
Publications	151,237	-	151,237
Communications	73,308	-	73,308
Education programming	62,502	-	62,502
Total program services	1,862,082	-	1,862,082
Supporting services:			
General and administrative	698,930	-	698,930
Total supporting services	698,930	-	698,930
Total expenses	2,561,012	-	2,561,012
Change in operating net assets	(1,207,519)	-	(1,207,519)
Non-Operating Activities			
Investment income, net	162,847	-	162,847
Total non-operating activities	162,847	-	162,847
Change in Net Assets	(1,044,672)	-	(1,044,672)
Net Assets, beginning of year	7,999,527	-	7,999,527
Net Assets, end of year	$ 6,954,855	$ -	$ 6,954,855

See accompanying notes.

Marine Technology Society, Inc.

Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services							Supporting Services	
	Conferences and Meetings	Sections and Committees	Membership	Publications	Communications	Education Programming	Total Program Services	General and Administrative	Total
Salaries and employee benefits	$ 84,830	$ -	$ 113,227	$ 67,657	$ 65,848	$ 54,873	$ 386,435	$ 113,220	$ 499,655
Consulting and contractual services	-	15,072	-	-	-	3,000	18,072	145,140	163,212
Oceans conferences	53,864	-	-	-	-	-	53,864	-	53,864
Other conferences	-	4,275	-	-	-	-	4,275	-	4,275
Food and beverage	-	1,575	-	-	-	-	1,575	-	1,575
Insurance – business and liability	-	-	-	-	-	-	-	23,528	23,528
Dues and subscriptions	-	-	-	-	2,221	-	2,221	6,488	8,709
IT services and website	2,997	-	23,900	15,001	7,034	6,416	55,348	63,726	119,074
Administration	-	2,040	-	-	-	-	2,040	-	2,040
Bank and credit card fees	-	904	-	-	-	-	904	8,867	9,771
Payroll processing fees	-	-	-	-	-	-	-	4,133	4,133
Rent	-	-	-	-	-	-	-	63,238	63,238
Equipment leased	-	-	-	-	-	-	-	7,609	7,609
Awards/recognition	1,686	-	-	-	-	-	1,686	-	1,686
Travel	-	5,621	-	-	-	998	6,619	-	6,619
Depreciation and amortization	-	-	-	-	-	-	-	21,560	21,560
Legal fees	-	-	-	-	-	-	-	37,918	37,918
Advertising and promotion	-	8,179	-	-	150	-	8,329	425	8,754
Rebate	-	-	7,105	-	-	-	7,105	-	7,105
Scholarships and sponsorships	-	5,000	-	-	-	14,000	19,000	2,098	21,098
Meetings	2,200	37,824	-	-	-	-	40,024	-	40,024
Training	-	-	-	-	-	-	-	316	316
Telephone	-	-	-	-	-	-	-	11,484	11,484
Utilities	-	-	-	-	-	-	-	661	661
Office supplies and expense	-	1,491	-	-	-	-	1,491	991	2,482
Postage and delivery	-	-	455	3,566	-	-	4,021	585	4,606
Printing and publications	-	-	-	92,129	-	-	92,129	-	92,129
Interest	-	-	-	-	-	-	-	1,380	1,380
Other	6,003	2,877	-	1,718	-	500	11,098	6,181	17,279
Total Expenses	$ 151,580	$ 84,858	$ 144,687	$ 180,071	$ 75,253	$ 79,787	$ 716,236	$ 519,548	$ 1,235,784

See accompanying notes.

Marine Technology Society, Inc.

Statement of Functional Expenses
For the Year Ended June 30, 2020

	Program Services							Supporting Services	
	Conferences and Meetings	Sections and Committees	Membership	Publications	Communications	Education Programming	Total Program Services	General and Administrative	Total
Salaries and employee benefits	$ 79,772	$ -	$ 156,178	$ 65,025	$ 68,299	$ 52,093	$ 421,367	$ 281,760	$ 703,127
Consulting and contractual services	-	31,063	-	-	-	3,114	34,177	153,526	187,703
Joint leadership dinner	3,223	-	-	-	-	-	3,223	-	3,223
Oceans conferences	464,265	-	-	-	-	-	464,265	-	464,265
Other conferences	-	253,144	-	-	-	-	253,144	-	253,144
Food and beverage	14,962	180,557	-	-	-	-	195,519	-	195,519
Audiovisual/photography	3,053	-	-	-	59	-	3,112	-	3,112
Insurance – business and liability	-	-	-	-	-	-	-	29,058	29,058
Dues and subscriptions	-	-	-	-	-	-	-	8,376	8,376
Exhibiting	23,417	-	-	-	-	-	23,417	-	23,417
Graphic design	640	-	945	250	-	-	1,835	35	1,870
IT services	-	-	21,950	13,631	3,622	5,283	44,486	46,854	91,340
Membership dues	-	5,475	-	-	-	-	5,475	-	5,475
Administration	-	1,507	-	-	-	-	1,507	-	1,507
Bank and credit card fees	-	4,317	-	-	-	-	4,317	10,918	15,235
Payroll processing fees	-	-	-	-	-	-	-	4,530	4,530
Rent	-	-	-	-	-	-	-	61,369	61,369
Equipment leased	-	-	-	-	-	-	-	6,117	6,117
Awards/recognition	2,193	-	-	-	910	-	3,103	90	3,193
Travel	111,492	29,465	-	-	-	-	140,957	1,576	142,533
Depreciation and amortization	-	-	-	-	-	-	-	24,258	24,258
Legal fees	-	-	-	-	-	-	-	34,488	34,488
Advertising and promotion	-	-	5,678	-	410	12	6,100	2,264	8,364
Rebate	-	-	2,040	-	-	-	2,040	-	2,040
Scholarships and sponsorships	6,517	74,270	-	-	-	2,000	82,787	-	82,787
Meetings	1,604	90,952	-	-	-	-	92,556	-	92,556
Training	-	-	-	-	-	-	-	883	883
Telephone	-	-	-	-	-	-	-	12,707	12,707
Utilities	-	-	-	-	-	-	-	728	728
Office supplies and expense	415	1,219	-	-	-	-	1,634	3,289	4,923
Postage and delivery	474	-	950	6,052	8	-	7,484	359	7,843
Printing and publications	-	-	-	65,571	-	-	65,571	-	65,571
Other	-	3,298	-	708	-	-	4,006	15,745	19,751
Total Expenses	$ 712,027	$ 675,267	$ 187,741	$ 151,237	$ 73,308	$ 62,502	$ 1,862,082	$ 698,930	$ 2,561,012

See accompanying notes.

Marine Technology Society, Inc.

Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	$ 409,407	$ (1,044,672)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Realized and unrealized gain on investments	(1,243,056)	(7,527)
Loss on disposal of property and equipment	44,963	-
Depreciation and amortization	21,560	24,258
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	2,734	21,881
Advances paid for conferences	(14,300)	14,708
Prepaid expenses and deposits	4,352	5,173
Increase (decrease) in:		
Accounts payable and accrued expenses	43,652	26,553
Deferred revenue	57,775	(65,550)
Other liabilities	6,317	2,188
Funds held for Oceans conferences	161,864	(236,384)
Net cash used in operating activities	(504,732)	(1,259,372)
Cash Flows from Investing Activities		
Purchases of property and equipment	(36,811)	(11,291)
Purchases of investments	(1,620,407)	(8,998,804)
Proceeds from sales of investments	2,335,358	9,068,649
Net cash provided by investing activities	678,140	58,554
Cash Flows from Financing Activity		
Proceeds from issuance of loan – Paycheck Protection Program	101,425	104,953
Net cash provided by financing activity	101,425	104,953
Net Increase (Decrease) in Cash	274,833	(1,095,865)
Cash, beginning of year	726,854	1,822,719
Cash, end of year	$ 1,001,687	$ 726,854
Supplementary Disclosure of Cash Flow Information		
Cash paid for interest	$ 1,380	$ -

See accompanying notes.

1. Nature of Operations

Marine Technology Society, Inc. (MTS) was incorporated in New York in 1963 to give members of academia, government, and industry a common forum for the exchange of information and ideas in the field of the marine sciences. MTS facilitates a broader understanding of the relevance of marine technology to wider global issues by enhancing the dissemination of marine technology information; promoting and improving marine technology and related educational programs; and advancing the development of the tools and procedures required to explore, study, and further the responsible and sustainable use of oceans. MTS's members are businesses, institutions, individual professionals, and students who are ocean engineers, technologists, policy makers, and educators.

MTS supports local Sections, which focus on events and programs unique to their specific geographic area in the United States and internationally.

In addition, MTS has approximately 31 Professional Committees ("Committees") representing technical interest groups that facilitate the exchange and transfer of technical information among professionals from academia, government, and industry. Committees are focusing on the concerns of the specific subject area within three major groups: Research, Industry, and Technology; Government and Public Affairs; and Education.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

MTS's financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for support of MTS's operations and are not subject to donor (or certain grantor) restrictions. The governing Board has designated, from net assets without donor restrictions, net assets for a Board-designated fund.

- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. 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 a 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.

2. Summary of Significant Accounting Policies (continued)

Basis of Accounting and Presentation (continued)

Sections and Committees are not independent entities and are controlled by MTS. All accounts and operations of the Sections and Committees are included in the accompanying financial statements.

Cash

Cash includes accounts that MTS holds for its Sections and Committees, and for future joint Oceans Conferences. At June 30, 2021 and 2020, the Sections' and Committees' cash accounts totaled $612,960 and $601,557, respectively. At June 30, 2021 and 2020, cash held for future joint Oceans Conferences totaled $245,587 and $83,723, respectively.

Investments

Investments are recorded at fair value based on quoted market prices. Realized and unrealized gains and losses are reported as a component of net investment income in the accompanying statements of activities.

Accounts Receivable

Accounts receivable consist of various sources of program income, which mostly include MTS's share of revenues related to collaborative conferences and other events. All amounts are collectible within one year and are recorded at net realizable value. MTS writes off accounts receivable when they become uncollectible. When necessary, an allowance for uncollectible accounts receivable is determined based upon management's best estimate of the potential future uncollectibility of accounts outstanding. All receivables were deemed fully collectible, and no allowance for uncollectible accounts was established at June 30, 2021 and 2020.

Property and Equipment

Property and equipment acquisitions with a cost greater than $500 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the individual assets, which range from three to five years. Expenditures for repairs and maintenance are expensed as incurred.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue Accounted for as Contracts with Customers

Revenue is recognized when MTS satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration MTS expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, MTS combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the statements of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

Specifically, for the various types of contracts, MTS recognizes revenue as follows:

Membership dues are comprised of an exchange element based on the benefits received and include a bundle of membership benefits that represent performance obligations. MTS has concluded the performance obligation related to member benefits is satisfied throughout the membership period as member benefits are received and consumed simultaneously during the membership period. Such membership dues are recognized ratably over the applicable dues period. Membership dues collected in advance are deferred. At June 30, 2021 and 2020, deferred membership dues were $57,983 and $57,219, respectively, and are included in deferred revenue in the accompanying statements of financial position.

MTS holds conferences and meetings throughout the year that require registrations. Performance obligations are satisfied at the time of the conference and meeting, when the services are transferred. Amounts received in advance of the event are deferred to the following period. At June 30, 2021 and 2020, deferred conferences and meetings revenue was $86,505 and $30,595, respectively, and is included in deferred revenue in the accompanying statements of financial position.

Publication revenue is recognized ratably over the applicable subscription period and the portion of subscription revenue relating to future periods is deferred. At June 30, 2021 and 2020, deferred publication revenue was $19,402 and $18,301, respectively, and is included in deferred revenue in the accompanying statements of financial position.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for in Accordance with Contribution Accounting

All unconditional scholarship grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. MTS reports them as net assets with donor restrictions if they are received or promised with donor stipulations that limit the use of donated assets to one of MTS's programs or to a future year. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Net assets with donor restrictions are reported as net assets without donor restrictions if the restrictions are met in the same period as received.

Advertising and Promotion Costs

Advertising and promotion costs are expensed as incurred.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Measure of Operations

MTS includes in its measure of operations all revenues and expenses that are an integral part of its programs and supporting activities, and excludes net investment income and loss on disposal of property and equipment.

2. Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases.* The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in fiscal year 2023. Management continues to evaluate the potential impact of this update on MTS's financial statements.

Subsequent Events

In preparing these financial statements, MTS has evaluated events and transactions for potential recognition or MTS-disclosure through January 4, 2022, the date the financial statements were available to be issued.

3. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at June 30:

	2021	2020
Financial assets at year end:		
Cash	$ 1,001,687	$ 726,854
Investments	6,947,439	6,419,334
Accounts receivable	24,797	27,531
Total financial assets	7,973,923	7,173,719
Less: assets not available for current use:		
Sections and Committees cash	(612,960)	(601,557)
Oceans conferences cash	(245,587)	(83,723)
Long-term investments	(462,099)	(681,210)
Board-designated fund	(26,386)	(23,441)
Net assets with donor restrictions	(49,002)	-
Financial assets available for general expenditures	$ 6,577,889	$ 5,783,788

3. Liquidity and Availability (continued)

The Board-designated fund is restricted for specific purposes and is not available for general expenditures. MTS's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, MTS invests cash in excess of daily requirements in short-term investments and money market funds.

4. Concentration of Credit Risk

Financial instruments that potentially subject MTS to significant concentrations of credit risk consist of cash and investments. MTS maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). MTS has not experienced any credit losses on its cash and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

5. Investments and Fair Value Measurements

MTS follows FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures,* for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. MTS recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

In general, and where applicable, MTS uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

5. Investments and Fair Value Measurements (continued)

The following table presents MTS's fair value hierarchy for those investments measured on a recurring basis at June 30, 2021:

	Level 1	Level 2	Level 3	Total
Stocks	$ 3,855,856	$ -	$ -	$ 3,855,856
Mutual funds	1,986,984	-	-	1,986,984
Taxable bonds	755,792	-	-	755,792
Money market funds	348,807	-	-	348,807
Total investments	$ 6,947,439	$ -	$ -	$ 6,947,439

The following table presents MTS's fair value hierarchy for those investments measured on a recurring basis at June 30, 2020:

	Level 1	Level 2	Level 3	Total
Stocks	$ 4,044,600	$ -	$ -	$ 4,044,600
Mutual funds	1,547,122	-	-	1,547,122
Taxable bonds	775,573	-	-	775,573
Money market funds	52,039	-	-	52,039
Total investments	$ 6,419,334	$ -	$ -	$ 6,419,334

Net investment income consists of the following for the years ended June 30:

	2021	2020
Interest and dividends	$ 153,239	$ 172,502
Realized and unrealized gain	1,243,056	7,527
Less: investment management fees	(16,765)	(17,182)
Total investment income, net	$ 1,379,530	$ 162,847

6. Property and Equipment

Property and equipment consist of the following at June 30:

	2021	2020
Computer and software	$ 49,033	$ 79,400
Website	34,861	53,783
Furniture and equipment	44,612	44,612
Leasehold improvements	6,715	6,715
Equipment – Sections/Committees	2,613	2,613
Total property and equipment	137,834	187,123
Less: accumulated depreciation and amortization	(101,640)	(121,217)
Property and equipment, net	$ 36,194	$ 65,906

7. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at June 30, 2021:

Purpose restricted:	
Recognizing efforts of women in marine sciences and technology	$ 49,002
Total net assets with donor restrictions	$ 49,002

There were no net assets with donor restrictions at June 30, 2020.

8. Loan Payable – Paycheck Protection Program

MTS applied for a loan under the Paycheck Protection Program (PPP) pursuant to Division A, Title 1 of the CARES Act, which was enacted on March 27, 2020. The PPP is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll through the COVID-19 coronavirus, for which MTS qualified. After the loans are granted, the Small Business Administration (SBA) will forgive loans if all employee retention criteria are met, and the funds are used for eligible expenses (which primarily consist of payroll costs, costs used to continue group healthcare benefits, rent, and utilities).

8. Loan Payable – Paycheck Protection Program (continued)

The Paycheck Protection Program Flexibility Act of 2020 was enacted on June 5, 2020, and amends the PPP to give borrowers more freedom in how and when loan funds are spent, while retaining the possibility of full forgiveness.

The first PPP loan was granted to MTS on May 6, 2020 in the amount of $104,953 and the second PPP loan was granted to MTS on April 5, 2021 in the amount of $101,425. It is management's intention to use the entire loan amount for qualifying expenses in order to apply for full forgiveness. Once the loan is, in part or wholly, forgiven and legal release is received, MTS will reduce the liability by the amount forgiven and record a gain on extinguishment in the statements of activities.

Subsequent to year end, on July 6, 2021, the full amount of the first PPP loan was forgiven in full by the SBA.

9. Offshore Technology Conference

MTS is one of twelve initial sponsoring organizations of the Offshore Technology Conference (OTC). OTC promotes and advances scientific and technical knowledge of offshore sources and related environmental matters through annual conferences, interdisciplinary meetings, publications, and technical-educational exhibitions.

OTC is governed by an Executive Committee, which consists of representatives from the initial twelve sponsoring organizations and one person appointed by the Executive Committee to represent the exhibitors of the conference. Each year, OTC distributes to the sponsoring organizations the excess of revenue over expenses, less the amount of established reserve. MTS receives 6.86% of the total distributions, in accordance with an agreement among the sponsoring organizations.

Due to COVID-19, OTC 2020 Asia was held virtually in November 2020 and OTC 2020 Houston, which was planned to be held in May 2020, was cancelled. The cancellations of these in-person conferences resulted in costs of $38,010 for the year ended June 30, 2021; consequently, there were no receivables from OTC at both June 30, 2021 and 2020.

10. Jointly-Sponsored Oceans Conferences

MTS has entered into a joint operations agreement with another tax-exempt organization to co-sponsor the Oceans Conference series comprised of two conferences per year: one conference held annually in North America, and one conference held in Europe during odd numbered years and Asia-Pacific during even numbered years. Each Oceans Conference provides a forum for scientists, engineers, and individuals from industry, government, and the academic community to discuss and learn about ocean science, engineering, and policy. MTS and the co-sponsor jointly finance the Oceans Conference series by providing advance funds in equal shares. At June 30, 2021 and 2020, MTS has allocated $245,587 and $83,723, respectively, for the future Oceans Conferences, which is included in cash in the accompanying statements of financial position.

On June 25, 2018, MTS and the co-sponsor renewed the Oceans Conferences joint operations agreement. Under the new agreement, each year MTS and the co-sponsor agreed to transfer up to 10% of the current year's Oceans Conferences' net distribution to an Oceans reserve fund maintained by MTS. The reserve maximum is capped at $50,000. Funds from this reserve can be used for Oceans award prizes for student competitions during conferences and travel expenses incurred while developing future Oceans Conferences. During fiscal years 2021 and 2020, MTS and the co-sponsor allocated a total of $2,945 and $11,629, respectively, to the Oceans reserve fund.

All conference-specific revenues, expenses, indirect taxes, and operating surplus are split equally between MTS and the co-sponsor after the conference. During fiscal year 2021, MTS recorded 50% of the revenues and expenses of the Oceans Conference that was held in North America.

For the year ended June 30, 2021, MTS's portion of revenues and expenses associated with the Oceans Conference was as follows:

	Revenue	Expenses	Net
Oceans North America			
Biloxi, MS – October 2020	$ 13,549	$ (2,679)	$ 10,870
Total	$ 13,549	$ (2,679)	$ 10,870

10. Jointly-Sponsored Oceans Conferences (continued)

For the year ended June 30, 2020, MTS's portion of revenues and expenses associated with the Oceans Conference was as follows:

	Revenue	Expenses	Net
Oceans North America Seattle, WA – October 2019	$ 510,762	$ (453,265)	$ 57,497
Total	$ 510,762	$ (453,265)	$ 57,497

Revenues and expenses from joint conferences are included in conferences and meetings in the accompanying statements of activities.

11. Commitments and Contingencies

Operating Lease

In fiscal year 2016, MTS amended its existing office lease, with amended terms commencing on August 1, 2016 and expiring on July 31, 2021. The amended terms of the lease had a base monthly rate of $4,540 with an annual escalation of 3%. The new amendment included a 3-month rent abatement period from the payments of a 50% portion of monthly rent. During fiscal year 2021, MTS entered into a new lease agreement for a shared office space in Washington, DC, commencing on July 19, 2021 and expiring on July 31, 2022, with a monthly rent of $1,373. The difference between rent expense recorded and the amount paid is not reflected in the accompanying statements of financial position due to immateriality.

Future minimum lease payments are as follows for the years ending June 30:

2022	$ 20,207
2023	1,373
Total future minimum lease payments	$ 21,580

MTS leases other property, including a mini storage unit and parking spaces, under short-term arrangements. Total rent expense for all operating leases was $63,238 and $61,369 for the years ended June 30, 2021 and 2020, respectively.

12. Retirement Plan

MTS maintains a 403(b) retirement plan, which covers substantially all employees. Participating employees may elect to contribute, on a tax-deferred basis, a portion of their salary up to the maximum allowed by law. MTS matches 5% of participating employees' salaries. MTS contributed $18,384 and $23,641 to the plan for the years ended June 30, 2021 and 2020, respectively.

13. Allocation of Expenses from Management and General Activities

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include salaries and employee benefits, consulting and contractual services, IT services, travel, office supplies and expense, postage and delivery, and other, which are allocated on the basis of estimates of time and effort.

14. Income Taxes

MTS is exempt from payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code (IRC). For the years ended June 30, 2021 and 2020, there was no unrelated business income and, accordingly, no federal or state income taxes have been recorded. Contributions to MTS are deductible as provided in IRC Section 170(b)(1)(A)(vi). Management has evaluated MTS's tax positions and concluded that MTS's financial statements do not include any uncertain tax positions.

SUPPLEMENTARY INFORMATION

Marine Technology Society, Inc.

Schedule of Section and Committee Cash Balances
June 30, 2021 and 2020

	2021	2020
Sections		
Houston	$ 74,179	$ 72,325
Gulf Coast	30,919	40,659
Monterey Bay	21,566	21,680
Japan	6,216	8,557
District of Columbia	8,016	8,151
Hawaii	7,815	8,352
San Diego	4,506	2,021
Hampton Roads	4,595	2,560
New England	7,059	6,929
Oregon	3,650	3,510
Puget Sound	25,206	3,527
Florida	1,969	1,689
India	7,018	25
Total Sections	202,714	179,985
Committees		
Dynamic Positioning	302,202	319,281
Buoy Technology	81,760	83,760
Remotely Operated Vehicles	16,916	17,009
Ropes and Tension Members	566	566
Unmanned Maritime Systems (UUV)	8,802	956
Total Committees	410,246	421,572
Total Sections and Committees Cash Balances	$ 612,960	$ 601,557

Marine Technology Society, Inc.

Schedule of Section and Committee Revenues and Expenses
June 30, 2021

	District of Columbia Section	Florida Section	Gulf Coast Section	Hampton Roads Section	Hawaii Section	Houston Section	Japan Section	Monterey Bay Section	New England Section	Oregon Section	Puget Sound Section	San Diego Section	India Section	DP Committee	MUV/ROV Committee	Buoy Tech Committee	UMS Committee	Total
Revenue																		
Conference revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 21,349	$ -	$ -	$ -	$ -	$ -	$ -	$ 21,349
Event registration	-	-	-	-	-	39,443	-	-	-	-	-	4,800	-	-	-	-	-	44,243
Sponsorships	-	-	-	2,000	-	1,400	-	-	-	-	-	-	-	-	-	-	-	3,400
Rebate	415	280	760	35	-	1,575	-	110	130	140	330	185	-	-	-	-	-	3,960
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	6,993	-	-	-	8,158	15,151
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	2
Total revenue	415	280	760	2,035	-	42,418	-	110	130	140	21,679	4,985	6,993	-	2	-	8,158	88,105
Expenses																		
Administration	-	-	500	-	-	1,000	-	-	-	-	-	540	-	-	-	-	-	2,040
Consulting fees	-	-	-	-	-	2,000	-	-	-	-	-	-	-	11,072	-	2,000	-	15,072
Food and beverage	550	-	-	-	-	-	-	224	-	-	-	-	-	-	-	-	-	774
Membership dues	-	-	-	-	-	-	-	-	-	-	-	800	-	-	-	-	-	800
Conference expense	-	-	4,000	-	-		-	-	-	-	-	275	-	-	-	-	-	4,275
Office expense	-	-	1,000	-	-	36	-	-	-	-	-	360	-	-	95	-	-	1,491
Scholarships and awards	-	-	4,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,000
Sponsorships	-	-	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,179	8,179
Miscellaneous	-	-	-	-	537	-	2,341	-	-	-	-	-	-	-	-	-	-	2,878
Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	5,621	-	-	-	5,621
Venue	-	-	-	-	-	37,299	-	-	-	-	-	525	-	-	-	-	-	37,824
Bank fees and other	-	-	-	-	-	229	-	-	-	-	-	-	-	386	-	-	289	904
Total expenses	550	-	10,500	-	537	40,564	2,341	224	-	-	-	2,500	-	17,079	95	2,000	8,468	84,858
Revenue Less Expenses	$ (135)	$ 280	$ (9,740)	$ 2,035	$ (537)	$ 1,854	$ (2,341)	$ (114)	$ 130	$ 140	$ 21,679	$ 2,485	$ 6,993	$ (17,079)	$ (93)	$ (2,000)	$ (310)	$ 3,247

Marine Technology Society, Inc.

Schedule of Section and Committee Revenues and Expenses
June 30, 2020

	District of Columbia Section	Florida Section	Gulf Coast Section	Hampton Roads Section	Hawaii Section	Houston Section	Japan Section	Monterey Bay Section	New England Section	Oregon Section	Puget Sound Section	San Diego Section	India Section	DP Committee	MUV/ROV Committee	Buoy Tech Committee	UMS Committee	Total
Revenue																		
Conference revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 202,197	$ -	$ -	$ 202,197
Event registration	750	-	31,425	-	-	108,430	-	-	-	-	55	7,147	-	231,668	-	-	1,000	380,475
Sponsorships	-	-	39,000	-	-	16,362	-	-	3,000	-	2,245	2,400	-	-	5,000	-	-	68,007
Rebate	445	260	735	120	-	885	-	40	360	60	150	175	-	-	-	-	-	3,230
Miscellaneous	-	-	-	-	-	-	-	-	-	-	7	-	-	-	-	-	-	7
Interest	-	-	-	-	-	2	-	-	-	-	-	-	-	-	3	-	-	5
Total revenue	1,195	260	71,160	120	-	125,679	-	40	3,360	60	2,457	9,722	-	231,668	207,200	-	1,000	653,921
Expenses																		
Administration	-	-	-	-	-	-	-	-	-	-	-	1,507	-	4,869	-	-	-	6,376
Consulting fees	-	-	-	-	-	8,820	-	-	-	-	-	-	-	13,874	8,000	-	-	30,694
Food and beverage	-	-	16,914	-	-	20,441	-	-	-	-	220	3,626	-	137,156	-	-	-	178,357
Membership dues	-	-	-	-	-	-	-	-	-	-	-	-	-	5,475	-	-	-	5,475
Conference expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	248,644	-	-	248,644
Office expense	-	-	-	-	-	370	-	-	-	-	-	211	-	528	90	-	-	1,199
Scholarships and awards	2,201	-	2,500	-	-	44,900	-	100	-	-	-	7,200	-	-	15,000	-	-	71,901
Sponsorships	100	-	2,350	2,000	-	-	-	-	120	-	19	-	-	-	-	-	-	4,589
Speaker	-	-	3,020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,020
Travel	-	-	2,809	-	-	-	-	1,260	-	-	188	358	-	21,193	767	3,020	-	29,595
Venue	-	-	27,500	-	-	38,068	-	-	-	-	1,567	630	-	20,167	-	-	-	87,932
Bank fees and other	-	-	2,113	-	-	1,021	3,168	-	98	-	-	-	-	1,041	-	-	44	7,485
Total expenses	2,301	-	57,206	2,000	-	113,620	3,168	1,360	218	-	1,994	13,532	-	204,303	272,501	3,020	44	675,267
Revenue Less Expenses	$ (1,106)	$ 260	$ 13,954	$ (1,880)	$ -	$ 12,059	$ (3,168)	$ (1,320)	$ 3,142	$ 60	$ 463	$ (3,810)	$ -	$ 27,365	$ (65,301)	$ (3,020)	$ 956	$ (21,346)