Marine Technology Society, Inc.

Financial Statements
Including Uniform Guidance Reports
and Independent Auditor's Report

June 30, 2025 and 2024

Marine Technology Society, Inc.

Financial Statements
June 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Marine Technology Society, Inc. (MTS), which comprise the statements of financial position as of June 30, 2025 and 2024; the related statements of activities, functional expenses, and cash flows for the years 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 MTS as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MTS 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.

Responsibilities of Management for the Financial Statements (continued)

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 MTS's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 GAAS and *Government 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 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 GAAS and *Government 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 MTS'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 MTS's ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

***Other Reporting Required by* Government Auditing Standards**

In accordance with *Government Auditing Standards,* we have also issued our report dated December 9, 2025 on our consideration of MTS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MTS's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MTS's internal control over financial reporting and compliance.

Rogers + Company PLLC

Vienna, Virginia
December 9, 2025

Marine Technology Society, Inc.

Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Assets		
Cash	$ 935,421	$ 1,632,288
Investments	7,127,268	6,478,836
Accounts receivable	738,455	234,388
Grants and contributions receivable	818,509	333,581
Due from Ocean Exchange	529,020	-
Advances paid for conferences	15,000	57,500
Prepaid expenses and deposits	93,440	74,098
Inventory	80,814	116,950
Property and equipment, net	2,038	5,518
Right-of-use asset – operating lease	30,579	-
Total assets	$ 10,370,544	$ 8,933,159
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 536,873	$ 541,732
Refundable advances	174,334	138,334
Deferred revenue	284,422	113,555
Other liabilities	21,313	24,195
Funds held for Oceans conferences	141,775	27,640
Lease liability – operating lease	30,579	-
Total liabilities	1,189,296	845,456
Net Assets		
Without donor restrictions:		
Undesignated	8,470,559	7,902,072
Board-designated	113,222	72,486
Total without donor restrictions	8,583,781	7,974,558
With donor restrictions	597,467	113,145
Total net assets	9,181,248	8,087,703
Total liabilities and net assets	$ 10,370,544	$ 8,933,159

See accompanying notes.

Marine Technology Society, Inc.

Statement of Activities
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue and Support			
Membership dues	$ 199,939	$ -	$ 199,939
Conferences and meetings	1,557,276	-	1,557,276
Sections and Committees revenue	450,815	-	450,815
Grants and contributions	21,100	-	21,100
Federal grants	1,622,154	-	1,622,154
SeaMATE store sales	556,896	-	556,896
Scholarship grants and contributions	83,168	313,119	396,287
Publication revenue	23,658	-	23,658
Consulting revenue	103,908	-	103,908
In-kind contributions	46,318	-	46,318
Other revenue	36,788	-	36,788
Released from restrictions	258,797	(258,797)	-
Total operating revenue and support	4,960,817	54,322	5,015,139
Expenses			
Program services:			
Conferences and meetings	912,669	-	912,669
Sections and Committees	536,168	-	536,168
Membership	293,576	-	293,576
Publications	86,058	-	86,058
Communications	188,554	-	188,554
Education programming	1,784,090	-	1,784,090
MATE ROV competition	458,999	-	458,999
SeaMATE store	470,492	-	470,492
Ocean Exchange	3,603	-	3,603
Total program services	4,734,209	-	4,734,209
Supporting services:			
General and administrative	836,342	-	836,342
Total supporting services	836,342	-	836,342
Total expenses	5,570,551	-	5,570,551
Change in operating net assets	(609,734)	54,322	(555,412)
Non-Operating Activities			
Investment return, net	750,699	-	750,699
Transfer of Ocean Exchange program	568,258	330,000	898,258
Transfer between net assets	(100,000)	100,000	-
Total non-operating activities	1,218,957	430,000	1,648,957
Change in Net Assets	609,223	484,322	1,093,545
Net Assets, beginning of year	7,974,558	113,145	8,087,703
Net Assets, end of year	$ 8,583,781	$ 597,467	$ 9,181,248

See accompanying notes.

Marine Technology Society, Inc.

Statement of Activities
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue and Support			
Membership dues	$ 139,501	$ -	$ 139,501
Conferences and meetings	1,865,259	-	1,865,259
Sections and Committees revenue	659,314	-	659,314
Grants and contributions	119,453	-	119,453
Federal grants	1,169,281	-	1,169,281
SeaMATE store sales	525,685	-	525,685
Scholarship grants and contributions	5,821	272,795	278,616
Publication revenue	25,055	-	25,055
Consulting revenue	98,044	-	98,044
In-kind contributions	70,139	-	70,139
Other revenue	90,438	-	90,438
Released from restrictions	218,010	(218,010)	-
Total operating revenue and support	4,986,000	54,785	5,040,785
Expenses			
Program services:			
Conferences and meetings	1,021,540	-	1,021,540
Sections and Committees	556,218	-	556,218
Membership	300,358	-	300,358
Publications	86,972	-	86,972
Communications	140,465	-	140,465
Education programming	1,488,444	-	1,488,444
MATE ROV competition	375,299	-	375,299
SeaMATE store	422,610	-	422,610
Total program services	4,391,906	-	4,391,906
Supporting services:			
General and administrative	741,757	-	741,757
Total supporting services	741,757	-	741,757
Total expenses	5,133,663	-	5,133,663
Change in operating net assets	(147,663)	54,785	(92,878)
Non-Operating Activities			
Investment return, net	722,259	-	722,259
Transfer of MATE II program	623,771	-	623,771
Total non-operating activities	1,346,030	-	1,346,030
Change in Net Assets	1,198,367	54,785	1,253,152
Net Assets, beginning of year	6,776,191	58,360	6,834,551
Net Assets, end of year	$ 7,974,558	$ 113,145	$ 8,087,703

See accompanying notes.

Marine Technology Society, Inc.

Statement of Functional Expenses
For the Year Ended June 30, 2025

	Program Services										Supporting Services	
	Conferences and Meetings	Sections and Committees	Membership	Publications	Communications	Education Programming	MATE ROV Competition	SeaMATE Store	Ocean Exchange	Total Program Services	General and Administrative	Total
Personnel	$ 129,506	$ -	$ 287,190	$ 31,734	$ 135,989	$ 710,330	$ 143,650	$ 67,990	$ 2,063	$ 1,508,452	$ 299,417	$ 1,807,869
Professional fees	-	28,691	-	29,997	45,000	314,919	18,482	47,414	1,433	485,936	193,955	679,891
Events, meetings, and competitions	622,777	419,437	-	-	4,124	646,534	203,937	-	-	1,896,809	43,992	1,940,801
Advertising	-	-	6,179	-	681	544	-	335	-	7,739	-	7,739
MTS Journal	7,416	428	-	23,919	-	-	-	-	-	31,763	-	31,763
Travel	145,323	8,649	-	-	-	67,448	66,306	4,257	-	291,983	45,328	337,311
Education, training, scholarships, and sponsorships	6,770	68,800	-	-	-	29,552	-	-	-	105,122	36,546	141,668
Retail store	-	-	-	-	-	-	-	56,120	-	56,120	-	56,120
Cost of goods sold	-	-	-	-	-	-	-	280,106	-	280,106	-	280,106
Information technology	-	1,664	-	-	263	11,834	2,404	4,220	-	20,385	69,900	90,285
Bank and credit card fees	-	6,914	-	-	-	-	55	115	36	7,120	15,130	22,250
Office	520	1,358	207	408	2,497	1,264	13,775	6,868	71	26,968	40,447	67,415
Telephone and internet	-	152	-	-	-	-	-	-	-	152	4,695	4,847
Insurance	-	-	-	-	-	-	-	-	-	-	58,883	58,883
Postage	270	-	-	-	-	1,665	9,270	3,067	-	14,272	2,369	16,641
Rent	-	-	-	-	-	-	1,120	-	-	1,120	16,596	17,716
Miscellaneous	87	75	-	-	-	-	-	-	-	162	5,604	5,766
Depreciation and amortization expense	-	-	-	-	-	-	-	-	-	-	3,480	3,480
Total Expenses	$ 912,669	$ 536,168	$ 293,576	$ 86,058	$ 188,554	$ 1,784,090	$ 458,999	$ 470,492	$ 3,603	$ 4,734,209	$ 836,342	$ 5,570,551

See accompanying notes.

Marine Technology Society, Inc.

Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services									Supporting Services	
	Conferences and Meetings	Sections and Committees	Membership	Publications	Communications	Education Programming	MATE ROV Competition	SeaMATE Store	Total Program Services	General and Administrative	Total
Personnel	$ 129,562	$ -	$ 292,699	$ 21,990	$ 104,164	$ 344,318	$ 48,746	$ 21,671	$ 963,150	$ 329,142	$ 1,292,292
Professional fees	-	13,165	-	39,996	24,000	487,192	95,362	61,662	721,377	117,520	838,897
Events, meetings, and competitions	754,100	443,439	55	-	7,479	485,451	169,107	195	1,859,826	13,178	1,873,004
Advertising	-	-	-	-	2,716	-	375	-	3,091	-	3,091
MTS Journal	7,416	-	-	24,567	-	-	-	-	31,983	-	31,983
Travel	123,630	13,677	-	-	788	104,476	47,990	3,255	293,816	43,528	337,344
Education, training, scholarships, and sponsorships	5,000	69,326	-	-	-	45,331	-	-	119,657	58,515	178,172
Retail store	-	-	-	-	293	180	530	51,632	52,635	5,466	58,101
Cost of goods sold	-	-	-	-	-	-	-	275,583	275,583	-	275,583
Information technology	-	3,072	6,809	89	148	18,069	3,261	4,623	36,071	59,274	95,345
Bank and credit card fees	-	5,291	-	-	-	-	33	3	5,327	11,551	16,878
Office	1,101	8,042	795	330	877	3,299	7,935	3,326	25,705	20,158	45,863
Telephone and internet	-	30	-	-	-	-	-	-	30	3,721	3,751
Insurance	159	176	-	-	-	-	-	-	335	53,787	54,122
Postage	538	-	-	-	-	37	1,960	10	2,545	3,025	5,570
Rent	-	-	-	-	-	-	-	-	-	11,170	11,170
Miscellaneous	34	-	-	-	-	91	-	21	146	355	501
Depreciation and amortization expense	-	-	-	-	-	-	-	629	629	11,367	11,996
Total Expenses	$ 1,021,540	$ 556,218	$ 300,358	$ 86,972	$ 140,465	$ 1,488,444	$ 375,299	$ 422,610	$ 4,391,906	$ 741,757	$ 5,133,663

See accompanying notes.

Marine Technology Society, Inc.

Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	$ 1,093,545	$ 1,253,152
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Realized and unrealized gain on investments	(576,747)	(566,418)
Depreciation and amortization	3,480	11,996
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(504,067)	(68,206)
Grants and contributions receivable	(484,928)	(333,581)
Due from Ocean Exchange	(529,020)	-
Advances paid for conferences	42,500	62,500
Prepaid expenses and deposits	(19,342)	(7,385)
Inventory	36,136	(116,950)
(Decrease) increase in:		
Accounts payable and accrued expenses	(4,859)	384,428
Refundable advances	36,000	138,334
Deferred revenue	170,867	20,916
Other liabilities	(2,882)	(370)
Funds held for Oceans conferences	114,135	(213,862)
Net cash (used in) provided by operating activities	(625,182)	564,554
Cash Flows from Investing Activities		
Purchases of property and equipment	-	(6,665)
Purchases of investments	(1,577,138)	(1,134,905)
Proceeds from sales of investments	1,505,453	678,877
Net cash used in investing activities	(71,685)	(462,693)
Net (Decrease) Increase in Cash	(696,867)	101,861
Cash, beginning of year	1,632,288	1,530,427
Cash, end of year	$ 935,421	$ 1,632,288
Noncash Transactions Arising from Adoption of ASC 842:		
Right-of-use asset – operating lease	$ 35,203	$
Lease liability – operating lease	$ 35,203	$

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 that focus on events and programs unique to their specific geographic areas in the United States and internationally.

In addition, MTS operates Professional Committees ("Committees") representing technical interest groups that facilitate the exchange and transfer of technical information among professionals from academia, government, and industry. Committees focus on the concerns of specific subject areas 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, 2025 and 2024, the Sections' and Committees' cash accounts totaled $637,579 and $684,345, respectively. At June 30, 2025 and 2024, cash held for future joint Oceans Conferences totaled $141,775 and $27,640, respectively.

Investments

Investments are recorded at fair value based on quoted market prices. All interest and dividends, realized and unrealized gains and losses, and investment management fees are reported as a component of net investment return in the accompanying statements of activities.

Accounts Receivable

Accounts receivable are recorded at net realizable value and are all due in less than one year. Accounts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. MTS historically has had insignificant write-offs due to bad debts, and current conditions indicate all receivables are fully collectible. Therefore, no allowance for credit losses has been recognized at June 30, 2025 and 2024.

2. Summary of Significant Accounting Policies (continued)

Grants and Contributions Receivable

Grants and contributions receivable represent amounts unconditionally committed by government, donors, foundations, and agencies that have not been received by MTS. Such receivables are recorded at the present value of their estimated future cash flows. MTS's policy is to write-off uncollectible grants and contributions receivable when management determines the receivable will not be collected. No allowance for doubtful promises has been recorded, as management believes that all receivables are fully collectible.

Inventory

Inventory at the SeaMATE Store primarily consists of building components, accessories, pipes, wires, related parts, publications, and other promotional items held for resale or for use in program activities. Inventory is valued at the lower of cost or market values, using an average cost method.

MTS periodically reviews inventory for slow-moving or obsolete items and establishes a reserve for obsolescence when necessary. As of June 30, 2025 and 2024, no provision for inventory obsolescence was recorded.

Property and Equipment

Property and equipment acquisitions with a cost greater than $5,000 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation and amortization 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.

Operating Lease

MTS determines if an arrangement is a lease at inception. Operating lease is included in right-of-use (ROU) assets, which represent MTS's right to use an underlying asset for the lease term, and lease liabilities represent MTS's obligation to make lease payments arising from the lease. Operating ROU lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As MTS's leases do not provide an implicit rate, MTS used a risk-free rate based on the information available at the commencement date in determining the present value of lease payments.

2. Summary of Significant Accounting Policies (continued)

Operating Lease (continued)

The ROU assets also include any lease payments made and exclude lease incentives. MTS's lease terms may include options to extend or terminate the lease when it is reasonably certain that MTS will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

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 they 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, 2025 and 2024, deferred membership dues were $98,054 and $89,071, 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/or meeting, when the services are transferred. Amounts received in advance of the event are deferred to the following period. At June 30, 2025 and 2024, deferred conferences and meetings revenue was $138,957 and $2,390, 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 as Contracts with Customers (continued)

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, 2025 and 2024, deferred publication revenue was $11,019 and $13,498, respectively, and is included in deferred revenue in the accompanying statements of financial position.

SeaMATE operates as an online store offering underwater robotics kits, instructional guides, and related materials designed to support educational programs focused on remotely operated vehicles (ROVs) at beginning and intermediate levels. Revenue from SeaMATE product sales is recognized when control of the goods transfers to the customer, typically at the point of shipment. Proceeds from SeaMATE support MTS's educational programs and mission. Shipping and handling fees billed to customers are included in revenue, while related expenses are recorded under program expenses. At June 30, 2025 and 2024, deferred sales revenue was $36,392 and $8,596, respectively, and is included in deferred revenue in the accompanying statements of financial position.

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.

Revenue from federal and other funding sources are recognized when the related expenses are incurred. Expenses charged to the federal grants, including allocable indirect costs and fringe benefits, are subject to audit and adjustment. Amounts received before the grant expenses are incurred are reported as refundable advances. At June 30, 2025 and 2024, the refundable advances for federal and other grants totaled $174,334 and $138,334, respectively.

2. Summary of Significant Accounting Policies (continued)

In-Kind Contributions

The value of contributions that enhance a nonfinancial asset, which are considered specialized and can be estimated, and would have been purchased if not donated, are reflected in the accompanying statements of activities as in-kind contributions. In-kind contributions consist of donated goods and donated facilities that benefit both program and supporting services. In-kind contributions are recognized as revenue and expense in the accompanying statements of activities at their estimated fair value, as provided by the donor, at the date of receipt, or calculated fair value of use of property in the period the property is used. During the years ended June 30, 2025 and 2024, MTS received in-kind contributions with an estimated fair value of $46,318 and $70,139, respectively.

Advertising Costs

Advertising 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 return, transfer of Ocean Exchange program, transfer between net assets, and transfer of MATE II program.

2. Summary of Significant Accounting Policies (continued)

Subsequent Events

In preparing these financial statements, MTS has evaluated events and transactions for potential recognition or MTS-disclosure through December 9, 2025, the date the financial statements were available to be issued.

3. Liquidity and Availability

The Board-designated fund is restricted for specific purposes and is not available for general expenditures. MTS's goal is generally to maintain cash on hand 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.

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:

	2025	2024
Financial assets at year end:		
Cash	$ 935,421	$ 1,632,288
Investments	7,127,268	6,478,836
Accounts receivable	738,455	234,388
Grants and contributions receivable	818,509	333,581
Total financial assets	9,619,653	8,679,093
Less: assets not available for current use:		
Sections and Committees cash	(637,579)	(684,345)
Oceans conferences cash	(141,775)	(27,640)
Long-term investments	(1,031,666)	(945,528)
Board-designated fund	(113,222)	(72,486)
Net assets with donor restrictions	(597,467)	(113,145)
Total available for general expenditures	$ 7,097,944	$ 6,835,949

4. Concentrations 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

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

	2025	2024
Interest and dividends	$ 191,016	$ 170,432
Realized and unrealized gain	576,747	566,418
Less: investment management fees	(17,064)	(14,591)
Total investment return, net	$ 750,699	$ 722,259

MTS follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 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.

5. Investments and Fair Value Measurements (continued)

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. When quoted market prices for similar assets are available in markets that are not active, securities are classified within Level 2 of the valuation hierarchy. Level 2 includes taxable bonds.

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

	Level 1	Level 2	Level 3	Total
2025:				
Stocks	$ 2,877,465	$ -	$ -	$ 2,877,465
Mutual funds	1,457,503	-	-	1,457,503
Taxable bonds	-	1,291,537	-	1,291,537
Fixed income	1,178,234	-	-	1,178,234
Money market funds	322,529	-	-	322,529
Total investments	$ 5,835,731	$ 1,291,537	$ -	$ 7,127,268
2024:				
Stocks	$ 3,506,825	$ -	$ -	$ 3,506,825
Mutual funds	583,732	-	-	583,732
Taxable bonds	-	1,281,125	-	1,281,125
Fixed income	593,191	-	-	593,191
Money market funds	513,963	-	-	513,963
Total investments	$ 5,197,711	$ 1,281,125	$ -	$ 6,478,836

6. Property and Equipment

Property and equipment consist of the following at June 30:

	2025	2024
Computer and software	$ 15,108	$ 15,108
Website	34,861	34,861
Furniture and equipment	12,132	12,132
Total property and equipment	62,101	62,101
Less: accumulated depreciation and amortization	(60,063)	(56,583)
Property and equipment, net	$ 2,038	$ 5,518

7. Line of Credit

In June 2022, MTS obtained a $1,000,000 line of credit with a bank for the purpose of working capital needs. Borrowings under this facility are on an on-demand basis. Interest is payable monthly at a rate based on the Secured Overnight Financing Rate (SOFR) plus 2.1%, averaging 6.4% and 7.4% for the years ended June 30, 2025 and 2024, respectively. There were no outstanding borrowings on this line of credit at both June 30, 2025 and 2024.

8. Net Assets With Donor Restrictions

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

	2025	2024
Purpose restricted:		
MATE program	$ 204,004	$ 76,195
Ocean Exchange program	330,000	-
Other programs	63,463	36,950
Total net assets with donor restrictions	$ 597,467	$ 113,145

8. Net Assets With Donor Restrictions (continued)

During the year ended June 30, 2025, MTS reclassified $100,000 from unrestricted to restricted net assets to properly reflect donor-imposed restrictions for the MATE program that were received in fiscal year 2024. This reclassification is presented as a transfer between net asset categories under non-operating activities in the accompanying statement of activities.

9. In-Kind Contributions

MTS receives various types of in-kind support. The estimated fair value of these donations is reflected in the accompanying statements of activities and consist of the following for the years ended June 30:

	2025	2024
Donated facilities	$ 13,740	$ 13,740
Donated goods	32,578	56,399
Total in-kind contributions	$ 46,318	$ 70,139

10. Offshore Technology Conference

MTS is one of 12 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 12 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.

For the years ended June 30, 2025 and 2024, distribution revenue from OTC was $487,060 and $748,871, respectively, which is included in conferences and meetings revenue in the accompanying statements of activities. At June 30, 2025 and 2024, the receivables from OTC were $487,060 and $37,716, respectively, which are included in accounts receivable in the accompanying statements of financial position.

11. 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. Amounts held by MTS for future Oceans Conference are recorded as receipts held on deposit. At June 30, 2025 and 2024, MTS held $141,775 and $27,640, respectively, for the future Oceans Conferences, which are 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 2025 and 2024, there were no co-sponsor allocations 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 both fiscal years 2025 and 2024, MTS recorded 50% of the revenues and expenses of all Oceans Conference.

For the year ended June 30, 2025, MTS's portion of revenues and expenses associated with the Oceans Conference was as follows:

	Revenue	Expenses	Net
Oceans North America:			
Halifax, Canada – September 2024	$ 672,130	$ (561,854)	$ 110,276
Oceans International:			
Brest, France – June 2025	336,449	(229,875)	106,574
Total	$ 1,008,579	$ (791,729)	$ 216,850

11. Jointly-Sponsored Oceans Conferences (continued)

For the year ended June 30, 2024, MTS's portion of revenues and expenses associated with the Oceans Conference was as follows:

	Revenue	Expenses	Net
Oceans North America:			
Gulf Coast, MS – September 2023	$ 562,725	$ (398,858)	$ 163,867
Oceans International:			
Marina Bay, Singapore – April 2024	357,245	(258,393)	98,852
Total	$ 919,970	$ (657,251)	$ 262,719

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

On May 4, 2024, the Board approved the dissolution of the Oceans Conference. However, MTS will continue to fulfill its commitments to the following events: OCEANS 2024 Halifax, OCEANS 2025 Brest, and OCEANS 2025 Great Lakes. The final conference is planned for September 2025.

12. Commitments and Contingencies

Operating Leases

In fiscal year 2021, MTS entered into a membership agreement for shared office space in Washington, D.C., commencing on July 19, 2021, and expiring on July 31, 2022, with a monthly license fee of $1,373. The agreement was renewed annually through July 31, 2024 with similar terms.

In October 2024, MTS temporarily reduced its shared office arrangement to mail forwarding services with a monthly fee of $119, expiring on September 30, 2025. Both parties could terminate this agreement with a two-month notice.

On December 11, 2024, MTS executed a new long-term lease for the same office space, commencing on February 1, 2025, and expiring on January 31, 2028, with a monthly base rent of $1,040. As a result, MTS recognized a right-of-use (ROU) asset and corresponding lease liability in fiscal year 2025 in accordance with FASB ASC Topic 842, *Leases.*

12. Commitments and Contingencies (continued)

Operating Leases (continued)

In addition, MTS leases other properties, including a mini-storage unit and parking spaces, under short-term arrangements.

Total rent expense for all leases was $17,716 and $11,170 for the years ended June 30, 2025 and 2024, respectively.

Supplemental qualitative information related to the operating office lease is as follows at June 30, 2025:

Operating lease cost (lease expense)	$	5,200
Cash paid for amounts included in the measurement of lease liability – operating cash flows	$	5,200
ROU asset obtained in exchange for lease obligations	$	35,203
Weighted-average remaining lease term (in years)		2.6
Weighted-average discount rate		4.28%

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

2026	$	12,480
2027		12,480
2028		7,280
Total minimum lease payments		32,240
Less: discount to present value at 4.28%		(1,661)
Present value of operating lease liability	$	30,579

12. Commitments and Contingencies (continued)

Employment Agreements

In fiscal year 2022, MTS signed an employment agreement with the Chief Executive Officer, which was initially expected to end in March 2024. On December 11, 2023, the agreement was extended to December 31, 2026. The agreement contains terms that require payments upon the occurrence of certain contractual events.

In fiscal year 2023, MTS signed another employment agreement with the Executive Director for the MATE program. The agreement commenced on July 1, 2023, and is expected to end on June 30, 2028.

In fiscal year 2025, MTS signed another employment agreement with the Executive Director for the Ocean Exchange program. The agreement commenced on June 27, 2025, and is expected to end on December 31, 2028.

Government Grants

Funds received from government agencies are subject to audit under the provisions of the agreements. The ultimate determination of amounts received under the agreements is based upon the allowance of costs reported to and accepted by the oversight agency. Until the grant is closed out, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability exists.

13. 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 $68,156 and $51,862 to the plan for the years ended June 30, 2025 and 2024, respectively.

14. Related Party Transactions

MTS engaged one vendor and two vendors, respectively, to provide consulting services related to its programs during the years ended June 30, 2025 and 2024. These vendors are owned and directed by members of MTS's Board of Directors. The total amount paid to these vendors was $52,385 and $47,924 during the years ended June 30, 2025 and 2024, respectively.

15. 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 and websites, travel, office supplies and expense, postage and delivery, and other, which are allocated on the basis of estimates of time and effort.

16. MATE Inspiration for Innovation Program

On December 30, 2022, MTS entered into a Transaction Agreement ("the Agreement") with MATE II, a California not-for-profit organization. Under the terms of the Agreement, MATE II agreed to assign and transfer all of its assets and associated liabilities to MTS. These assets include the global K-16 remotely operated vehicles (ROV) competition platform, alumni network, and other resources related to the MATE ROV Competition.

On July 1, 2023, MTS executed a Bill of Sale and Assignment Agreement with MATE II to facilitate the transfer and assignment of substantially all assets from MATE II to MTS in accordance with the Agreement. The final transfer of all assets and liabilities in the amount of $623,771 was completed in November 2023.

During the fiscal year ended June 30, 2023, MTS received an initial amount of $50,325 from the MATE program under the Agreement. This amount was initially recorded as donor-restricted; however, based on further clarification from the donor, it was reclassified to Board-designated net assets in fiscal year 2024.

17. Ocean Exchange Program

On April 11, 2025, MTS entered into a Transaction Agreement ("Transaction Agreement") with Ocean Exchange, Inc. (OE), a Georgia not-for-profit organization. Under the terms of the Transaction Agreement, OE agreed to assign and transfer substantially all of its assets and associated liabilities to MTS. These assets included cash and cash equivalents, investments, prepayments, accounts receivable, other property, trademarks, domain names, social media handles, and other resources.

On June 27, 2025, MTS executed a Bill of Sale and Assignment Agreement with OE to facilitate the transfer and assignment of these assets and liabilities in accordance with the Transaction Agreement. The total value of the transfer from OE was $898,258, which was recorded as a transfer of Ocean Exchange under non-operating activities in the accompanying statement of activities.

17. Ocean Exchange Program (continued)

During the year ended June 30, 2025, MTS received an initial payment of $369,238. The remaining $529,020 was recorded as due from Ocean Exchange in the accompanying statements of financial position at June 30, 2025 and was subsequently transferred to MTS in July 2025.

18. 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). Contributions to MTS are deductible as provided in IRC Section 170(b)(1)(A)(vi).

For the years ended June 30, 2025 and 2024, MTS incurred federal and state income taxes on unrelated income generated from advertising and credential fees. 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, 2025 and 2024

	2025	2024
Sections		
Houston	$ 28,388	$ 98,800
Gulf Coast	90,909	100,967
Monterey Bay	17,108	10,984
Japan	5,464	5,017
District of Columbia	8,948	9,006
Hawaii	6,153	7,900
San Diego	8,478	9,741
Hampton Roads	17,434	17,440
New England	5,637	5,286
Oregon	2,496	3,335
Puget Sound	4,091	7,941
Florida	12,434	13,387
India	2,727	3,714
Total Sections	210,267	293,518
Committees		
Dynamic Positioning	309,751	274,725
Buoy Technology	91,458	91,458
Remotely Operated Vehicles	26,103	24,644
Total Committees	427,312	390,827
Total Sections and Committees Cash Balances	$ 637,579	$ 684,345

Marine Technology Society, Inc.

Schedule of Section and Committee Revenues and Expenses
June 30, 2025

	District of Columbia Section	Florida Section	Gulf Coast Section	Hampton Roads Section	Hawaii Section	Houston Section	India Section	Japan Section	Monterey Bay Section	New England Section	Oregon Section	Puget Sound Section	San Diego Section	DP Committee	eDNA Committee	MUV/ROV Committee	Great Lakes Section	Marine Mineral Resources	Offshore Renewable Energy	Total
Revenue																				
Event registration	$ -	$ -	$ -	$ -	$ -	$ 108,139	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 173,478	$ -	$ -	$ 1,325	$ -	$ 838	$ 283,780
Regional registration fee commission	-	-	-	-	-	-	-	-	1,541	-	-	-	-	-	-	-	-	-	-	1,541
Sponsorships	-	-	-	-	-	82,275	-	-	-	-	-	-	-	32,641	-	-	-	-	2,500	117,416
Scholarships	-	-	-	-	-	840	-	-	-	-	-	-	-	-	-	-	-	-	-	840
Other event revenue	-	-	-	-	-	7,875	26,623	447	-	-	-	923	-	-	-	-	1,090	-	3,990	40,948
Miscellaneous	192	157	266	19	28	277	391	-	133	351	161	4,112	95	96	(489)	501	-	-	-	6,290
Total revenue	192	157	266	19	28	199,406	27,014	447	1,674	351	161	5,035	95	206,215	(489)	501	2,415	-	7,328	450,815
Expenses																				
Administration	-	-	-	25	72	7,888	326	-	186	-	-	87	800	2,170	425	249	-	-	-	12,228
Consulting fees	-	-	-	-	-	-	-	-	-	-	-	-	-	25,691	-	-	-	-	2,091	27,782
Food and beverage	-	886	450	-	-	29,081	-	-	1,017	-	-	3,905	-	-	-	-	651	-	3,337	39,327
Conference expense	-	-	-	-	978	-	-	-	-	-	-	-	-	-	-	-	-	-	-	978
Other event expenses	-	-	-	-	217	117,969	27,537	-	251	-	-	2,766	-	62,778	-	2,270	-	-	-	213,788
Scholarships, sponsorship, training, and awards	250	-	10,000	-	-	28,800	-	-	1,611	-	-	500	525	-	-	30,500	-	-	-	72,186
Participant support	-	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-	-	-	1,000
Miscellaneous	-	223	75	-	-	3,935	-	-	1,000	-	-	-	-	-	-	-	-	-	-	5,233
Travel	-	-	-	-	-	-	-	-	89	-	-	-	-	8,343	-	-	-	-	-	8,432
Venue	-	-	-	-	-	9,061	-	-	-	-	-	1,627	-	132,748	-	-	1,764	8,000	2,014	155,214
Total expenses	250	1,109	10,525	25	1,267	196,734	27,863	-	4,154	-	1,000	8,885	1,325	231,730	425	33,019	2,415	8,000	7,442	536,168
Revenue Less Expenses	$ (58)	$ (952)	$ (10,259)	$ (6)	$ (1,239)	$ 2,672	$ (849)	$ 447	$ (2,480)	$ 351	$ (839)	$ (3,850)	$ (1,230)	$ (25,515)	$ (914)	$ (32,518)	$ -	$ (8,000)	$ (114)	$ (85,353)

Marine Technology Society, Inc.

Schedule of Section and Committee Revenues and Expenses
June 30, 2024

	District of Columbia Section	ECOP Section	Florida Section	Gulf Coast Section	Hampton Roads Section	Hawaii Section	Houston Section	India Section	Japan Section	Monterey Bay Section	New England Section	Oregon Section	Pacific Canada	Puget Sound Section	San Diego Section	DP Committee	eDNA Committee	MUV/ROV Committee	Buoy Tech Committee	Total
Revenue																				
Event registration	$ -	$ -	$ -	$ 35,000	$ -	$ -	$ 99,700	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 233,672	$ -	$ 22,011	$ 139,450	$ 529,833
Regional registration fee commission	-	-	-	-	-	-	-	-	-	-	-	-	-	1,240	-	-	-	-	-	1,240
Sponsorships	-	-	-	-	-	-	80,100	-	-	-	-	-	-	500	-	2,500	-	-	-	83,100
Scholarships	507	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000	-	-	15,507
Other event revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,346	-	-	-	5,346
Miscellaneous	837	-	720	225	105	215	754	13,665	-	80	415	60	-	3,438	3,751	-	-	-	-	24,265
Interest	-	-	-	-	-	-	4	-	-	-	-	-	-	9	-	-	-	10	-	23
Total revenue	1,344	-	720	35,225	105	215	180,558	13,665	-	80	415	60	-	5,187	3,751	241,518	15,000	22,021	139,450	659,314
Expenses																				
Administration	-	-	-	101	-	-	3,988	-	-	-	-	-	-	10	396	10,536	-	30	4,550	19,611
Consulting fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,165	-	-	5,000	10,165
Food and beverage	-	-	610	-	-	-	7,600	-	-	637	-	-	1,861	2,336	-	-	-	1,075	44,952	59,071
Conference expense	6,833	-	-	4,215	-	-	16,481	-	-	559	1,400	-	-	2,082	312	-	-	-	-	31,882
Other event expenses	-	-	-	6,242	-	110	105,243	11,016	1,299	1,000	-	-	-	5,778	-	37,262	-	-	2,237	170,187
Scholarships, sponsorship, training, and awards	250	-	1,250	20,890	-	-	50,926	-	-	1,719	-	-	-	1,031	100	-	-	15,000	-	91,166
Participant support	-	-	200	-	-	-	7,350	-	-	857	-	500	-	-	-	-	-	-	450	9,357
Regional competition support	-	-	-	-	-	-	3,092	-	-	-	-	-	-	-	-	-	-	-	-	3,092
Miscellaneous	-	-	-	-	-	-	-	500	-	-	-	-	-	-	-	-	-	-	10	510
Travel	-	3,096	-	321	-	-	-	-	-	-	-	-	-	-	-	699	-	-	9,561	13,677
Venue	-	-	-	1,000	-	-	12,007	-	-	715	-	-	-	-	-	130,709	-	-	3,069	147,500
Total expenses	7,083	3,096	2,060	32,769	-	110	206,687	11,516	1,299	5,487	1,400	500	1,861	11,237	808	184,371	-	16,105	69,829	556,218
Revenue Less Expenses	$ (5,739)	$ (3,096)	$ (1,340)	$ 2,456	$ 105	$ 105	$ (26,129)	$ 2,149	$ (1,299)	$ (5,407)	$ (985)	$ (440)	$ (1,861)	$ (6,050)	$ 2,943	$ 57,147	$ 15,000	$ 5,916	$ 69,621	$ 103,096

SUPPLEMENTARY SCHEDULE AND REPORTS REQUIRED BY THE UNIFORM GUIDANCE

ROGERS & COMPANY

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Marine Technology Society, Inc. (MTS), which comprise the statement of financial position as of June 30, 2025; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements, and have issued our report thereon dated December 9, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered MTS's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MTS's internal control. Accordingly, we do not express an opinion on the effectiveness of MTS's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Report on Internal Control over Financial Reporting (continued)

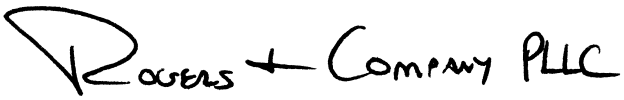
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether MTS's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2025-001.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Vienna, Virginia
December 9, 2025

ROGERS & COMPANY

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Marine Technology Society, Inc.'s (MTS) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of MTS's major federal programs for the year ended June 30, 2025. MTS's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, MTS complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of MTS and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of MTS's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to MTS's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on MTS's compliance based on our audit. 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, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about MTS's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 MTS's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of MTS's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of MTS's internal control over compliance. Accordingly, no such opinion is expressed.

Auditor's Responsibilities for the Audit of Compliance (continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on MTS's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. MTS's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Internal Control over Compliance (continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rogers + Company PLLC

Vienna, Virginia
December 9, 2025

Marine Technology Society, Inc.

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Agency or Pass-Through Grant Number	Amount Paid to Subrecipients	Total Federal Expenditures
U.S. Department of Commerce				
Direct Awards:				
National Oceanic and Atmospheric Administration – Ocean Enterprise Initiative Integrated Ocean Observing Systems	11.012	NA23NOS0120322	$ -	$ 682,472
Pass-Through Award from National Marine Sanctuary Foundation:				
National Oceanic and Atmospheric Administration Oceanic Exploration	11.011	NA21OAR0110474	-	10,043
Total U.S. Department of Commerce			-	692,515
National Science Foundation – Research and Development Cluster				
Direct Awards:				
National Science Foundation – Building an Ocean Technology Workforce Utilizing Microcredentials	47.050	2308556	-	171,018
Pass-Through Award from Monterey Peninsula Community College District:				
National Science Foundation – Special Projects – Increasing Community College Participation in the Marine Advance Technology Education's Remotely Operated Vehicle Competition	47.076	2333039	-	339,682
National Science Foundation – Evaluate Compete – A New Approach to Evaluate Student Learning Outcomes Resulting from Participation in Operated Vehicle Competitions	47.076	2332856	-	67,490
Pass-Through Award from Northland Community and Technical College:				
National Science Foundation National Center for Autonomous Technologies	47.076	1902574-001	-	124,304
National Science Foundation National Center for Autonomous Technologies	47.076	2400926-001	-	179,538
Total ALN 47.076			-	711,014
Total National Science Foundation – Research and Development Cluster			-	882,032
U.S. Department of Defense				
Direct Awards:				
Office of Naval Research Group – Rest of World SPC	12.300	N62909-23-1-2062	-	14,488
Office of Naval Research Group – North America SPC	12.300	N00014-20-1-2046	-	33,119
Total ALN 12.300			-	47,607
Total U.S. Department of Defense			-	47,607
Total Expenditures of Federal Awards			$ -	$ 1,622,154

See accompanying notes to the schedule of expenditures of federal awards.

Marine Technology Society, Inc.

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of MTS under the programs of the federal government for the year ended June 30, 2025. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of MTS, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of MTS.

2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

MTS has elected to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Marine Technology Society, Inc.

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ____ Yes __X__ None reported

Noncompliance material to financial statements noted? ____ Yes __X__ No

Federal Awards

Internal control over the major program:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ____ Yes __X__ None reported

Type of auditor's report issued on compliance for the major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? __X__ Yes ____ No

Identification of the major program:

Assistance Listing Number	Name of Federal Program or Cluster Title
47.050 and 47.076	National Science Foundation – Research and Development Cluster

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee? ____ Yes __X__ No

Section II – Findings – Financial Statement Audit

There were no financial statement findings reported during the 2025 audit.

Section III – Findings and Questioned Costs – Major Federal Award Programs Audit

Finding No. 2025-001 – Suspension and Debarment Documentation Not Retained

Federal Program: Research and Development Cluster
Federal Awarding Agency: National Science Foundation
Federal ALN Number: 47.050 and 47.076
Compliance Requirement: Suspension and Debarment

Criteria:	Per 2 CFR 200.214, non-federal entities are prohibited from contracting with or making subawards to parties that are suspended or debarred. Acceptable verification methods include checking SAM.gov, obtaining a certification from the entity, or including an appropriate clause in the contract or subaward. Documentation must be maintained as evidence of compliance.
Condition:	MTS described a process to verify that vendors and subrecipients were not suspended or debarred prior to entering into covered transactions. However, documentation supporting the completion of these reviews (e.g., SAM.gov verification screenshots, certifications, or contract clauses) was not retained for any of the transactions tested. As a result, MTS was unable to provide evidence that suspension and debarment verifications were performed.
Cause:	Management was aware of the verification requirement but did not establish procedures to retain documentation evidencing completion of the reviews.
Effect:	Without documentation, the auditee cannot demonstrate compliance with the suspension and debarment requirements. This increases the risk that federal funds could be expended with ineligible parties.
Questioned Costs:	None noted. No transactions tested involved a suspended or debarred entity.

Section III – Findings and Questioned Costs – Major Federal Award Programs Audit (continued)

Finding No. 2025-001 – Suspension and Debarment Documentation Not Retained (continued)

Context:	This condition was identified during testing of four transactions under the Research and Development Cluster. The issue appears limited to documentation retention rather than failure to perform the checks.
Recommendation:	We recommend that MTS implement procedures to ensure documentation (e.g., SAM.gov verification screenshots, certifications, or contract clauses) evidencing suspension and debarment reviews is retained for all covered transactions.
Views of Responsible Officials:	Management concurs with the finding and will implement procedures to retain evidence of suspension and debarment reviews for all vendors and subrecipients under federally funded programs.
Classification of Finding:	This finding represents a nonmaterial instance of noncompliance. The related control deficiency is not considered a significant deficiency in internal control over compliance.

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Washington, DC 20005

CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2025

Marine Technology Science (MTS) respectfully submits the following corrective action plan for the year ended June 30, 2025.

Name and address of independent public accounting firm:
Rogers and Company, PLLC
8300 Boone Blvd, Suite 600
Vienna, Virginia 22182

Audit period:
07/01/2024-06/30/2025

The finding from the Schedule of Findings and Questioned Costs for the year ended June 30, 2025 is discussed below. The finding is numbered consistently with the number assigned in the schedule.

Finding No. 2025-001 – Suspension and Debarment Documentation Not Retained

Recommendation:	We recommend that MTS implement procedures to ensure documentation (e.g., SAM.gov verification screenshots, certifications, or contract clauses) evidencing suspension and debarment reviews is retained for all covered transactions.
Views of Responsible Officials and Planned Corrective Action:	Management concurs with the finding and will implement procedures to retain evidence of suspension and debarment reviews for all vendors and subrecipients under federally funded programs.
Person Responsible:	Chris Ostrander, Chief Executive Officer

Marine Technology Society, Inc.

Chris Ostrander

Chris Ostrander
Chief Executive Officer
Email : chris.ostrander@mtsociety.org
Phone : (202) 717-8705

Marine Technology Society, Inc.

Schedule of Prior Audit Findings
For the Year Ended June 30, 2025

There were no findings or questioned costs reported for the June 30, 2024 audit.