

# Gulf of Maine Research Institute

And its Subsidiaries

Consolidated Financial Statements and  
Supplementary Information

Years Ended June 30, 2025 and 2024



# Gulf of Maine Research Institute

Years Ended June 30, 2025 and 2024

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## Independent Auditor's Report

To the Board of Directors  
Gulf of Maine Research Institute  
Portland, Maine

### Report on the Audit of the Consolidated Financial Statements

#### ***Opinion***

We have audited the consolidated financial statements of Gulf of Maine Research Institute, a nonprofit organization, and its Subsidiaries, Gulf of Maine Properties, Inc., Gulf of Maine Sashimi, Inc., Gulf of Maine Ventures, LLC, and Union Wharf, LLC, which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Gulf of Maine Research Institute and its Subsidiaries 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 ("GAAP").

#### ***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 of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Gulf of Maine Research Institute and its Subsidiaries 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 opinions.

The financial statements of Gulf of Maine Properties, Inc., Gulf of Maine Sashimi, Inc., Gulf of Maine Ventures, LLC, and Union Wharf, LLC, were not audited in accordance with *Government Auditing Standards*.

## ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Gulf of Maine Research Institute and its Subsidiaries' ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

## ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Gulf of Maine Research Institute and its Subsidiaries' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Gulf of Maine Research Institute and its Subsidiaries' ability to continue as a going concern for a reasonable period of time.

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

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

### **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated 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 18, 2025 on our consideration of Gulf of Maine Research Institute'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 Gulf of Maine Research Institute'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 the Gulf of Maine Research Institute's internal control over financial reporting and compliance.

*Wipfli LLP*

Wipfli LLP  
Madison, Wisconsin

December 18, 2025

**GULF OF MAINE RESEARCH INSTITUTE AND ITS SUBSIDIARIES**  
**Consolidated Statements of Financial Position**  
June 30, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 7,379,451	\$ 6,646,749
Certificates of deposit	2,269,933	-
Short term investments	2,697,064	4,701,242
Accrued interest and dividends receivable	62,647	56,587
Promises to give, current	1,826,053	2,631,921
Accounts receivable	2,398,073	1,821,776
Prepaid expenses	268,421	255,750
<b>Total current assets</b>	<b>16,901,642</b>	<b>16,114,025</b>
Property and equipment:		
Property and equipment	38,833,788	34,948,025
Less: accumulated depreciation/amortization	11,470,335	10,490,819
<b>Net property and equipment</b>	<b>27,363,453</b>	<b>24,457,206</b>
Other non-current assets:		
Long-term investments:		
Designated for capital and operations	409,305	1,081,778
Designated for endowment	18,302,021	14,610,299
Incentive compensation	397,908	650,428
Investment - other	-	1,000
Beneficial interest in pooled investments held by others	3,157,534	2,993,680
Promises to give, non-current, net of amortized discount	1,787,989	2,670,677
Beneficial interest in charitable remainder trust	222,600	188,337
<b>Total other non-current assets</b>	<b>24,277,357</b>	<b>22,196,199</b>
<b>Total assets</b>	<b>\$ 68,542,452</b>	<b>\$ 62,767,430</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Current portion of long-term debt	\$ 299,151	\$ 362,581
Accounts payable	1,114,469	724,431
Accrued vacation	264,388	249,272
Accrued payroll liabilities	275,386	223,519
Accrued interest	60,192	37,913
Current portion of accrued incentive compensation	228,304	169,170
Deferred revenue	88,506	68,063
<b>Total current liabilities</b>	<b>2,330,396</b>	<b>1,834,949</b>
Long-term liabilities:		
Long-term debt, net of current portion	14,320,170	14,777,167
Accrued incentive compensation	236,240	495,098
Convertible notes payable, at fair value	-	1,405,000
Accrued interest on convertible notes payable	-	173,075
Security deposit payable	23,356	20,348
<b>Total long-term liabilities</b>	<b>14,579,766</b>	<b>16,870,688</b>
<b>Total liabilities</b>	<b>16,910,162</b>	<b>18,705,637</b>
<b>NET ASSETS (DEFICIT) AND EQUITY</b>		
Additional paid in capital	-	133,206
Without donor restrictions:		
Undesignated	1,525,508	(596,221)
Board-designated	17,556,882	14,648,355
Investment in property, equipment and site acquisition cost	12,753,125	9,779,622
<b>Total without donor restrictions</b>	<b>31,835,515</b>	<b>23,831,756</b>
With donor restrictions	19,796,775	20,096,831
<b>Total net assets</b>	<b>51,632,290</b>	<b>43,928,587</b>
<b>Total net assets and equity</b>	<b>51,632,290</b>	<b>44,061,793</b>
<b>Total liabilities and net assets and equity</b>	<b>\$ 68,542,452</b>	<b>\$ 62,767,430</b>

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

**GULF OF MAINE RESEARCH INSTITUTE AND ITS SUBSIDIARIES**

**Consolidated Statement of Activities**

For the Year Ended June 30, 2025

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and revenue:</b>			
Federal and state grants	\$ 13,392,924	\$ -	\$ 13,392,924
Contributions	3,666,421	3,962,069	7,628,490
Investment income	2,344,369	476,042	2,820,411
In-kind income	101,438	-	101,438
Contract income	1,085,747	5,439	1,091,186
Rental income	1,387,660	-	1,387,660
Property management fee	12,481	-	12,481
Other income	241,623	-	241,623
Net assets released from donor restrictions	4,743,606	(4,743,606)	-
<b>Total support and revenue</b>	<b>26,976,269</b>	<b>(300,056)</b>	<b>26,676,213</b>
<b>Expenses:</b>			
<b>Program expenses:</b>			
Research	4,674,356	-	4,674,356
Education	3,719,353	-	3,719,353
Community	3,278,855	-	3,278,855
Business development	804,147	-	804,147
Subsidiary expenses	1,420,750	-	1,420,750
<b>Support services:</b>			
Development	1,261,424	-	1,261,424
Management, general & facilities	5,698,513	-	5,698,513
<b>Total expenses</b>	<b>20,857,398</b>	<b>-</b>	<b>20,857,398</b>
<b>Non-operating income:</b>			
Gain on debt extinguishment	1,884,888	-	1,884,888
<b>Total non-operating income</b>	<b>1,884,888</b>	<b>-</b>	<b>1,884,888</b>
<b>Change in net assets</b>	<b>8,003,759</b>	<b>(300,056)</b>	<b>7,703,703</b>
Net assets, beginning of year	23,831,756	20,096,831	43,928,587
<b>Net assets, end of year</b>	<b>\$ 31,835,515</b>	<b>\$ 19,796,775</b>	<b>\$ 51,632,290</b>

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

**GULF OF MAINE RESEARCH INSTITUTE AND ITS SUBSIDIARIES**

**Consolidated Statement of Activities**

For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue:</b>			
Federal and state grants	\$ 10,180,605	\$ 226,350	\$ 10,406,955
Contributions	3,176,462	4,589,961	7,766,423
Investment income	1,921,366	423,543	2,344,909
In-kind income	272,042	-	272,042
Contract income	851,772	486,393	1,338,165
Rental income	1,495,963	-	1,495,963
Property management fee	12,720	-	12,720
Sales	130,971	-	130,971
Other income	40,971	20,026	60,997
Net assets released from donor restrictions	3,760,169	(3,760,169)	-
Total support and revenue	21,843,041	1,986,104	23,829,145
<b>Expenses:</b>			
<b>Program expenses:</b>			
Research	3,921,352	-	3,921,352
Education	3,858,357	-	3,858,357
Community	2,501,582	-	2,501,582
Business development	1,184,625	-	1,184,625
Subsidiary expenses	1,667,617	-	1,667,617
<b>Support services:</b>			
Development	1,371,436	-	1,371,436
Management, general & facilities	5,198,399	-	5,198,399
Total expenses	19,703,368	-	19,703,368
Change in net assets	2,139,673	1,986,104	4,125,777
Net assets, beginning of year	21,692,083	18,110,727	39,802,810
<b>Net assets, end of year</b>	<b>\$ 23,831,756</b>	<b>\$ 20,096,831</b>	<b>\$ 43,928,587</b>

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

**GULF OF MAINE RESEARCH INSTITUTE AND ITS SUBSIDIARIES**  
**Consolidated Statement of Functional Expenses**  
For the Year Ended June 30, 2025

	Program Services								Management and General			Development	Total
	GMRI				Gulf of Maine Sashimi, Inc.	Union Wharf, LLC	Gulf of Maine Ventures, LLC	Total Program Services	GMRI	GMPInc	Total		
	Research Programs	Education Programs	Community Programs	Business Development					Management & General	Operations Facilities	Management and General		
Salaries	\$ 2,267,990	\$ 1,033,466	\$ 1,192,398	\$ 353,240	\$ 4,487	\$ -	\$ -	\$ 4,851,581	\$ 2,736,424	\$ -	\$ 2,736,424	\$ 714,094	\$ 8,302,099
Fringe benefits, net	907,438	414,028	478,627	133,027	34	-	-	1,933,154	850,962	-	850,962	289,208	3,073,324
Supplies & materials	46,272	27,556	57,160	3,952	-	-	-	134,940	186,603	-	186,603	35,044	356,587
Sub-contracted services	1,101,943	1,489,108	398,748	176,303	7,702	-	-	3,173,804	305,518	-	305,518	63,765	3,543,087
In-kind expense	-	-	-	101,438	-	-	-	101,438	-	-	-	-	101,438
Facilities	37,508	22,549	5,615	717	-	854,998	-	921,387	294,807	894,036	1,188,843	390	2,110,620
Other administrative expenses	39,406	21,713	35,773	9,249	62,011	490,297	1,221	659,670	357,684	-	357,684	78,965	1,096,319
Travel & entertainment	88,853	81,751	240,428	24,721	-	-	-	435,753	93,734	-	93,734	59,958	589,445
Special direct costs	184,946	629,182	870,106	1,500	-	-	-	1,685,734	(21,255)	-	(21,255)	20,000	1,684,479
<b>Total Expenses Before Indirect Charge</b>	<b>4,674,356</b>	<b>3,719,353</b>	<b>3,278,855</b>	<b>804,147</b>	<b>74,234</b>	<b>1,345,295</b>	<b>1,221</b>	<b>13,897,461</b>	<b>4,804,477</b>	<b>894,036</b>	<b>5,698,513</b>	<b>1,261,424</b>	<b>20,857,398</b>
Indirect Charged to Direct Research and Development													
Indirect	1,924,005	1,086,950	1,137,803	301,303	-	-	-	4,450,061	(5,114,223)	-	(5,114,223)	664,162	-
Special indirect	1,429	26,785	12,331	-	-	-	-	40,545	(41,545)	-	(41,545)	1,000	-
<b>Total Expenses After Indirect Charge</b>	<b>\$ 6,599,790</b>	<b>\$ 4,833,088</b>	<b>\$ 4,428,989</b>	<b>\$ 1,105,450</b>	<b>\$ 74,234</b>	<b>\$ 1,345,295</b>	<b>\$ 1,221</b>	<b>\$ 18,388,067</b>	<b>\$ (351,291)</b>	<b>\$ 894,036</b>	<b>\$ 542,745</b>	<b>\$ 1,926,586</b>	<b>\$ 20,857,398</b>

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

**GULF OF MAINE RESEARCH INSTITUTE AND ITS SUBSIDIARIES**  
**Consolidated Statement of Functional Expenses**  
For the Year Ended June 30, 2024

	Program Services							Management and General			Development	Total	
	GMRI				Gulf of Maine Sashimi, Inc.	Union Wharf, LLC	Gulf of Maine Ventures, LLC	Total Program Services	GMRI	GMPInc			Total
	Research Programs	Education Programs	Community Programs	Business Development					Management & General	Operations Facilities			Management and General
Salaries	\$ 2,052,068	\$ 1,053,175	\$ 1,011,625	\$ 511,828	\$ 50,520	\$ -	\$ -	\$ 4,679,216	\$ 2,293,100	\$ -	\$ 2,293,100	\$ 816,446	\$ 7,788,762
Fringe benefits, net	808,406	418,425	407,483	192,050	12,283	-	-	1,838,647	645,983	-	645,983	307,914	2,792,544
Supplies & materials	76,322	32,576	42,112	1,207	132,985	-	-	285,202	147,365	-	147,365	47,066	479,633
Sub-contracted services	603,430	1,429,942	253,254	175,432	15,951	-	-	2,478,009	342,226	-	342,226	54,661	2,874,896
In-kind expense	-	-	3,758	267,855	-	-	-	271,613	-	-	-	429	272,042
Facilities	30,236	14,333	5,441	1,332	20,927	720,176	-	792,445	331,014	937,886	1,268,900	2,270	2,063,615
Other administrative expenses	16,588	15,969	28,642	8,385	101,182	611,188	379	782,333	402,117	-	402,117	42,874	1,227,324
Travel & entertainment	90,107	95,242	212,609	26,536	2,026	-	-	426,520	119,508	-	119,508	51,776	597,804
Special direct costs	244,195	798,695	536,658	-	-	-	-	1,579,548	(20,800)	-	(20,800)	48,000	1,606,748
<b>Total Expenses Before Indirect Charge</b>	<b>3,921,352</b>	<b>3,858,357</b>	<b>2,501,582</b>	<b>1,184,625</b>	<b>335,874</b>	<b>1,331,364</b>	<b>379</b>	<b>13,133,533</b>	<b>4,260,513</b>	<b>937,886</b>	<b>5,198,399</b>	<b>1,371,436</b>	<b>19,703,368</b>
Indirect Charged to Direct Research and Development													
Indirect	1,657,580	1,047,494	906,965	425,421	-	-	-	4,037,460	(4,639,950)	-	(4,639,950)	602,490	-
Special indirect	166	32,786	10,836	-	-	-	-	43,788	(46,188)	-	(46,188)	2,400	-
<b>Total Expenses After Indirect Charge</b>	<b>\$ 5,579,098</b>	<b>\$ 4,938,637</b>	<b>\$ 3,419,383</b>	<b>\$ 1,610,046</b>	<b>\$ 335,874</b>	<b>\$ 1,331,364</b>	<b>\$ 379</b>	<b>\$ 17,214,781</b>	<b>\$ (425,625)</b>	<b>\$ 937,886</b>	<b>\$ 512,261</b>	<b>\$ 1,976,326</b>	<b>\$ 19,703,368</b>

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

**GULF OF MAINE RESEARCH INSTITUTE AND ITS SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 7,703,703	\$ 4,125,777
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation	979,516	985,030
Loss on fixed asset disposal	11,000	511
Gain on debt extinguishment	(1,884,888)	-
Imputed interest on debt issuance costs	4,169	4,169
Realized and unrealized gain on investments	(1,997,414)	(1,840,653)
Bad debt expense	51,120	60,302
Reinvested dividends and interest	(550,019)	(319,929)
Change in discount on promises to give	142,024	99,795
Change in value in charitable remainder trust	(34,263)	(19,863)
Permanently restricted contributions	-	(186,638)
(Increase) decrease in assets:		
Accrued interest and dividend receivable	15,690	(15,439)
Net promises to give	1,496,412	1,177,304
Accounts receivable	(559,458)	(13,127)
Inventory	-	90,434
Prepaid expenses	(12,671)	59,096
Increase (decrease) in liabilities:		
Accounts payable	37,887	(74,982)
Accrued vacation	15,116	(38,515)
Accrued payroll liabilities	51,867	22,775
Accrued income tax	-	(1,727)
Accrued interest	63,667	74,682
Accrued incentive compensation	(199,724)	(184,712)
Deferred revenue	20,443	2,663
Refundable advance liability	-	(453,555)
Security deposit payable	3,008	(9,912)
Net cash and cash equivalents provided by operating activities	5,357,185	3,543,486
Cash flows from investing activities:		
Purchase of property and equipment	(3,561,451)	(340,311)
Purchase of investments	(2,173,325)	(3,376,279)
Purchase of certificates of deposit	(2,269,933)	-
Proceeds from sale of investments	3,794,353	780,481
Proceeds from disposal of fixed assets	-	12,132
Net cash and cash equivalents used in investing activities	(4,210,356)	(2,923,977)
Cash flows from financing activities:		
Repayments on long-term debt	(414,127)	(424,618)
Permanently restricted contributions	-	186,638
Net cash and cash equivalents used in financing activities	(414,127)	(237,980)
Net change in cash and cash equivalents	732,702	381,529
Cash and cash equivalents, beginning of year	6,646,749	6,265,220
<b>Cash and cash equivalents, end of year</b>	<b>\$ 7,379,451</b>	<b>\$ 6,646,749</b>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the year for interest	\$ 715,215	\$ 754,866
Cash paid for income taxes	-	10,641
Purchases of fixed assets in accrued expenses	335,312	-

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

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

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### Note 1: Summary of Significant Accounting Policies

The accompanying consolidated financial statements reflect the application of the accounting policies described in this note.

#### Nature of Operations

Gulf of Maine Research Institute (GMRI) was incorporated in 1994 under the laws of the State of Maine as a not-for-profit corporation committed to (i) facilitating and conducting marine research; (ii) educating the public about the oceans; (iii) enabling informed decisions about the stewardship and use of our marine resources; (iv) supporting investment in marine communities; (v) applying lessons learned in the Gulf of Maine to other marine communities worldwide; and (vi) undertaking the financing, siting, design, construction and operation of facilities to support its education, research, and community development interests.

In 2004, Gulf of Maine Properties, Inc. (GMPInc) was incorporated as a not-for-profit corporation and a wholly-owned subsidiary of GMRI under the laws of the State of Maine to acquire, hold, manage, maintain, develop, or dispose of real property for the benefit of and in connection with GMRI.

During 2011, GMPInc formed a condominium association, Gulf of Maine Properties I, through which all rentable space in the building has been converted into condominium units. As of June 30, 2025 and 2024, GMPInc was the sole unit owner of the units thus created and Gulf of Maine Properties I had no financial activity or balances.

During 2019, Gulf of Maine Sashimi, Inc. (GOMS) d/b/a True Fin was incorporated by action of the GMRI Board, as a wholly-owned for-profit subsidiary of GMRI under the laws of the State of Maine. GOMS was formed as a taxable C-Corporation and its primary purpose is to buy sashimi grade fish from commercial fishermen and sell it to dealers, retailers, and restaurants locally and outside the region. The Board of GOMS made the decision to dissolve the entity during the year ended June 30, 2024 and dissolution was completed as of June 30, 2025.

During 2022, Gulf of Maine Ventures, LLC (GOMV) was incorporated by action of the GMRI Board, as a wholly-owned single member limited liability company subsidiary of GMRI under the laws of the State of Maine. The Board of GMRI made the decision to dissolve the entity during the year ended June 30, 2025.

During 2022, Union Wharf, LLC (UW) was incorporated by action of the GMRI Board, as a wholly-owned single member limited liability company subsidiary of GMRI under the laws of the State of Maine. On December 29, 2021, this entity purchased the property located on Union Wharf and assumed operations thereof.

Collectively, GMRI and its subsidiaries comprise the Institute.

#### Basis of Presentation

The consolidated financial statements of the Institute have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

All inter-entity balances and activities have been eliminated in presenting the consolidated financial statement amounts.

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Use of Estimates**

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

#### **Cash and Cash Equivalents**

For financial statement purposes, the Institute considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents, other than those balances held as a portion of investments.

#### **Promises to Give**

Promises to give that are expected to be collected within one year are recorded at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

The carrying value of promises to give is reduced by a reserve for estimated uncollectible amounts based on a periodic review of outstanding promises to give by management. Management determined there was no reserve for uncollectible amounts necessary as of June 30, 2025 and 2024.

#### **Accounts Receivable**

Accounts receivable consist of amounts due from funders under various grants, contracts and rental agreements. Management provides for probable uncollectible amounts through a charge to a reserve for bad debt based on its assessment of the current status of individual accounts. For amounts due from contracts, estimated credit losses are based on relevant information about historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amounts. No reserve for credit losses is deemed necessary as management views all such balances, which are primarily from governmental entities, to be fully collectible.

#### **Investments**

Investments are carried at their estimated fair value. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the consolidated statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Property, Equipment and Depreciation

Property and equipment are carried at cost if purchased, or fair market value if donated. The Institute depreciates property and equipment using the straight-line method over the following estimated useful lives of the respective assets:

Land	N/A
Artwork	N/A
Buildings and wharf	25 to 40 years
Site improvements	15 years
Leasehold improvements	15 years
Exhibits (permanent)	10 years
Equipment, furniture, and fixtures	5 to 7 years
Vehicles	5 years
Computer hardware and software	3 to 5 years

The Institute uses the following thresholds in determining the capitalization of assets. An individual purchase of equipment, furniture and fixtures, greater than or equal to \$10,000, will be capitalized and depreciated. A purchase of such that is less than \$10,000 will be expensed. Soft costs of design consulting, software development, and content development for educational programs will be expensed. Given market valuation uncertainties and unknown future value of the educational content, this policy takes the most conservative approach by assigning no future value to these assets. Depreciation expense for the years ended June 30, 2025 and 2024, was approximately \$980,000 and \$985,000, respectively.

#### Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported, as follows:

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and 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 endowment 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. 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.

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Net Assets** (Continued)

Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Institute reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

#### **Revenue Recognition**

##### Contribution Revenue

Contributions are recognized as revenue when cash, securities, other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are recognized as revenue when the barriers to entitlement are met and overcome.

Contributions received are classified based on the existence or absence of donor or grantor-imposed restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (this 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 consolidated statements of activities as net assets released from restrictions. Restricted support whose restrictions are met in the same reporting period are recorded as net assets without donor restrictions.

##### Grant and Contract Revenue

Grants and contracts are either recorded as contributions or exchange transactions based on criteria contained in the grant agreement.

Grant and contract awards that are contributions - Grant and contract awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

Grant awards that are exchange transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Revenue Recognition (Continued)

##### Contract Income

The Institute provides contract, conference, and other services to customers. Under these performance obligations, the Institute charges customers based on terms over the life of the contracts. The Institute applies a practical expedient to recognize revenue over time in the amount to which it has the right to invoice, if its right to consideration is equal to the value of performance completed to date. Performance obligations are typically satisfied as the services are rendered. The Institute applies the output method to recognize revenue as it is the most reasonable depiction of the transfer of services to its customers.

Revenues from contracts with customers recognized over time for the years ended June 30, 2025 and 2024, are \$1,130,052 and \$1,411,852, respectively.

The Institute's subsidiary GOMS sells sashimi grade fish to various dealers and retail outlets. Revenue is recognized upon satisfaction of all contractual performance obligations and is measured at the amount of consideration to which GOMS expects to be entitled to for the corresponding merchandise. Substantially all of the sales are single performance obligation arrangements with the transaction price being the stand-alone selling price of each item. Revenue is recognized at a point in time, which occurs at the point of sale, when the customer receives and pays for the purchased goods. Revenue recognized at a point in time was \$0 and \$130,971 for the years ended June 30, 2025 and 2024, respectively.

##### Rental Income

The Institute's subsidiaries, GMPInc and UW, lease space to third parties under leases that range from one to eleven years with no right of purchase. Rental revenues are reported and recognized in accordance with Accounting Standards Codification (ASC) Topic 842, *Leases*, using a method for revenue recognition that represents a straight-line basis over the term of the lease. Rent revenue is recognized in the period in which it is earned. Any amounts received for future periods are reported as deferred income. The subsidiaries elected to not separate the lease components of a contract and its associated non-lease components of lessor-provided maintenance and other services.

##### Contract Assets, Contract Liabilities and Receivables

The following table provides the details of contract assets, receivables and contract liabilities for the Institute for exchange-type and rental transactions:

<i>June 30,</i>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Accounts receivable - sales and contract revenue	\$ -	\$ 4,981	\$ 69,666
Accounts receivable - rental income	61,790	-	54,848
Contract assets	-	-	-
Contract liabilities:			
Deferred sales and contract revenue	\$ 13,515	\$ 1,040	\$ 554
Deferred rental income	74,991	67,023	64,846

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **In-Kind Contributions - Contributed Nonfinancial Assets**

The Institute's policy is to recognize contributed professional services if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed nonfinancial assets consist of contributed services of \$101,438 and \$272,042 for the years ended June 30, 2025 and 2024, respectively. The Institute recognizes contributed nonfinancial assets within revenue. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed services recognized comprise professional services from local advisors, fisherman and fleet management companies. These services were utilized during the reporting period for business development and community programs. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

#### **Functional Allocation of Expenses**

The costs of providing program and other activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. Expenses which cannot be specifically identified to programs (indirect costs) are allocated based on modified total direct costs for each program. Management distributes these costs based on a cost allocation plan using a federally negotiated indirect cost rate. Expenses which have been allocated using this method include, but are not limited to, administrative salaries and wages, occupancy, supplies, telephone, and accounting.

#### **ASC 842 Lease Accounting**

The Institute may at times enter into noncancelable operating leases. If the contract provides the Institute the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

For all underlying classes of assets, the Institute has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Institute is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The Institute recognizes short-term lease cost on a straight-line basis over the lease term.

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Income Taxes

GMRI and GMPInc have been determined to be exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and have both been classified as publicly supported organizations that are not private foundations under Section 509(a) of the Code.

GOMS is a for-profit taxable subsidiary and is subject to income taxes. Deferred income taxes arise from temporary differences in the bases of assets and liabilities for financial reporting and tax purposes. Deferred taxes are classified as current or non-current, depending on the classification of the assets and liabilities to which they relate. Deferred taxes arising from temporary differences that are not related to an asset or liability are classified as current or non-current, depending on the periods in which the temporary differences are expected to reverse. GOMS had accumulated net operating losses for tax purposes of approximately \$2,048,000 of which approximately \$1,800,000 was utilized to offset income recognized from the release of debt.

GOMV and UW are single-member limited liability companies disregarded for federal tax purposes.

The Institute has determined there are no amounts to record as assets or liabilities related to uncertain tax positions. The Institute is subject to audit under the statute of limitations by the Internal Revenue Service and state taxing authorities for three years after the filing of the Institute's return.

#### Stock-Based Compensation

GOMS had a stock-based employee compensation plan. The fair value of the stock options was estimated as of the date of grant using a 409A valuation approach for a start-up company performed by a third-party valuation specialist. The fair value of each common stock award was estimated on the date of grant using a market approach valuation model that uses various assumptions and weighted probabilities and the most recent financing of the company. The resulting compensation cost for common stock awards were amortized on a straight-line basis over the vesting period for the entire award. Forfeitures were accounted for as they occurred.

#### Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Institute uses various methods, including market, income and cost approaches. Based on these approaches, the Institute often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Institute utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Institute is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Fair Value Measurements** (Continued)

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 – Observable inputs other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In determining the appropriate levels, the Institute performs a detailed analysis of the assets and liabilities. At each reporting period, if applicable, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the years ended June 30, 2025 and 2024, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

#### *Investment Securities*

The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers.

#### *Charitable Remainder Trust*

The fair value of the charitable remainder trust is determined based on calculating the present value of future distributions expected to be received, using applicable life expectancy tables and discount rates.

#### *Interest in Pooled Investments*

The beneficial interest in pooled investments held by others is valued at fair value using GMRI's calculated share of the pooled fund and the underlying value of the fund's assets at June 30.

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Fair Value Measurements** (Continued)

##### *Convertible Notes Payable*

The fair value of the convertible notes payable is determined based upon a valuation of the potential stock price under a market approach. The underlying value of the tangible and intangible assets of GOMS as well as the present value of the future cash flows expected from GOMS was used in determining the fair value.

#### **Deferred Loan Financing Costs**

Unamortized loan origination costs related to issuance of long-term debt are amortized over the life of the related debt using the straight-line method, and have been recorded as a reduction to the related notes payable obligation. Net deferred financing costs as of June 30, 2025 and 2024, were \$60,928 and \$65,097, respectively.

#### **Subsequent Events**

Management has evaluated all other subsequent events through December 18, 2025, the date the consolidated financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of these consolidated financial statements.

### **Note 2: Cash and Cash Equivalents and Certificates of Deposit**

Cash balances were held in various checking and money market accounts in various financial institutions at June 30, 2025 and 2024. At June 30, 2025 and 2024, account balances were insured up to \$250,000. Additionally, to limit exposure, the Institute utilizes insured cash sweep arrangements with its bank. Management has not experienced any losses in these accounts and believes that it is not exposed to any significant risk on cash or cash equivalents.

At June 30, 2025, the Institute has various certificates of deposit (CDs) purchased through a bank and with an investment firm. The CDs with the bank are invested in various other banks up to the FDIC limit and are reported at cost plus accrued interest. CDs purchased through the Institute's investment firms are reported at fair value based on the investment firm valuation and are included in investments. The CDs interest rates range from 4.2% to 5% with maturities between 6 months to 2 years.

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

### Note 3: Promises to Give and Conditional Promises Receivable

Promises to give or pledges, net of unamortized discount and allowance for uncollectible accounts, are summarized as follows at June 30, 2025 and 2024. Interest rates based on market factors are used to discount the future payments of each respective year's pledges.

<i>June 30,</i>	<b>2025</b>	<b>2024</b>
Pledges receivable expected to be collected in:		
Less than one year	\$ 1,826,053	\$ 2,631,921
One year to five years	1,954,288	2,979,000
<b>Subtotals</b>	<b>3,780,341</b>	<b>5,610,921</b>
Less: discount to net present value at rates ranging from 0.07% to 5.4%	166,299	308,323
Pledges receivable, net	3,614,042	5,302,598
Less: current portion, net	1,826,053	2,631,921
<b>Pledges receivable, net of current portion</b>	<b>\$ 1,787,989</b>	<b>\$ 2,670,677</b>

Management estimates the allowance for uncollectible pledges based on a review of specific pledges outstanding. An allowance was not considered necessary as of June 30, 2025 and 2024.

In addition, at June 30, 2025 and 2024, GMRI holds conditional promises in the total amount of \$2,661,547 and \$2,616,547, respectively, which have not been reflected in these consolidated financial statements. These are due to be received from the donors in future years upon the satisfaction of certain conditions.

### Note 4: Property and Equipment

A summary of property and equipment is as follows as of June 30, 2025:

	<b>GMRI</b>	<b>GMPInc</b>	<b>UW</b>	<b>Total</b>
Land	\$ 1,521,336	\$ 2,540,526	\$ 3,819,266	\$ 7,881,128
Buildings	-	11,397,121	-	11,397,121
Wharf and buildings	-	-	8,778,759	8,778,759
Site improvements	2,387,314	377,125	49,564	2,814,003
Artwork	-	6,345	-	6,345
Leasehold improvements	324,057	161,497	-	485,554
Furniture and fixtures	222,459	327,809	-	550,268
Computer hardware and software	156,783	-	-	156,783
Equipment and vehicles	1,880,750	196,557	87,461	2,164,768
Exhibits	1,131,592	-	-	1,131,592
Construction in process	3,467,467	-	-	3,467,467
<b>Total</b>	<b>\$ 11,091,758</b>	<b>\$ 15,006,980</b>	<b>\$ 12,735,050</b>	<b>\$ 38,833,788</b>

Construction in process consists of costs incurred in the renovation of the wharf and bulkhead. Commitments for further construction costs as of June 30, 2025 were \$417,473.

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

### Note 4: Property and Equipment (Continued)

A summary of property and equipment is as follows as of June 30, 2024:

	GMRI	GMPInc	UW	Total
Land	\$ 1,521,336	\$ 2,540,526	\$ 3,819,266	\$ 7,881,128
Buildings	-	11,397,121	-	11,397,121
Wharf	-	-	8,722,710	8,722,710
Site improvements	2,387,314	377,125	12,450	2,776,889
Artwork	-	6,345	-	6,345
Leasehold improvements	324,057	88,686	-	412,743
Furniture and fixtures	222,459	327,809	-	550,268
Computer hardware and software	156,783	-	-	156,783
Equipment and vehicles	1,628,428	196,557	87,461	1,912,446
Exhibits	1,131,592	-	-	1,131,592
<b>Total</b>	<b>\$ 7,371,969</b>	<b>\$ 14,934,169</b>	<b>\$ 12,641,887</b>	<b>\$ 34,948,025</b>

### Note 5: Investments

Following is a summary of GMRI's and GMPInc's investment securities at June 30, 2025:

	GMRI Market Value	GMPInc Market Value	Total Market Value
U.S. Treasury and government agencies	\$ 5,008,414	\$ -	\$ 5,008,414
Domestic exchange traded funds	12,513,634	160,063	12,673,697
Non-government fixed income	3,051,714	237,537	3,289,251
Foreign fixed income	219,145	-	219,145
Cash and cash equivalents	604,086	11,705	615,791
<b>Total</b>	<b>\$ 21,396,993</b>	<b>\$ 409,305</b>	<b>\$ 21,806,298</b>

Following is a summary of GMRI's and GMPInc's investment securities at June 30, 2024:

	GMRI Market Value	GMPInc Market Value	Total Market Value
U.S. Treasury and government agencies	\$ 5,808,386	\$ -	\$ 5,808,386
Domestic exchange traded funds	10,007,577	419,685	10,427,262
Non-government fixed income	3,465,505	633,242	4,098,747
Foreign fixed income	230,004	-	230,004
Cash and cash equivalents	450,497	28,851	479,348
<b>Total</b>	<b>\$ 19,961,969</b>	<b>\$ 1,081,778</b>	<b>\$ 21,043,747</b>

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

### Note 5: Investments (Continued)

Investment income consists of the following as of June 30, 2025:

	GMRI	GMPInc	Union Wharf	Total
Interest and dividends	\$ 774,897	\$ 71,287	\$ 42,901	\$ 889,085
Change in beneficial interest in charitable remainder trust	34,263	-	-	34,263
Unrealized and realized gains	1,966,859	30,555	-	1,997,414
Less: fees	(97,011)	(3,340)	-	(100,351)
<b>Total</b>	<b>\$ 2,679,008</b>	<b>\$ 98,502</b>	<b>\$ 42,901</b>	<b>\$ 2,820,411</b>

Investment income consists of the following as of June 30, 2024:

	GMRI	GMPInc	Union Wharf	Total
Interest and dividends	\$ 473,609	\$ 59,631	\$ 31,465	\$ 564,705
Change in beneficial interest in charitable remainder trust	19,863	-	-	19,863
Unrealized and realized gains	1,806,877	33,776	-	1,840,653
Less: fees	(77,473)	(2,839)	-	(80,312)
<b>Total</b>	<b>\$ 2,222,876</b>	<b>\$ 90,568</b>	<b>\$ 31,465</b>	<b>\$ 2,344,909</b>

### Note 6: Beneficial Interest in Pooled Investments Held by Others

In 2013, GMRI established an endowment fund held by the Maine Community Foundation (the Foundation). Pursuant to the terms of the resolution establishing this fund, property contributed to the Foundation is held as a separate fund designated for the benefit of the Institute. In accordance with its spending policy, the Foundation makes distributions from the fund to GMRI. The value of the interest in pooled investments totaled \$3,157,534 and \$2,993,680 at June 30, 2025 and 2024, respectively.

### Note 7: Beneficial Interest in Charitable Remainder Trust

In 2008, GMRI was notified that it had been named a remainderman of a charitable remainder trust established by a particular donor who passed away during that year. Under the terms of this trust, a specified life tenant is to receive an annual distribution equal to 6% of the fair market value of the trust assets, as measured annually. Upon the death of this life tenant, the remaining trust assets are then to be distributed to various charitable beneficiaries; GMRI's share is to be one-third of such assets. At June 30, 2025 and 2024, the fair value of GMRI's interest in this trust was estimated to be \$222,600 and \$188,337, respectively, and in accordance with GAAP is recorded as an asset within the consolidated statements of financial position.

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

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### Note 7: Beneficial Interest in Charitable Remainder Trust (Continued)

At June 30, 2025, this fair value estimate was based on the readily-determinable market value of the underlying trust assets, an assumed remaining life expectancy of the life tenant of 4 years from that date, assumed annualized nominal rates of return for the trust assets of 5.5%, and a discount rate of 4.13%. The change in the value of GMRI's interest in this trust is included in net investment income in the amount of \$34,263 and \$19,863 for the years ended June 30, 2025 and 2024, respectively.

### Note 8: Liquidity and Availability of Financial Resources

The Institute strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. The following table reflects the Institute's financial assets as of June 30, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the date of the consolidated statements of financial position because of donor restrictions or internal board designations. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

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

<i>June 30,</i>	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 7,379,451	\$ 6,646,749
Less board-designated cash for specified purposes	(1,361,005)	(1,295,862)
Certificates of deposit	2,269,933	-
Short term investments	2,697,064	4,701,242
Accrued interest and dividends receivable	62,647	56,587
Promises to give, current	1,826,053	2,631,921
Accounts receivable	2,398,073	1,821,776
Long-term investments: projected for appropriation from endowment	671,906	530,069
<b>Total</b>	<b>\$ 15,944,122</b>	<b>\$ 15,092,482</b>

The Institute's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, except for the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The Institute's board-designated endowment of \$15,903,190 and \$12,387,391 as of June 30, 2025 and 2024, respectively, is subject to an annual distribution rate of 4.0 percent, as described in Note 13. Although the Institute does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available, if necessary.

Additionally, the Institute has a line of credit available for cash flow needs up to \$1,400,000 as further described in Note 10.

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

### Note 9: Fair Value Measurements

Fair values of assets measured on a recurring basis at June 30, 2025, are as follows:

	Total	Level 1	Level 2	Level 3
U.S. Treasury and government agencies	\$ 5,008,414	\$ 5,008,414	\$ -	\$ -
Domestic exchange traded funds	12,673,697	12,673,697	-	-
Non-government fixed income	3,289,251	3,289,251	-	-
Foreign fixed income	219,145	219,145	-	-
Cash and cash equivalents	615,791	615,791	-	-
Interest in pooled investments	3,157,534	-	3,157,534	-
Charitable remainder trust	222,600	-	-	222,600
<b>Total assets</b>	<b>\$ 25,186,432</b>	<b>\$ 21,806,298</b>	<b>\$ 3,157,534</b>	<b>\$ 222,600</b>

Fair values of assets and (liabilities) measured on a recurring basis at June 30, 2024, are as follows:

	Total	Level 1	Level 2	Level 3
U.S. Treasury and government agencies	\$ 5,808,386	\$ 5,808,386	\$ -	\$ -
Domestic exchange traded funds	10,427,262	10,427,262	-	-
Non-government fixed income	4,098,747	4,098,747	-	-
Foreign fixed income	230,004	230,004	-	-
Cash and cash equivalents	479,348	479,348	-	-
Interest in pooled investments	2,993,680	-	2,993,680	-
Charitable remainder trust	188,337	-	-	188,337
<b>Total assets</b>	<b>\$ 24,225,764</b>	<b>\$ 21,043,747</b>	<b>\$ 2,993,680</b>	<b>\$ 188,337</b>
<b>Convertible notes</b>	<b>\$ (1,405,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,405,000)</b>
<b>Total liabilities</b>	<b>\$ (1,405,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,405,000)</b>

There were no transfers in or out of Level 3 during the fiscal years ended June 30, 2025 and 2024.

### Note 10: Line of Credit

GMRI holds a line of credit with Androscoggin Bank. The line of credit has a credit limit of \$1,400,000, with interest payable monthly at a variable rate equal to Wall Street Journal prime with a floor of 3.00% (7.50% and 8.50% as of June 30, 2025 and 2024, respectively). The line of credit matures January 27, 2026, and requires the obligation to be at zero for 30 successive days during the term. The line of credit is cross-defaulted and cross-collateralized with the GMPInc note payable. There was no balance outstanding on this credit line at June 30, 2025 and 2024.

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

### Note 11: Notes Payable

A summary of notes payable as of June 30 is as follows:

<i>Years Ended June 30,</i>	<b>2025</b>	<b>2024</b>
GMPInc \$2,860,000 note payable to a bank, at a fixed rate of 3.35% with monthly principal and interest payments of \$14,089 through September 27, 2031, with a balloon payment due at that time. The note is collateralized by an assignment of leases and rents and all buildings and improvements held by GMPInc. The note is cross-defaulted and cross-collateralized with the line of credit and is guaranteed by GMRI.	\$ 2,574,297	\$ 2,654,539
GMRI six individual unsecured friendly loans for varying amounts totaling \$2,900,000 used for the purchase of Union Wharf. The loans bear interest at 1.5% for years one through three and 3% for years four through seven. Interest is payable annually on the anniversary of the notes all dated December 22, 2021, with the entire principal amount due December 2028. One of these is a related party loan for \$1,500,000 with a member of the Board of Director's family foundation.	2,900,000	2,900,000
UW fixed rate mortgage note payable with a lender, interest at 5.05% with monthly principal and interest payments of \$25,677 through January 1, 2047. The note is collateralized by an assignment of leases and rents and the buildings and improvements held by UW. The loan is cross-defaulted and cross-collateralized with the UW variable rate mortgage.	4,037,771	4,136,547
UW variable rate mortgage note payable with a lender, interest at the lender's variable rate (6.75% and 7.75% at June 30, 2025 and 2024, respectively), with monthly principal and interest payments of \$38,040 and \$41,304 at June 30, 2025 and 2024, respectively, with an expected maturity date of January 1, 2047, and a balloon payment due at that time. At the lender's option, a change in interest rate may increase or decrease one or more of the following: the amount of the installment due, the amount of the final installment, or the total number of installments due. The note is collateralized by an assignment of leases and rents and the buildings and improvements held by UW. The loan is cross-defaulted and cross-collateralized with the UW fixed rate mortgage.	5,168,181	5,268,192
GMRI \$100,000 loan from a local institution with potential additional advances of \$100,000 available. The loan bears interest at 5% but does not require the accrual of interest until April 2025 upon which time principal and interest payments of \$5,639 are payable monthly through the maturity date of March 1, 2030.	-	100,000

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

### Note 11: Notes Payable (Continued)

<i>Years Ended June 30,</i>	<b>2025</b>	<b>2024</b>
Balance forward	14,680,249	15,059,278
GOMS \$230,000 note to Finance Authority of Maine. The loan bears interest at 6%. Loan commenced in November 2022 and will bear interest only payments from May 2023 through November 2023. Subsequent to November 2023 payments are \$3,341 per month until the maturity date of October 19, 2027, at which point any unpaid principal and interest will be due. See Note 23 regarding the extinguishment of debt.	-	84,302
GOMS \$65,000 note to Portland Development Corporation. The loan bears interest at 5.5%. Loan commenced on October 19, 2022, and will bear interest only payments from July 2023 through December 2023. Subsequent to December 2023 payments are 1,242 per month until the maturity date of May 2028 at which point any unpaid principal and interest will be due. See Note 23 regarding the extinguishment of debt.	-	38,353
GOMS \$30,549 forgivable note to Finance Authority of Maine under the Thrive Loan program. A portion of the unsecured note is forgiven annually beginning in December 2023 in increments of 25% unless an event of default occurs which would require repayment of the outstanding balance including any interest accrued at 3%. See Note 23 regarding the extinguishment of debt.	-	22,912
<b>Total</b>	<b>14,680,249</b>	<b>15,204,845</b>
Less: current portion	299,151	362,581
Less: deferred loan financing costs	60,928	65,097
<b>Long-term portion, net</b>	<b>\$ 14,320,170</b>	<b>\$ 14,777,167</b>

Scheduled principal payments on long-term debt at June 30, 2025, including current maturities, are summarized as follows:

<i>Year Ended</i>	
2026	\$ 299,151
2027	306,876
2028	324,005
2029	3,242,186
2030	361,487
Thereafter	10,146,544
<b>Total</b>	<b>\$ 14,680,249</b>

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

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### **Note 11: Notes Payable** (Continued)

GMPInc's note along with line of credit (See Note 10) carry certain financial covenants. Among these covenants is a debt service coverage requirement under which GMPInc's debt service coverage ratio must be maintained at a level of at least 1.25 to 1.

Interest expense for the years ended June 30, 2025 and 2024, was \$798,773 and \$829,548, respectively.

### **Note 12: Convertible Notes Payable**

During the fiscal years ended June 30, 2022 and 2021, GOMS issued convertible notes payable for aggregate cash proceeds of \$455,000 and \$1,000,000, respectively. The notes accrued interest at 4% and all accrued interest and principal was due 60 months from the date of the note.

The notes would convert to equity in the event that a qualified financing occurred which was defined as an equity financing of at least \$2,000,000. The conversion price was the lesser of the price per share paid by the purchasers in the qualified financing, less a discount of twenty percent (20%) or the price equal to the quotient of \$5,000,000 for the convertible notes issued in 2021 or \$7,500,000 for the convertible notes issued in 2022, divided by the aggregate number of outstanding shares of the GOMS' stock as of immediately prior to the initial closing of the qualified financing. In the event the GOMS was sold or 50% of the company's voting stock or capital stock would be transferred and the holders would have the option to convert their notes into a senior class of preferred stock at a conversion price equal to the last price paid for that stock in an arm-length transaction or receive payment in the aggregate amount equal to 1.5 times the outstanding principal under the note with any accrued interest. If a qualified financing did not occur before the maturity date, then the note holders could elect to convert the outstanding principal balance and any unpaid accrued interest into the most senior class of stock at a conversion price equal to the quotient of \$2,500,000 for the convertible notes issued in 2021 or \$3,750,000 for the convertible notes issued in 2022, divided by the aggregate number of outstanding shares.

The notes were subordinated to certain entities. All payments were to apply first to accrued but unpaid interest, and next to outstanding principal. Interest accrued under these notes totaled \$0 and \$173,075 as of June 30, 2025 and 2024, respectively.

GOMS elected the fair value option of accounting in accordance with ASC 825 for the convertible notes payable upon issuance to reduce accounting complexity. Fair value is measured on a recurring basis and related unrealized gains or losses are recognized in unrealized gain or loss on change in fair value of convertible notes payable in the statements of activities. Due to liquidation proceedings, no change in fair value was relevant for year ended June 30, 2024. Effective June 30, 2025 all note holders signed a release and waiver agreement for their notes and accrued interest and the reversal was recognized as a gain on debt extinguishment (Note 23).

### **Note 13: Endowments**

GMRI's endowment (the Endowment) consists of various funds established by donors to provide annual funding for specific activities and general operations. The Endowment also includes certain net assets without donor restrictions that have been designated for endowment by the Board of Directors. At June 30, 2025 and 2024, the Board of Directors had designated \$15,903,190 and \$12,387,391, respectively, of GMRI's net assets without donor restrictions for long-term investment purposes.

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

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### Note 13: Endowments (Continued)

The purpose of these assets is to serve as a board designated endowment, the income from which is to be used to help meet the operating costs of GMRI and, if necessary, the balance of which is to provide a last-resort source of funds in the case of serious financial need. Endowment net assets are classified and reported based on the existence or absence of donor-imposed restrictions.

#### Relevant Law

The Board of Directors has interpreted the Maine Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2025 and 2024, there were no such donor stipulations. As a result of this interpretation, GMRI retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts donated to the Endowment; and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by GMRI in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, GMRI considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund, the purposes of GMRI and the donor-restricted endowment fund, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, other resources and the investment policies of GMRI.

Under that statute, GMRI's board designated investments acting as endowments are not considered to constitute an endowment from a legal perspective under UPMIFA, though they do constitute a board designated endowment from a financial accounting and reporting perspective.

#### Endowment Spending Policy

The Board of Directors has approved an annual distribution of 4% of the trailing 12-quarter average value of the endowment fund to support current operations. However, during endowment-building campaigns, distributions may be calculated on the ending balance of the endowments in lieu of the average value over the trailing 12 quarters. No other withdrawals, expenditures or transfers from the Board designated endowment may be made without prior approval by the Board of Directors.

#### Endowment Investment Policy

GMRI has adopted a policy under which its board designated, and donor restricted endowment fund investments shall be comprised of 70-90% equities, 10-30% debt securities, and 0-10% cash and cash equivalents with a strategic target asset allocation of 80% equities and 20% debt securities. The fund is to be managed to achieve a moderate degree of risk, neither seeking the highest possible returns, nor avoiding all risk of loss, managing volatility in endowment asset value through an investment portfolio diversified by market geography, investment style, and asset class. GMRI believes that these parameters serve to appropriately guide the management of this fund to achieve the purposes stated earlier.

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

### Note 13: Endowments (Continued)

The Institute's endowment balances were comprised of the following as of June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	\$ 15,903,190	\$ 1,011,227	\$ 16,914,417
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	1,875,394	1,875,394
Accumulated investment gains	-	585,236	585,236
<b>Total</b>	<b>\$ 15,903,190</b>	<b>\$ 3,471,857</b>	<b>\$ 19,375,047</b>

The changes in the Institute's endowment balances for the year ended June 30, 2025, were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment investments, beginning of year	\$ 12,387,391	\$ 2,279,009	\$ 14,666,400
Contributions	2,342,059	-	2,342,059
Investment return:			
Investment income	262,844	43,004	305,848
Net appreciation	1,433,452	234,921	1,668,373
Total investment return	1,696,296	277,925	1,974,221
Appropriation of endowment assets pursuant to spending rate-policy	(522,556)	(96,304)	(618,860)
Endowment investments, end of year	15,903,190	2,460,630	18,363,820
Promises to give for endowment, board-designated, net of discount	-	1,011,227	1,011,227
<b>Total endowment net assets, end of year</b>	<b>\$ 15,903,190</b>	<b>\$ 3,471,857</b>	<b>\$ 19,375,047</b>

Included in endowment investments as of June 30, 2025, is accrued interest and dividends receivable in the amount of \$61,799.

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

### Note 13: Endowments (Continued)

The Institute's endowment balances were comprised of the following as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds	\$ 12,387,391	\$ 1,872,165	\$ 14,259,556
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	1,875,394	1,875,394
Accumulated investment gains	-	403,615	403,615
<b>Total</b>	<b>\$ 12,387,391</b>	<b>\$ 4,151,174</b>	<b>\$ 16,538,565</b>

The changes in the Institute's endowment balances for the year ended June 30, 2024, were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment investments, beginning of year	\$ 9,869,657	\$ 1,905,461	\$ 11,775,118
Contributions	1,481,005	186,638	1,667,643
Investment return:			
Investment income	183,417	34,844	218,261
Net depreciation	1,212,478	225,945	1,438,423
Total investment return	1,395,895	260,789	1,656,684
Appropriation of endowment assets pursuant to spending rate-policy	(359,166)	(73,879)	(433,045)
Endowment investments, end of year	12,387,391	2,279,009	14,666,400
Promises to give for endowment, board-designated, net of discount	-	1,872,165	1,872,165
<b>Total endowment net assets, end of year</b>	<b>\$ 12,387,391</b>	<b>\$ 4,151,174</b>	<b>\$ 16,538,565</b>

Included in endowment investments as of June 30, 2024, is accrued interest and dividends receivable in the amount of \$56,101.

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

### Note 14: Net Assets

Net assets without donor restrictions, but designated by the Board for specific uses, consisted of the following as of June 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Endowment funds	\$ 15,903,190	\$ 12,387,391
Reserved for research and scientist guarantee surpluses	187,320	278,444
Reserved for capital projects and equipment and other	1,066,549	869,338
Capacity building	107,136	148,079
GMPInc asset replacement reserve	292,687	965,103
<b>Total board designated net assets</b>	<b>\$ 17,556,882</b>	<b>\$ 14,648,355</b>

Net assets with donor restrictions consisted of the following for the years ended June 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Net assets with donor restriction:		
Subject to expenditure for specified purpose:		
Future program expenses	\$ 10,341,969	\$ 9,333,207
Subject to the passage of time:		
Beneficial interest in charitable remainder trusts	222,600	188,337
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	2,602,815	3,430,433
	<b>13,167,384</b>	<b>12,951,977</b>
Endowments:		
Subject to GMRI's spending policy and appropriation:		
Unconditional promises to give, net - donor restricted for general endowment	1,011,227	1,872,165
General use	585,236	403,615
Endowment investments held in perpetuity	1,875,394	1,875,394
	<b>3,471,857</b>	<b>4,151,174</b>
Not subject to spending policy or appropriation:		
Pooled investments held by community foundation	3,157,534	2,993,680
	<b>3,157,534</b>	<b>2,993,680</b>
<b>Total</b>	<b>\$ 19,796,775</b>	<b>\$ 20,096,831</b>

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

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### Note 15: Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2025 and 2024:

	2025	2024
Satisfaction of purpose restrictions:		
Research	\$ 1,193,722	\$ 856,633
Climate center	475,418	367,019
Convening	793,582	646,231
Education	139,043	157,794
Development	766,392	505,665
Business development	315,885	294,602
Management	3,823	119,294
Satisfaction of time restrictions	959,437	739,052
General purpose spending rate distributions and appropriations from endowments	96,304	73,879
<b>Total net assets released from restrictions</b>	<b>\$ 4,743,606</b>	<b>\$ 3,760,169</b>

### Note 16: Stock Option Plan

GOMS developed a stock option plan that authorized the granting of stock options to selected employees for up to 31,860 shares of common stock. Under the plan, the exercise price of each option equals the market price of the GOMS stock on the grant date, and an option's maximum term to exercise is ten years. Options were granted on October 28, 2021, and began to vest monthly until October 2023. Due to the plan of liquidation, and subsequent loss of the selected employees no additional stock options vested during the year ended June 30, 2024. During the year ended June 30, 2025, as part of the liquidation of GOMS, the stock-based compensation expense was reversed.

### Note 17: Retirement Plan

GMRI sponsors a Section 401(k) plan for its employees. Under the 401(k) plan, employees are eligible to participate in the plan on date of hire. Employees are eligible for match upon the completion of one year of employment constituted by at least 1,000 hours of service. Total retirement expense under this plan for the years ended June 30, 2025 and 2024, was \$360,049 and \$378,316, respectively.

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

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### Note 18: Related Parties

The Institute entered into an employment agreement with their executive effective January 1, 2016. The total compensation under the agreement was contingent upon the executive's employment through December 31, 2020, and reaching long-term goals. This contract was amended and extended the executive's employment through December 31, 2023, at which time the executive retired. The agreement includes:

- Annual performance payments for success against financial and other organizational goals, as determined by the Board of Directors. During the year ended June 30, 2024, \$27,094 was earned prior to the executive's retirement.
- Deferred incentive compensation for progress on meeting long-term financial goals from 2015 through 2023, under which payments will be made starting in 2021. The quarterly payment amount is determined annually based on a percentage of the board-designated endowment and is estimated to continue through June 2027 based on the maximum payout period in the agreement. At June 30, 2025 and 2024, the total accrual was \$104,544 and \$217,174, respectively.
- A non-qualified supplemental retirement plan under Sections 409 and 457 of the Internal Revenue Code with a total obligation up to \$800,000. The Plan was fully vested by December 2023. Funding of this plan began in 2016 and payments started in 2021 and will continue through December 2028. During 2022, a Rabbi Trust account was created to set aside assets to meet this liability. At June 30, 2025 and 2024, the total accrual was \$260,000 and \$420,000, respectively.

The Institute entered into an employment agreement with their new executive effective June 11, 2023. Portions are pro-rated based on months of employment should the executive voluntarily leave, or the Board dismisses the executive for other than cause before that date. The agreement includes:

- Annual performance payments for success against financial and other organizational goals, as determined by the Board of Directors. During the years ended June 30, 2025 and 2024, \$50,000 was accrued and \$25,000 was paid, respectively.
- A non-qualified unfunded supplemental retirement plan under Sections 409 and 457 of the Internal Revenue Code under which \$25,000 per year shall be credited. At June 30, 2025 and 2024, \$50,000 and \$25,000 was accrued, respectively.

### Note 19: Risks and Contingencies

All government grants and contracts are subject to audit and acceptance of final costs by the appropriate governmental agency. Most contract terms contain a provisionally approved overhead rate that is subject to final government audit. To date, government audits have resulted in only minor settlement amounts.

In the opinion of the Institute, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the grants. Therefore, no provision has been recorded in the accompanying consolidated financial statements for such contingency.

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

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### Note 19: Risks and Contingencies (Continued)

The Institute invests in various investment securities which are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the investment balances.

### Note 20: Economic Dependency

The Institute receives a substantial portion of its total revenues from contributions. For the years ended June 30, 2025 and 2024, the Institute received approximately 29% and 33%, respectively, of its total revenues from contributions. Of these contribution revenues, 37% and 22% were from two donors in 2025 and 2024, respectively. Three donors also consist of 58% and two donors consist of 68% of the pledges receivable outstanding at June 30, 2025 and 2024, respectively.

### Note 21: Lease Commitments

UW leases space in its buildings and at the wharf to various tenants under multiple operating leases.

The cost and carrying amounts for all leased buildings and improvements is approximately \$12,735,000 and \$11,492,000 at June 30, 2025, and \$12,641,000 and \$11,764,000 at June 30, 2024.

Future rent under the foregoing lease agreements, by year and in the aggregate, is as follows:

<i>Year Ended</i>	
2026	\$ 1,221,712
2027	1,027,116
2028	894,960
2029	664,353
2030	482,862
Thereafter	79,050
Total	\$ 4,370,053

# Gulf of Maine Research Institute and its Subsidiaries

## Notes to Consolidated Financial Statements

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### Note 22: Contingency

GMRI created a for-profit subsidiary during the fiscal year ended June 30, 2019. This subsidiary was called New England Marine Monitoring (NEMM). Due to legislation passed during the fiscal year ended June 30, 2021, GMRI found it necessary to sell this for-profit subsidiary. On June 9, 2021, NEMM was sold to Always Blue Technologies Inc. for \$100,000 in cash, a senior, unsecured note for \$250,000 and a junior unsecured note for \$250,000.

For accounting purposes, management considers the collection of the notes and the associated accrued interest to be contingent on the buyer either selling NEMM, issuing equity of at least \$1.5 million, or generating cash from operations to pay the notes. As such, the buyer has not had the opportunity between the sale date and the date of the financial statements to raise capital or generate cash from operations to pay the unsecured notes.

Under FASB ASC 450, a contingency that might result in a gain usually should not be reflected in the consolidated financial statements because to do so might recognize revenue before its realization. As such, management has not recorded this contingent gain of \$500,000.

### Note 23: Gulf of Maine Sashimi, Inc. Liquidation

Effective August 21, 2023, GOMS board of directors approved a plan of dissolution for GOMS, and management had assessed that liquidation was imminent as of that date. Effective June 30, 2025, all convertible note holders signed a release and waiver effectively extinguishing the debts. Total gain on debt extinguishment consisted of the following:

<i>Year Ended June 30,</i>	<i>2025</i>
\$1,405,000 face amount of convertible notes	\$ 1,405,000
\$30,549 face amount, forgivable note to Finance Authority of Maine under the Thrive Loan program.	18,371
\$230,000 face amount, note to Finance Authority of Maine	68,238
\$65,000 face amount, note to Portland Development Corporation	23,860
Accrued interest on all notes	236,213
Reversal of stock option expense	133,206
Total	\$ 1,884,888

## **Supplementary Information**

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**GULF OF MAINE RESEARCH INSTITUTE AND ITS SUBSIDIARIES**  
**Consolidating Schedule of Financial Position**  
June 30, 2025  
(with summarized comparative consolidated totals at June 30, 2024)

	2025					2025		2024	
	Gulf of Maine Research Institute	Gulf of Maine Properties, Inc.	Gulf of Maine Sashimi, Inc.	Union Wharf LLC	Gulf of Maine Ventures, LLC	Eliminations	Consolidated Totals	Consolidated Totals	
<b>ASSETS</b>									
Current assets:									
Cash and cash equivalents	\$ 5,779,457	\$ 492,640	\$ -	\$ 1,107,354	\$ -	\$ -	\$ 7,379,451	\$ 6,646,749	
Certificates of deposit	2,269,933	-	-	-	-	-	2,269,933	-	
Short term investments	2,697,064	-	-	-	-	-	2,697,064	4,701,242	
Accrued interest and dividends receivable	61,799	848	-	-	-	-	62,647	56,587	
Promises to give, current	1,826,053	-	-	-	-	-	1,826,053	2,631,921	
Accounts receivable	2,359,480	219,995	-	61,790	-	(243,192)	2,398,073	1,821,776	
Prepaid expenses	202,150	3,467	-	62,804	-	-	268,421	255,750	
<b>Total current assets</b>	<b>15,195,936</b>	<b>716,950</b>	<b>-</b>	<b>1,231,948</b>	<b>-</b>	<b>(243,192)</b>	<b>16,901,642</b>	<b>16,114,025</b>	
Property and equipment:									
Property and equipment	11,091,758	15,006,980	-	12,735,050	-	-	38,833,788	34,948,025	
Less: accumulated depreciation/amortization	3,503,375	6,724,132	-	1,242,828	-	-	11,470,335	10,490,819	
<b>Net property and equipment</b>	<b>7,588,383</b>	<b>8,282,848</b>	<b>-</b>	<b>11,492,222</b>	<b>-</b>	<b>-</b>	<b>27,363,453</b>	<b>24,457,206</b>	
Other non-current assets:									
Long-term investments:									
Designated for capital and operations	-	409,305	-	-	-	-	409,305	1,081,778	
Designated for endowment	18,302,021	-	-	-	-	-	18,302,021	14,610,299	
Incentive compensation	397,908	-	-	-	-	-	397,908	650,428	
Investment - other	-	-	-	-	-	-	-	1,000	
Beneficial interest in pooled investments held by others	3,157,534	-	-	-	-	-	3,157,534	2,993,680	
Promises to give, non-current, net of amortized discount	1,787,989	-	-	-	-	-	1,787,989	2,670,677	
Beneficial interest in charitable remainder trust	222,600	-	-	-	-	-	222,600	188,337	
Investment in subsidiaries	3,202,310	-	-	-	-	(3,202,310)	-	-	
<b>Total other non-current assets</b>	<b>27,070,362</b>	<b>409,305</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,202,310)</b>	<b>24,277,357</b>	<b>22,196,199</b>	
<b>Total assets</b>	<b>\$ 49,854,681</b>	<b>\$ 9,409,103</b>	<b>\$ -</b>	<b>\$ 12,724,170</b>	<b>\$ -</b>	<b>\$ (3,445,502)</b>	<b>\$ 68,542,452</b>	<b>\$ 62,767,430</b>	
<b>LIABILITIES AND NET ASSETS</b>									
Current liabilities:									
Current portion of long-term debt	\$ -	\$ 82,636	\$ -	\$ 216,515	\$ -	\$ -	299,151	\$ 362,581	
Accounts payable	1,044,857	59,780	-	253,024	-	(243,192)	1,114,469	724,431	
Accrued vacation	264,388	-	-	-	-	-	264,388	249,272	
Accrued payroll liabilities	275,386	-	-	-	-	-	275,386	223,519	
Accrued interest	43,500	-	-	16,692	-	-	60,192	37,913	
Current portion of accrued incentive compensation	228,304	-	-	-	-	-	228,304	169,170	
Deferred revenue	13,515	2,379	-	72,612	-	-	88,506	68,063	
<b>Total current liabilities</b>	<b>1,869,950</b>	<b>144,795</b>	<b>-</b>	<b>558,843</b>	<b>-</b>	<b>(243,192)</b>	<b>2,330,396</b>	<b>1,834,949</b>	
Long-term liabilities:									
Long-term debt, net of current portion	2,900,000	2,479,289	-	8,940,881	-	-	14,320,170	14,777,167	
Accrued incentive compensation	236,240	-	-	-	-	-	236,240	495,098	
Convertible notes payable, at fair value	-	-	-	-	-	-	-	1,405,000	
Accrued interest on convertible notes payable	-	-	-	-	-	-	-	173,075	
Security deposit payable	420	800	-	22,136	-	-	23,356	20,348	
<b>Total long-term liabilities</b>	<b>3,136,660</b>	<b>2,480,089</b>	<b>-</b>	<b>8,963,017</b>	<b>-</b>	<b>-</b>	<b>14,579,766</b>	<b>16,870,688</b>	
<b>Total liabilities</b>	<b>5,006,610</b>	<b>2,624,884</b>	<b>-</b>	<b>9,521,860</b>	<b>-</b>	<b>(243,192)</b>	<b>16,910,162</b>	<b>18,705,637</b>	
<b>NET ASSETS (DEFICIT) AND EQUITY</b>									
Additional paid in capital	-	-	-	-	-	-	-	133,206	
Member's equity	-	-	-	3,202,310	-	(3,202,310)	-	-	
Without donor restrictions:									
Undesignated	425,544	1,099,964	-	-	-	-	1,525,508	(596,221)	
Board-designated	17,264,195	292,687	-	-	-	-	17,556,882	14,648,355	
Investment in property, equipment and site acquisition cost	7,361,557	5,391,568	-	-	-	-	12,753,125	9,779,622	
<b>Total without donor restrictions</b>	<b>25,051,296</b>	<b>6,784,219</b>	<b>-</b>	<b>3,202,310</b>	<b>-</b>	<b>(3,202,310)</b>	<b>31,835,515</b>	<b>23,831,756</b>	
With donor restrictions	19,796,775	-	-	-	-	-	19,796,775	20,096,831	
<b>Total net assets</b>	<b>44,848,071</b>	<b>6,784,219</b>	<b>-</b>	<b>3,202,310</b>	<b>-</b>	<b>(3,202,310)</b>	<b>51,632,290</b>	<b>43,928,587</b>	
<b>Total net assets and equity</b>	<b>44,848,071</b>	<b>6,784,219</b>	<b>-</b>	<b>3,202,310</b>	<b>-</b>	<b>(3,202,310)</b>	<b>51,632,290</b>	<b>44,061,793</b>	
<b>Total liabilities and net assets and equity</b>	<b>\$ 49,854,681</b>	<b>\$ 9,409,103</b>	<b>\$ -</b>	<b>\$ 12,724,170</b>	<b>\$ -</b>	<b>\$ (3,445,502)</b>	<b>\$ 68,542,452</b>	<b>\$ 62,767,430</b>	

See accompanying independent auditor's report on supplementary information.

**GULF OF MAINE RESEARCH INSTITUTE AND ITS SUBSIDIARIES**  
**Consolidating Schedule of Activities**  
For the Year Ended June 30, 2025  
(with summarized comparative consolidated totals for the year ended June 30, 2024)

	Gulf of Maine Research Institute						Gulf of Maine Properties, Inc.				Gulf of Maine Sashimi, Inc.	Union Wharf, LLC	Gulf of Maine Ventures, LLC	Eliminations	2025 Consolidated Totals	2024 Consolidated Totals	
	Without Donor Restriction			With Donor Restriction			Without Donor Restriction				Without Donor Restriction	Without Donor Restriction	Without Donor Restriction				
	Programs & Support	Property & Equipment	Board Designated	Program & Support	Endowment	Total	Operations	Property & Equipment	Board Designated	Total	Operations	Operations	Operations				
<b>Support and revenue:</b>																	
Federal and state grants	\$ 11,392,924	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 13,392,924	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,392,924	\$ 10,406,955
Contributions	2,283,799	-	1,382,622	3,962,069	-	7,628,490	-	-	-	-	-	-	-	-	7,628,490	7,766,423	
Investment income	989,761	-	1,213,205	312,188	163,854	2,679,008	24,238	-	74,264	98,502	-	42,901	-	-	2,820,411	2,344,909	
In-kind income	101,438	-	-	-	-	101,438	-	-	-	-	-	-	-	-	101,438	272,042	
Contract income	323,716	762,031	-	5,439	-	1,091,186	-	-	-	-	-	-	-	-	1,091,186	1,338,165	
Rental income	-	-	-	-	-	-	985,710	-	-	985,710	-	1,327,426	-	(925,476)	1,387,660	1,495,963	
Property management fee	253,962	-	-	-	-	253,962	-	-	-	-	-	-	-	(241,481)	12,481	12,720	
Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	130,971	
Other income	17,910	(11,000)	-	-	-	6,910	-	-	-	-	4,497	230,203	13	-	241,623	60,997	
Net assets released from restrictions	3,843,613	131,394	768,599	(4,743,606)	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total support and revenue</b>	<b>19,207,123</b>	<b>2,882,425</b>	<b>3,364,426</b>	<b>(463,910)</b>	<b>163,854</b>	<b>25,153,918</b>	<b>1,009,948</b>	<b>-</b>	<b>74,264</b>	<b>1,084,212</b>	<b>4,497</b>	<b>1,600,530</b>	<b>13</b>	<b>(1,166,957)</b>	<b>26,676,213</b>	<b>23,829,145</b>	
<b>Expenses:</b>																	
<b>Program expenses:</b>																	
Research	4,674,356	-	-	-	-	4,674,356	-	-	-	-	-	-	-	-	4,674,356	3,921,352	
Education	3,719,353	-	-	-	-	3,719,353	-	-	-	-	-	-	-	-	3,719,353	3,858,357	
Community	3,278,855	-	-	-	-	3,278,855	-	-	-	-	-	-	-	-	3,278,855	2,501,582	
Business development	804,147	-	-	-	-	804,147	-	-	-	-	-	-	-	-	804,147	1,184,625	
Subsidiary expenses	-	-	-	-	-	-	-	-	-	-	74,234	1,405,287	1,221	(59,992)	1,420,750	1,667,617	
<b>Support services:</b>																	
Development	1,261,424	-	-	-	-	1,261,424	-	-	-	-	-	-	-	-	1,261,424	1,371,436	
Management, general & facilities	5,443,921	305,010	-	-	-	5,748,931	766,176	309,349	-	1,075,525	-	-	-	(1,125,943)	5,698,513	5,198,399	
<b>Total expenses</b>	<b>19,182,056</b>	<b>305,010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,487,066</b>	<b>766,176</b>	<b>309,349</b>	<b>-</b>	<b>1,075,525</b>	<b>74,234</b>	<b>1,405,287</b>	<b>1,221</b>	<b>(1,185,935)</b>	<b>20,857,398</b>	<b>19,703,368</b>	
<b>Non-operating income</b>																	
Gain on debt extinguishment	-	-	-	-	-	-	-	-	-	-	1,934,888	-	-	(50,000)	1,884,888	-	
<b>Total non-operating income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,934,888</b>	<b>-</b>	<b>-</b>	<b>(50,000)</b>	<b>1,884,888</b>	<b>-</b>	
<b>Change in net assets before transfers and gain (loss) from subsidiaries</b>	<b>25,067</b>	<b>2,577,415</b>	<b>3,364,426</b>	<b>(463,910)</b>	<b>163,854</b>	<b>5,666,852</b>	<b>243,772</b>	<b>(309,349)</b>	<b>74,264</b>	<b>8,687</b>	<b>1,865,151</b>	<b>195,243</b>	<b>(1,208)</b>	<b>(31,022)</b>	<b>7,703,703</b>	<b>4,125,777</b>	
<b>Other transfers</b>	<b>(14,897)</b>	<b>705,437</b>	<b>216,516</b>	<b>-</b>	<b>-</b>	<b>907,056</b>	<b>(191,399)</b>	<b>-</b>	<b>(746,679)</b>	<b>(938,078)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,022</b>	<b>-</b>	<b>-</b>	
<b>Total transfers</b>	<b>(14,897)</b>	<b>705,437</b>	<b>216,516</b>	<b>-</b>	<b>-</b>	<b>907,056</b>	<b>(191,399)</b>	<b>-</b>	<b>(746,679)</b>	<b>(938,078)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,022</b>	<b>-</b>	<b>-</b>	
<b>Loss from subsidiary</b>	<b>(1,208)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,208)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,208</b>	<b>-</b>	<b>-</b>	
<b>Gain from subsidiary</b>	<b>2,060,394</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,060,394</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,060,394)</b>	<b>-</b>	<b>-</b>	
<b>Total net loss from subsidiaries</b>	<b>2,059,186</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,059,186</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,059,186)</b>	<b>-</b>	<b>-</b>	
<b>Change in net assets</b>	<b>2,069,356</b>	<b>3,282,852</b>	<b>3,580,942</b>	<b>(463,910)</b>	<b>163,854</b>	<b>8,633,094</b>	<b>52,373</b>	<b>(309,349)</b>	<b>(672,415)</b>	<b>(929,391)</b>	<b>1,865,151</b>	<b>195,243</b>	<b>(1,208)</b>	<b>(2,059,186)</b>	<b>7,703,703</b>	<b>4,125,777</b>	
<b>Net assets, beginning of year</b>	<b>(1,643,812)</b>	<b>4,078,705</b>	<b>13,683,253</b>	<b>15,227,758</b>	<b>4,869,073</b>	<b>36,214,977</b>	<b>1,047,591</b>	<b>5,700,917</b>	<b>965,102</b>	<b>7,713,610</b>	<b>(1,865,151)</b>	<b>3,007,067</b>	<b>1,208</b>	<b>(1,143,124)</b>	<b>43,928,587</b>	<b>39,802,810</b>	
<b>Net assets, end of year</b>	<b>\$ 425,544</b>	<b>\$ 7,361,557</b>	<b>\$ 17,264,195</b>	<b>\$ 14,763,848</b>	<b>\$ 5,032,927</b>	<b>\$ 44,848,071</b>	<b>\$ 1,099,964</b>	<b>\$ 5,391,568</b>	<b>\$ 292,687</b>	<b>\$ 6,784,219</b>	<b>\$ -</b>	<b>\$ 3,202,310</b>	<b>\$ -</b>	<b>\$ (3,202,310)</b>	<b>\$ 51,632,290</b>	<b>\$ 43,928,587</b>	

See accompanying independent auditor's report on supplementary information.

**GULF OF MAINE RESEARCH INSTITUTE AND ITS SUBSIDIARIES**  
**Consolidating Schedule of Cash Flows**  
For the Year Ended June 30, 2025  
(with comparative consolidated totals for the year ended June 30, 2024)

	2025						2024	
	Gulf of Maine Research Institute	Gulf of Maine Properties, Inc.	Gulf of Maine Sashimi, Inc.	Union Wharf, LLC	Gulf of Maine Ventures, LLC	Eliminations	Consolidated Totals	Consolidated Totals
<b>Cash flows from operating activities:</b>								
Change in net assets	\$ 8,633,094	\$ (929,391)	\$ 1,865,151	\$ 195,243	\$ (1,208)	\$ (2,059,186)	\$ 7,703,703	\$ 4,125,777
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities:								
Depreciation	305,010	309,349	-	365,157	-	-	979,516	985,030
Loss on fixed asset disposal	11,000	-	-	-	-	-	11,000	511
Gain on debt extinguishment	-	-	(1,934,888)	-	-	50,000	(1,884,888)	-
Imputed interest on debt issuance costs	-	1,953	-	2,216	-	-	4,169	4,169
Realized and unrealized (gain) loss on investments	(1,966,859)	(30,555)	-	-	-	-	(1,997,414)	(1,840,653)
Bad debt expense	100,120	-	-	-	1,000	(50,000)	51,120	60,302
Reinvested dividends and interest	(506,311)	(43,708)	-	-	-	-	(550,019)	(319,929)
Earnings from subsidiaries	(2,059,186)	-	-	-	-	2,059,186	-	-
Change in discount on promises to give	142,024	-	-	-	-	-	142,024	99,795
Change in value in charitable remainder trust	(34,263)	-	-	-	-	-	(34,263)	(19,863)
Permanently restricted contributions	-	-	-	-	-	-	-	(186,638)
(Increase) decrease in assets:								
Accrued interest and dividend receivable	15,747	(57)	-	-	-	-	15,690	(15,439)
Net promises to give	1,496,412	-	-	-	-	-	1,496,412	1,177,304
Accounts receivable	(525,207)	(24,728)	4,864	(61,790)	-	47,403	(559,458)	(13,127)
Inventory	-	-	-	-	-	-	-	90,434
Prepaid expenses	(20,036)	6,448	-	917	-	-	(12,671)	59,096
Increase (decrease) in liabilities:								
Accounts payable	71,751	(9,164)	(2,818)	25,521	-	(47,403)	37,887	(74,982)
Accrued vacation	15,116	-	-	-	-	-	15,116	(38,515)
Accrued payroll liabilities	51,867	-	-	-	-	-	51,867	22,775
Accrued income tax	-	-	-	-	-	-	-	(1,727)
Accrued interest	-	-	63,138	529	-	-	63,667	74,682
Accrued incentive compensation	(199,724)	-	-	-	-	-	(199,724)	(184,712)
Deferred revenue	12,475	2,379	-	5,589	-	-	20,443	2,663
Refundable advance liability	-	-	-	-	-	-	-	(453,555)
Security deposit payable	-	108	-	2,900	-	-	3,008	(9,912)
<b>Net cash and cash equivalents provided by (used in) operating activities</b>	<b>5,543,030</b>	<b>(717,366)</b>	<b>(4,553)</b>	<b>536,282</b>	<b>(208)</b>	<b>-</b>	<b>5,357,185</b>	<b>3,543,486</b>
<b>Cash flows from investing activities:</b>								
Purchase of property and equipment	(3,395,477)	(72,811)	-	(93,163)	-	-	(3,561,451)	(340,311)
Purchase of investments	(2,098,291)	(75,034)	-	-	-	-	(2,173,325)	(3,376,279)
Purchase of certificates of deposit	(2,269,933)	-	-	-	-	-	(2,269,933)	-
Proceeds from sale of investments	2,972,583	821,770	-	-	-	-	3,794,353	780,481
Proceeds from disposal of fixed assets	-	-	-	-	-	-	-	12,132
<b>Net cash and cash equivalents provided by (used in) investing activities</b>	<b>(4,791,118)</b>	<b>673,925</b>	<b>-</b>	<b>(93,163)</b>	<b>-</b>	<b>-</b>	<b>(4,210,356)</b>	<b>(2,923,977)</b>
<b>Cash flows from financing activities:</b>								
Repayments on long-term debt	(100,000)	(80,241)	(35,098)	(198,788)	-	-	(414,127)	(424,618)
Permanently restricted contributions	-	-	-	-	-	-	-	186,638
<b>Net cash and cash equivalents provided by (used in) financing activities</b>	<b>(100,000)</b>	<b>(80,241)</b>	<b>(35,098)</b>	<b>(198,788)</b>	<b>-</b>	<b>-</b>	<b>(414,127)</b>	<b>(237,980)</b>
Net change in cash and cash equivalents	651,912	(123,682)	(39,651)	244,331	(208)	-	732,702	381,529
Cash and cash equivalents, beginning of year	5,127,545	616,322	39,651	863,023	208	-	6,646,749	6,265,220
<b>Cash and cash equivalents, end of year</b>	<b>\$ 5,779,457</b>	<b>\$ 492,640</b>	<b>\$ -</b>	<b>\$ 1,107,354</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,379,451</b>	<b>\$ 6,646,749</b>
<b>Supplemental disclosure of cash flow information:</b>								
Cash paid during the year for interest	\$ 43,500	\$ 88,824	\$ -	\$ 582,891	\$ -	\$ -	\$ 715,215	\$ 754,866
Cash paid for income taxes	-	-	-	-	-	-	-	10,641
Purchases of fixed assets in accrued expenses	335,312	-	-	-	-	-	335,312	-

See accompanying independent auditor's report on supplementary information.