CENTRAL CARIBBEAN MARINE INSTITUTE, INC.

Consolidated Financial Statements for the year ended

December 31, 2018

CENTRAL CARIBBEAN MARINE INSTITUTE, INC.

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Independent Auditors' Report to the Board of Trustees

We have audited the accompanying consolidated financial statements of Central Caribbean Marine Institute, Inc. and its subsidiary, CCMI, which comprise the consolidated statement of financial position as at December 31, 2018, the consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Central Caribbean Marine Institute, Inc. and its subsidiary as at December 31, 2018, and the consolidated results of its activities and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

KPMG

June 3, 2020

GENERAL REGISTRY
CAYMAN ISLANDS

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CENTRAL CARIBBEAN MARINE INSTITUTE, INC.
Consolidated Statement of Financial Position

December 31, 2018
(stated in United States dollars)

	Note	2018	2017
Assets		$	$
Current Assets			
Cash and cash equivalents	3	410,284	544,840
Contributions receivable	4,11	916,788	652,451
Other assets		17,042	26,396
		1,344,114	1,223,687
Non-Current Assets			
Property, plant and equipment	5	1,625,610	1,486,905
Intangible Assets	6	5,499	9,137
Investments	7	19,377	-
		1,650,486	1,496,042
Total Assets		2,994,600	2,719,729
Liabilities			
Current Liabilities			
Unearned income		35,308	104,699
Accruals		67,007	134,806
Short-term portion of long-term debt	8	30,000	33,333
		132,315	272,838
Non-Current Liabilities			
Long term debt	8	70,000	66,667
Total Liabilities		202,315	339,505
Net assets			
Unrestricted		1,903,389	1,672,706
Restricted	9/10	888,896	707,518
Total Net Assets		2,792,285	2,380,224

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board of Trustees on June 3, 2020

________________, Trustee

________________, Chairman

CENTRAL CARIBBEAN MARINE INSTITUTE, INC.

Consolidated Statement of Activities

December 31, 2018
(stated in United States dollars)

	Year Ended December 31,							
	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	$	$	$	$	$	$	$	$
Support and revenue:								
Contributions and Grants	135,713	1,188,185	-	1,284,190	111,000	1,288,830	-	1,399,830
Education and research fees	387,804	-	-	387,804	283,292	26,091	-	309,383
Special events	238,206	-	-	238,206	155,023	-	-	155,023
Donations	43,052	-	-	43,052	54,884	-	-	54,884
Other revenue	(25,774)	-	-	(25,774)	42,578	-	-	42,578
Total support and revenue before releases of restrictions	779,000	1,188,185	-	1,967,185	646,777	1,314,921	-	1,961,698
				-				
Net assets released from restrictions	1,007,164	(1,007,164)	-	-	1,102,087	(1,090,569)	(11,518)	-
Total support and revenue	1,786,164	181,021	-	1,967,185	1,748,864	224,352	(11,518)	1,961,698
Expenses (note 12)								
Program services:								
Field programs and operations	462,149			462,149	482,617			482,617
Buildings and equipment	186,473			186,473	235,704			235,704
Research	434,566			434,566	378,289			378,289
Education	204,295			204,295	96,612			96,612
Total program services	1,287,484			1,287,484	1,193,222			1,193,222
Supporting services:								
Management and general	150,538			150,538	138,702			138,702
Fundraising	117,459			117,459	84,643			84,643
Total supporting services	267,997			267,997	223,345			223,345
Total expenses	1,555,481			1,555,481	1,416,567			1,416,567
Impairment losses from contributions received in previous years	-	-	-	-	(50,000)	-	-	(50,000)
Change in net assets	230,683	181,378	-	412,061	282,297	224,352	(11,518)	495,131
Net assets, beginning of year	1,672,706	707,518	-	2,380,224	1,390,409	483,166	11,518	1,885,093
Net assets, end of year	1,903,389	888,896	-	2,792,285	1,672,706	707,518	-	2,380,224

See accompanying notes to the consolidated financial statements.

CENTRAL CARIBBEAN MARINE INSTITUTE, INC.

Consolidated Statement of Cash Flows

Year ended December 31, 2018

(stated in United States dollars)

	Note	2018	2017
		$	$
Cash provided by/(used in):			
Operating activities			
Net change in net assets for the year		412,061	495,131
Adjustments for:			
Construction in progress		-	65,549
Depreciation and Amortisation	5/6	116,961	121,763
Write off of assets	5	12,401	-
Net changes in operating assets and liabilities:			
Contributions receivable	4	(264,337)	(292,764)
Investments	7	(19,377)	30,748
Other assets		9,353	(14,540)
Unearned Income		(69,391)	39,536
Accruals		(67,799)	30,189
Net cash provided by operating activities		**129,872**	**475,612**
Investing activity			
Purchase of property, plant and equipment	5	(264,428)	(215,755)
Purchase of intangible assets	6	-	(10,915)
Proceeds from sale of property, plant and equipment	5	-	1,219
Net cash used in investing activities		**(264,428)**	**(225,451)**
Financing activity			
Repayment of shareholder loan		-	-
Net change in cash and cash equivalents during the year		(134,556)	250,161
Cash and cash equivalents at beginning of year		544,840	294,679
Cash and cash equivalents at end of year		410,284	544,840

See accompanying notes to the consolidated financial statements.

1. Incorporation and background information

The Marine Environmental Research Institute, Inc. ("MERI") was incorporated on September 24, 1998 in Princeton New Jersey as a US 501 (c)(3) federal tax-exempt charitable organization without members, under the New Jersey Domestic Non-profit Corporation Act. MERI changed its name to Central Caribbean Marine Institute, Inc. (the "Company") on September 24, 2002. The Company holds 100% of the shares of CCMI (collectively referred to as the "Group"), a non-profit organization registered on March 14, 2002 in the Cayman Islands and based in Little Cayman. A Board of Trustees is responsible for oversight of the Group's activities. The registered office of the Company is P.O. Box 1461, Princeton, New Jersey, 08540, and the registered office of CCMI is P.O. Box 37, Little Cayman, KY3-2501, Cayman Islands.

The Group was established to receive and administer funds, perform research and promote conservation, for scientific, education and charitable purposes. The Group generates income primarily from education programs and receives funding from private donations, sponsorship and grants.

2. Significant accounting policies

These consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the significant accounting policies adopted by the Group are as follows:

(a) Use of estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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 income and expenses during the year. Actual results could differ from these estimates.

(b) Consolidation

The Company was incorporated in the State of New Jersey on September 24, 1998 and was granted a section 501(c)(3) exemption under the Internal Revenue Code of the United States of America effective September 24, 1998. CCMI was established under Section 80 of the Cayman Islands Company Law on October 2, 2001, and incorporated in the Cayman Islands as an ordinary company with limited liability on March 14, 2002. CCMI is a wholly owned subsidiary of the Company. The Board of Trustees and the Board of Directors have the power to govern the financial and operating policies of the Company and CCMI respectively. CCMI has been consolidated since the date of its incorporation.

2. Significant accounting policies (continued)

(b) Consolidation (continued)

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant inter-company transactions and balances are eliminated on consolidation.

(c) Cash and cash equivalents

Cash is comprised of current accounts held at financial institutions and cash on hand. Included in cash and cash equivalents is a money market fund amounting to $75,941 as at December 31, 2018 and undeposited cash $28,831.

(d) Contributions receivable

Contributions receivable comprise of outstanding pledged contributions from donors.

Contributions receivable in more than 12 months of the Group's reporting date are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the contribution, if any.

(e) Financial assets and liabilities

Financial assets carried on the consolidated statements of financial position include cash and cash equivalents, investments, and contributions receivable. Financial liabilities carried on the consolidated statements of financial position include long-term debt, the current portion of long-term debt and accruals.

(f) Foreign exchange

Where applicable, monetary assets and liabilities denominated in foreign currencies are translated into United States dollars at the year-end rates of exchange and the resulting gains and losses are included in other revenue in the consolidated statement of activities. Where applicable, revenue and expenses denominated in foreign currencies are translated at the rates of exchange prevailing on the date the transactions are recognized.

(g) Revenue recognition

i) Educational programs and donations

Revenue from these sources is recognized on the accrual basis.

2. Significant accounting policies (continued)

(g) Revenue recognition (continued)

ii) Contributions

Contributions are recorded at the fair value of the contribution received. Revenues from this source are comprised of grants and sponsorships and are recognized when legal entitlement unconditionally vests with the Group. If the contribution is in-kind rather than cash, the fair value of the goods or services to be received is recognized on the same basis as cash contributions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises that are expected to be collected in future years are recorded at fair value, which is the present value of expected future cash flows discounted at a rate that incorporates a risk premium to take into account the risks inherent in those expected cash flows.

iii) Donated assets and services

Contributions of assets and services are recorded as revenue and the associated cost recognized as an expense. Assets and services donated to the Group during the year are valued at $135,713 and are based on the service companies' best estimate, and if not provided by the service companies, then reflects management's best estimate of the commercial rate for such assets and services. In establishing the values of contributed assets and services, management considers the donor's representation of the fair value of the asset or service in an arm's length transaction.

(h) Net assets

The Group's net assets and its revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Group and changes therein are reported as follows:

i) Unrestricted

Unrestricted net assets represent those resources available for current operations.

ii) Temporarily restricted

Temporarily restricted net assets represent those resources whose use has been restricted by donors to specific purposes and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends, a purpose restriction is accomplished, or funds are appropriated through an action of the Board of Trustees, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the accompanying consolidated statements of activities as net assets released from restrictions.

2. Significant accounting policies (continued)

(h) Net assets (continued)

iii) Permanently restricted

Permanently restricted net assets represent those resources the principal of which is originally restricted into perpetuity by its donors. The purposes for which the income and net capital appreciation arising from the underlying assets may be used depend on the wishes of that donor.

(i) Expenses

Expenses are recorded on an accrual basis. Expenses have been summarized on a functional basis in the accompanying consolidated statement of activities. Accordingly, certain costs have been allocated by management, using appropriate measurement methodologies, such as the time and effort report among the program, management, and fundraising areas.

(j) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses, if any.

The initial cost of property, plant and equipment consists of its construction cost or purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

Depreciation is computed based on the cost of the assets using the straight-line method at the following rates:

Buildings	39 years
Boats	7 years
Furniture and equipment	5 years
Vehicles	5 years
Web design	3 years

2. Significant accounting policies (continued)

(k) Impairment

Where applicable, the carrying amounts of the Group's assets are reviewed at each financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized when the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses related to property, plant and equipment are recognized in the Buildings and equipment expense in the Consolidated Statement of Activities. During the year ended December 31, 2018, the Group incurred impairment losses of $12,401 in book value of property, plant and equipment written off due to general damage to furniture and equipment and impairment losses of $0 from contributions pledged and recognized in previous years as management determined that these amounts were no longer recoverable.

(l) Taxation

The Group is not subject to any income, withholding or capital gains tax in the Cayman Islands. As a result, no Cayman tax liability or expense has been recorded in these consolidated financial statements. The Group is exempt from tax in the United States under Section 501(c)(3) of the Internal Revenue Code.

(m) Investments

Investment securities held by the Group as at December 31, 2018 consisted of equity securities and had a fair value of $19,377 as at December 31, 2018. The Group classifies its equity securities that have readily determinable fair values into available-for-sale (AFS).

AFS securities are recorded at fair value. Unrealized holding gains and losses on trading securities are included in other revenues in the consolidated statement of activities.

(n) Fair Value Measurements

The Group uses valuation approaches that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Group determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels in accordance with ASU 2011-04 (see Note 7 to the consolidated financial statements):

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

2. Significant accounting policies (continued)

(n) Fair Value Measurements (continued)

- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

(o) New standards and interpretations

Accounting Standards Update 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities NFP* ("ASU 2016-14") was issued in August 2016 and is effective for annual financial statements issued for fiscal years beginning after December 15, 2018. ASU 2016-14 makes several improvements to current reporting requirements that address, among others, the following problems:

- Complexities about the use of the currently required three classes of net assets that focus on the absence or presence of donor-imposed restrictions and whether those restrictions are temporary or permanent;
- Deficiencies in the transparency and utility of information useful in assessing an entity's liquidity caused by potential misunderstandings and confusion about the term unrestricted net assets and how restrictions or limits imposed affect an entity's liquidity, classes of net assets, and financial performance;
- Inconsistencies in the type of information provided about expenses of the period; and
- Impediment of preparing the indirect method reconciliation if an NFP chooses to use the direct method of presenting operating cash flows.

Management has made an assessment as to the impact that adopting ASU 2016-14 and concluded that it will not have a significant impact on the Group's consolidated financial statements.

(stated in United States dollars)

2. Significant accounting policies (continued)

(o) Website Development Costs

Intangible assets are stated at cost less accumulated depreciation and impairment losses, if any.

The initial cost of intangible assets consists of its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

The Group capitalizes website development costs in line with the requirements of U.S. GAAP. Capitalized website development costs are included in intangible assets in the consolidated statements of financial position. The Group amortizes website development costs over 3 years using the straight-line method. Costs related to data entry and data conversion of the content of the website as well as costs incurred training the Group's employees on the new website are expensed as incurred. Capitalized website development costs are reviewed for impairment at each reporting period.

3. Cash and cash equivalents

The cash and cash equivalents comprise of the following balances:

	2018	2017
	$	$
Current account	304,675	395,007
Money Market fund	75,941	149,833
Undeposited Funds	28,831	-
Cash on Hand	837	-
	410,284	544,840

4. Contributions receivable

Management believes that contributions receivable are fully collectible and, accordingly, has not provided a reserve for uncollectible amounts.

(stated in United States dollars)

5. Property, plant and equipment

	Land and buildings	Boats	Furniture and equipment	Vehicles	Total
	$	$	$	$	$
Cost at January 1, 2018	1,629,853	144,024	466,443	68,850	2,309,170
Additions	149,146	15,362	64,221	35,699	264,428
Disposals/Write-downs	-	(16,479)	(167,029)	(11,149)	(194,657)
Cost at December 31, 2018	1,778,999	142,907	363,635	93,400	2,378,941
Accumulated depreciation at January 1, 2018	345,562	107,233	334,436	35,034	822,265
Charge for the year (Note 12)	40,086	8,429	49,694	15,113	113,322
Disposals/Write-downs	-	(16,479)	(160,847)	(4,930)	(182,256)
Accumulated depreciation at December 31, 2018	385,648	99,183	223,283	45,217	753,331
Net book value at 31-Dec-18	1,393,351	43,724	150,352	48,183	1,625,610

(stated in United States dollars)

5. Property, plant and equipment *(continued)*

	Land and buildings	Boats	Furniture and equipment	Vehicles	Total
	$	$	$	$	$
Cost at January 1, 2017	1,564,305	128,662	367,806	44,837	2,105,610
Additions	65,548	15,362	98,637	36,208	215,755
Disposals/Write-downs	-	-	-	(12,195)	(12,195)
Cost at December 31, 2017	1,629,853	144,024	466,443	68,850	2,309,170
Accumulated depreciation at January 1, 2017	308,664	102,635	267,794	34,162	713,255
Charge for the year (Note 12)	36,898	4,598	60,743	11,847	114,086
Disposals/Write-downs	-	-	5,899	(10,975)	(5,076)
Accumulated depreciation at December 31, 2017	345,562	107,233	334,436	35,034	822,265
Net book value at 31-Dec-17	1,284,291	36,791	132,007	33,816	1,486,905

6. Intangible Assets

		December 31, 2018		
Amortizing intangible assets	**Amortization period**	**Gross carrying amount**	**Accumulated amortization**	**Net carrying amount**
Website	3 years	10,915	(5,416)	5,499
Total		10,915	(5,416)	5,499

The net carrying amount of the website as at December 31, 2017 was $9,137. Future amortisation is expected to be $3,638 in 2019 and $1,861 in 2020.

(stated in United States dollars)

7. Fair Value Hierarchy

The Group held investments with a fair value of $19,376 as of December 31, 2018. The following table presents the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis at December 31 2018:

		Fair value measurements at reporting date using		
	December 31, 2018	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Available-for-sale securities:				
Equities – Manufacturing	$ 14,285	14,285	-	-
Equities - Healthcare	$5,092	5,092	-	-
Total	$19,377	19,377	-	-

The Group's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. The realized gains and losses associated with these sales were included within other revenue in the consolidated statement of activities.

(stated in United States dollars)

8. Long term debt

	2018	2017
	$	$
Term third party loan, bearing interest at LIBOR + 1.5% with no contracted monthly instalments, maturing on December 31, 2021	100,000	100,000
Accrued interest on term third party loan	-	-
Less		
Current instalments	30,000	33,333
Long term debt, excluding current instalments	70,000	66,667

Initially the maturity of the third-party loan was May 2008, which was extended to December 31, 2017 and subsequently to December 31, 2020 by Henry Harford, the lender of the third-party loan. Under the latest loan extension, it was agreed between the Group and the Lender that the principal amount of the loan would be repaid in three equal instalments as of December 31, 2018, 2019 and 2020. In addition, any interest obligation accrued on the loan amount was forgiven by Henry Harford.

9. Permanently restricted net assets

There were no permanently restricted net assets during the year ended December 31, 2018.

10. Temporarily restricted net assets

Temporarily restricted net assets were classified as follows:

	2018	2017
	$	$
Facilities	236,886	75,130
Research	379,146	632,388
Education	272,864	-
	888,896	707,518

(stated in United States dollars)

11. Unconditional promises to give

Included in contributions receivable are the following unconditional promises to give:

	2018	2017
	$	$
Total Contributions receivable	916,788	652,451
Amounts due in:		
Less than one year	535,675	280,475
One to five years	381,113	371,976
	916,788	652,451

12. Expenses

Expenses were as follows:

	2018	2017
	$	$
Salaries	605,261	680,929
Marketing and promotion	162,599	172,516
Direct research and education expenses	145,987	108,461
Professional fees	143,544	75,658
Food and subsistence	128,073	64,965
Depreciation and write offs	116,778	118,138
Repairs, maintenance and supplies	69,695	63,531
Travel and accommodation	50,713	14,720
Other	38,001	42,542
Utilities and fuel	29,549	35,519
Amortisation	24,717	1,778
Insurance	19,804	16,786
Communication	13,708	15,754
Bank charges and interest	7,052	5,270
	1,555,481	1,416,567

13. Staffing costs

The Group maintains a defined contribution retirement benefit plan for its employees. The Group pays contributions to an administered pension insurance plan on a mandatory basis as required by the National Pensions Law of the Cayman Islands, which is normally 5% of the salary or wage of the employee. In the Cayman Islands, the Group has no further payment obligations once the required contributions have been paid. The contributions are recognized as pension expense when they are due and are included in salaries. Pension for the employees based in the US is also contributed to a US pension scheme. During the year ended December 31, 2018, the Group recorded $22,501 (2017: $22,368) in pension expense.

14. Related party transactions

For the year ended December 31, 2018 the Group paid salaries and benefits to related parties in the amount of $189,150 (2017: $168,311).

15. Risks and uncertainties

Credit Risk

Credit risk is the risk that a party to a financial arrangement will cause a loss by failing to discharge an obligation. Cash and cash equivalents are subject to credit risk to the extent that those balances exceed applicable FDIC or SIPC limitations applicable to balances held with financial institutions located in the United States. At December 31, 2018, the Group held $410,284 (2017: $544,840) in cash and cash equivalents with reputable financial institutions in the United States and Cayman Islands, of which $204,075 is held with financial institutions based in the Cayman Islands and is therefore not covered by FDIC and SIPC provisions.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to this risk for changes in market interest rates relates primarily to its third-party loan as disclosed in note 8.

Uncertainties

The ability of the Group to operate as a going concern and meet its objectives is dependent on the adequate receipt of donations and financing.

16. Subsequent events

In preparing these consolidated financial statements management has evaluated and disclosed all material subsequent events up to the audit report date, which is the date the consolidated financial statements were available to be issued.

Subsequent to the December 31, 2018 year end, and as at the time of signing of the financial statements in June 2020, the world is currently experiencing a global health pandemic (Covid-19). As a result of Covid-19, the Management of CCMI have made changes to the operations of CCMI in order to adapt to the health and safety advice in relation to the pandemic, and also in order to make sure that the estimated loss in revenue can be offset by a reduction in the operational expenses of CCMI. In particular, cancellations by visiting universities, scientists and schools has resulted in lost revenue. We have assessed the funding risk to CCMI in the short term and longer term by connecting with our supporters (donors, grant agencies, and foundations) and we have also communicated with colleges and scientists who have used the facility. Overall, the loss of grants and foundation support is minimal. We anticipate greater risk from the loss of donations due to the inability to host our annual Festival of Seas. Our advancement team is working on alternative fundraising opportunities.

Therefore, we have updated financial risk models and modified operating scenarios to consider recovery in the short term (6-8 months) and longer term (through 2021 and beyond). The uncertainties surrounding travel restrictions and significant health concerns have made it difficult to predict when we will resume full field operations. However, CCMI plan is to focus on research, maintenance and improving the sustainability of the entire organization.

The Management of CCMI continue to monitor the situation carefully and update the financial and operational estimates of CCMI for 2020 and beyond.