Board Meeting
2020 Revised Forecast
Saturday, July 25, 2020

Original 2020 Budget. The original 2020 budget ("Original Budget") was prepared by CCS Management in October and November, and approved by the Board in late February. The Original Budget reflected CCS's relatively strong financial performance in 2019, including very strong end-of-year fund raising results.

Global Pandemic. When the news of the global pandemic took hold in March, and the world went into shut-down mode, CCS Management prepared a set of contingency plans and revised forecasts, which plans and forecasts assumed that the revenue outlook for 2020 would change dramatically for the worse. These contingency plans and revised forecasts considered potential revenue loss scenarios, expense reductions, actions to manage CCS's balance sheet and liquidity, and sources of new funding.

Revised Forecasts. Based on the contingency planning, and on operating results as time passed, Management has developed the following revised forecasts:

Date/Name of Forecast	Latest Financial Results	Reviewed By
April 15, 2020	March 31, 2020	Executive Committee (April 20th)
April 30, 2020	April 30, 2020	Board of Directors (May 15, 2020)
June 30, 2020	June 30, 2020	Board of Directors (July 25, 2020)

Despite all the volatility and uncertainty created by the pandemic, in the aggregate, CCS's three revised forecasts for total revenues, expenses and net income haven't changed very much from the original "April 15th Forecast" to the "April 30th Forecast" to the current "June 30th Forecast." That said, the composition of detailed revenues and expenses have changed in some material ways.

Revenue Forecast. The environment makes it even harder than usual to confidently forecast near and intermediate term results. Initially, it appeared that CCS's Non-Program Revenues (i.e., its fund-raising activities) might feel a significant impact, but that its Program Revenues might feel a relatively minor impact. As time has progressed, Non-Program Revenues have been impacted, but less than originally expected, while Program Revenues have seen some softening, primarily due in part to some cancellations and some delays in start dates.

SUMMARY FORECAST JUNE 2020	FULL YEAR BUDGET 2020	FORECAST APRIL 30th	FORECAST JUNE 30th	DIFF - $	DIFF - %	FORECAST JUNE 30th VS BUDGET	DIFF - %
Non-Program Revenues:							
Contributions	$455,580	$261,000	$362,941	$101,941	39.1%	($92,639)	-20.3%
Direct Mail Appeals	382,500	225,000	332,613	107,613	47.8%	(49,887)	-13.0%
Memberships	75,000	40,000	49,455	9,455	23.6%	(25,545)	-34.1%
Corporate Sponsors	100,000	25,000	30,000	5,000	20.0%	(70,000)	-70.0%
Special Events	122,205	25,000	132,627	107,627	430.5%	10,422	8.5%
Renovations/Cap Fund	10,000	0	10,000	10,000	NMF	0	0.0%
Combined Contributions	**$1,145,285**	**$576,000**	**$917,636**	**$341,636**	**59.3%**	**($227,649)**	**-19.9%**
Board Giving	$275,000	$351,050	$275,818	($75,232)	-21.4%	$818	0.3%
In-Kind Donations - Board	0	0	0	0	NMF	0	NMF
Special Events - Board	61,960	13,950	0	(13,950)	-100.0%	(61,960)	-100.0%
Total Board Giving	**$336,960**	**$365,000**	**$275,818**	**($89,182)**	**-24.4%**	**($61,142)**	**-18.1%**
Total Combined Contributions	**$1,482,245**	**$941,000**	**$1,193,454**	**$252,454**	**26.8%**	**($288,791)**	**-19.5%**
Earned Income	$261,266	$74,543	$16,744	($57,799)	-77.5%	($244,522)	-93.6%
General Grants	139,000	325,000	363,994	38,994	12.0%	224,994	161.9%
Total Non-Program Revenues	**$1,882,511**	**$1,340,543**	**$1,574,192**	**$233,649**	**17.4%**	**($308,319)**	**-16.4%**
Program Revenues:							
Marine Policy	$0	$0	$0	$0	NMF	$0	NMF
Stellwagon	45,000	65,000	0	(65,000)	-100.0%	(45,000)	-100.0%
Marine Debris	47,698	53,319	50,914	(2,405)	-4.5%	3,216	6.7%
Education	59,750	16,500	7,000	(9,500)	-57.6%	(52,750)	-88.3%
MAER	526,000	538,999	527,303	(11,696)	-2.2%	1,303	0.2%
GWERN	61,100	61,100	61,100	0	0.0%	0	0.0%
Right Whales	484,717	474,717	459,010	(15,707)	-3.3%	(25,707)	-5.3%
Seals	24,200	24,200	13,000	(11,200)	-46.3%	(11,200)	-46.3%
Fisheries	36,008	57,369	42,665	(14,704)	-25.6%	6,657	18.5%
Sea Floor Mapping	1,071,248	1,071,479	867,215	(204,264)	-19.1%	(204,033)	-19.0%
Humpback	95,000	150,718	215,763	65,045	43.2%	120,763	127.1%
CC Bay Monitoring	436,308	535,647	542,091	6,444	1.2%	105,783	24.2%
Total Program Revenues	**$2,887,029**	**$3,049,048**	**$2,786,061**	**($262,987)**	**-8.6%**	**($100,968)**	**-3.5%**
Contingency - General	0	(100,000)	(150,000)	(50,000)	50.0%	(150,000)	NMF
Total Revenues	**$4,769,540**	**$4,289,591**	**$4,210,253**	**($79,338)**	**-1.8%**	**($559,287)**	**-11.7%**
Gain/Loss Sale of Asset	0	0	0	0	NMF	0	NMF
Total Revenues	**$4,769,540**	**$4,289,591**	**$4,210,253**	**($79,338)**	**-1.8%**	**($559,287)**	**-11.7%**
Expenses:							
Total - Personnel	$3,301,156	$3,224,733	$3,215,031	($9,701)	-0.3%	($86,125)	-2.6%
Total - Non-Personnel	1,086,341	930,662	858,705	(71,957)	-7.7%	(227,636)	-21.0%
Depreciation	230,040	228,237	230,537	2,300	1.0%	497	0.2%
Total Expenses	**$4,617,537**	**$4,383,632**	**$4,304,274**	**($79,358)**	**-1.8%**	**($313,263)**	**-6.8%**
Net Income from Operations	**$152,003**	**($94,041)**	**($94,020)**	**$20**	**0.0%**	**($246,024)**	**NMF**

Expense Forecast. As previously discussed, Management has undertaken a number of actions to reduce expenses. CCS expects to reduce its Total Expenses from the Original Budget amount of $4,617,537 to the June 30th Forecast amount of $4,304,274, a reduction of -$313,263 (-6.8%).

Payroll and Payroll Related Expenses. Based upon the June 30th Forecast, CCS expects personnel related expenses to only decline by $86,125 (-2.6%) as compared to the Original Budget. To-date, CCS has only terminated one member of its staff has not otherwise reduced any levels of compensation. The one employee that CCS has terminated was let go due to poor performance.

As previously discussed, in March, CCS applied for, and received, a loan under the CARES ACT and its associated Payroll Protection Program ("PPP") in the amount of $382,700. CCS is very fortunate to have been one of the earliest companies to qualify for, and receive the loan, and expects that a significant majority of the $382,700, will eventually be converted from a short-term loan to a permanent grant.

There continues to be lots of confusion with respect to this PPP loans/grants, as no clear guidance with respect to forgiveness of the loans has been issued. Notwithstanding, these uncertainties, based on our best estimate, CCS is assuming that $350,000 (91.5%) of the PPP loan will be converted to a grant.

Recall that Congress's primary purpose, and requirement, when it created the PPP stimulus was that the monies would be used to keep staff employed and the business up and running, i.e., the lights on and the doors at least figuratively open. The receipt of the PPP monies has allowed CCS, and required CCS, not to reduce its staff in the near term, since the PPP is in effect paying the eligible costs of those employees for an eight-week period.

Non-Payroll Related Expenses. With respect to non-personnel expenses, CCS expects to reduce these expenses by $227,636 (-21.0%). These forecast expense reductions have come from the elimination, or deferral of discretionary expenses related to: building maintenance, conferences/training, travel, and other miscellaneous expenses. In addition, as certain fund-raising or Program related revenue initiatives have been scaled back, some of the expenses associated with those initiatives are also able to be reduced, for example, expenses related aircraft, Homeport, merchandise, tool sales and Stellwagon.