Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

2004

Open to Public Inspection

A For the 2004 calendar year, or tax year beginning OCT 1, 2004 and ending SEP 30, 2005

B Check if applicable: [X] Address change [ ] Name change [ ] Initial return [ ] Final return [ ] Amended return [ ] Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: THE OCEAN CONSERVANCY

Number and street (or P.O. box if mail is not delivered to street address): 2029 K STREET, NW — Room/suite: 5TH FL

City or town, state or country, and ZIP + 4: WASHINGTON, DC 20006

D Employer identification number: 23-7245152

E Telephone number: (202)429-5609

F Accounting method: [ ] Cash [X] Accrual [ ] Other (specify) ▶

● Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? [ ] Yes [X] No

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? N/A [ ] Yes [ ] No (If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling? [ ] Yes [X] No

G Website: ▶WWW.OCEANCONSERVANCY.ORG

J Organization type (check only one) ▶ [X] 501(c) (3) ◀ (insert no) [ ] 4947(a)(1) or [ ] 527

I Group Exemption Number ▶

K Check here ▶ [ ] if the organization's gross receipts are normally not more than $25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. **Some states require a complete return.**

M Check ▶ [ ] if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 22,834,671.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

1	Contributions, gifts, grants, and similar amounts received.				
a	Direct public support	1a	12,148,920.		
b	Indirect public support	1b			
c	Government contributions (grants)	1c	379,848.		
d	Total (add lines 1a through 1c) (cash $ 12,094,865. noncash $ 433,903.)			1d	12,528,768.
2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	123,541.
3	Membership dues and assessments			3	
4	Interest on savings and temporary cash investments			4	
5	Dividends and interest from securities			5	310,998.
6 a	Gross rents SEE STATEMENT 1	6a	320,539.		
b	Less rental expenses SEE STATEMENT 2	6b	723,085.		
c	Net rental income or (loss) (subtract line 6b from line 6a)			6c	<402,546.>
7	Other investment income (describe ▶)			7	

		(A) Securities		(B) Other
8 a	Gross amount from sales of assets other than inventory	9,367,547.	8a	
b	Less cost or other basis and sales expenses	8,662,792.	8b	
c	Gain or (loss) (attach schedule)	704,755.	8c	

d	Net gain or (loss) (combine line 8c, columns (A) and (B)) STMT 3			8d	704,755.
9	Special events and activities (attach schedule). If any amount is from **gaming**, check here ▶ [ ]				
a	Gross revenue (not including $ ______ of contributions reported on line 1a)	9a			
b	Less direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events (subtract line 9b from line 9a)			9c	
10 a	Gross sales of inventory, less returns and allowances	10a	10,142.		
b	Less cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a) STMT 4			10c	10,142.
11	Other revenue (from Part VII, line 103)			11	173,136.
12	**Total revenue** (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	13,448,794.
13	Program services (from line 44, column (B))			13	10,667,433.
14	Management and general (from line 44, column (C))			14	510,559.
15	Fundraising (from line 44, column (D))			15	2,352,032.
16	Payments to affiliates (attach schedule)			16	
17	Total expenses (add lines 16 and 44, column (A))			17	13,530,024.
18	Excess or (deficit) for the year (subtract line 17 from line 12)			18	<81,230.>
19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	11,204,805.
20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 5			20	<333,735.>
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21	10,789,840.

Revenue / Expenses / Net Assets

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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash $ noncash $)	22				
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25 Compensation of officers, directors, etc.	25	837,926.	712,700.	79,655.	45,571.
26 Other salaries and wages	26	3,577,291.	3,042,675.	340,064.	194,552.
27 Pension plan contributions	27	246,314.	209,296.	23,590.	13,428.
28 Other employee benefits	28	707,145.	600,868.	67,725.	38,552.
29 Payroll taxes	29	328,607.	279,220.	31,472.	17,915.
30 Professional fundraising fees	30				
31 Accounting fees	31	59,227.	55,579.		3,648.
32 Legal fees	32				
33 Supplies	33	84,819.	76,501.	5,402.	2,916.
34 Telephone	34	175,929.	163,115.	8,950.	3,864.
35 Postage and shipping	35	1,839,264.	1,088,068.	1,462.	749,734.
36 Occupancy	36	712,145.	619,995.	69,999.	22,151.
37 Equipment rental and maintenance	37				
38 Printing and publications	38	1,581,958.	983,731.	15.	598,212.
39 Travel	39	594,155.	584,442.	4,706.	5,007.
40 Conferences, conventions, and meetings	40				
41 Interest	41	274,331.	163,564.	100,297.	10,470.
42 Depreciation, depletion, etc (attach schedule)	42	303,745.	207,971.	82,430.	13,344.
43 Other expenses not covered above (itemize):					
a	43a				
b	43b				
c	43c				
d	43d				
e SEE STATEMENT 6	43e	2,207,168.	1,879,708.	<305,208.>	632,668.
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15.	44	13,530,024.	10,667,433.	510,559.	2,352,032.

Joint Costs. Check ▶ [X] if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ▶ [ ] Yes [X] No

If "Yes," enter (i) the aggregate amount of these joint costs $ 5,700,227. ; (ii) the amount allocated to Program services $ 3,342,982. ;

(iii) the amount allocated to Management and general $; and (iv) the amount allocated to Fundraising $ 2,357,245.

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? ▶ SEE STATEMENT 7

Program Service Expenses (Required for 501(c)(3) and (4) orgs , and 4947(a)(1) trusts, but optional for others)

We envision a world of wild, healthy oceans, where diverse ecosystems of abundant marine wildlife, natural habitats, and clean ocean waters are restored and conserved for generations to come

The Ocean Conservancy promotes healthy and diverse ocean ecosystems and opposes practices that threaten ocean life and human well-being Through research, education and science-based advocacy, The Ocean Conservancy informs, inspires, and empowers people to speak and act on behalf of the oceans In all its work, The Ocean Conservancy strives to be the world's foremost advocate for the oceans

A recognized authority on ocean policy in the United States The Ocean Conservancy aims to refocus national attention on our ocean systems The report from the U S Commission on Ocean Policy, following on the heels of the Pew Oceans Commission report, laid out a vision and a clear set of imperatives that our nation must understand, support, and adopt if we hope to restore diverse and abundant ocean ecosystems for generations to come

4,557,526.

The Ocean Conservancy was a principal supporter of the Oceans Act of 2000, which led to the work of the U S Commission on Ocean Policy, and an active participant on the Pew Oceans Commission We are, therefore, in a unique position to capitalize on their recommendations During the strategic planning process, we adopted the following six goals to guide our work

- *Restore* the health, diversity and resilience of coastal and ocean ecosystems,
- *Ensure* healthy, abundant marine fish communities and responsible fishing,
- *Conserve and restore* marine wildlife and the habitats that sustain them;
- *Reform* how our oceans are managed to better conserve and restore our ocean resources for future generations,
- *Empower* a diverse, targeted constituency to speak and act on behalf of ocean conservation,
- *Build and sustain* the nation's most effective team of ocean conservation professionals, and
- *Inspire* a national ocean ethic that recognizes the moral imperative to preserve the integrity, stability, and beauty of our living oceans

1,478,471.

Daily, we are reminded that our oceans suffer from multiple and cumulative assaults, such as overfishing, global warming, and pollution Yet government's attempts to cope with these harmful impacts on a case-by-case basis has largely failed, creating a demand for ecosystem-based management –innovative, comprehensive, and integrated ocean management that will ensure the health of the oceans

1,867,297.

Ecosystem-based management underlies all our initiatives, informs our policy, and shapes our advocacy We treat ecosystems as complex and interrelated communities of species and systems, including humans We promote precautionary management and approaches adapted to the changing character and needs of specific areas We seek to involve a broad spectrum of stakeholders and government agencies in a number of distinct geographic areas and we promote management and decision making that is participatory, equitable, and fair.

Just as ecosystem-based management informs The Ocean Conservancy's work we urge its broad adoption by all agencies and organizations responsible for ocean management We believe that ecosystem-based management will allow us to restore, protect, and maintain intact, functioning and connected ocean ecosystems It will allow us to provide for and manage human activities without compromising the health and integrity of ocean ecosystems See statements 8-12 for detail of program service accomplishments for the year ended 9/30/2005

807,678.

1,956,461.

f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶ 10,667,433.

Part IV Balance Sheets

Note: *Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.*

				(A) Beginning of year		(B) End of year
Assets	45	Cash - non-interest-bearing		171.	45	31,425.
	46	Savings and temporary cash investments		685,254.	46	301,941.
	47 a	Accounts receivable	47a 53,452.			
	b	Less allowance for doubtful accounts	47b	32,777.	47c	53,452.
	48 a	Pledges receivable	48a 2,234,263.			
	b	Less allowance for doubtful accounts	48b 14,000.	1,762,395.	48c	2,220,263.
	49	Grants receivable		186,942.	49	83,696.
	50	Receivables from officers, directors, trustees, and key employees			50	
	51 a	Other notes and loans receivable	51a			
	b	Less: allowance for doubtful accounts	51b		51c	
	52	Inventories for sale or use			52	
	53	Prepaid expenses and deferred charges		35,360.	53	94,798.
	54	Investments - securities STMT 13 STMT 14 ▶ ☐ Cost ☒ FMV		9,606,594.	54	9,430,731.
	55 a	Investments - land, buildings, and equipment: basis	55a			
	b	Less: accumulated depreciation	55b		55c	
	56	Investments - other SEE STATEMENT 15		334,865.	56	7,682.
	57 a	Land, buildings, and equipment: basis	57a 9,011,610.			
	b	Less: accumulated depreciation	57b 876,166.	710,245.	57c	8,135,444.
	58	Other assets (describe ▶ SEE STATEMENT 16)		21,299.	58	1,033,214.
	59	**Total assets** (add lines 45 through 58) (must equal line 74)		13,375,902.	59	21,392,646.
Liabilities	60	Accounts payable and accrued expenses		1,442,177.	60	1,793,805.
	61	Grants payable			61	
	62	Deferred revenue			62	
	63	Loans from officers, directors, trustees, and key employees			63	
	64 a	Tax-exempt bond liabilities			64a	
	b	Mortgages and other notes payable STMT 17			64b	4,099,680.
	65	Other liabilities (describe ▶ SEE STATEMENT 18)		728,920.	65	4,709,321.
	66	**Total liabilities** (add lines 60 through 65)		2,171,097.	66	10,602,806.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here** ▶ ☒ and complete lines 67 through 69 and lines 73 and 74				
	67	Unrestricted		6,043,333.	67	4,943,392.
	68	Temporarily restricted		3,632,077.	68	4,317,053.
	69	Permanently restricted		1,529,395.	69	1,529,395.
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 70 through 74				
	70	Capital stock, trust principal, or current funds			70	
	71	Paid-in or capital surplus, or land, building, and equipment fund			71	
	72	Retained earnings, endowment, accumulated income, or other funds			72	
	73	**Total net assets or fund balances** (add lines 67 through 69 **or** lines 70 through 72, column (A) **must** equal line 19, column (B) **must** equal line 21)		11,204,805.	73	10,789,840.
	74	**Total liabilities and net assets / fund balances** (add lines 66 and 73)		13,375,902.	74	21,392,646.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return

a	Total revenue, gains, and other support per audited financial statements	a	14,154,465.
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments $ <91,922.>		
(2)	Donated services and use of facilities $ 74,508.		
(3)	Recoveries of prior year grants $		
(4)	Other (specify): STMT 19 $ 723,085.		
	Add amounts on lines (1) through (4)	b	705,671.
c	Line a minus line b	c	13,448,794.
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 $		
(2)	Other (specify): $		
	Add amounts on lines (1) and (2)	d	0.
e	Total revenue per line 12, Form 990 (line c plus line d)	e	13,448,794.

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements	a	14,569,430.
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities $ 74,508.		
(2)	Prior year adjustments reported on line 20, Form 990 $		
(3)	Losses reported on line 20, Form 990 $ 531,910.		
(4)	Other (specify): STMT 20 $ 432,988.		
	Add amounts on lines (1) through (4)	b	1,039,406.
c	Line a minus line b	c	13,530,024.
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 $		
(2)	Other (specify) $		
	Add amounts on lines (1) and (2)	d	0.
e	Total expenses per line 17, Form 990 (line c plus line d)	e	13,530,024.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
ROGER RUFE, JR 2029 K STREET, N.W. 5TH FLOOR WASHINGTON, DC 20006	PRESIDENT 40	201,083.	12,065.	0.
WARNER CHABOT 2029 K STREET, N.W. 5TH FLOOR WASHINGTON, DC 20006	V.P. REGIONAL OPERATIONS 40	120,462.	7,228.	0.
STEPHANIE DREA 2029 K STREET, N.W. 5TH FLOOR WASHINGTON, DC 20006	V.P. COMMUNICATIONS 40	132,864.	7,972.	0.
DAVID HOSKINS 2029 K STREET, N.W. 5TH FLOOR WASHINGTON, DC 20006	V.P. GOVT. AFFAIRS & GC 40	120,462.	7,228.	0.
MATT SCHATZLE 2029 K STREET, N.W. 5TH FLOOR WASHINGTON, DC 20006	V.P. DEVELOPMENT 40	123,906.	7,434.	0.
THOMAS TEPPER, JR. 2029 K STREET, N.W. 5TH FLOOR WASHINGTON, DC 20006	SR. V.P. FINANCE & ADMIN. 40	139,149.	8,349.	0.
SEE ATTACHED LIST OF UNCOMPENSATED BOARD OF DIRECTORS		0.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than $100,000 from your organization and all related organizations, of which more than $10,000 was provided by the related organizations? If "Yes," attach schedule ▶ ☐ Yes ☒ No

Part VI Other Information

				Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		X	
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77			X
78 a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	78a		X	
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b		X	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79			X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a			X
b	If "Yes," enter the name of the organization ▶ ______ and check whether it is ☐ exempt or ☐ nonexempt.				
81 a	Enter direct or indirect political expenditures See line 81 instructions	81a	0.		
b	Did the organization file Form 1120-POL for this year?	81b			X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		X	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	74,508.		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a		X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b		X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a			X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A	84b			
85	*501(c)(4), (5), or (6) organizations.* a Were substantially all dues nondeductible by members? N/A	85a			
b	Did the organization make only in-house lobbying expenditures of $2,000 or less? N/A	85b			
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.				
c	Dues, assessments, and similar amounts from members	85c	N/A		
d	Section 162(e) lobbying and political expenditures	85d	N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A	85g			
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A	85h			
86	*501(c)(7) organizations.* Enter: a Initiation fees and capital contributions included on line 12	86a	N/A		
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A		
87	*501(c)(12) organizations.* Enter. a Gross income from members or shareholders	87a	N/A		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88		X	
89 a	*501(c)(3) organizations.* Enter Amount of tax imposed on the organization during the year under: section 4911 ▶ 0. ; section 4912 ▶ 0. , section 4955 ▶ 0.				
b	*501(c)(3) and 501(c)(4) organizations.* Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b			X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶		0.		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶		0.		

90 a List the states with which a copy of this return is filed ▶ SEE ATTACHED STATEMENT

b Number of employees employed in the pay period that includes March 12, 2004 | 90b | 85

91 The books are in care of ▶ THE OCEAN CONSERVANCY Telephone no ▶ (202)429-5609

Located at ▶ 2029 K STREET, N.W., WASHINGTON, DC ZIP + 4 ▶ 20006

92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of* Form 1041 - Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the tax year ▶ | 92 | N/A

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: *Enter gross amounts unless otherwise indicated.*	Unrelated business income		Excluded by section 512, 513, or 514		
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	(E) Related or exempt function income
93 Program service revenue.					
a PROGRAM SERVICE REVENUE					123,541.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	310,998.	
97 Net rental income or (loss) from real estate.					
a debt-financed property	531120	<402,546.>			
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	704,755.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					10,142.
103 Other revenue.					
a LIST RENTAL			13	68,159.	
b MERCHANDISE ROYALTIES			15	79,577.	
c MISCELLANEOUS INCOME			03	25,400.	
d					
e					
104 Subtotal (add columns (B), (D), and (E))		<402,546.>		1,188,889.	133,683.

105 Total (add line 104, columns (B), (D), and (E)) ▶ 920,026.

Note: *Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.*

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions)

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93	REVENUE PROVIDES SUPPORT FOR ENVIRONMENTAL, CONSERVATION, AND PUBLIC EDUCATIONAL PROGRAMS
102	SALES OF EDUCATIONAL PUBLICATIONS ON MARINE CONSERVATION ISSUES.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
2029 K STREET, LLC -	%	DISREGARDED ENTITY		
2029 K STREET, N.W.,	%	TO HOLD BUILDING		
WASHINGTON, DC, DC	%			
20006 - 54-2164045	100% %		590,020.	8,421,872.

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: *If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).*

Please Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

▶ [signature] Signature of officer | 2/14/2006 Date | ▶ THOMAS F TEPPER JR. SVP, OPERATIONS Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ JEFFREY SCHRAGE | Date 2/14/06 | Check if self-employed ▶ ☐ | Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ ARGY, WILTSE & ROBINSON, P.C.
8405 GREENSBORO DRIVE, SUITE 700
MCLEAN, VA 22102

EIN ▶

Phone no. ▶ (703) 893-0600

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

2004

Name of the organization: THE OCEAN CONSERVANCY

Employer identification number: 23 7245152

Part I **Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than $50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
ELLEN M. ATHAS WASHINGTON, DC	PROG DIRECTOR 40	86,870.	5,212.	
DENNIS HEINEMANN WASHINGTON, DC	PROG DIRECTOR 40	79,874.	4,792.	
DAVID DICKSON WASHINGTON, DC	PROG DIRECTOR 40	78,139.	4,688.	
MARK POWELL WASHINGTON, DC	PROG DIRECTOR 40	77,766.	4,666.	
JACK SOBEL WASHINGTON, DC	PROG DIRECTOR 40	76,014.	4,561.	
Total number of other employees paid over $50,000 ▶	25			

Part II **Compensation of the Five Highest Paid Independent Contractors for Professional Services**
(See page 2 of the instructions. List each one (whether individuals or firms) If there are none, enter "None")

(a) Name and address of each independent contractor paid more than $50,000	(b) Type of service	(c) Compensation
ARENT FOX PLLC 1050 CONNECTICUT AVENUE, NW, WASHINGTON, DC 20036	LEGAL	134,228.
KATHY BRICKER BETHESDA, MARYLAND 20816	CONSULTING	89,250.
Total number of others receiving over $50,000 for professional services ▶	0	

Part III Statements About Activities (See page 2 of the instructions)

			Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ $ ______ $ 23,337. (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) VI-A, LINE 38B	1	X	
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? *(If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)*			
a	Sale, exchange, or leasing of property?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities?	2c		X
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? SEE PART V, FORM 990	2d	X	
e	Transfer of any part of its income or assets?	2e		X
3 a	Do you make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments)	3a		X
b	Do you have a section 403(b) annuity plan for your employees?	3b	X	
4 a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4a		X
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i)

6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V)

7 ☐ A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)

8 ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).

9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii) **Enter the hospital's name, city, and state** ▶ ______

10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)

11a ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A.)

11b ☐ A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A.)

12 ☐ An organization that normally receives: **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions - subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)

13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: **(1)** lines 5 through 12 above; or **(2)** section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	**(b)** Line number from above

14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4) (See page 5 of the instructions)

Part IV-A **Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**
Note: *You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.*

Calendar year (or fiscal year beginning in) ▶	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	4,903,493.	9,534,948.	11,129,121.	9,603,861.	35,171,423.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	22,308.	41,589.	22,100.	27,583.	113,580.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	85,422.	418,899.	431,603.	589,526.	1,525,450.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	69,254.	221,584.	SEE STATEMENT 21 244,180.	179,544.	714,562.
23 Total of lines 15 through 22	5,080,477.	10,217,020.	11,827,004.	10,400,514.	37,525,015.
24 Line 23 minus line 17	5,058,169.	10,175,431.	11,804,904.	10,372,931.	37,411,435.
25 Enter 1% of line 23	50,805.	102,170.	118,270.	104,005.	

26 **Organizations described on lines 10 or 11:** a Enter 2% of amount in column (e), line 24 ▶ 26a 748,229.

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2000 through 2003 exceeded the amount shown in line 26a **Do not file this list with your return.** Enter the total of all these excess amounts ▶ 26b 3,570,620.

c Total support for section 509(a)(1) test. Enter line 24, column (e) ▶ 26c 37,411,435.

d Add: Amounts from column (e) for lines: 18 1,525,450. 19 ______ 22 714,562. 26b 3,570,620. ▶ 26d 5,810,632.

e Public support (line 26c minus line 26d total) ▶ 26e 31,600,803.

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ 26f 84.4683 %

27 **Organizations described on line 12:** a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." **Do not file this list with your return.** Enter the sum of such amounts for each year: N/A

(2003) ______ (2002) ______ (2001) ______ (2000) ______

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the **larger** of (1) the amount on line 25 for the year or (2) $5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals) **Do not file this list with your return.** After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year N/A

(2003) ______ (2002) ______ (2001) ______ (2000) ______

c Add: Amounts from column (e) for lines: 15 ______ 16 ______ 17 ______ 20 ______ 21 ______ ▶ 27c N/A

d Add: Line 27a total ______ and line 27b total ______ ▶ 27d N/A

e Public support (line 27c total minus line 27d total) ▶ 27e N/A

f Total support for section 509(a)(2) test Enter amount on line 23, column (e) ▶ 27f N/A

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ 27g N/A %

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ 27h N/A %

28 **Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant **Do not file this list with your return.** Do not include these grants in line 15

NONE

Part V Private School Questionnaire (See page 7 of the instructions) N/A
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

			Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31		
	If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement)			
32	Does the organization maintain the following			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement)			
33	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement)			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b	Has the organization's right to such aid ever been revoked or suspended?	34b		
	If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C B. 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)

(To be completed ONLY by an eligible organization that filed Form 5768)

Check ▶ a ☐ if the organization belongs to an affiliated group Check ▶ b ☐ if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		1,337.
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		22,000.
38 Total lobbying expenditures (add lines 36 and 37)	38		23,337.
39 Other exempt purpose expenditures	39		13,506,687.
40 Total exempt purpose expenditures (add lines 38 and 39)	40		13,530,024.
41 Lobbying nontaxable amount Enter the amount from the following table -			
If the amount on line 40 is - / The lobbying nontaxable amount is -			
Not over $500,000 — 20% of the amount on line 40			
Over $500,000 but not over $1,000,000 — $100,000 plus 15% of the excess over $500,000			
Over $1,000,000 but not over $1,500,000 — $175,000 plus 10% of the excess over $1,000,000	41		826,501.
Over $1,500,000 but not over $17,000,000 — $225,000 plus 5% of the excess over $1,500,000			
Over $17,000,000 — $1,000,000			
42 Grassroots nontaxable amount (enter 25% of line 41)	42		206,625.
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		0.
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		0.

Caution: *If there is an amount on either line 43 or line 44, you must file Form 4720.*

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 11 of the instructions)

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
45 Lobbying nontaxable amount	826,501.	427,770.	764,769.	786,774.	2,805,814.
46 Lobbying ceiling amount (150% of line 45(e))					4,208,721.
47 Total lobbying expenditures	23,337.	14,445.	57,085.	50,835.	145,702.
48 Grassroots nontaxable amount	206,625.	118,193.	191,192.	196,694.	712,704.
49 Grassroots ceiling amount (150% of line 48(e))					1,069,056.
50 Grassroots lobbying expenditures	1,337.	2,291.	9,138.	8,697.	21,463.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions) N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 11 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of:			
(i) Cash	51a(i)		X
(ii) Other assets	a(ii)		X
b Other transactions:			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii) Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii) Rental of facilities, equipment, or other assets	b(iii)		X
(iv) Reimbursement arrangements	b(iv)		X
(v) Loans or loan guarantees	b(v)		X
(vi) Performance of services or membership or fundraising solicitations	b(vi)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received: N/A

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule: N/A

(a) Name of organization	(b) Type of organization	(c) Description of relationship

FORM 990 RENTAL INCOME STATEMENT 1

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
2909 K STREET, WASHINGTON, DC	1	320,539.
TOTAL TO FORM 990, PART I, LINE 6A		320,539.

FORM 990 RENTAL EXPENSES STATEMENT 2

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
RENTAL EXPENSES		723,085.	
- SUBTOTAL -	1		723,085.
TOTAL TO FORM 990, PART I, LINE 6B			723,085.

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 3

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
INVESTMENTS	9,367,547.	8,662,792.	0.	704,755.
TO FORM 990, PART I, LINE 8	9,367,547.	8,662,792.	0.	704,755.

FORM 990 — INCOME AND COST OF GOODS SOLD INCLUDED ON PART I, LINE 10 — STATEMENT 4

INCOME

1. GROSS RECEIPTS	10,142	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		10,142
4. COST OF GOODS SOLD (LINE 13)		
5. GROSS PROFIT (LINE 3 LESS LINE 4)		10,142

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR		
7. MERCHANDISE PURCHASED		
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		
12. INVENTORY AT END OF YEAR		
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12)		

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 5

DESCRIPTION	AMOUNT
NON-UTILIZED BUILDING DESIGN COSTS	<164,031.>
WEBSITE IMPAIRMENT	<77,782.>
UNREALIZED LOSS ON MARKETABLE SECURITIES	<91,922.>
TOTAL TO FORM 990, PART I, LINE 20	<333,735.>

FORM 990 OTHER EXPENSES STATEMENT 6

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
OTHER PROFESSIONAL FEES/ CONSULTANTS	1,372,119.	1,006,984.	11,345.	353,790.
SUBSCRIPTIONS & DUES	54,127.	48,111.	1,140.	4,876.
INSURANCE	85,961.	68,443.	13,127.	4,391.
LIST RENTALS	122,822.	62,064.	0.	60,758.
ADVERTISING EXPENSE	44,721.	36,764.	1,010.	6,947.
COMPUTER EXPENSES	234,688.	179,043.	1,240.	54,405.
MISCELLANEOUS EXPENSES	251,202.	188,708.	25,598.	36,896.
OTHER MATERIALS/ INCENTIVES	193,439.	106,598.	315.	86,526.
PROPERTY TAXES	99,680.	52,864.	43,424.	3,392.
TEMPORARY HELP	80,785.	63,187.	357.	17,241.
REPAIRS & MAINTENANCE	100,612.	66,942.	30,224.	3,446.
BUILDING EXPENSES ALLOCATED TO RENTAL ACTIVITY	<432,988.>		<432,988.>	
TOTAL TO FM 990, LN 43	2,207,168.	1,879,708.	<305,208.>	632,668.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 7
PART III

EXPLANATION

THE EDUCATION OF MEMBERS AND THE GENERAL PUBLIC OF THE IMPACT OF THEIR ACTIONS ON THE MARINE ENVIRONMENT.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 8

DESCRIPTION OF PROGRAM SERVICE ONE

CITIZEN OUTREACH, POLLUTION PREVENTION AND MONITORING:
THROUGH THIS PROGRAM, THE OCEAN CONSERVANCY CONDUCTS OUTREACH AND POLLUTION PREVENTION AND MONITORING PROJECTS FOR CITIZENS. THESE EFFORTS HELP TO FURTHER OUR CONSERVATION GOALS AND TO EDUCATE THE PUBLIC ABOUT HOW THEIR BEHAVIORS IMPACT THE OCEANS. VOLUNTEER PROGRAMS SUCH AS WATER QUALITY MONITORING, BEACH CLEAN-UPS, STORM DRAIN STENCILING, AND CORAL REEF MONITORING ENABLE CITIZENS TO ENGAGE IN HANDS-ON CONSERVATION ACTIVITIES. DATA AND INFORMATION GATHERED BY CITIZENS IS PRESENTED TO POLICY MAKERS IN BUSINESS AND IN LOCAL, STATE AND FEDERAL GOVERNMENTS.

	EXPENSES
TO FORM 990, PART III, LINE A	4,557,526.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 9

DESCRIPTION OF PROGRAM SERVICE TWO

WILDLIFE CONSERVATION:
THROUGH GRASS ROOTS EFFORTS, SCIENCE AND ADVOCACY, THE OCEAN CONSERVANCY'S WILDLIFE CONSERVATION PROGRAMS SEEK TO PREVENT THE OVEREXPLOITATION OF MARINE FISH, MAMMALS, AND TURTLES TO PROTECT VULNERABLE POPULATIONS, AND TO RESTORE DIMINISHED POPULATIONS, AND TO RESTORE DIMINISHED POPULATIONS TO HEALTHIER NUMBERS. WE PARTICULARILY WORK TOWARD EFFECTIVE NEW LAWS AND CONSCIENTIOUS ENFORCEMENT OF EXISTING LAWS THAT PROTECT OCEAN WILDLIFE.

	EXPENSES
TO FORM 990, PART III, LINE B	1,478,471.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 10

DESCRIPTION OF PROGRAM SERVICE THREE

ECOSYSTEM PROTECTION:
OUR ECOSYSTEM PROGRAM WORKS TO CONSERVE VITAL OCEAN ECOSYSTEMS SUCH AS CORAL REEFS, KELP FORESTS, AND OTHER AREAS THAT PROVIDE HABITAT FOR A VARIETY OF MARINE LIFE. WE WORK TO CREATE MARINE SANCTUARIES AND PROTECTED AREAS, AND WE EMPLOY ADVOCACY TO PROTECT OCEAN ECOSYSTEMS FROM MARINE DEBRIS, SPILLS OF HAZARDOUS MATERIALS, SEWAGE DISCHARGES, AND POLLUTED RUNOFF.

	EXPENSES
TO FORM 990, PART III, LINE C	1,867,297.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 11

DESCRIPTION OF PROGRAM SERVICE FOUR

INTERNATIONAL INITIATIVES:
THE OCEAN CONSERVANCY'S INTERNATIONAL EFFORTS FOSTER COLLABORATIONS AMONG NATIONS TO CONSERVE MARINE RESOURCES AND WILDLIFE, DIVERSE ECOSYSTEMS, AND TO PREVENT POLLUTION. WE COLLABORATE BOTH WITH GOVERNMENTS (PARTICULARLY IN THE CARRIBEAN) AND THROUGH INTERNATIONALCONVENTIONS SUCH AS THE CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES, THE INTERNATIONAL CONVENTION FOR THE REGULATION OF WHALING, AND OTHERS.

	EXPENSES
TO FORM 990, PART III, LINE D	807,678.

FORM 990 OTHER PROGRAM SERVICES STATEMENT 12

DESCRIPTION	EXPENSES
REGIONAL IMPACT	575,923.
MARKETING, MEDIA & PUBLICATION	1,380,538.
TOTAL TO FORM 990, PART III, LINE E	1,956,461.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 13

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
MORTGAGE-BACKED SECURITIES	FMV			778,075.	778,075.
MONEY MARKET ACCOUNTS	FMV			763,675.	763,675.
EQUITY SECURITIES AND HEDGE FUNDS	FMV			5,979,870.	5,979,870.
MUTUAL FUNDS	FMV			1,642,820.	1,642,820.
TO FORM 990, LINE 54, COL B				9,164,440.	9,164,440.

FORM 990 GOVERNMENT SECURITIES STATEMENT 14

DESCRIPTION	COST/FMV	U.S. GOVERNMENT	STATE AND LOCAL GOV'T	TOTAL GOV'T SECURITIES
STATE AND LOCAL GOV'T OBLIGATIONS	FMV		266,291.	266,291.
TOTAL TO FORM 990, LINE 54, COL B			266,291.	266,291.

FORM 990	OTHER INVESTMENTS	STATEMENT 15
DESCRIPTION	VALUATION METHOD	AMOUNT
ENVIPCO STOCK	MARKET VALUE	7,682.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		7,682.

FORM 990 OTHER ASSETS STATEMENT 16	
DESCRIPTION	AMOUNT
DEPOSITS	23,679.
CHARITABLE REMAINDER TRUST RECEIVABLE	227,025.
BUILDING RESERVES & ESCROWS	547,251.
DEBT ISSUANCE COSTS, NET	235,259.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	1,033,214.

FORM 990 MORTGAGES PAYABLE STATEMENT 17	
DESCRIPTION	BALANCE DUE
MORTGAGE	4,099,680.
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64B, COLUMN B	4,099,680.

FORM 990 OTHER LIABILITIES STATEMENT 18	
DESCRIPTION	AMOUNT
ANNUITY PAYMENT LIABILITY	697,274.
LINE OF CREDIT	4,000,000.
TENANT DEPOSITS	12,047.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	4,709,321.

FORM 990	OTHER REVENUE NOT INCLUDED ON FORM 990	STATEMENT 19

DESCRIPTION	AMOUNT
RENTAL EXPENSES	723,085.
TOTAL TO FORM 990, PART IV-A	723,085.

FORM 990	OTHER EXPENSES NOT INCLUDED ON FORM 990	STATEMENT 20

DESCRIPTION	AMOUNT
RENTAL EXPENSES	432,988.
TOTAL TO FORM 990, PART IV-B	432,988.

SCHEDULE A	OTHER INCOME	STATEMENT 21

DESCRIPTION	2003 AMOUNT	2002 AMOUNT	2001 AMOUNT	2000 AMOUNT
ROYALTIES	69,254.	221,584.	244,180.	179,544.
TOTAL TO SCHEDULE A, LINE 22	69,254.	221,584.	244,180.	179,544.

The Ocean Conservancy
For the year ended 09/30/2005

EIN # 23-7245152

2004 Form 990, Parts II & IV, lines 42 & 57

	Balance @ 09/30/2004	Additions	Disposals/ Other Adjustments	Balance @ 09/30/2005
Fixed Assets				
Furniture & Fixtures	185,811	-	-	185,811
Computer Equipment	490,642	420,525	-	911,167
Leasehold Improvements	25,276	-	-	25,276
Computer Software	-	-	-	-
Building in progress	347,580	-	(347,580)	-
Building 2029K Street	-	7,222,133	-	7,222,133
Building Improvements	-	489,378	-	489,378
Total Fixed Assets	1,049,309	8,132,036	(347,580)	8,833,765
Intangible Assets				
Intellectual Property	177,845	-	-	177,845
Total Intangible Assets	177,845	-	-	177,845
Total to Part IV, line 57(a)	1,227,154	8,132,036	(347,580)	9,011,610

	Balance @ 09/30/2004	Additions	Disposals/ Other Adjustments	Balance @ 09/30/2005
Accumulated Depreciation	462,170	262,721	77,782	802,673
Total Accumulated Depreciation	462,170	262,721	77,782	802,673
Accumulated Amortization				
Intellectual Property	54,740	18,752	-	73,492
Total Accumulated Amortization	54,740	18,752	-	73,492
Total to Part IV, line 57(b)	516,910	281,473	77,782	876,165
Amortization Expense on other deferred charges		22,272		
Total depreciation and amortization to Part II, line 42		303,745		

Property, equipment, and intangibles are recorded at cost, and depreciated or amortized on a straight-line basis over the estimated useful lives ranging between 3-40 years.

The Ocean Conservancy EIN #23-7245152
For the year ended 09/30/2005

2004 Form 990, Part V- Board Members

The board of directors of The Ocean Conservancy is comprised of immensely talented and dedicated individuals—each helping to ensure we achieve our mission to inform, inspire, and empower people to speak and act for the oceans.

The members of the board are not compensated and spend an average of 60 hours per year devoted to their position. This is an average of 1.15 hours per week.

Board Members
Mr. Philip M. Gresh- Chair
Ms. Cecily Majerus- Vice Chair
Mr. Thomas Joseph Lucey- Treasurer
Ms. Shari Sant Plummer- Secretary
Mr. Robert N. Allen, Jr.
Mr. Curtis Bohlen
Dr. Paul K. Dayton
Mr. David Dossetter
Dr. Sylvia A. Earle
Ms. Antoinette Ford
Mr. David P. Hunt
Mr. Chris Kuebler
Ms. Susan P. Martin
Mr. H. Edward Muendel
Dr. John C. Ogden
Captain Bill Pinkney
Mr. Patrick Purcell
Ms. Barbara Paul Robinson
Ms. Barbara Sweet
Mr. David Zaches

All of the above individuals can be contacted at 2029 K Street, N.W., 5th Floor, Washington, D.C. 20006.

The Ocean Conservancy EIN #23-7245152
For the year ended 09/30/2005

2004 Form 990, Part VI, Line 76

New National Office of The Ocean Conservancy
2029 K Street, NW Washington, DC

In late 2004, The Ocean Conservancy launched an initiative to establish a permanent ocean conservation center in the nation's capital. Thanks to the generous support of a small group of friends of the oceans, the effort identified, and subsequently acquired, a property on Washington, DC's highly visible K Street, a mere three blocks from the White House. The building's design, construction, and day-to-day operations will demonstrate how modern building construction can harmonize with the goal of wild, healthy oceans.

A Home for the Oceans

The Ocean Conservancy moved into 2029 K Street in April 2005. An investment by The Ocean Conservancy, and direct donor support made the acquisition possible. William McDonough, America's foremost "green" architect, with Tom Kiser of Professional Supply, Inc., are redesigning the national office to affirm The Ocean Conservancy's conservation philosophy and set an example for other organizations and businesses.

McDonough has played a key role in defining and creating sustainable design for more than two decades. Through his firm, William McDonough & Partners, McDonough assists clients worldwide in creating buildings and communities that embody new and enduring standards of economic, social, and ecological efficiency. Practicing a positive, principled approach that draws inspiration from living systems, McDonough's work garners respect and serves as a benchmark for sustainable design around the world.

Cost-Savings

The redesign will result in significant cost savings through reduced occupancy costs and through incorporating energy-saving and eco-effective systems. For instance, a "smart" system will use technology to effectively manage and distribute heating and ventilation. Occupancy and occupational savings will be redirected to what is most important — The Ocean Conservancy's strategic initiatives.

Conservation-in-Action

The building will serve as an example of how The Ocean Conservancy's daily operations reflect the organization's conservation philosophy. Examples of this conservation-in-action include:

Decreasing the environmental impact of the building and its occupants by using energy efficient lighting and system controls, incorporating renewable energy from solar panels whe re possible, and similar environmentally conscientious technology;

Conservation-in-Action (cont.)

Use of "green" materials, including:
Low volatile organic compound (VOC) paints and adhesives;
Materials with recycled content such as Paperstone counters, recycled polyester fabrics, Eco-resin, and recaptured gypsum board;
Materials made from renewable resources such as bamboo, wheatboard, and corn;
Materials that minimize waste, such as carpet tile and DIRTT glass panel walls; and,
Use of recyclable "biological nutrients" and "industrial nutrients."

An Energized & Productive Workforce

Improved indoor air quality, increased exposure to daylight, and more control over individual work environments will increase productivity. A work environment, which reflects a conservation philosophy, will energize individuals and contribute directly to program objectives and success. Examples of how the redesign will improve employees' capabilities to serve their mission include:
Increased mobility and flexibility for visitors and occupants through wireless network and touch down points;
Ergonomically constructed furniture made with "green" materials;
Ample conference and collaborative spaces; and,
Alternative commuting solutions—including secured bicycle storage and improved access to public transportation—to combat uncontrolled energy consumption and climate change.

The Future of Ocean Conservation

To show appreciation for benefactors of the oceans and the national center for ocean conservation, several naming and recognition opportunities are possible as well. Individuals passionate about conservation have the opportunity to attach their name to the legacy of marine conservation and ensure the future of The Ocean Conservancy.

In addition, The Ocean Conservancy will provide opportunities for others to show support for marine conservation: additional ocean conservation groups also plan to occupy the center once improvements are completed.

The Ocean Conservancy's national center for ocean conservation will help the conservation movement raise awareness of the national conscience on marine issues, foster sea change in our ocean management practices, and above all, strengthen conservation efforts and progress towards preserving wild and healthy oceans worldwide.

The Ocean Conservancy EIN # 23-7245152
For the year ended 09/30/2005

2004 Form 990, Part VI- Question 90(a)

States with which a copy of this return is filed

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