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# Annual Report 2021



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Establishment Year

Annual Benefit Report

Annual Report 2021

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Science at Sea



## Year 2021

### Annual Benefit Report Table of contents

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# Building the Fleet

## Our Mission

**GMSO facilitates science at sea and expands ocean research opportunities for all scientists and explorers by providing efficient and professionally staffed research vessels.**

We are a company that is growing to meet the need for accessible, affordable, and safe ocean research.



## Introducing GMSO

Greenwater Marine Sciences Offshore Inc. (GMSO) was converted from a limited liability company and registered as a Virginia Benefit Corporation on 11 June 2021. Founded and led by Commander G. Mark Miller, a retired National Oceanic and Atmospheric Administration (NOAA) Corps officer who spent more than 20 years operating and managing NOAA research vessels, GMSO plans to increase available research ship capacity by offering fully crewed and operational small (60'-100') research vessels to the oceanographic community. The demand for research activities at sea currently outstrips the availability of research vessels, hampering efforts to better understand (and ultimately better manage) ocean ecosystems and processes. GMSO intends to provide public benefit by increasing access to science at sea. Expanding ocean science opportunities to scientists and explorers (otherwise unable to find or afford vessel-based research) not only enables greater investigation and understanding of our ocean but also decreases the exclusivity of oceanographic research. Removing barriers of availability and affordability advances diversity and inclusion within the ocean science, technology, and exploration disciplines, creating both social and environmental benefits.

# Core Values

Who we are forms the foundation of how we do business at GMSO.



**Operational expertise**

**Adaptability**

**Efficiency**

**Passion for the ocean**



-David Kennedy, Former NOAA Deputy Under Secretary for Operations, NOAA's chief operating officer, and top career official

During my time as Deputy Under Secretary for Operations at NOAA, it became clear that there was a real gap in the availability of mid-sized and smaller support vessels. Mark researched this problem and has now provided the solution with GMSO.

# GMSO Milestones in 2021



### The Challenge

Of the 15,000-20,000 days at sea annually requested, the NOAA fleet could only fulfill 15% or less.



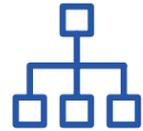
### The Opportunity

Of those unfulfilled requested days, an estimated 20-35% (3,000 to 7,000 days) could have been fulfilled with small research vessels.

### GMSO Meeting the Need

By providing access to affordable, safe, professionally staffed research vessels, GMSO opens up ocean science to a population previously unable to successfully compete for days at sea on our nation's research fleet, academic fleet, or private research vessels. GMSO enables young researchers and explorers from underrepresented demographics.

# Our Approach



## ***Experience first***

Hire NOAA and USCG veterans and others experienced in complex operations at sea and familiar with scientific integrity and process.  
Keep costs low by



## ***Control costs***

Keep costs low by maintaining simply designed, small, and efficient research vessels for multi-day, near-shore, and coastal operations.



## ***Partner for success***

Partner with other organizations to expand our network, identify demand and meet requirements.



## ***Pursue long-term growth***

Pursue long-term government contracts to support the fleet for long-term success.  
Reinvest revenue to grow fleet.



## ***Remain accessible and flexible***

Ensure easy access to our fleet's most efficient and economical vessels for university students, early-career scientists, NGOs, and other groups unable to book sea days on existing large ships.



## **Ocean JEDI**

Work with NGOs and individuals who can subsidize costs for ocean science researchers and support diversification of the marine science and maritime industries.

We are a company that is growing to meet the need for accessible, affordable, and safe ocean research.



# GMSO Board of Directors



Commander G. Mark Miller, NOAA (ret.)

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**Position:** President, Chief Executive Officer |

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Commander G. Mark Miller, a 20-year veteran of distinguished service for NOAA commanding, managing, and operating small and large research vessels as a uniformed officer in NOAA Corps. Through his prominent role in the marine science research community, Commander Miller has a broad and growing professional network of mariners, marine scientists, and ocean explorers. He holds an Unlimited Master Mariner (captain) USCG license, a degree in Marine Geology from Long Island University, a Master Diver certification, is a Returned Peace Corps Volunteer (Republic of Congo), and a member of The Explorers Club.



Anne E. Beaumont

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**Position:** Board Member | **Partner, Friedman Kaplan Seiler & Adelman, LLP**

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Anne Beaumont is a partner in the New York law firm Friedman Kaplan Seiler & Adelman LLP, where her practice focuses on financial services litigation matters. She is a volunteer crew member at the South Street Seaport Museum and sails extensively on traditional sailing vessels.



David M. Kennedy

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**Position:** Board Member | **Chair, United States Arctic Research Commission,**  
| **Global Fellow of the Wilson Center's Polar Institute**

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Mr. David Kennedy has over 50 years of experience and leadership in science, research, environmental management, and development of legislation and national initiatives. He is a recognized national expert in the field of emergency pollution response; contingency planning; innovative technology development; matrix and collaborative program management; and a suite of coastal issues focused on development, climate change, energy, and coastal resiliency. He previously served as NOAA's Deputy Under Secretary for Operations. As NOAA's Chief Operating Officer, Kennedy was responsible for the day-to-day management of NOAA's national and international operations for ocean and atmospheric services, research and coastal and marine stewardship.

# GMSO Advisory Board



The Honorable Tim Gallaudet, PhD, Rear Admiral, U.S. Navy

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**CEO, Ocean STL Consulting, LLC and Host of The American Blue**

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Dr. Tim Gallaudet brings over 30 years of sea-going experience in oceanographic research. From 2017-2021, Gallaudet served as the Assistant Secretary of Commerce for Oceans and Atmosphere / Deputy NOAA Administrator, and from 2017-2019 he also served as the Acting Under Secretary of Commerce for Oceans and Atmosphere / NOAA Administrator. Gallaudet's top priority for NOAA was people. He was a vocal champion for NOAA's diversity and inclusion, leader development, coaching, facilitating, new supervisor training, and awards programs. Prior to NOAA, Gallaudet served for 32 years in the US Navy, completing his career as the Oceanographer of the Navy.



Sandra Stosz, Vice Admiral, US Coast Guard (ret.)

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**CEO, Sandra Stosz, LLC and Published Author**

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Admiral Sandy Stosz started out in the US Coast Guard as an ensign serving on polar icebreakers, conducting national security missions from the Arctic to the Antarctic. Her forty-year career is filled with leadership lessons gleaned while breaking ice and breaking glass as the first woman to command an icebreaker on the Great Lakes and to lead a US armed forces service academy. Along the way, Sandy served for 12 years at sea, commanding two ships, and led large Coast Guard organizations during times of crisis and complexity. She finished her career as the first woman assigned as Deputy Commandant for Mission Support, directing one of the Coast Guard's largest enterprises. She has lectured widely on leadership, and has been featured on CSPAN and other media outlets.

# Financial Report 2021

An independent review of GMSO's 2021 financial statements was undertaken by Keiter CPAs who found them "in accordance with accounting principles generally accepted in the United States." (Appendix A)

## Overview - Statement of our Company

	2021	2020
<b>Balance Sheet</b>		
<b>Assets</b>		
Current Assets:		
Cash	\$ 21,822	\$ 13,642
Accounts receivable	-	\$ 425
Total current assets	\$ 21,822	\$ 14,067
Deposit	\$ 2,000	-
Total assets	\$ 23,822	\$ 14,067
<b>Liabilities and Owners; Equity</b>		
Current Liabilities:		
Accounts payable	\$ 1,154	-
Owners' equity		
Common stock at \$0.0001 par value, 20,000,000 shares authorized, 8,030,000 shares issued and outstanding as of 31 December 2021	\$ 803	-
Additional paid-in capital	\$ 39,847	-
Accumulated deficit	\$ (17,982)	-
Members' equity	-	\$ 14,067
Total owners' equity	\$ 22,668	\$ 14,067
Total liabilities and owners' equity	\$ 23,822	\$ 14,067
<b>Statements of Operations</b>		
Revenue	-	-
Operating expenses	\$ 41,765	\$ 10,408
Operating loss	\$ (41,765)	\$ (10,408)
Other income	-	\$ 900
Net loss	\$ (41,765)	\$ (9,508)

Statements of Changes in Owners' Equity					
	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Members' Equity	Total
Balance 1 January 2020	-	-	-	\$ 23,575	\$ 23,575
Net loss	-	-	-	\$ (9,508)	\$ (9,508)
Balance 31 December 2020	-	-	-	\$ 14,067	\$ 14,067
Contributions from member	-	-	-	\$ 20,000	\$ 20,000
Net loss	-	-	\$ (17,982)	\$ (23,783)	\$ (41,765)
Conversion to C-Corp	\$ 760	\$ 9,524	-	\$ (10,284)	-
Issuance of common stock	\$ 43	\$ 30,323	-	-	\$ 30,366
Balance 31 December 2021	\$ 803	\$ 39,847	\$ (17,982)	-	\$ 22,668

Statements of Cash Flows			2021	2020
<b>Cash flows from operating activities:</b>				
Net loss			\$ (41,765)	\$ (9,508)
Adjustments made to reconcile net loss to net cash from operating activities:				
Changes in operating assets and liabilities:				
Accounts receivable			\$ 425	\$ (425)
Deposit			\$ (2,000)	-
Accounts payable			\$ 1,154	-
Net cash used in operating activities			\$ (42,186)	\$ (9,933)
<b>Cash flows from financing activities:</b>				
Contributions from member			\$ 20,000	-
Issuance of common stock			\$ 30,366	-
Net cash provided by financing activities			\$ 50,366	-
Net change in cash			\$ 8,180	\$ (9,933)
Cash, beginning of year			\$ 13,642	\$ 23,575
Cash, end of year			\$ 21,822	\$ 13,642

# Leadership Discussion

# We are the result of our hard work.



**2021 was a year to build foundations for my castles in the sky. Turning the dream of an accessible and affordable private research fleet into reality made major gains this year. GMSO has many challenges ahead of us and many pitfalls to avoid, but we're moving forward smartly.**

**-Commander G. Mark**

**Miller**

Risks identified in the financial review:

- The company maintains its cash in a high credit quality financial institution with balances that periodically exceed federally insured limits.
- Care should be taken to ensure

that accounts receivable and other income comes from a diverse variety of customers to ensure financial stability.

- Deferred tax liabilities are recognized for temporary differences that will be taxable in future years' tax returns.

Additional challenges include:

- The Company is still in its earliest stages and will not be able to commence full operations until it acquires its first ship and refits it. Because the Company is a startup company, there can be no assurance that the Company will be able to continue its growth plans in the timeframes estimated by man-

agement. The Company may need additional future funding to continue its growth strategy and may be unable to obtain such funding.

- The Company may need to raise additional financing in the future to fund continued growth, and such financing will depend on numerous factors, such as the credit environment and equity market environment.
- The Company may never receive a future equity financing or elect to convert the Securities upon such future financing.
- Our future success depends on the efforts of a small management team.
- The Company may be unable to locate suitable existing ships for acquisition.

- The Company's financial results and operations will be dependent upon the overall economic conditions in the United States and elsewhere.
- Rapid and significant changes in the price of fuel could adversely impact its business, results of operations, and financial condition.
- Weather conditions could impact the ability of the Company to provide its fleet of ships for operations, and could subject ships to damage or even destruction, causing significant unanticipated costs, losses, and downtime that could negatively impact the Company's results of operation and financial condition.
- Costs of insurance are highly variable, and the cost of insurance for the vessels and their operation could negatively impact the Company's operations.
- The Company could have difficulty competing with competitors who operate with a lower cost structure or have access to greater financial resources.
- There is no assurance that the Company will be able to compete success-

fully with new entrants into the market.

- Engaging in worldwide operations could expose the Company to risks associated with fluctuations in foreign currency exchange rates, commodity prices, and interest rates, as well as ship and personnel detainment by foreign entities.
- Some of the Company's competitors may have lower costs of funds and greater financial resources than those available to the Company and thus be in a better position to attract talent, attract vendors, and underwrite leases.
- The success of the Company depends heavily upon the skill, expertise, and efforts of management.
- The Company does not currently maintain "key man insurance."
- Revenue growth is dependent upon strong industry relationships with the ocean-going scientific community.
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# Steaming Ahead

GMSO is committed to cultivating safe, affordable, and accessible research platforms at sea. To make this happen, staff is already diligently focused on fundraising for vessel acquisition and procuring contracts and partnerships. Examining our social and environmental benefit goals within the first few months of establishment has been a good exercise to understand how we can better firm up GMSO's values by codifying them into our corporate structure and culture. While maintaining the progress made in 2021, next year GMSO will:

## Establish a scalable, long-visioned corporate framework

Focusing on our core values, develop our governance, staff, partner, and customer policies, procedures, and protocols in such a manner that can be scaled up with our anticipated long term growth.

## Intentionally grow

Partner on projects that align with our mission.

Raise additional funding and secure loans to fill the fleet and expand operations.

Staff up according to our high environmental and social standards.

## Earn B Corp certification

Deepen our commitment to advancing social and environmental progress through formal assessment and accreditation.

### Ukraine

Always a challenge in Ukraine, access to potable water has become critical due to war. Enormous regions of the country and large amounts of the population no longer can obtain water clean enough to drink, even after boiling. GMSO, as part of the new Ukraine Safe Drinking Water Solutions Partnership, will provide proper water testing equipment and training to Ukrainian communities, as well as guidance and coordination to establish priorities and effective protocols.

### FKNMS

GMSO was contacted by the Florida Keys National Marine Sanctuary (FKNMS) after an unreported injury led to the discovery of multiple violations of NOAA's Small Boat Program regulations. After an immediate safety stand down and internal review, sanctuary leadership decided to contract an independent evaluation and review of their vessel operations program. Working with Cardinal Point Captains, GMSO will be conducting the assessment; reviewing future mission requirements; identifying gaps and challenges; making program, operations, and staff recommendations; and providing a report.

### Henderson Island

Henderson Island, the largest of the Pitcairn Islands, is considered the most remote island in the world. Though uninhabited and the farthest location from land, this South Pacific UNESCO World Heritage Site also has the world's highest density of trash. Partnering with Howell Conservation Fund, Ocean Recovery Alliance, and Pew, GMSO is in discussions to provide logistics and vessel support for a plastic removal project aimed at drastically reducing the 18 tons of accumulated marine debris.



Ready for Business.

