



Financial Statements

**December 31, 2021
(with Comparative Totals for 2020)**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Surfrider Foundation:

Opinion

We have audited the accompanying financial statements of Surfrider Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Surfrider Foundation (the Foundation) as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules on pages 27-29 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Surfrider Foundation's 2020 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 16, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Irvine, California
September 29, 2022

SURFRIDER FOUNDATION

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

ASSETS

	December 31,	
	2021	2020
ASSETS		
Cash and cash equivalents	\$ 12,882,992	\$ 11,343,365
Investments	4,246,816	527,866
Accounts and grants receivable	1,109,363	1,675,355
Inventory	122,479	75,214
Prepaid expenses	149,200	85,549
Property and equipment, net	<u>54,101</u>	<u>45,077</u>
TOTAL ASSETS	<u><u>\$ 18,564,951</u></u>	<u><u>\$ 13,752,426</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued liabilities	\$ 268,368	\$ 81,946
Payroll related liabilities	<u>509,951</u>	<u>444,254</u>
Total Liabilities	<u>778,319</u>	<u>526,200</u>

COMMITMENTS AND CONTINGENCIES (Note 12)

NET ASSETS

Without donor restrictions	10,039,854	6,781,373
With donor restrictions	<u>7,746,778</u>	<u>6,444,853</u>
Total Net Assets	<u>17,786,632</u>	<u>13,226,226</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 18,564,951</u></u>	<u><u>\$ 13,752,426</u></u>
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The accompanying notes are an integral part of these financial statements.

SURFRIDER FOUNDATION

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			<u>2021</u>	<u>2020</u>
SUPPORT AND REVENUE:				
Grants and contributions	\$ 4,598,442	\$ 4,372,268	\$ 8,970,710	\$ 8,375,632
Corporate partnership	1,990,782	602,500	2,593,282	1,225,055
Membership	1,662,495	-	1,662,495	1,461,108
Contributed materials and services	395,574	-	395,574	1,000,009
Merchandise sales, net of cost of goods sold of \$280,317 and \$261,948 for 2021 and 2020, respectively	348,224	-	348,224	249,809
Investment gain	7,371	111,787	119,158	63,504
Special events, net of direct costs of \$504,809 and \$168,544 for 2021 and 2020, respectively	(271,407)	-	(271,407)	(51,466)
Settlement and other revenue	-	-	-	442,876
Forgiveness of PPP loan advance	-	-	-	807,170
Loss on sale of fixed assets	(2,418)	-	(2,418)	(1,927)
Net assets released from restrictions	<u>3,784,630</u>	<u>(3,784,630)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>12,513,693</u>	<u>1,301,925</u>	<u>13,815,618</u>	<u>13,571,770</u>
EXPENSES:				
Environmental programs	7,907,330	-	7,907,330	8,025,691
General and administrative	701,962	-	701,962	502,771
Fund-raising	<u>645,920</u>	<u>-</u>	<u>645,920</u>	<u>710,798</u>
TOTAL EXPENSES	<u>9,255,212</u>	<u>-</u>	<u>9,255,212</u>	<u>9,239,260</u>
CHANGE IN NET ASSETS	3,258,481	1,301,925	4,560,406	4,332,510
NET ASSETS AT BEGINNING OF YEAR	<u>6,781,373</u>	<u>6,444,853</u>	<u>13,226,226</u>	<u>8,893,716</u>
NET ASSETS AT END OF YEAR	<u>\$ 10,039,854</u>	<u>\$ 7,746,778</u>	<u>\$ 17,786,632</u>	<u>\$ 13,226,226</u>

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

SURFRIDER FOUNDATION

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

	<u>Environmental</u>	<u>General and</u>		<u>Total</u>	
	<u>Programs</u>	<u>Administrative</u>		<u>Fund-raising</u>	<u>2021</u>
Salaries and wages	\$ 3,770,664	\$ 319,775	\$ 198,694	\$ 4,289,133	\$ 4,156,723
Payroll taxes	231,914	18,711	4,358	254,983	236,223
Employee benefits	<u>393,565</u>	<u>32,301</u>	<u>8,729</u>	<u>434,595</u>	<u>422,575</u>
Total payroll	4,396,143	370,787	211,781	4,978,711	4,815,521
Consultation	1,416,447	156,783	154,442	1,727,672	2,244,749
Grants	148,151	3,500	-	151,651	97,683
Insurance	95	-	51,908	52,003	53,859
Licenses, fees, and other	91,445	6,429	97,761	195,635	206,364
Lobbying	177,087	-	-	177,087	226,308
Membership	203,457	-	70,998	274,455	180,768
Office and supplies	313,962	15,973	24,416	354,351	295,608
Postage and delivery	57,226	8,559	4,309	70,094	68,505
Printing	34,561	7,444	103	42,108	36,448
Promotions	560,575	56,349	2,336	619,260	518,471
Rent	268,156	53,791	7,497	329,444	286,974
Telephone and utilities	94,951	9,779	7,692	112,422	109,155
Travel	119,943	10,524	11,805	142,272	71,979
Depreciation and amortization	<u>25,131</u>	<u>2,044</u>	<u>872</u>	<u>28,047</u>	<u>26,868</u>
Total Expenses	<u>\$ 7,907,330</u>	<u>\$ 701,962</u>	<u>\$ 645,920</u>	<u>\$ 9,255,212</u>	<u>\$ 9,239,260</u>

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

SURFRIDER FOUNDATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

	For the Year Ended December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 4,560,406	\$ 4,332,510
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	28,047	30,577
Contributions of investments	(507,254)	(26,283)
Realized gain on investments	(188,480)	(2,490)
Unrealized (gain) loss on investments	137,978	(43,685)
Loss on disposition of fixed assets	2,418	1,927
Changes in operating assets and liabilities:		
Accounts receivable	565,992	(1,129,095)
Inventory	(47,265)	(28)
Prepaid expenses	(63,651)	(20,322)
Accounts payable and accrued liabilities	186,422	(46,471)
Payroll related liabilities	65,697	98,306
Net Cash Provided By Operating Activities	4,740,310	3,194,946
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(3,637,359)	-
Proceeds from sale of contributed investments	476,165	30,629
Purchase of property and equipment	(39,489)	(11,157)
Net Cash Provided By (Used In) Investing Activities	(3,200,683)	19,472
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,539,627	3,214,418
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	11,343,365	8,128,947
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 12,882,992	\$ 11,343,365

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

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

NOTE 1 – Organization

Surfrider Foundation (the Foundation) is a nonprofit public benefit corporation headquartered in California. The Foundation was established in 1984 for the protection and enjoyment of the world’s oceans, waves, and beaches, for all people, through a powerful activist network. The Foundation has over 250,000 supporters, activists, and members and over 200 chapters and clubs, nationally, and operates various programs and activities to fulfill its mission.

Our irreplaceable national network of chapter volunteers serves as the first response to local threats in coastal communities across the US. Chapters based in the United States and Puerto Rico are the boots on the ground who collaborate on both the local and national level with regional staff and issue experts to carry out our mission through campaign, program and educational initiatives in their local communities. The Foundation focuses its efforts on five key areas: plastic pollution, water quality, beach access, coastal preservation, and ocean protection. The Foundation has built a network of passion-driven people who are on the ground and are the voice for our ocean and beaches. With one foot in the sand and the other in the water, the Surfrider Foundation is the only nonprofit organization who is 100% focused on our coasts.

NOTE 2 – Summary of Significant Accounting Policies

A summary of the Foundation’s significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Basis of Consolidation

The accompanying financial statements include all significant activities of the Foundation’s headquarters and all chapters based in the United States and Puerto Rico. Chapters based in the United States are not separate entities and are under the control of the Foundation. Significant intracompany accounts and transactions have been eliminated. The Foundation has engaged in licensing agreements with international organizations that are structured as separate legal entities. As the Foundation does not maintain an economic interest or control, their activities are not included. These international entities are responsible for all aspects of operating Surfrider Foundation-related organizations in their respective countries. However, they are all required to adhere to the Foundation’s mission and guiding principles.

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in conformity with the accounting principles generally accepted in the United States of America (U.S. GAAP).

Financial Statement Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets and revenue are classified based on the existence or absence of donor-imposed restrictions.

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

With Donor Restrictions – Net assets subject to donor-imposed restrictions that may be temporary in nature that will be met by actions of the Foundation or the passage of time. As the restrictions are satisfied, net assets with donor restrictions are reclassified to assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions. Other donor stipulations may be perpetual in nature, where the donor stipulates that the corpus be maintained intact in perpetuity. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements and revenue and expenses during the reporting periods. Actual results could differ from those estimates.

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents and Credit Risk Concentration

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents have an original maturity date of three months or less from the date of purchase.

Cash and cash equivalents are placed with high-credit, quality financial institutions. At times, certain account balances may exceed insurance coverage limits by the Federal Deposit Insurance Corporation of \$250,000 per deposit or per insured banking institution. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Investments

Investments are reported in the accompanying statement of financial position at fair value. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income (loss) includes interest earnings, changes in fair value, and any gains or losses realized upon liquidation, maturity, or sale of investments.

Inventory

Inventory is recorded at the lower of cost or net realizable value on the first-in, first-out method.

Property and Equipment

Property and equipment are carried at cost. Expenditures for property and equipment in excess of \$1,000 are capitalized. Depreciation of equipment, furniture and fixtures is computed using the straight-line method over the estimated useful lives of three to five years. Amortization of leasehold improvements is computed using the straight-line method over the shorter of their estimated useful lives or the remaining terms of the leases. The cost of maintenance and repairs is charged to expense as incurred.

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Deferred Rent

The Foundation rents office facilities under an operating lease agreement that is subject to scheduled escalations. The scheduled rent increases are amortized evenly over the life of the lease. Deferred rent represents the difference between the cash paid and the rent expense recognized since inception of the lease and is included in accounts payable and accrued liabilities.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as revenue in the period pledged, net of estimated uncollectible amounts. Contributions are recorded in net assets without donor restrictions and are considered to be available for use unless specifically restricted by the donor. Conditional contributions are recognized as revenue and recorded in net assets without donor restrictions when the conditions on which they depend have been substantially met. During the years ended December 31, 2021 and 2020, there were no conditional contributions.

Membership dues generally range from \$25 to \$500 per member for annual membership. The value of membership benefits received by members are immaterial and, as such, the Foundation records membership revenue in the period in which the membership is entered into.

Corporate partnership revenue is recorded based on the terms of the licensing agreement. Typically, companies will sell products with the Surfrider brand or co-brand products for marketing purposes and, in exchange, agree to pay a specified minimum amount to the Foundation. Such revenue is recognized at the time the corporate partnership agreement is executed and amounts are earned.

Deferred Revenue

Revenue from grants are recorded as amounts are earned under the terms of the contract. Amounts received in excess of that which has been earned, and are subject to refund, are included in deferred revenue, which is reported as a component of accounts payable and accrued liabilities on the statement of financial position. As of December 31, 2021 and 2020, there was no deferred revenue.

SURFRIDER FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Certain costs have been allocated on a consistent basis among the programs and supporting services based on either financial or nonfinancial data, such as headcount or estimates of time and effort incurred by personnel.

Settlement Beneficiary and Intervenor Compensation

In pursuit of protecting the world’s oceans, waves, and beaches, the Foundation acts as an intervenor and plaintiff in litigation. As a result of this and other litigious activities, the Foundation occasionally receives settlements and attorney fees. On occasion, the Foundation is named as a beneficiary in cy pres (class action) awards. When the outcome of litigation and the likelihood of payment from settlements and intervenor compensation is uncertain, these monies are recorded as revenue when received. When the outcome of litigation and the likelihood and amount of payment from settlements is reasonably certain, revenue and a corresponding receivable are recorded when the information is received. The Foundation did not recognize any settlement revenue in the fiscal year ended December 31, 2021. The Foundation recognized \$441,448 in the fiscal year ended December 31, 2020.

Contributed Materials and Services

Contributions of services are recognized if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Other volunteer services that do not meet these criteria are not recognized in the financial statements, as there is no objective basis of deriving their value.

Allocation of Joint Costs

The Foundation conducts marketing campaigns that include requests for contributions, as well as program components. The costs of conducting these activities included joint costs totaling \$114,284 for the year ended December 31, 2021. The joint costs for these campaigns were allocated as follows:

Program services	\$ 85,713
Fundraising	<u>28,571</u>
	<u>\$ 114,284</u>

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Income Taxes

The Foundation, including its US chapters, is exempt from federal income and California franchise taxes under Section 501(c)(3) of the Internal Revenue Code and the corresponding California provisions. The Foundation is subject to income taxes for unrelated business income realized in connection with its unrelated business activities. In addition, the Foundation has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. Beginning with the year ended December 31, 1999, the Foundation made the Section 501(h) election permitting limited expenditures to influence legislation. The expenditures under Section 501(h) for the years ended December 31, 2021 and 2020 totaled \$177,087 and \$226,308, respectively.

The Foundation recognizes the financial statement benefit of tax positions, such as its filing status as tax-exempt, only after determining that the relevant tax authority would more likely than not sustain the position following an audit. The Foundation is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal purposes is three years and for California purposes is four years.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* (ASU 2016-02). The guidance in this ASU supersedes the leasing guidance in *Leases (Topic 840)*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. During October 2019, the FASB approved a deferral of the effective date until annual reporting periods beginning after December 15, 2021. The Foundation is currently evaluating the impact of the adoption of the new standard on the financial statements.

SURFRIDER FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncements (Continued)

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958) (ASU 2020-07): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which requires a not-for-profit to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. Additionally, the standard requires a not-for-profit to disclose a disaggregation of the amount of contributed nonfinancial assets by category that depicts the type of nonfinancial assets and additional information related to the monetization, utilization, and valuation of the contributed nonfinancial assets. The ASU is effective for annual reporting periods beginning after June 15, 2021. The Foundation is currently evaluating the impact of the adoption of the new standard on the financial statements.

Subsequent Events

Management has evaluated subsequent events through September 29, 2022, the date these financial statements were available to be issued.

NOTE 3 – Liquidity and Availability

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

Financial assets at year-end:	
Cash and cash equivalents	\$ 12,882,992
Investments	4,246,816
Accounts and grants receivable	<u>1,044,152</u>
	18,173,960
Less amounts not available to be used within one year due to donor-imposed purpose or time restrictions	<u>(7,746,778)</u>
	<u>\$ 10,427,182</u>

The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations comes due.

SURFRIDER FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

NOTE 4 – Accounts and Grants Receivable

At December 31, 2021, accounts and grants receivable is due in amounts as follows:

Amounts due in:		
Less than one year	\$	1,036,652
One to five years		<u>7,500</u>
	<u>\$</u>	<u>1,044,152</u>

A discount on accounts and grants receivable that are not expected to be collected after one year has not been included as the amount is not deemed material.

NOTE 5 – Investments

The following schedule summarizes investments:

	Historical Cost		Fair Value	
	December 31,		December 31,	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Marketable securities	<u>\$ 4,282,190</u>	<u>\$ 362,451</u>	<u>\$ 4,246,816</u>	<u>\$ 527,866</u>

Total investment gain for the year ended December 31, 2021 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
	<u></u>	<u></u>	<u></u>
Investment income	\$ 700	\$ 67,956	\$ 68,656
Net realized and unrealized gain	<u>6,671</u>	<u>43,831</u>	<u>50,502</u>
Total investment gain	<u>\$ 7,371</u>	<u>\$ 111,787</u>	<u>\$ 119,158</u>

SURFRIDER FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

NOTE 5 – Investments (Continued)

Total investment gain for the year ended December 31, 2020 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Investment income	\$ 5,817	\$ 16,422	\$ 22,239
Net realized and unrealized gain	<u>2,314</u>	<u>38,951</u>	<u>41,265</u>
Total investment gain	<u>\$ 8,131</u>	<u>\$ 55,373</u>	<u>\$ 63,504</u>

NOTE 6 – Fair Value Measurements

The Foundation uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine the fair value disclosures. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for the Foundation’s various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. The Foundation groups its assets and liabilities measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. The three levels of the fair value hierarchy are as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

SURFRIDER FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

NOTE 6 – Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Foundation’s investments at fair value as of December 31, 2021 and 2020:

	<u>Fair Value</u>	<u>Assets at Fair Value as of December 31, 2021</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Marketable securities				
Corporate stock	\$ 66,836	\$ 66,836	\$ -	\$ -
Exchange traded funds	<u>4,179,980</u>	<u>4,179,980</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,246,816</u>	<u>\$ 4,246,816</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>Fair Value</u>	<u>Assets at Fair Value as of December 31, 2020</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Marketable securities				
Corporate stock	\$ 76,128	\$ 76,128	\$ -	\$ -
Exchange traded funds	<u>451,738</u>	<u>451,738</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 527,866</u>	<u>\$ 527,866</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 – Property and Equipment

Property and equipment consists of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 174,961	\$ 163,746
Furniture and fixtures	44,446	44,446
Leasehold improvements	<u>228,533</u>	<u>228,533</u>
	447,940	436,725
Less accumulated depreciation and amortization	<u>(393,839)</u>	<u>(391,648)</u>
	<u>\$ 54,101</u>	<u>\$ 45,077</u>

SURFRIDER FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

NOTE 8 – Net Assets Released from Restrictions

During the year ended December 31, 2021, \$3,784,630 of net assets with donor-imposed restrictions were released as a result of the satisfaction of donor-imposed restrictions. Included in the amount above was \$26,250 of endowment funds with donor-imposed restrictions that were released to net assets without donor restrictions as a result of the Foundation granting two summer legal internships and two summer environmental internships relating to the Dillon Henry Memorial Scholarship Endowment Fund.

NOTE 9 – Net Assets with Donor Restrictions

Net assets with donor restrictions consist of donor contributions and legal settlements which have placed restrictions on the future use of the assets. Net assets with donor restrictions as of December 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Beach Cleanup Programs	\$ 107,306	\$ 133,585
Chapter Assistance Program	4,881,392	3,463,678
Clean Water Program	190,541	115,774
Coastal Preservation Program	25,000	39,700
Dillon Henry Memorial Internship	256,811	224,538
Florida Regional Support Program	236,771	45,620
Hawaiian Islands Regional Support Program	19,697	26,207
International Support Program	14,341	16,014
Northeast Regional Support Program	6,250	-
Ocean Friendly Gardens Program	2,000	-
Ocean Friendly Restaurants Program	211,907	129,747
Ocean Protection Program	291,660	-
Pacific Northwest Regional Support Program	107,963	277,748
Plastic Pollution Program	754,014	842,720
Southern California Regional Support Program	125,751	114,148
Time restrictions	<u>247,724</u>	<u>747,724</u>
Total subject to purpose and time restrictions	<u>7,479,128</u>	<u>6,177,203</u>
 Dillon Henry Memorial Internship Endowment	 <u>267,650</u>	 <u>267,650</u>
 Total net assets with donor restrictions	 <u>\$ 7,746,778</u>	 <u>\$ 6,444,853</u>

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

NOTE 9 – Net Assets with Donor Restrictions (Continued)

Beach Cleanup Programs – The Surfrider Foundation’s volunteer network conducts beach cleanups throughout the West, East, Gulf, Hawaiian and Puerto Rican Coasts. Our National Beach Cleanup program provides a fun and easy way to volunteer and engage with our mission to protect our ocean, waves, and beaches. Volunteers of all ages, community groups, tourists, clubs, local and corporate businesses and elected officials around the country contribute to the success of this program and are essential to keep our beaches and coastlines clean.

Chapter Assistance Program – Since July 1998, the Foundation has received various contributions from private foundations. This money is used exclusively in support of the Foundation’s Chapter Assistance Program. This program is to conduct a chapter needs assessment, develop training materials, hold conferences, upgrade existing programs/develop new programs and related materials, and enhance/upgrade websites and other communications to facilitate and support the chapters in their grassroots activist works.

Clean Water Program – Since August 1992, the Foundation has received various contributions. This money is to be used for the purchase of water testing supplies, educational materials to monitor coastal water quality, and related program expenses to educate the public about water quality, water conservation, and energy saving benefits of integrating the supply and disposal of water that we use every day.

Coastal Preservation Program – The Foundation received contributions to protect our shorelines. The Foundation proactively addresses threats like coastal development, sea walls and other types of shoreline armoring and beach dredge and fill projects to ensure the protection of our coasts. Our network of volunteers works with community planners to make informed and responsible decisions on coastal development and to address the effects of rising sea levels.

Dillon Henry Memorial Internship – Since 2007, the Foundation has received various contributions. The Dillon Henry Memorial Internship was created to honor Dillon’s memory, recognize his commitment to the oceans and coastal environment, and help young people to pursue a career in coastal and marine conservation. This fund contains both a perpetually restricted endowment component as well as accumulated earnings subject to the Foundation’s spending policy. (See Note 10.)

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

NOTE 9 – Net Assets with Donor Restrictions (Continued)

Florida Regional Support Program – The Foundation has received funds to help support a Florida Regional Coordinator. This position will help the Florida Chapter Network better serve their communities and fulfill Surfrider Foundation’s mission while also growing regional membership and assisting with local campaign planning.

Hawaiian Islands Regional Support Program – The Foundation has received funds to help support the hiring of a Hawaiian Islands Regional Coordinator. This position will help the Hawaiian Chapter Network better serve their communities and fulfill Surfrider Foundation’s mission while also growing regional membership and assisting with local campaign planning.

International Support Program – The Foundation has received support for a conference between the Foundation and our affiliated international organizations for discussion of the overall mission and priorities, the sharing of ideas and materials, and collaboration on global initiatives.

Northeast Regional Support Program – The Foundation has received funds to help support our programs and chapters in the Northeast region of the United States. This program helps the chapter network better serve their communities and fulfill the Surfrider Foundation mission while also building local environmental campaigns.

Ocean Friendly Gardens Program – Ocean Friendly Gardens is a program about creating runoff reducing, ocean friendly gardens. Surfrider Foundation is partnering with water agencies and others to launch this education and outreach effort to help bring back healthy coasts and oceans through “CPR”- Conservation, Permeability, and Retention.

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

(WITH COMPARATIVE TOTALS FOR 2020)

NOTE 9 – Net Assets with Donor Restrictions (Continued)

Ocean Friendly Restaurants Program – The Foundation’s Ocean Friendly Restaurants Program increases awareness, drives change in behavior and ultimately creates scalable impact to reduce our plastic and water footprint. The Ocean Friendly Restaurants Program offers restaurants an easy way to show their commitment to making sustainable choices for our ocean. Restaurants participating must follow the first four criteria: 1. No expanded polystyrene use (aka Styrofoam); 2. Proper recycling practices are followed; 3. Only reusable tableware is used for onsite dining, and disposable utensils for takeout food are provided only upon request; 4. No plastic bags offered for takeout or to-go orders; and choose a minimum of three additional criteria: 5. Plastic straws are provided only upon request; 6. No beverages sold in plastic bottles; 7. Discount is offered for customers with reusable cup, mug, bag, etc.; 8. Vegetarian/vegan food options are offered on a regular basis, and/or all seafood must be a ‘Best Choice’ or ‘Good Alternative’ as defined by Seafood Watch or certified as sustainable; 9. Water conservation efforts, such as low-flow faucets and toilets, are implemented; 10. Energy efficiency efforts, such as LED lighting and Energy Star appliances, are in place.

Ocean Protection Program – The Foundation’s Ocean Protection Program includes grassroots campaigns to establish and support Marine Protected Areas (MPAs), oppose new offshore oil drilling and seismic testing, participate in regional ocean planning, and ensure renewable ocean energy does not damage our ocean.

Pacific Northwest Regional Support Program – Since September 2001, the Foundation has received various contributions for Pacific Northwest Regional Support. The employees coordinate the efforts of chapters within the region, grow regional membership, assist with local campaign planning, attend administrative hearings, and facilitate the needs of chapters.

Plastic Pollution Program – Plastic Pollution Program is designed to reduce the impact of plastics in the marine environment by raising awareness about the dangers of plastic pollution by advocating for a reduction of single-use plastics and the recycling of all plastics. Approximately 100 Surfrider Foundation chapters and clubs participate in their communities with plastic pollution programs to address this exceedingly prevalent form of pollution.

Southern California Regional Support Program – Since November 2001, the Foundation has received various grants to provide support for the Southern California Region. The employees coordinate the efforts of chapters within the region, grow regional membership, assist with local campaign planning, attend administrative hearings, and facilitate the needs of chapters.

SURFRIDER FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

NOTE 10 – Net Assets with Donor Restrictions in Perpetuity

Net assets with donor restrictions in perpetuity consist of donor contributions, which have been restricted by the donor to be maintained by the Foundation in perpetuity. Net assets with donor restrictions in perpetuity consisted of the Dillon Henry Memorial Internship Fund totaling \$267,650 as of December 31, 2021 and 2020.

The Dillon Henry Memorial Internship Fund (the Fund), created in 2007 by his parents, Harriet Zaretsky and Stephen Henry, was created to honor Dillon’s memory, recognize his commitment to the oceans and coastal environment, and help young people to pursue a career in coastal and marine conservation. The Fund provides funding for the Surfrider Foundation to hire and train the best and brightest interns each year. Earnings from the Fund are used to provide stipends for four qualified internships to work with Surfrider Foundation’s environmental and/or legal department. Interns are required to work a minimum of twelve weeks and must attend an informal meeting with the Fund’s donors. The Dillon Henry Memorial Internship provides a unique opportunity for emerging leaders in the environmental field to train with the leading grassroots, environmental nonprofit organizations focused on the protection of the world’s oceans, waves, and beaches.

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021 (WITH COMPARATIVE TOTALS FOR 2020)

NOTE 11 – Endowment Funds

The Board of Directors of the Foundation has interpreted the California Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is classified as net assets with donor restrictions for time until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

Return Objectives and Risk Parameters

The Foundation's Investment Working Group provides recommendations to the Board of Directors as to the investment and reinvestment of the assets of the Fund. The Board of Directors votes to ratify the recommendations of the Investment Working Group. The primary investment objective of these accounts is capital preservation.

SURFRIDER FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

NOTE 11 – Endowment Funds (Continued)

Endowment net asset composition by type of fund as of December 31, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Original donor-restricted gift amount	\$ -	\$ 267,650	\$ 267,650
Accumulated investment gains	<u>-</u>	<u>256,811</u>	<u>256,811</u>
Endowment assets, end of year	<u>\$ -</u>	<u>\$ 524,461</u>	<u>\$ 524,461</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year:			
Original donor-restricted amount	\$ -	\$ 267,650	\$ 267,650
Accumulated investment gains	-	224,538	224,538
Investment return:			
Investment income	-	16,370	16,370
Net realized and unrealized gain	-	32,153	32,153
Contributions	-	10,000	10,000
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(26,250)</u>	<u>(26,250)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 524,461</u>	<u>\$ 524,461</u>

SURFRIDER FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

NOTE 11 – Endowment Funds (Continued)

Endowment net asset composition by type of fund as of December 31, 2020:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Original donor-restricted gift amount	\$ -	\$ 267,650	\$ 267,650
Accumulated investment gains	<u>-</u>	<u>224,538</u>	<u>224,538</u>
Endowment assets, end of year	<u>\$ -</u>	<u>\$ 492,188</u>	<u>\$ 492,188</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year:			
Original donor-restricted amount	\$ -	\$ 267,650	\$ 267,650
Accumulated investment gains	-	185,593	185,593
Investment return:			
Investment income	-	8,565	8,565
Net realized and unrealized gain	-	39,380	39,380
Contributions	-	10,000	10,000
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(19,000)</u>	<u>(19,000)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 492,188</u>	<u>\$ 492,188</u>

SURFRIDER FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

NOTE 12 – Commitments and Contingencies

The Foundation leases its office facilities under an operating lease that expires in February 2028. The lease contains escalation clauses. The Foundation recognizes rental expense on a straight-line basis over the lease term. The cumulative difference between rental payments and rent expense totaling \$41,785 and \$6,973 as of December 31, 2021 and 2020, respectively, is presented as a component of accounts payable and accrued liabilities in the accompanying statement of financial position. The future minimum lease payments on operating leases in effect as of December 31, 2021, are as follows:

<u>Year Ending December 31,</u>	
2022	\$ 128,703
2023	158,305
2024	163,054
2025	167,946
2026	172,984
Thereafter	<u>208,014</u>
	<u>\$ 999,006</u>

Rent expense for the years ended December 31, 2021 and 2020 were \$329,444 and \$286,974, respectively.

Legal Matters

From time to time, the Foundation is involved in certain legal proceedings and claims, which arise in the normal course of business. Management does not believe that the outcome of these matters will have a material effect on the Foundation's statements of financial position or activities.

NOTE 13 – 401(k) Plan

Effective January 1, 1998, the Foundation adopted a 401(k) deferred compensation plan for its employees. All full-time employees, 21 years of age and older, are eligible to participate in the plan immediately upon hire. The Foundation adopted a 401(k) matching program effective January 2005. The Foundation matched 50% on the first 2% of the employee's salary in the years ended December 31, 2021 and 2020. The Foundation's contribution expense was \$67,840 and \$60,076 for the years ended December 31, 2021 and 2020, respectively.

SUPPLEMENTARY INFORMATION

SURFRIDER FOUNDATION

**SCHEDULE OF UNRESTRICTED REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2021**

SUPPORT AND REVENUE WITHOUT DONOR-IMPOSED RESTRICTIONS:

Grants and contributions	\$ 4,598,442
Contributed materials and services	395,574
Membership	1,662,495
Merchandise sales, net of cost of goods sold	348,224
Corporate partnership revenue	1,990,782
Investment gain	7,371
Special events, net of direct costs	(271,407)
Gain (loss) on sale of fixed assets	(2,418)
Net assets released from restrictions	
Satisfaction of Beach Cleanup Programs	193,251
Satisfaction of Chapter Assistance Program	736,124
Satisfaction of Clean Water Program	195,233
Satisfaction of Coastal Preservation Program	14,700
Appropriation of Dillon Henry Memorial Internship accumulated earnings	26,250
Satisfaction of Florida Regional Support Program	103,849
Satisfaction of Hawaiian Islands Regional Support Program	102,760
Satisfaction of International Support Program	1,673
Satisfaction of Mid-Atlantic Regional Support Program	18,750
Satisfaction of Ocean Friendly Gardens Program	117,463
Satisfaction of Ocean Friendly Restaurants Program	117,841
Satisfaction of Ocean Protection Program	33,487
Satisfaction of Pacific Northwest Regional Support Program	248,854
Satisfaction of Plastic Pollution Program	1,151,155
Satisfaction of Southern California Regional Support Program	223,240
Satisfaction of Time Restrictions	500,000
TOTAL NET ASSETS RELEASED FROM DONOR-IMPOSED RESTRICTIONS	<u>3,784,630</u>
TOTAL SUPPORT AND REVENUE WITHOUT DONOR-IMPOSED RESTRICTIONS	<u><u>\$ 12,513,693</u></u>

See Independent Auditors' Report

SURFRIDER FOUNDATION

**DETAILED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021**

	Surfrider Foundation Headquarters	Foundation Chapters	Eliminations	Total
ASSETS				
ASSETS				
Cash and cash equivalents	\$ 10,075,231	\$ 2,807,761	\$ -	\$ 12,882,992
Investments	4,246,816	257,112	(257,112)	4,246,816
Accounts and grants receivable	1,410,762	273,628	(575,027)	1,109,363
Inventory	122,479	-	-	122,479
Prepaid expenses	149,200	-	-	149,200
Property and equipment, net	54,101	-	-	54,101
TOTAL ASSETS	\$ 16,058,589	\$ 3,338,501	\$ (832,139)	\$ 18,564,951
 LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 778,688	\$ 107,005	\$ (617,325)	\$ 268,368
Payroll related liabilities	509,951	214,814	(214,814)	509,951
TOTAL LIABILITIES	1,288,639	321,819	(832,139)	778,319
NET ASSETS				
Without donor restrictions	7,023,172	3,016,682	-	10,039,854
With donor restrictions	7,746,778	-	-	7,746,778
TOTAL NET ASSETS	14,769,950	3,016,682	-	17,786,632
TOTAL LIABILITIES AND NET ASSETS	\$ 16,058,589	\$ 3,338,501	\$ (832,139)	\$ 18,564,951

See Independent Auditors' Report

SURFRIDER FOUNDATION

DETAILED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Surfrider Foundation Headquarters</u>	<u>Foundation Chapters</u>	<u>Eliminations</u>	<u>Total</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS				
SUPPORT AND REVENUE:				
Grants and contributions	\$ 3,659,045	\$ 1,430,497	\$ (491,100)	\$ 4,598,442
Contributed materials and services	395,574	-	-	395,574
Membership	1,670,578	13,137	(21,220)	1,662,495
Merchandise sales, net of cost of goods sold	315,155	39,849	(6,780)	348,224
Corporate partnership revenue	1,990,782	-	-	1,990,782
Investment gain	7,048	323	-	7,371
Special events, net of direct costs	(204,394)	(67,013)	-	(271,407)
Loss on sale of fixed assets	(2,418)	-	-	(2,418)
Net assets released from donor-imposed restrictions	3,784,630	-	-	3,784,630
TOTAL SUPPORT AND REVENUE	<u>11,616,000</u>	<u>1,416,793</u>	<u>(519,100)</u>	<u>12,513,693</u>
EXPENSES:				
Environmental programs	7,609,569	816,861	(519,100)	7,907,330
General and administrative	604,357	97,605	-	701,962
Fundraising	574,241	71,679	-	645,920
TOTAL EXPENSES	<u>8,788,167</u>	<u>986,145</u>	<u>(519,100)</u>	<u>9,255,212</u>
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>2,827,833</u>	<u>430,648</u>	<u>-</u>	<u>3,258,481</u>
NET ASSETS WITH DONOR RESTRICTIONS				
SUPPORT AND REVENUE:				
Contributions	4,372,268	-	-	4,372,268
Corporate partnership	602,500	-	-	602,500
Investment income	111,787	-	-	111,787
Net assets released from donor-imposed restrictions	(3,784,630)	-	-	(3,784,630)
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>1,301,925</u>	<u>-</u>	<u>-</u>	<u>1,301,925</u>
INCREASE IN NET ASSETS	<u>4,129,758</u>	<u>430,648</u>	<u>-</u>	<u>4,560,406</u>
NET ASSETS AT BEGINNING OF YEAR	<u>10,640,192</u>	<u>2,586,034</u>	<u>-</u>	<u>13,226,226</u>
NET ASSETS AT END OF YEAR	<u>\$ 14,769,950</u>	<u>\$ 3,016,682</u>	<u>\$ -</u>	<u>\$ 17,786,632</u>

See Independent Auditors' Report