



Financial Statements

**December 31, 2019
(with Comparative Totals for 2018)**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Surfrider Foundation:

We have audited the accompanying financial statements of Surfrider Foundation (a nonprofit organization) (the "Foundation"), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Surfrider Foundation as of December 31, 2019, 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.

Emphasis of Matter

As discussed in Note 2, beginning January 1, 2019, the Foundation adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Customers (Topic 606)* and ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules on pages 26 to 28 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 2018 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 30, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Irvine, California
September 29, 2020

SURFRIDER FOUNDATION

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)**

ASSETS

	December 31,	
	2019	2018
ASSETS		
Cash and cash equivalents	\$ 8,128,947	\$ 4,713,311
Investments	486,037	354,603
Accounts and grants receivable	546,260	444,426
Settlement receivable	-	240,007
Inventory	75,186	59,725
Prepaid expenses	65,227	61,692
Property and equipment, net	<u>66,424</u>	<u>32,067</u>
TOTAL ASSETS	<u><u>\$ 9,368,081</u></u>	<u><u>\$ 5,905,831</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued liabilities	\$ 128,417	\$ 438,921
Payroll related liabilities	<u>345,948</u>	<u>343,793</u>
Total Liabilities	<u>474,365</u>	<u>782,714</u>

COMMITMENTS AND CONTINGENCIES (Note 11)

NET ASSETS

Without donor restrictions	4,609,860	3,286,935
With donor restrictions	<u>4,283,856</u>	<u>1,836,182</u>
Total Net Assets	<u>8,893,716</u>	<u>5,123,117</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 9,368,081</u></u>	<u><u>\$ 5,905,831</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, 2019
(WITH COMPARATIVE TOTALS FOR 2018)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			<u>2019</u>	<u>2018</u>
SUPPORT AND REVENUE:				
Grants and contributions	\$ 3,311,394	\$ 4,802,380	\$ 8,113,774	\$ 5,222,179
Membership	1,606,878	-	1,606,878	1,566,897
Corporate partnership	617,655	413,816	1,031,471	976,018
Contributed materials and services	756,251	-	756,251	492,781
Merchandise sales, net of cost of goods sold of \$235,900 and \$127,885 for 2019 and 2018, respectively	218,461	-	218,461	163,812
Investment (loss) gain	7,182	70,058	77,240	(22,944)
Special events, net of direct costs of \$866,804 and \$451,013 for 2019 and 2018, respectively	375,125	-	375,125	359,016
Settlement and other revenue	225	-	225	240,007
Net assets released from restrictions	<u>2,838,580</u>	<u>(2,838,580)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>9,731,751</u>	<u>2,447,674</u>	<u>12,179,425</u>	<u>8,997,766</u>
EXPENSES:				
Environmental programs	7,186,913	-	7,186,913	6,943,714
General and administrative	548,184	-	548,184	483,244
Fund-raising	<u>673,729</u>	<u>-</u>	<u>673,729</u>	<u>689,079</u>
TOTAL EXPENSES	<u>8,408,826</u>	<u>-</u>	<u>8,408,826</u>	<u>8,116,037</u>
CHANGE IN NET ASSETS	1,322,925	2,447,674	3,770,599	881,729
NET ASSETS AT BEGINNING OF YEAR	<u>3,286,935</u>	<u>1,836,182</u>	<u>5,123,117</u>	<u>4,241,388</u>
NET ASSETS AT END OF YEAR	<u>\$ 4,609,860</u>	<u>\$ 4,283,856</u>	<u>\$ 8,893,716</u>	<u>\$ 5,123,117</u>

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

SURFRIDER FOUNDATION

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)**

	<u>Environmental</u>	<u>General and</u>		<u>Total</u>	
	<u>Programs</u>	<u>Administrative</u>		<u>Fund-raising</u>	<u>2019</u>
Salaries and wages	\$ 3,161,886	\$ 145,056	\$ 364,326	\$ 3,671,268	\$ 3,508,277
Payroll taxes	241,135	7,949	24,355	273,439	286,229
Employee benefits	<u>318,293</u>	<u>11,917</u>	<u>31,464</u>	<u>361,674</u>	<u>382,605</u>
Total payroll	3,721,314	164,922	420,145	4,306,381	4,177,111
Consultation	1,439,278	78,238	56,212	1,573,728	1,385,699
Grants	24,102	-	4,438	28,540	31,116
Insurance	-	46,533	-	46,533	44,010
Licenses, fees, and other	242,301	84,644	4,621	331,566	222,924
Lobbying	219,250	-	-	219,250	131,078
Membership	200,216	-	67,718	267,934	343,532
Office and supplies	408,633	44,968	5,729	459,330	428,185
Postage and delivery	71,050	6,142	3,565	80,757	67,416
Printing	64,708	5,411	9,304	79,423	66,300
Promotions	197,704	1,543	52,076	251,323	445,988
Rent	241,069	42,879	13,536	297,484	282,013
Telephone and utilities	80,615	3,476	7,732	91,823	82,914
Travel	255,482	68,612	26,901	350,995	386,856
Depreciation and amortization	<u>21,191</u>	<u>816</u>	<u>1,752</u>	<u>23,759</u>	<u>20,895</u>
Total Expenses	<u>\$ 7,186,913</u>	<u>\$ 548,184</u>	<u>\$ 673,729</u>	<u>\$ 8,408,826</u>	<u>\$ 8,116,037</u>

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

SURFRIDER FOUNDATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)**

	For the Year Ended December 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,770,599	\$ 881,729
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:		
Depreciation and amortization	26,007	20,895
Contributions of investments	(212,333)	(4,814)
Realized (gain) loss on investments	1,048	(73)
Unrealized (gain) loss on investments	(59,915)	36,162
Changes in operating assets and liabilities:		
Accounts receivable	(101,834)	(348,048)
Settlement receivable	240,007	253,618
Inventory	(15,461)	12,380
Prepaid expenses	(3,535)	(13,826)
Accounts payable and accrued liabilities	(310,504)	(171,725)
Payroll related liabilities	2,155	33,358
Net Cash Provided By Operating Activities	3,336,234	699,656
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of contributed investments	139,766	5,788
Purchase of property and equipment	(60,364)	(22,474)
Net Cash Provided By (Used In) Investing Activities	79,402	(16,686)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,415,636	682,970
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,713,311	4,030,341
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 8,128,947	\$ 4,713,311

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

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019 (WITH COMPARATIVE TOTALS FOR 2018)

NOTE 1 – Organization

The Surfrider Foundation (the Foundation) is a California nonprofit public benefit corporation. 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. They 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, 2019 (WITH COMPARATIVE TOTALS FOR 2018)

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).

Recently Adopted Accounting Standard

Beginning January 1, 2019, the Foundation adopted Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, and has applied them prospectively. ASU 2014-09 replaces most existing revenue recognition guidance in U.S. GAAP and requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2018-08 provides additional guidance on characterizing grants and similar contracts with resource providers as either exchange transactions or contributions, as well as distinguishing between conditional and unconditional contributions. No significant reclassifications to prior year amounts were necessary in order to adopt the new standard.

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 may be or 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.

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019 (WITH COMPARATIVE TOTALS FOR 2018)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

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.

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.

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019 (WITH COMPARATIVE TOTALS FOR 2018)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

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.

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, 2019 and 2018, 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.

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019 (WITH COMPARATIVE TOTALS FOR 2018)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

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, 2019 and 2018, there was \$0 and \$283,230 of deferred revenue, respectively, and is included in accounts payable and accrued liabilities on the statement of financial position.

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 recognized \$0 and \$240,007 in the fiscal years ending December 31, 2019 and 2018, respectively.

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.

SURFRIDER FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

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 \$209,637 for the year ended December 31, 2019. The joint costs for these campaigns were allocated as follows:

Program services	\$ 157,228
Fundraising	<u>52,409</u>
	<u>\$ 209,637</u>

Income Taxes

The Foundation, including its U.S. 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, 2019 and 2018 totaled \$218,457 and \$130,105, 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.

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019 (WITH COMPARATIVE TOTALS FOR 2018)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncement

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 income statement. 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.

Subsequent Events

Management has evaluated subsequent events through September 29, 2020, the date these financial statements were available to be issued.

Business Risks Associated with the Impact of COVID-19

The Foundation's operations may be affected by the recent and ongoing outbreak of COVID-19, which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, possible effects may include, but are not limited to, disruption of the Foundation's fundraising efforts, which could have an impact on the Foundation's financial position and operating results. There is significant uncertainty as to the severity and longevity of the outbreak and management is in the process of evaluating the impact on the business and its financial statements.

On April 16, 2020, the Foundation received loan proceeds of \$807,170, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The loan, which was in the form of a note dated April 16, 2020 issued by the borrower, matures on April 16, 2022 and bears interest at a rate of 1.0% per annum, payable monthly commencing on approximately October 16, 2020. The note may be prepaid by the borrower at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Company intends to use the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

SURFRIDER FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)**

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 balance sheet date, comprise the following:

Cash and cash equivalents	\$ 4,420,606
Accounts and grants receivable	<u>366,913</u>
	<u>\$ 4,787,519</u>

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

NOTE 4 – Investments

The following schedule summarizes investments:

	Historical Cost		Fair Value	
	December 31,		December 31,	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Marketable securities	<u>\$ 359,777</u>	<u>\$ 289,528</u>	<u>\$ 486,037</u>	<u>\$ 354,603</u>

Total investment gain for the year ended December 31, 2019 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Investment income	\$ 5,257	\$ 11,020	\$ 16,277
Net realized and unrealized gain	<u>1,925</u>	<u>59,038</u>	<u>60,963</u>
Total investment gain	<u>\$ 7,182</u>	<u>\$ 70,058</u>	<u>\$ 77,240</u>

SURFRIDER FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)**

NOTE 4 – Investments (Continued)

Total investment gain (loss) for the year ended December 31, 2018 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Investment income	\$ 3,885	\$ 9,334	\$ 13,219
Net realized and unrealized loss	<u>(194)</u>	<u>(35,969)</u>	<u>(36,163)</u>
Total investment gain (loss)	<u>\$ 3,691</u>	<u>\$ (26,635)</u>	<u>\$ (22,944)</u>

NOTE 5 – 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, 2019
(WITH COMPARATIVE TOTALS FOR 2018)**

NOTE 5 – 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, 2019 and 2018:

	<u>Fair Value</u>	<u>Assets at Fair Value as of December 31, 2019</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Marketable securities				
Corporate stock	\$ 73,480	\$ 73,480	\$ -	\$ -
Exchange traded funds	<u>412,557</u>	<u>412,557</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 486,037</u>	<u>\$ 486,037</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>Fair Value</u>	<u>Assets at Fair Value as of December 31, 2018</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Marketable securities				
Corporate stock	\$ 2,605	\$ 2,605	\$ -	\$ -
Exchange traded funds	<u>351,998</u>	<u>351,998</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 354,603</u>	<u>\$ 354,603</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 6 – Property and Equipment

Property and equipment consists of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Equipment	\$ 160,533	\$ 113,188
Furniture and fixtures	43,215	43,215
Leasehold improvements	<u>228,533</u>	<u>228,533</u>
	432,281	384,936
Less accumulated depreciation and amortization	<u>(365,857)</u>	<u>(352,869)</u>
	<u>\$ 66,424</u>	<u>\$ 32,067</u>

SURFRIDER FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)**

NOTE 7 – Net Assets Released from Restrictions

During the year ended December 31, 2019, \$2,838,580 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 \$13,500 of endowment funds with donor-imposed restrictions that were released to net assets without donor restrictions as a result of the Foundation granting one summer legal internship and one summer environmental internship relating to the Dillon Henry Memorial Scholarship Endowment Fund.

NOTE 8 – 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, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Beach Cleanup Programs	\$ 225,675	\$ 153,619
Central California Regional Support Program	61,933	174,540
Chapter Assistance Program	593,364	136,103
Clean Water Program	94,151	64,941
Coastal Preservation Program	44,574	19,439
Dillon Henry Memorial Internship	185,594	127,704
Florida Regional Support Program	54,280	45,288
Hawaiian Islands Regional Support Program	1,586,227	148,319
International Support Program	13,814	16,410
Mid-Atlantic Regional Support Program	444	-
New York Fundraising/Development Program	-	6,648
Northeast Regional Support Program	5,500	5,500
Ocean Friendly Gardens Program	2,201	4,201
Ocean Friendly Restaurants Program	117,500	105,111
Pacific Northwest Regional Support Program	360,324	108,531
Plastic Pollution Program	538,096	329,784
Southern California Regional Support Program	132,529	122,394
Total subject to purpose and time restrictions	<u>4,016,206</u>	<u>1,568,532</u>
 Dillon Henry Memorial Internship Endowment	 <u>267,650</u>	 <u>267,650</u>
 Total net assets with donor restrictions	 <u>\$ 4,283,856</u>	 <u>\$ 1,836,182</u>

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019 (WITH COMPARATIVE TOTALS FOR 2018)

NOTE 8 – 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 coastline clean.

Central California Regional Support Project – The Foundation has received funds to support the hiring of regional support for the Central California coast. The employee coordinates the efforts of chapters in this region to grow membership, assist with local campaign planning and facilitate the needs of the chapter network by assisting with policy work that promotes the mission of the Foundation.

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 coast. Our network of volunteers work with community planners to make informed and responsible decisions on coastal development and to address the effects of rising sea levels.

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019 (WITH COMPARATIVE TOTALS FOR 2018)

NOTE 8 – Net Assets with Donor Restrictions (Continued)

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.)

Diversity, Equity, and Inclusion Training Program – The Foundation is committed to fostering a diverse, equitable, and inclusive organization for all people who protect and enjoy the world’s ocean, waves, and beaches. The Foundation will provide training and educational materials to its board, staff, and chapter network.

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 the Surfrider Foundation 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 the Surfrider Foundation 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.

Mid-Atlantic Regional Support Program – The Foundation has received funds to support the hiring of regional support for the Mid-Atlantic region. The employees coordinate the efforts of chapters in the region, work to grow membership in the region, assist with local campaign planning, attend administrative hearings, facilitate the needs of the regional chapters, and assist with policy work that promotes the mission of the organization.

New York Fundraising/Development Program – The Foundation received funding to develop and grow a major gifts program on the east coast and in the New York area.

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019 (WITH COMPARATIVE TOTALS FOR 2018)

NOTE 8 – Net Assets with Donor Restrictions (Continued)

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.

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.

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.

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019 (WITH COMPARATIVE TOTALS FOR 2018)

NOTE 8 – Net Assets with Donor Restrictions (Continued)

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.

NOTE 9 – 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, 2019 and 2018.

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 two 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 organization focused on the protection of the world's oceans, waves, and beaches.

SURFRIDER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019 (WITH COMPARATIVE TOTALS FOR 2018)

NOTE 10 – 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, 2019
(WITH COMPARATIVE TOTALS FOR 2018)**

NOTE 10 – Endowment Funds (Continued)

Endowment net asset composition by type of fund as of December 31, 2019:

	<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>185,593</u>	<u>185,593</u>
Endowment assets, end of year	<u>\$ -</u>	<u>\$ 453,243</u>	<u>\$ 453,243</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	-	127,704	127,704
Investment return:			
Investment income	-	10,758	10,758
Net realized and unrealized gain	-	60,631	60,631
Contributions	-	-	-
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(13,500)</u>	<u>(13,500)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 453,243</u>	<u>\$ 453,243</u>

SURFRIDER FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)**

NOTE 10 – Endowment Funds (Continued)

Endowment net asset composition by type of fund as of December 31, 2018:

	<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>127,704</u>	<u>127,704</u>
Endowment assets, end of year	<u>\$ -</u>	<u>\$ 395,354</u>	<u>\$ 395,354</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	-	167,839	167,839
Investment return:			
Investment income	-	9,334	9,334
Net realized and unrealized gain	-	(35,969)	(35,969)
Contributions	-	-	-
Appropriation of endowment assets for expenditure	<u>-</u>	<u>(13,500)</u>	<u>(13,500)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 395,354</u>	<u>\$ 395,354</u>

SURFRIDER FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)**

NOTE 11 – Commitments and Contingencies

The Foundation leases its office facilities under an operating lease that expires in February 2021. 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 \$33,001 and \$54,486 as of December 31, 2019 and 2018, respectively, is presented as a component of accounts payable and accrued liabilities in the accompanying statements of financial position. The future minimum lease payments on operating leases in effect as of December 31, 2019, are as follows:

<u>Year Ending December 31,</u>	
2020	\$ 157,215
2021	<u>26,960</u>
	<u>\$ 184,175</u>

Rent expense for the years ended December 31, 2019 and 2018 were \$300,489 and \$282,013, 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 12 – 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 year ended December 31, 2019 and 50% on the first 2% of the employee's salary in the year ended December 31, 2018. The Foundation's contribution expense was \$32,379 and \$48,886 for the years ended December 31, 2019 and 2018, respectively.

SUPPLEMENTAL INFORMATION

SURFRIDER FOUNDATION

**SCHEDULE OF UNRESTRICTED REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2019**

SUPPORT AND REVENUE WITHOUT DONOR-IMPOSED RESTRICTIONS:

Grants and contributions	\$ 3,311,394
Contributed materials and services	756,251
Membership	1,606,878
Merchandise sales, net of cost of goods sold	218,461
Corporate partnership revenue	617,655
Investment gain	7,182
Special events, net of direct costs	375,125
Other revenue	225
Net assets released from restrictions	
Satisfaction of Beach Cleanups Program	153,544
Satisfaction of Central California Regional Support Program	112,607
Satisfaction of Chapter Assistance Program	780,045
Satisfaction of Clean Water Program	91,231
Satisfaction of Coastal Preservation Program	92,365
Appropriation of Dillon Henry Memorial Internship accumulated earnings	13,500
Satisfaction of Diversity, Equity, and Inclusion Training Program	15,000
Satisfaction of Florida Regional Support Program	40,606
Satisfaction of Hawaiian Islands Regional Support Program	167,092
Satisfaction of International Support Program	2,596
Satisfaction of Mid-Atlantic Regional Support Program	63,051
Satisfaction of New York Fundraising/Development Program	6,648
Satisfaction of Northeast Regional Support Program	50,000
Satisfaction of Ocean Friendly Gardens Program	4,780
Satisfaction of Ocean Friendly Restaurants Program	109,611
Satisfaction of Pacific Northwest Regional Support Program	405,762
Satisfaction of Plastic Pollution Program	434,975
Satisfaction of Southern California Regional Support Program	295,167
TOTAL NET ASSETS RELEASED FROM DONOR-IMPOSED RESTRICTIONS	<u>2,838,580</u>
TOTAL SUPPORT AND REVENUE WITHOUT DONOR-IMPOSED RESTRICTIONS	<u><u>\$ 9,731,751</u></u>

See Independent Auditors' Report

SURFRIDER FOUNDATION

**DETAILED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019**

	Surfrider Foundation Headquarters	Foundation Chapters	Eliminations	Total
ASSETS				
ASSETS				
Cash and cash equivalents	\$ 5,649,359	\$ 2,479,588	\$ -	\$ 8,128,947
Investments	486,037	101,442	(101,442)	486,037
Accounts receivable	644,875	146,958	(245,573)	546,260
Inventory	75,186	-	-	75,186
Prepaid expenses	65,227	-	-	65,227
Property and equipment, net	66,424	-	-	66,424
TOTAL ASSETS	\$ 6,987,108	\$ 2,727,988	\$ (347,015)	\$ 9,368,081
 LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 355,659	\$ 35,956	\$ (263,198)	\$ 128,417
Payroll related liabilities	367,106	62,659	(83,817)	345,948
TOTAL LIABILITIES	722,765	98,615	(347,015)	474,365
NET ASSETS				
Without donor restrictions	1,980,487	2,629,373	-	4,609,860
With donor restrictions	4,283,856	-	-	4,283,856
TOTAL NET ASSETS	6,264,343	2,629,373	-	8,893,716
TOTAL LIABILITIES AND NET ASSETS	\$ 6,987,108	\$ 2,727,988	\$ (347,015)	\$ 9,368,081

See Independent Auditors' Report

SURFRIDER FOUNDATION

**DETAILED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Surfrider Foundation Headquarters	Foundation Chapters	Eliminations	Total
NET ASSETS WITHOUT DONOR RESTRICTIONS				
SUPPORT AND REVENUE:				
Grants and contributions	\$ 2,129,695	\$ 1,666,651	\$ (484,952)	\$ 3,311,394
Contributed materials and services	756,251	-	-	756,251
Membership	1,601,987	30,381	(25,490)	1,606,878
Merchandise sales, net of cost of goods sold	175,159	43,302	-	218,461
Corporate partnership revenue	617,655	-	-	617,655
Investment income	5,922	1,260	-	7,182
Special events, net of direct costs	215,453	159,672	-	375,125
Other revenue	2,725	-	(2,500)	225
Net assets released from donor-imposed restrictions	2,838,580	-	-	2,838,580
TOTAL SUPPORT AND REVENUE	8,343,427	1,901,266	(512,942)	9,731,751
EXPENSES:				
Environmental programs	6,546,659	1,153,196	(512,942)	7,186,913
General and administrative	439,717	108,467	-	548,184
Fundraising	607,002	66,727	-	673,729
TOTAL EXPENSES	7,593,378	1,328,390	(512,942)	8,408,826
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	750,049	572,876	-	1,322,925
NET ASSETS WITH DONOR RESTRICTIONS				
SUPPORT AND REVENUE:				
Contributions	4,802,380	-	-	4,802,380
Corporate partnership	413,816	-	-	413,816
Investment income	70,058	-	-	70,058
Net assets released from donor-imposed restrictions	(2,838,580)	-	-	(2,838,580)
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	2,447,674	-	-	2,447,674
INCREASE IN NET ASSETS	3,197,723	572,876	-	3,770,599
NET ASSETS AT BEGINNING OF YEAR	3,066,620	2,056,497	-	5,123,117
NET ASSETS AT END OF YEAR	\$ 6,264,343	\$ 2,629,373	\$ -	\$ 8,893,716

See Independent Auditors' Report