



**INTERNATIONAL SURFING ASSOCIATION, INC.**

Audited Financial Statements  
For the Year Ended December 31, 2023

# INTERNATIONAL SURFING ASSOCIATION, INC.

## Contents

For the Year Ended December 31, 2023

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
International Surfing Association, Inc.  
Cardiff-by-the-Sea, California

### Opinion

We have audited the accompanying financial statements of International Surfing Association, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2023, 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 International Surfing Association, Inc. as of December 31, 2023, 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 International Surfing Association, Inc. 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 International Surfing Association, Inc.'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 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 International Surfing Association, Inc.'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 International Surfing Association, Inc.'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.

Handwritten signature of Selman LLP in cursive script.

Irvine, California

April 16, 2025

# INTERNATIONAL SURFING ASSOCIATION, INC.

Statement of Financial Position

December 31, 2023

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## ASSETS

### Current assets:

Cash and cash equivalents	\$ 2,343,501
Marketable securities	1,034,198
Accounts receivable, net of credit losses of \$64,454	214,367
Prepaid expenses	14,876

Total current assets 3,606,942

### Property and equipment:

Furniture and equipment	14,339
Computer equipment	31,727

Property and equipment 46,066

Less: accumulated depreciation 39,029

Total property and equipment, net 7,037

### Other assets:

Right-of-use asset, operating lease	472,192
Long-term accounts receivable	29,695
Other receivables	134,679
Deposits	12,503

Total other assets 649,069

Total assets \$ 4,263,048

# INTERNATIONAL SURFING ASSOCIATION, INC.

Statement of Financial Position

December 31, 2023

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## LIABILITIES AND NET ASSETS

### Current liabilities:

Current maturities of operating lease liability	\$ 108,958
Accounts payable	94,439
Contract liabilities	1,704,673
Event deposits	55,000
Other accrued expenses	<u>19,099</u>

Total current liabilities 1,982,169

### Long-term liabilities:

Operating lease liability, less current maturities	<u>376,638</u>
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Total liabilities 2,358,807

### Net assets:

Net assets, without donor restrictions	<u>1,904,241</u>
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Total net assets 1,904,241

Total liabilities and net assets \$ 4,263,048

# INTERNATIONAL SURFING ASSOCIATION, INC.

## Statement of Activities

For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue:</b>			
Development programs	\$ 709,297	\$ -	\$ 709,297
Licensing	26,228	-	26,228
Event revenue	3,132,916	-	3,132,916
Membership dues	52,491	-	52,491
Grants	717,052	80,000	797,052
Merchandise	6,859	-	6,859
Interest income	43,401	-	43,401
Unrealized gain on investments	3,462	-	3,462
Total support and revenue	<u>4,691,706</u>	<u>80,000</u>	<u>4,771,706</u>
<b>Expenses:</b>			
Program services	3,566,561	80,000	3,646,561
Management and general	1,152,178	-	1,152,178
Impairment of Investment in Waterman League Group Limited	100,000	-	100,000
Interest expense	11,155	-	11,155
Total expenses	<u>4,829,894</u>	<u>80,000</u>	<u>4,909,894</u>
Decrease in net assets	(138,188)	-	(138,188)
Net assets, beginning of year	<u>2,042,429</u>	<u>-</u>	<u>2,042,429</u>
Net assets, end of year	<u>\$ 1,904,241</u>	<u>\$ -</u>	<u>\$ 1,904,241</u>

# INTERNATIONAL SURFING ASSOCIATION, INC.

## Statement of Functional Expenses For the Year Ended December 31, 2023

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	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Advertising and promotion	\$ 354,253	\$ -	\$ 354,253
Bad debts	29,517	-	29,517
Bank charges	20,217	12,967	33,184
Charitable contributions	-	12,936	12,936
Depreciation	360	1,234	1,594
Development programs	632,114	-	632,114
Dues and subscriptions	-	1,460	1,460
Employee benefits	54,166	36,111	90,277
Events	1,662,477	-	1,662,477
Insurance	5,979	3,986	9,965
Miscellaneous	27,197	210	27,407
Office and facilities lease	84,278	52,055	136,333
Office supplies	50,459	26,116	76,575
Payroll taxes	29,190	19,460	48,650
Professional fees	6,730	554,658	561,388
Program supplies	43,146	-	43,146
Salaries and wages	580,304	386,870	967,174
Technology	40,607	27,071	67,678
Telephone	6,558	4,372	10,930
Travel and mileage	19,009	12,672	31,681
	<u>          </u>	<u>          </u>	<u>          </u>
Total functional expenses	<u>\$ 3,646,561</u>	<u>\$ 1,152,178</u>	<u>\$ 4,798,739</u>

# INTERNATIONAL SURFING ASSOCIATION, INC.

## Statement of Cash Flows For the Year Ended December 31, 2023

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### Cash Flows From Operating Activities:

Decrease in net assets	\$ (138,188)
Adjustments to reconcile decrease in net assets to cash provided by operating activities	
Depreciation	1,594
Non-cash lease expense	3,229
Unrealized (gain) on investments	(3,462)
Impairment of Investment in Waterman League Group Limited	100,000
(Increase) decrease in:	
Accounts receivable, net	(16,275)
Prepaid expenses	(14,876)
Increase (decrease) in:	
Accounts payable	(255,736)
Contract liabilities	1,234,673
Event deposits	(40,000)
Other accrued expenses	(28,097)
	<hr/>
Net cash provided by operating activities	842,862

### Cash Flows From Investing Activities:

Purchases of marketable securities	(1,030,736)
Purchases of property and equipment	(5,394)
	<hr/>
Net cash (used in) investing activities	(1,036,130)

Net (decrease) in cash and cash equivalents (193,268)

Cash and cash equivalents at December 31, 2022 

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2,536,769

Cash and cash equivalents at December 31, 2023 

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\$ 2,343,501

### Supplemental Disclosure of Cash Flow Information:

Cash paid during the year for:

Interest	<hr/> <u>\$ 11,155</u>
Income taxes	<hr/> <u>\$ -</u>

# INTERNATIONAL SURFING ASSOCIATION, INC.

Notes to the Financial Statements  
For the Year Ended December 31, 2023

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## **Note 1 – Summary of Significant Accounting Policies**

**Nature of Operations** – International Surfing Association, Inc. (“ISA”) is a non-profit organization recognized by the International Olympic Committee (“IOC”) as the world’s governing authority for surfing, body boarding and all wave riding sports. ISA is dedicated to the development of these sports worldwide and provides guidance and advice to its members around the world on matters such as competition, judging, coaching, surfing schools, anti-doping and drug testing, and other areas of development of the sport. ISA is also a member of the Association of IOC Recognized International Sports Federations (“ARISF”), the World Anti-Doping Agency (“WADA”), Sport Accord, and the International World Games Association (“IWGA”).

**Basis of Presentation** – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Financial Statement Presentation** – The Organization reports information regarding its financial position and activities according to the two classes of net assets:

**Without Donor Restrictions** – Net assets that are not subject to donor-imposed restrictions and that may be expendable for any purpose in performing the primary objectives of the Organization.

**With Donor Restrictions** – Net assets that are subject to donor imposed restrictions that will be satisfied by action of the Organization or by passage of time.

**Use of Estimates** – Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reporting amounts of assets and liabilities and disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

**Cash and Cash Equivalents** – The Organization considers all liquid debt instruments and short-term investments purchased with an original maturity of three months or less to be cash equivalents. There were no restrictions on cash balances as of December 31, 2023.

**Marketable Securities** – The Company’s investments in marketable securities consisted of U.S. government securities. U.S. Government securities are carried in the financial statements at fair value, and both realized and unrealized gains and losses are included in earnings. Upon the sale of investments, realized gains and losses are recorded using the specific identification method.

**New Accounting Pronouncement** – Effective January 1, 2023, the Organization adopted Accounting Standards Update (“ASU”) No. 2016-13, Financial Instruments–Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The ASU replaces the incurred loss impairment methodology with a current expected credit losses model for all financial assets measured at amortized cost. Financial assets held by the Organization that are subject to the ASU include marketable securities and accounts receivable. The Organization adopted the standard using a modified retrospective approach as of the effective date. No cumulative-effect adjustment to retained earnings was required. The adoption of the standard did not have a material impact on the financial statements and primarily resulted in changes to disclosures.

# INTERNATIONAL SURFING ASSOCIATION, INC.

Notes to the Financial Statements  
For the Year Ended December 31, 2023

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## **Note 1 – Summary of Significant Accounting Policies (Continued)**

**Allowance for Credit Losses** – Management individually reviews all accounts receivable balances by customer. Management determines whether an allowance for credit losses is necessary using historical loss information by aging category adjusted for current economic conditions and reasonable and supportable forecasts. Balances are charged off against the allowance when management believes there is no possibility of recovery. At December 31, 2023, the allowance for credit losses was approximately \$64,000.

**Accounts Receivable** – Accounts receivable are based on the Organization's unconditional right to consideration from the exchange of services rendered and are stated at amounts management expects to collect. Accounts receivable are recorded when earned and consisted primarily of membership dues, income from promoting and hosting events, and other income earned but not yet received. Accounts receivable expected to be collected in excess of one year after the financial statement date are considered long-term.

**Other Receivables** – Other receivables include non-monetary transactions that are accounted for based on the fair value of the assets exchanged, as per ASC 845. Gains or losses are recognized on the exchange when the transaction has commercial substance. The fair value of assets exchanged is determined using the most appropriate valuation method based on the circumstances, which may include reference to market comparable transactions or other reliable valuation techniques. During the year ended December 31, 2023, the Organization entered into an agreement with one of its vendors, where the outstanding receivables would be satisfied through providing the Organization with custom clothing and surf wear.

**Property and Equipment, and Related Depreciation** – Property and equipment are stated at cost. Major renewals and improvements are charged to the property accounts while replacements, maintenance, and repairs which do not extend the estimated useful lives of the respective assets are expensed currently.

At the time property and equipment is sold or otherwise disposed of, the cost basis and related accumulated depreciation accounts are relieved of the applicable amounts and any gain or (loss) is recorded.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives of the assets are as follows:

<u>Assets</u>	<u>Estimated Useful Lives</u>
Furniture and equipment	3 – 5 years
Computer equipment	5 years

Depreciation expense related to property and equipment was approximately \$1,600 for the year ended December 31, 2023.

# INTERNATIONAL SURFING ASSOCIATION, INC.

Notes to the Financial Statements  
For the Year Ended December 31, 2023

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## **Note 1 – Summary of Significant Accounting Policies (Continued)**

**Lease Recognition** – The Organization determines if an arrangement is a lease at its inception and if it conveys the right to control the use of identified property and equipment for a period of time in exchange for consideration. The Organization recognizes a right-of-use (“ROU”) asset and lease liability on the commencement date of a lease arrangement based on the present value of lease payments over the lease term.

The Organization applies the short-term lease exemption, and therefore, does not recognize ROU assets or lease liabilities for leases shorter than twelve months. The Organization does not elect the practical expedient to combine lease and non-lease components, therefore lease and non-lease components will be accounted for separately.

**Fair Value Measurements** – The Organization, when required, measures and discloses certain financial assets and liabilities under the established framework for determining fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities.
- Level 2 Observable inputs other than level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Organization’s marketable securities are considered Level 1 assets. There are no assets or liabilities currently measured using level 2 or level 3 inputs.

The carrying values of cash and cash equivalents, accounts receivable, prepaid expenses, other receivables, deposits, accounts payable, contract liabilities, event deposits, and other accrued expenses approximate their fair values due to their short-term nature. The Organization’s investment in Waterman League Group Limited is discussed below. The carrying value of the operating lease liability approximates its fair value due to bearing interest at rates that approximate current market rates for long-term debt with similar maturities and credit quality.

# INTERNATIONAL SURFING ASSOCIATION, INC.

Notes to the Financial Statements  
For the Year Ended December 31, 2023

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## **Note 1 – Summary of Significant Accounting Policies (Continued)**

**Investment in Waterman League Group Limited** – The Organization has an investment in the common stock of Waterman League Group Limited, a BVI Corporation responsible for the Official Professional World Championship Tour for the Sport of Paddle surfing (Stand Up Paddling / Paddleboarding). The Organization’s initial investment as of December 31, 2018 was \$100,000. The investment in Waterman League Group Limited was accounted for under the cost method since the Organization owns a minority equity position and does not have the ability to exercise significant influence over the investee.

The Company evaluates the investment for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. If the estimated future cash flows (undiscounted and without interest charges) from the use of an asset are less than the carrying value, a write-down would be recorded to reduce the related asset to its estimated fair value. During the year ended December 31, 2023, management determined that the investment should be written off and reduced to zero.

**Contracts and Contract Liabilities** – The Organization defines a contract as an agreement between two or more parties that creates enforceable rights and obligations. Differences in timing between revenue recognition and cash collection result in contract assets and contract liabilities. Contract assets relate to the Organization’s right to consideration in exchange for goods or services that it has transferred to customers. Contract liabilities relate to the Organization’s obligation to transfer goods or services to a customer for which it has received consideration from customers. The Organization classifies these assets as unbilled receivables and the liabilities as deferred revenue. Unbilled receivables relate to costs incurred and estimated fees for services performed for which billings have not been presented to customers pursuant to contract terms or accounts billed subsequent to year end. When billed, these amounts are included in accounts receivable. Deferred revenue reflects the advance payments received by the Organization for services or events to be performed or held subsequent to the balance sheet date and is presented in the financial statements net of any related direct costs. As of December 31, 2023, the Organization does not have any contract assets.

**Revenue Recognition** – Grants and other contributions of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization recognizes revenues upon performance of the service or event less the allowance for applicable discounts in amounts that reflect the expected consideration received in exchange for those services. The Organization’s revenue is derived primarily from membership dues, licensing and fees for promoting and hosting events. The Organization’s hosted events are generally each accounted for as a single performance obligation. All revenues are considered without donor restrictions, unless specifically restricted by the donors. Revenues from development programs, licensing and merchandise are recognized at the time such services are rendered or as the products are delivered.

# INTERNATIONAL SURFING ASSOCIATION, INC.

Notes to the Financial Statements  
For the Year Ended December 31, 2023

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## **Note 1 – Summary of Significant Accounting Policies (Continued)**

**Expense Allocations** – The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statement of activities and presented in detail in the statement of functional expenses. Accordingly, certain costs have been allocated among those activities based on the estimated percentage attributable to those activities.

**Income Taxes** – The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and corresponding provisions of the Revenue and Taxation Code of California. However, if the Organization has income from certain activities not directly related to its tax-exempt purpose, it is subject to taxation as unrelated business income. The Organization had no unrelated business income for the year ended December 31, 2023.

In accordance with applicable guidance issued by the FASB, the Organization evaluates each of its income-producing activities to assess whether a tax examination would more-likely-than-not determine whether the transactions associated with the activities are tax exempt.

**Uncertain Income Tax Positions** – Accounting principles generally accepted in the United States of America require the Organization to evaluate tax positions taken by the Organization and recognize a tax liability or asset if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing jurisdictions. Management has performed an analysis of potential uncertain tax positions and has determined that there are no uncertain tax positions that are more likely than not to be changed upon examination. The Organization's policy is to recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in management and general expenses. With few exceptions, the Organization is no longer subject to U.S. federal, state or local income tax examinations by tax authorities for years before 2019.

## **Note 2 – Concentrations of Credit Risk**

**Cash and Cash Equivalents** – Cash and cash equivalents are deposited with high credit quality financial institutions. The Organization maintains cash deposits with financial institutions that exceeded amounts covered by the insurance provided by the Federal Deposit Insurance Corporation. The Organization has not experienced any losses in the accounts, and management believes it is not exposed to significant risk of loss related to the excess deposits.

**Accounts Receivable and Revenue** – Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of accounts receivable. The Organization requires no collateral from its customers but performs ongoing credit evaluations of its customers' financial condition. Accordingly, the entire accounts receivable balance is subject to credit risk.

As of December 31, 2023, approximately 57% of the accounts receivable balance was due from two sponsors. In addition, approximately 48% of revenues were received from one sponsor and one grantor. A decision by a significant sponsor to decrease the amount of hosted events could have a material adverse effect on the Organization's financial position and results of operations.

# INTERNATIONAL SURFING ASSOCIATION, INC.

Notes to the Financial Statements  
For the Year Ended December 31, 2023

## **Note 3 – Marketable Securities**

The Company's investments in marketable securities, classified as available-for-sale, are valued using level 1 inputs (as defined in Note 1) based on unadjusted quoted market prices within active markets.

Fair value of marketable securities consisted of the following at December 31, 2023:

	<u>Cost</u>	<u>Unrealized Gain</u>	<u>Fair Market Value</u>
U.S. Treasury Bills	\$ 1,030,736	\$ 3,462	\$ 1,034,198

## **Note 4 – Accounts Receivable, Net**

Accounts receivable, net consisted of the following at:

	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Accounts receivable, current	\$ 278,821	\$ 189,339
Less: allowance for credit losses	<u>(64,454)</u>	<u>(64,454)</u>
Accounts receivable, current, net	<u>\$ 214,367</u>	<u>\$ 124,885</u>
Accounts receivable, long-term	<u>\$ 29,695</u>	<u>\$ 237,581</u>

## **Note 5 – Other receivables**

The Organization entered into an agreement with Stokehouse Unlimited LLC ("Stokehouse") providing the outstanding accounts receivable balance would be satisfied by making non-monetary transfers of custom clothing and surf wear to the Organization. At December 31, 2023, the outstanding other receivable balance from Stokehouse was approximately \$135,000.

## **Note 6 – Contract Liabilities**

Contract liabilities consisted of the following at:

	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Deferred revenue	<u>\$ 1,704,673</u>	<u>\$ 470,000</u>

# INTERNATIONAL SURFING ASSOCIATION, INC.

Notes to the Financial Statements  
For the Year Ended December 31, 2023

## Note 7 – Lease

The Organization leases its office space under a non-cancelable operating lease through January 31, 2028. The lease payments are approximately \$10,200 per month with annual escalation clauses. The lease does not provide an option to negotiate an extension.

The Organization utilizes the risk free borrowing rate (“RF”) to calculate the present value of the lease.

The following summarizes the line items in the income statement which include the components of lease expense for the year ended December 31, 2023:

Operating lease costs:	
Operating lease costs included in functional expenses	<u>\$ 125,297</u>

The following summarizes cash flow information related to the lease for the year ended December 31, 2023:

Cash paid for amounts included in the measurement of lease liability:	
Operating cash flows for operating lease	<u>\$ 122,068</u>

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2023:

Weighted Average Remaining Lease Term:	
Operating lease	4.08 years
Weighted Average Discount Rate:	
Operating lease	3.94%

The maturities of the lease liability as of December 31, 2023 were as follows:

<u>Year Ending December 31,</u>	
2024	\$ 125,730
2025	129,303
2026	129,600
2027	129,600
2028	<u>10,800</u>
Total lease payments	525,033
Less: present value discount	<u>(39,437)</u>
Present value of lease liability	<u>\$ 485,596</u>

# INTERNATIONAL SURFING ASSOCIATION, INC.

Notes to the Financial Statements  
For the Year Ended December 31, 2023

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## **Note 8 – Net Assets With Donor Restrictions**

During the year ended December 31, 2023, the Organization received \$80,000 of contributions restricted to providing support for the Organization's 2023 ISA World Para Surfing Championship and related development. Donor restricted funds of \$80,000 were released during the year ended December 31, 2023.

## **Note 9 – Contingencies**

In the normal course of business, the Organization is subject to legal proceedings, claims, assessments and subject to various local, state and federal environmental regulations. Management believes that these obligations will not have a material impact on the Organization's financial position or its results of operations.

The Organization is currently seeking advanced funding from the International Olympic Committee ("IOC") for the 2028 Los Angeles Olympics. The IOC has provided significant funding to the Organization in previous years, the outcome of the timing of funding could have a material impact on revenues in future periods.

In May 2020, the Organization was granted a loan of approximately \$138,000 from a financial institution pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted into law on March 27, 2020. Under the terms of the PPP, certain amounts of the loan could be forgiven if used for qualifying expenses as described in the CARES Act. Management used the entire loan amount for qualifying expenses, and in August 2021, the Organization was granted full forgiveness of the loan and any related interest. The SBA will have the right to audit the Organization's compliance with the PPP through August 2027.

## **Note 10 – Liquidity and Availability**

Financial assets available for use for general expenditures within one year of the Statements of Financial Position date, comprise the following:

Financial assets at year-end	
Cash and cash equivalents	\$ 2,343,501
Marketable securities	1,034,198
Accounts receivable, current, net	<u>214,367</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,592,066</u>

# INTERNATIONAL SURFING ASSOCIATION, INC.

Notes to the Financial Statements  
For the Year Ended December 31, 2023

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## **Note 11 – Subsequent Events**

The Organization has evaluated subsequent events through April 16, 2025, the date which the financial statements were available to be issued. Management's evaluation of subsequent events has determined that there were no events that require additional disclosures.