

HEROES ON THE WATER, INC.

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2021 and 2020**

Heroes on the Water, Inc.
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For the Years Ended December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Heroes on the Water, Inc.

Opinion

We have audited the accompanying financial statements of Heroes on the Water, Inc. (a Texas nonprofit organization), which comprise the statement of financial position as of December 31, 2020 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 Heroes on the Water, Inc. as of December 31, 2020 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Heroes on the Water, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Heroes on the Water, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 Heroes on the Water, 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 Heroes on the Water, 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.



LaFollett & Company PLLC
Tom Bean, Texas
July 19, 2022

Heroes on the Water, Inc.

Statement of Financial Position

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,377,712	\$ 1,174,295
Investments	978,706	206,713
Contributions receivable	101,179	67,740
Prepaid expenses	58,405	20,404
Inventory	-	7,628
Total Current Assets	<u>2,516,002</u>	<u>1,476,780</u>
Other assets - security deposits	<u>704</u>	<u>704</u>
Property and equipment (net)	<u>237,967</u>	<u>186,261</u>
Total Assets	<u><u>\$ 2,754,673</u></u>	<u><u>\$ 1,663,745</u></u>
Liabilities and Net Assets		
Current Liabilities:		
Other accrued expenses	-	3,000
Accounts payable	7,615	2,992
Payroll liabilities	1,143	1,830
Total Current Liabilities	<u>8,758</u>	<u>7,822</u>
Net Assets:		
With donor restrictions	7,446	33,804
Without donor restrictions	2,738,469	1,622,119
Total Net Assets	<u>2,745,915</u>	<u>1,655,923</u>
Total Liabilities and Net Assets	<u><u>\$ 2,754,673</u></u>	<u><u>\$ 1,663,745</u></u>

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

Heroes on the Water, Inc.
Statement of Activities
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Totals
Support and Revenues:			
Contributions from:			
Individuals and other	\$ 145,009	\$ -	\$ 145,009
Corporations	121,837	-	121,837
Not for profit corporations	210,871	-	210,871
Local governments	8,968	-	8,968
Fundraising revenue:			
Special events revenue	1,422,548	-	1,422,548
In-kind donated goods	8,323	-	8,323
T-shirt and other sales	4,614	-	4,614
Unrealized gains & losses	71,993	-	71,993
Miscellaneous	6,110	-	6,110
Net assets released from restrictions	26,358	(26,358)	-
Total Support and Revenues	<u>2,026,631</u>	<u>(26,358)</u>	<u>2,000,273</u>
 Expenses:			
Program services	729,111	-	729,111
Fundraising activities	124,807	-	124,807
Support services	56,363	-	56,363
Total Expenses	<u>910,281</u>	<u>-</u>	<u>910,281</u>
 Change in Net Assets	1,116,350	(26,358)	1,089,992
 Net Assets, Beginning of Year	<u>1,622,119</u>	<u>33,804</u>	<u>1,655,923</u>
 Net Assets, End of Year	<u><u>\$ 2,738,469</u></u>	<u><u>\$ 7,446</u></u>	<u><u>\$ 2,745,915</u></u>

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

Heroes on the Water, Inc.
Statement of Activities
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Totals
Support and Revenues:			
Contributions from:			
Individuals and other	\$ 183,894	\$ 15,000	\$ 198,894
Corporatations	111,240	-	111,240
Not for profit corporations	19,606	-	19,606
Local governments	8,952	-	8,952
Fundraising revenue:			
Special events revenue	1,263,926	-	1,263,926
Less: Direct benefit to donors	(172,138)	-	(172,138)
Net special events revenue	1,091,788		1,091,788
SBA PPP loan forgiveness	49,520	-	49,520
In-kind donated goods	23,273	-	23,273
T-shirt and other sales	12,567	-	12,567
Unrealized gains & losses	6,713	-	6,713
Miscellaneous	2,128	-	2,128
Net assets released from restrictions	4,341	(4,341)	-
Total Support and Revenues	<u>1,514,022</u>	<u>10,659</u>	<u>1,524,681</u>
Expenses:			
Program services	569,643	-	569,643
Fundraising activities	136,209	-	136,209
Support services	41,070	-	41,070
Total Expenses	<u>746,922</u>	<u>-</u>	<u>746,922</u>
Change in Net Assets	767,100	10,659	777,759
Net Assets, Beginning of Year	<u>855,019</u>	<u>23,145</u>	<u>878,164</u>
Net Assets, End of Year	<u><u>\$ 1,622,119</u></u>	<u><u>\$ 33,804</u></u>	<u><u>\$ 1,655,923</u></u>

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

Heroes on the Water, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program Services	Support Services	Fundraising Activities	Total
Payroll expenses	\$ 363,023	\$ 36,771	\$ 46,968	\$ 446,762
Direct program: fishing trip costs	150,375	-	-	150,375
Travel and meetings	70,482	4,412	9,919	84,813
Outreach	23,794	33	43,753	67,580
Administration	32,596	2,427	7,214	42,237
Contract services	7,528	12,617	10,877	31,022
Depreciation	29,018	-	-	29,018
Insurance	25,994	103	530	26,627
Legal, accounting, and auditing	16,689	-	-	16,689
Direct program: Hats and gear	-	-	5,546	5,546
Maintenance and repairs	1,289	-	-	1,289
Total Expenses Before Donated Goods	<u>720,788</u>	<u>56,363</u>	<u>124,807</u>	<u>901,958</u>
Donated goods	<u>8,323</u>	<u>-</u>	<u>-</u>	<u>8,323</u>
Total In-Kind Donations	<u>8,323</u>	<u>-</u>	<u>-</u>	<u>8,323</u>
 Total Expenses	 <u><u>\$ 729,111</u></u>	 <u><u>\$ 56,363</u></u>	 <u><u>\$ 124,807</u></u>	 <u><u>\$ 910,281</u></u>

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

Heroes on the Water, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program Services	Support Services	Fundraising Activities	Total
Payroll expenses	\$ 311,387	\$ 39,919	\$ 50,422	\$ 401,728
Meals	1,533	145	354	2,032
Marketing, logos, and signage	2,475		41,470	43,945
Fishing and kayak supplies	68,927	-	-	68,927
Shirts and hats	48,855	-	10,340	59,195
Depreciation	31,385	-	-	31,385
Website	13,639	-	13,915	27,554
Insurance	23,047	153	605	23,805
Administration	10,095	70	8,515	18,680
Contract services	7,500		8,529	16,029
Legal, accounting, and auditing	10,467	98	-	10,565
Travel, meetings, lodging, and mileage	7,326	412	1,498	9,236
Printing and postage	3,762	269	561	4,592
State and other registration fees	3,260	-	-	3,260
Shipping and storage	1,965	4	-	1,969
Maintenance and repairs	514	-	-	514
Special event registration	233	-	-	233
Total Expenses Before Donated Goods	<u>546,370</u>	<u>41,070</u>	<u>136,209</u>	<u>723,649</u>
Donated goods	<u>23,273</u>	<u>-</u>	<u>-</u>	<u>23,273</u>
Total In-Kind Donations	<u>23,273</u>	<u>-</u>	<u>-</u>	<u>23,273</u>
Total Expenses	<u><u>\$ 569,643</u></u>	<u><u>\$ 41,070</u></u>	<u><u>\$ 136,209</u></u>	<u><u>\$ 746,922</u></u>

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

Heroes on the Water, Inc.
 Statements of Cash Flows
 For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in Net Assets	\$ 1,089,992	\$ 777,759
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	29,018	31,385
Unrealized Investment Gain	(71,993)	(6,713)
(Increase) Decrease in:		
Prepaid expenses	(38,001)	56,446
Contributions receivable	(33,439)	(67,740)
Inventory	7,628	46,051
Security deposits	-	76
Increase (Decrease) in:		
Accounts payable	4,623	576
Wages payable and payroll liabilities	(687)	761
Deferred revenue	-	(16,941)
Other accrued expenses	(3,000)	3,000
Net Cash Provided by (Used in) Operating Activities	984,141	824,660
 Cash Flows from Investing Activities		
Cash utilized for the purchase of investments	(700,000)	(200,000)
Cash paid for property and equipment	(80,724)	(3,155)
Net Cash Provided by (Used in) Investing Activities	(780,724)	(203,155)
 Cash Flows from Financing Activities		
Net Cash Provided by (Used in) Financing Activities	-	-
 Net Increase (Decrease) in Cash	203,417	621,505
 Cash at Beginning of Year	\$ 1,174,295	\$ 552,790
 Cash at End of Year	\$ 1,377,712	\$ 1,174,295
 Cash paid for interest	\$ -	\$ -

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

Heroes on the Water, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 1: Description of Organization

A. Organization, History, and Purpose

Heroes on the Water, Inc. (the Organization), is incorporated as a Texas nonprofit corporation. At December 31, 2021, the Organization had 58 volunteer-led chapters and 3 therapeutic chapters in the United States that hold events throughout the year, which are held at no-charge for our nation's heroes. The mission of the Organization is to provide wellness and community to our heroes and their families through kayak fishing and the outdoors

B. Tax Status

In October of 2008, the Internal Revenue Service determined the Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

GAAP prescribes a recognition threshold and measurement process for accounting for uncertain tax positions and provides guidance on various related matters such as interest, penalties, and required disclosures. Management does not believe the Organization has any uncertain tax positions. The Organization files informational returns, IRS Form 990. The Organization has no reportable unrelated business income for the years ended December 31, 2021 and 2020. Thus, they did not file a 990T and no provision for income taxes has been recorded. Generally, these returns are subject to the examination by income tax authorities for three years from the filing of a return. The Organization has not paid any interest or penalties related to its tax position and there are currently no audits for any tax periods in progress. Interest and penalties assessed by taxing authorities, if any, would be included with general and administrative expenses.

Note 2: Summary of Significant Accounting Policies

A. Basis of Accounting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recognized when the obligation is incurred.

B. Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents.

Heroes on the Water, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 2: Summary of Significant Accounting Policies (Continued)

C. Investments

Investments are stated at fair value and investment return, including interest, dividends, realized and unrealized gains and losses on investments is included in the statement of activities.

D. Inventory

The Organization maintains an online retail store through Shopify for the public to purchase items to benefit the cause. Online store inventories consist of soft goods such as hats and t-shirts held for resale. During the fiscal year, the Organization determined that it would no longer host an online store and all inventory was contributed to the chapters or disposed. As of December 31, 2021, inventory is \$0.

E. Contributions Receivable

Contributions receivable are stated at the amount management expects to collect from outstanding balances and consist of amounts from a vehicle donation program that the Organization participates in as part of a fundraising effort. The Organization considers the amounts fully collectible and thus no reserve for doubtful accounts has been established. The Organization had \$101,179 and \$67,740 in contributions receivable at December 31, 2021 and 2020, respectively.

F. Property and Equipment

Property and equipment is recorded at cost for assets purchased and at the estimated fair value on the date of acquisition for donated assets. The Organization capitalizes assets with an original cost of \$1,000 and a useful life of more than one year. Depreciation is calculated using the straight-line method over the useful lives of the assets. Depreciable lives for the Organization's kayaks and trailers are seven years and five years for furniture and other equipment. Expenses for maintenance, repairs, and minor replacements are expensed as incurred.

G. Accrued Compensated Absences

Full time employees earn two weeks of vacation per year. However, the use of vacation time is based on a calendar year and may not be carried over. Therefore, no accrual is recorded at December 31, 2021 and 2020.

Heroes on the Water, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 2: Summary of Significant Accounting Policies (Continued)

H. Net Assets

Net assets are classified into two separate categories: with donor restrictions and without donor restrictions. The classifications are determined based upon the existence and/or nature of any donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or a 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.

- *Without donor restrictions* - net assets are available for current operating expenses or for designation by the Board of Directors for a specific purpose.
- *With donor restrictions* - net assets have been restricted by donors until the occurrence of a certain event or the expiration of time requirements. Such net asset balances may also have principal balances restricted by donors that will not expire. Only earnings on the balance may be expended by the Organization in that situation.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the program services, supporting services, and fundraising activities. When possible, direct costs are identified and allocated accordingly. Wages and benefits are allocated based on the estimated time spent on each function.

Heroes on the Water, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 2: Summary of Significant Accounting Policies (Continued)

K. In-Kind Donated Support

Contributed professional services are recognized if the services received create or enhance long-lived assets or requires specialized skill that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of donated services and supplies are recorded at their fair value in the period received. These estimates are reflected as in-kind support and as an offsetting expense in the Statement of Activities.

L. Revenue Recognition

The Organization recognizes revenue based on the existence or absence of an exchange transaction. The Organization recognizes revenue from exchange transactions when it satisfies a performance obligation by providing a service to a customer or donor by transferring control over a product to customer or donor.

Revenue from non-exchange transactions consists of contributions of cash and promises to give. Gifts received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits the use are reported as revenue and net assets with donor restrictions. When the donor-stipulation time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statement of activities as net assets with donor restrictions. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

Special event revenue is recognized less the cost of direct benefit to donors and contribution revenue. Revenue from online sales of merchandise is recognized when items are shipped and considered in the customers control rather than at the initial point of the online sale transaction.

Note 3: Cash and Cash Equivalents

Cash at December 31, 2021 is comprised of \$1,348,709 deposited with financial institutions. The Federal Depository Insurance Corporation (FDIC) insured these bank deposits up to \$250,000 at each financial institution. At December 31, 2021, the Organization had \$423,242 deposits insured by FDIC insurance and \$925,467 of uninsured cash. Management does not believe there is any significant risk involved with this uninsured cash. Also, the Organization had \$34,153 of un-deposited donations held at their local chapters at December 31, 2021.

Heroes on the Water, Inc.

Notes to the Financial Statements

For the Years Ended December 31, 2021 and 2020

Cash at December 31, 2020 is comprised of \$1,118,755 deposited with financial institutions. The Federal Depository Insurance Corporation (FDIC) insured these bank deposits up to \$250,000 at each financial institution. At December 31, 2020, the Organization had \$465,442 deposits insured by FDIC insurance and \$653,313 of uninsured cash. Management does not believe there is any significant risk involved with this uninsured cash. Also, the Organization had \$63,518 of un-deposited donations held at their local chapters at December 31, 2020.

Note 4: Investments

Investments are reported at fair value and consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Mutual Funds	\$ 978,706	\$ 206,713
	<u>\$ 978,706</u>	<u>\$ 206,713</u>

Note 5: Fair Value Measurements

Accounting Standards Codification (“ASC”) 820, Fair Value Measurements and Disclosures, establishes a single authoritative definition of fair value, sets a framework for measuring fair value, and requires additional disclosures about fair value measurements. The Organization classifies its assets and liabilities into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which observable market inputs are readily available), and Level 3 (securities valued based on significant unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value, as well as the general classification pursuant to the valuation hierarchy.

Level 1 - Quoted Prices in Active Markets: Investments such as actively traded equity securities, U.S. government obligations and money market funds with quoted market prices in active markets are classified as Level 1.

Level 2 - Significant Other Observable Inputs: Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flow models.

Heroes on the Water, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 5: Fair Value Measurements (Continued)

Level 3 - Significant Unobservable Inputs: Beneficial Interest in Perpetual Trusts is classified as Level 3 because the Organization's share in the trusts does not have an active market. The Organization estimates the recurring fair value of the trusts based on Organization's share of the underlying investment portfolios that consist primarily of actively traded equities, bonds and money market funds. The trusts are managed by financial institutions and investment managers who provide detailed statements on a regular basis presenting the market value of the portfolio on an individual investment security basis.

The Organization estimates the recurring fair value based on the Organization's share of the underlying investment portfolio that consists of actively traded equities, bonds and money market funds.

The valuation methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date and that difference may be material to the Organization's consolidated financial statements.

The Organization's financial assets that are accounted for at fair value on a recurring basis as of December 31, 2021 and 2020, by level within the fair value hierarchy, are presented in the table below. Financial assets measured at fair value on a non-recurring basis, such as contributions receivable and gift annuities, are excluded from the table.

Description	December 31, 2021		
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	\$ 978,706	\$ -	\$ -
	<u>\$ 978,706</u>	<u>\$ -</u>	<u>\$ -</u>

Description	December 31, 2020		
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	\$ 206,713	\$ -	\$ -
	<u>\$ 206,713</u>	<u>\$ -</u>	<u>\$ -</u>

Heroes on the Water, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 6: Information Regarding Liquidity and Availability

The Organization strives to maintain liquid financial assets sufficient to cover general expenditures as needed.

The following table reflects the Organization's financial assets as of December 31, 2021 and 2020, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of certain donor restrictions and unavailability of security deposits.

Financial assets at year end:	2021	2020
Cash and cash equivalents	\$ 1,377,712	\$ 1,174,295
Investments	978,706	206,713
Contributions receivable	101,179	67,740
Prepaid expenses	58,405	20,404
Inventory	-	7,628
	<u>2,516,002</u>	<u>1,476,780</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	7,466	33,804
Security deposits not available in one year	704	704
Less net assets with purpose restrictions to be met in less than a year	<u>(7,466)</u>	<u>(26,358)</u>
	<u>704</u>	<u>8,150</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,515,298</u>	<u>\$ 1,468,630</u>

Note 7: Property and Equipment

The Organization's property and equipment at December 31, 2021 and 2020 is as follows:

<u>Depreciable assets</u>	2021	2020
Kayaks	\$ 166,384	\$ 139,059
Trailers	263,346	214,551
Furniture and equipment	9,820	9,820
Total property and equipment:	439,550	363,430
(Less) Accumulated depreciation	<u>(201,583)</u>	<u>(177,169)</u>
Total property and equipment (net)	<u>\$ 237,967</u>	<u>\$ 186,261</u>

Depreciation expense is \$30,111 and \$31,385 for the years ended December 31, 2021 and 2020, respectively.

Heroes on the Water, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 8: Net Assets

Net assets with donor restrictions at December 31, 2021 and 2020 are as follows:

	2021	2020
Specific Purpose:		
Kayak purchases	\$ -	\$ 21,000
Specific Chapters:		
Southeast Louisiana	-	4,138
Northwest Washington	7,699	8,666
Total	\$ 7,699	\$ 33,804

Note 9: In-Kind Donations

For the year ended December 31, 2021, the Organization did not receive contributions of skilled labor, but did receive contributions of non-skilled labor with a fair value of \$147,255. Also, for the year ended December 31, 2021 the Organization received \$8,323 of supplies, equipment, and other goods.

For the year ended December 31, 2020, the Organization did not receive contributions of skilled labor, but did receive contributions of non-skilled labor with a fair value of \$77,604. Also, for the year ended December 31, 2020 the Organization received \$23,273 of supplies, equipment, and other goods.

Note 10: Subsequent Events

Management has evaluated subsequent events through the date of the independent auditor's report, the date on which the financial statements were available to be issued. Management has not identified any subsequent events that would require disclosure.