



## THE COMBAT DIVER FOUNDATION

5235 8th Avenue North  
Saint Petersburg, Florida 33710  
[www.combatdiver.org](http://www.combatdiver.org)

6 February 2023

Dear Colleagues,

This was a challenging year for the Combat Diver Foundation but one of expansion and experimentation that we believe will bear fruit in 2023. There are complex reasons for this. The end of the war in Afghanistan in late 2021 has reduced the scope and urgency of support for military and veteran-focused non-profits. At the same time, inflation and other economic fallout from the pandemic impacted our members and friends around the world in negative ways.

While these factors presented challenges, they forced us to invest in our mission through innovation and support to partner activities as well as CDF events. Those investments included our bi-annual fundraising event with our brothers in the U.S. Military Freefall Association, sponsorship of the Best Combat Diver Competition, support for the dedication of the School of Leadership & Tactics at WHINSEC to a fallen Combat Diver, and a plan to support the Marine Reconnaissance Foundation Wounded Teammate & Family Retreat.

### Events

Jump & Dive is a bi-annual fundraiser we do with the U.S. Military Freefall Association. This year we hosted a fundraising dinner in Key West in order to build relationships there. Our guest of honor was Combat Diver Colonel Justin Sapp from CIA's Team Alpha who gave us an outstanding presentation of his experiences behind Taliban lines in 2001. Though Tropical Storm Alex disrupted travel for some of the attendees, the event was a tremendous success and we're looking forward to expanding on it in 2024.

We were honored to once again fill the role of principal sponsor and media conduit for the Best Combat Diver Competition at Ft. Bragg. Of all our programs, the BCDC has the most potential to grow into a joint, international SOF event that truly tests the limits of the world's best Combat Divers and our aspiration is to help SOCOM grow it to achieve its full potential. Though CDF has participated in several planning discussions with the chain of command, the 2023 event is still in limbo due to some technicalities. If and when the decision is made to move forward with BCDC, we're confident CDF will play a primary role in making it happen.

For the first time in 2022 we were asked to support events that were not Combat Diver-specific in nature. In October, our partners at the Marine Reconnaissance Foundation (MRF) invited us to attend events associated with their Wounded Teammate & Family Retreat. The MRF has been very supportive of us in the past and we hope to continue boosting their events whenever possible. In December, the staff at WHINSEC asked us for help funding the dedication ceremony of the School of Leadership & Tactics to a fallen Combat Diver. CDF was proud to provide the catering for that event and to help the command get the word out in media channels.

### Ongoing Programs

Along with our new and partner programs, CDF's Membership and Commemorative Art programs were alive and well in 2022. Our membership ranks expanded by a full 22% this year including new members in Canada, German, Austria, Norway, and France. Now in its third full year, the Membership Program is a key

component to our fundraising and media efforts around the world and we intend to implement the member benefits aspect of the program in 2023 as 3 year memberships will begin expiring in August.

The 2022 Commemorative Art program has been a mainstay of our cultural preservation and fundraising efforts. This year's historical/mythological theme by French artist David Lequeument is a beautiful addition to any collection and hints at our roots in European Combat Dive units during the Second World War. In all, customers took home 70 of our 2022 prints and an additional 15 of the 2021 prints. The 2023 offering is delayed somewhat as we try to rewire the program for a Christmas delivery but you can be sure it will be as amazing as the first two.

We prioritized the Virtual Combat Diver Museum (VCDM) lower this year as the developer of the original has struggled to implement phases two and three of the program. Though we are beginning the search for a developer with the technical skill to bring about the full functionality of the design, we continue to develop content that will complete the initial phase of the project. One of our members is donating time and expertise to the task and we should see some new exhibits in early 2023.

## **Paid Staff**

Last year's decision to begin compensating certain members of the CDF Staff has proven to be a good one though it was November before we finally filled all the compensated positions authorized by the Board. That said, the fiscal situation under which that decision was made have changed significantly in 2022. While the monthly financial commitment to staff compensation was easily achievable in 2021, it has proven much more cumbersome in 2022 as international economic realities have impacted our fundraising in negative ways. Sales at the CDF Store in the first three quarters of calendar year 2022 were stagnant (though Q4 saw a significant increase) and changing tax laws have exposed us to a sales & use tax burden in multiple states. All this comes at a time when materials prices have risen due to inflation.

This leaves us in a tightening, though still healthy, financial position in which we will have to depend more on donations rather than merchandise sales. It is also leading us to think carefully about expanding this year's Deep Dive Combat Diver Reunion which will take place on 5 August at the Flora-Bama Lounge in Pensacola/Orange Beach.

## **Thank You**

Lastly we want to thank all of our donors and sponsors. Though there are too many to list, we could not do any of this without you. On behalf of the Combat Diver Foundation we look forward to meeting and working with you in 2023. Fin hard!



LINO MIANI  
President  
Combat Diver Foundation

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## Management's Responsibility for Consolidated Financial Statements

The administration of Combat Diver Foundation (CDF) is responsible for the preparation, accuracy, integrity, and objectivity of the financial statements contained herein. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and, accordingly, include certain amounts that represent our best estimates and judgments. Actual amounts could differ from those estimates.

These financial statements have been prepared under my supervision. Based on my knowledge, these financial statements present fairly, in all material respects, the financial position, changes in net assets and cash flows of Combat Diver Foundation for the periods presented herein.



LINO MIANI  
President  
Combat Diver Foundation

## Comparative Statements of Financial Position

As of December 31, 2022, 2021, and 2020

	2022	2021	2020
<b>ASSETS</b>			
Current assets			
Cash	\$ 52,193	\$ 57,578	\$ 21,828
Merchandise inventory	8,652	8,770	2,118
	<u>60,845</u>	<u>66,348</u>	<u>23,946</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 60,845</u></b>	<b><u>\$ 66,348</u></b>	<b><u>\$ 23,946</u></b>
<b>LIABILITIES</b>			
Liabilities			
Accrued interest	\$ 411	\$ 241	\$ -
Note payable - SBA	6,100	6,100	6,100
	<u>6,511</u>	<u>6,341</u>	<u>6,100</u>
<b>NET ASSETS</b>			
Unrestricted net assets	60,006	17,846	(11,577)
Restricted net assets	-	-	
Current year excess of revenues, gains and other support over operating expenses	(5,672)	42,160	29,423
	<u>54,334</u>	<u>60,006</u>	<u>17,846</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 60,845</u></b>	<b><u>\$ 66,348</u></b>	<b><u>\$ 23,946</u></b>

*These Financial Statements were prepared internally, without audit, by the Foundation's Management*

## Comparative Statements of Activities

For the Years Ended December 31, 2022, 2021, and 2020

	2022	2021	2020
<b>REVENUE, GAINS AND OTHER SUPPORT</b>			
Cash contributions	\$ 9,591	\$ 11,385	\$ 1,918
In-kind contributions	10,567	-	30,787
Merchandise sales	32,336	71,629	21,285
<b>TOTAL REVENUE, GAINS AND OTHER SUPPORT</b>	<b>52,494</b>	<b>83,014</b>	<b>53,990</b>
<b>OPERATING EXPENSES</b>			
Costs of merchandise sales	\$ 19,337	\$ 28,038	\$ 11,275
Salaries, wages and related taxes and benefits	19,910	\$ -	\$ -
Events	7,091	-	225
Advertising	33	1,102	1,995
Printing	-	-	1,713
Shipping	2,392	-	3,460
Travel and lodging	6,771	4,985	-
Bank charges	146	2,714	754
Business services	2,178		
Interest expense	170	241	-
Licenses and fees	-	-	127
Professional fees	138	3,774	5,019
<b>TOTAL OPERATING EXPENSES</b>	<b>58,166</b>	<b>40,854</b>	<b>24,567</b>
<b>REVENUES, GAINS AND OTHER SUPPORT IN EXCESS OF OPERATING EXPENSES</b>	<b>\$ (5,672)</b>	<b>\$ 42,160</b>	<b>\$ 29,423</b>
<b>CHANGE IN NET ASSETS</b>			
Net assets, beginning of year	\$ 60,006	\$ 17,846	\$ 29,423
Change in net assets during the year	(5,672)	42,160	(11,577)
<b>Net assets, end of year</b>	<b>\$ 54,334</b>	<b>\$ 60,006</b>	<b>\$ 17,846</b>

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## Comparative Statements of Cash Flows

### For the Years Ended December 31, 2022, 2021, and 2020

	2022	2021	2020
<b>Cash flows from operating activities</b>			
Current year excess of revenues, gains and other support over operating expenses	\$ (5,672)	\$ 42,160	\$ 29,423
<b>Adjustments to reconcile to cash basis:</b>			
Non-cash, in-kind contributions	-	-	(30,787)
<b>Changes in operating assets and liabilities</b>			
Inventories held for sale	118	(6,652)	19,046
Accrued interest	170	241	
Net cash provided from operating activities	(5,385)	35,750	17,682
<b>Cash flows from financing activities</b>			
Cash from borrowings from SBA	-	-	6,100
Cash used to retire loan's from officers	-	-	(2,869)
Net cash flows form borrowing activities	-	-	3,231
Net increase (decrease) in cash	(5,385)	35,750	20,913
Cash at beginning of year	57,578	21,828	915.00
Cash at end of year	\$ 52,193	\$ 57,578	\$ 21,828

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# Supplemental Information

## Statement of Functional Expenses

### For the Year Ended December 31, 2022

**Combat Diver Foundation**  
**Statement of Functional Expenses**  
**For The Year Ended December 31, 2022**

	Supporting Services				Total
	Program Services	General and Administrative	Fundraising	Total Supporting Services	
<b>OPERATING EXPENSES</b>					
Costs of merchandise sales	\$ 19,337	\$ -	\$ -	\$ -	\$ 19,337
Salaries, wages and related taxes and benefits	-	19,910	-	19,910	19,910
Events	7,091	-	-	-	7,091
Advertising	-	33	-	33	33
Printing	-	-	-	-	-
Shipping	2,392	-	-	-	2,392
Travel and lodging	-	6,771	-	6,771	6,771
Bank charges	-	146	-	146	146
Business services	-	2,178	-	2,178	2,178
Interest expense	-	170	-	170	170
	<u>\$ 28,819</u>	<u>\$ 29,209</u>	<u>\$ -</u>	<u>\$ 29,209</u>	<u>\$ 58,028</u>

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