HEALING WATERS FLYFISHING

2021 ANNUAL REPORT

Mission

Project Healing Waters Fly Fishing, Inc. (PHW) is dedicated to the physical and emotional rehabilitation of disabled active military service personnel and disabled veterans through fly fishing and associated activities including education and outings.



Board of Trustees

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Greetings

This past year fortified two of PHW's most crucial values: camaraderie and trust. In-person interaction is critical to building healthy communities, which in turn develops the trust that keeps the bonds strong. Thank you to our fantastic staff and volunteer leaders for, despite physical distancing, working diligently to maintain virtual camaraderie and community. Thank you to our Veteran participants for trusting us to hold it together and push through. The Wall Street Journal said it best, "2021 was



a year for recalibrating." Like every other profit and nonprofit business on the planet, Covid-19 exposed inefficiencies and areas for improvement. PHW took this opportunity to recalibrate and strengthen our organization to have a lasting positive impact on the Veterans we serve. We were excited to announce that on July 19, 2021 we resumed our indoor core program activities. We all thank you, our loyal donors, for trusting us to push through this challenging year.

Many businesses, profit and nonprofit, did not survive this past year. We're proud to announce that due to our financial health and commitment to accountability and transparency, Charity Navigator awarded us their highest rating of 4 Stars for the second consecutive year. We wouldn't have been able to do this without the patience and trust of our donors. We are a resilient organization and resiliency is what we hope to impart to every Veteran participant.

As we recalibrate and learn from Covid-19 lessons, we look forward to strengthening our synergistic collaborations with our partners and alliances alongside other Veteran nonprofits. It's one of my highest honors to be a part of this organization and work with my fellow Trustees and leadership to move past these challenging years into a fresh new year full of fun, face-to-face camaraderie, and healing for everyone.

Sincerely,

Blain Tomlinson Chairman

Financials

Statement of Financial Position

PHW's goal in 2021 was to ensure that our participants received a continuum of care throughout the pandemic. Continuing engagement for our participants was critical to our mission during this uncertain time.

We are deeply thankful to our loyal donors, grantors, and sponsors for their ongoing support. Our volunteers continued to astonish us with their dedication towards our cause. In 2021, volunteers contributed over 47,000 hours. While in-kind donations of materials and supplies, travel, meals, and services decreased from prior years, these donations amounted to over \$300,000.

A strategic decision was made in late 2021 to change the fiscal yearend to September 30th from our calendar year-end of December 31st, and also align our program activities year with this change. The change will allow for revenues to be recorded in the beginning of year (October-December), which then would give PHW more visibility on cashflow and help in projecting the expenditures for program activities.

The immediate shift to a 9- rather than 12-month fiscal year led to an end-of-year reduction of approximately \$1.5 million (a 41.3% decrease). Although our total revenue was down, PHW held our expenses in check. Another benefit of changing the year-end is that the new fiscal year coincides with the same tax year as the federal government and Department of Veterans Affairs for grant purposes. The change helps PHW align our greatest opportunities with our fiscal year-end and provides program support throughout the new fiscal year.

During these unprecedented times, PHW remained focused on providing a continuum of care for our participants, ensuring accountability to our donors, participants, and volunteers, and positioning PHW for success in years to come.

Fundraising Overview

Since our inception, PHW has provided support to disabled Veterans and disabled active duty military members on their journeys to healing. Our organization has been able to do this by maintaining conservative financial policies and through the generosity of our supporters. Supporting the physical and emotional recovery and rehabilitation of our participants is our mission, and we strive to do the best we can for them every single day.

For the years 2020 and 2021, we had to take a different approach to our fundraising strategy due to the pandemic. Even though it certainly came with struggles, the brightest light shone as our amazing donors continued to support our organization and our participants in every way possible. Instead of shying away due to the pressures of the pandemic, our supporters strengthened their commitment to our organization to serve our disabled Veterans and disabled active military service personnel. Our staff, Board of Trustees, volunteers, and donors knew this was the time to strengthen our support for our participants, not weaken it.

Without the support of our generous donors, we wouldn't have been able to do all that we have done for our participants these past two years. We are excited to build off of these successes of 2020 and 2021 for the future of growing our programs to support our disabled Veterans and disabled active military service personnel. Thank you for your unwavering and continuing support of our participants and our mission.

Financials

Balance Sheet as of September 30, 2021

ASSETS		LIABILITIES	
Cash and cash equivalents	\$ 1,284,720	Accounts payable and accrued liabilities \$	240,880
Investments	443,515	Deferred revenue	-
Contributions receivable	158,803	\$	240,880
Prepaid expenses	89,180	NET ASSETS	
Fixed assets, net	190,501	Net assets without donor restrictions \$	1,151,955
Inventory	63,191	Net assets with donor restrictions	841,625
Other assets	4,550		1,993,580
Total Assets	\$ 2,234,460	Total Liabilities and Net \$	2,234,460

46,432 5,523 190,304	Fundraising		362,300
-, -	Fundraising		362,300
46,432	Fundraising		362,300
312,516	Management and general		359,41
1,658,174	Program services	\$	1,597,84
	EXPENSES		
	1,658,174	1,658,174 Program services	EXPENSES 1,658,174 Program services \$

Source: Project Healing Waters Fly Fishing, Inc. 2021 Audited Financial Statements for the nine months ending September 30, 2021



PHW 2021 Audited Support & Revenue \$2,212,949

Impact

Participants:	4,692
Volunteers:	2,622
Volunteer Hours:	47,071
Programs:	221
Classes/Activities:	2,460
Fly Tying Virtual: In-person:	652 469
Fly Rod Building Virtual: In-person:	51 165
Fly Casting Virtual: In-person:	5 185
Fly Fishing Education Virtual: In-person:	228 149
Outings:	556
Cost to Participants:	\$0

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Grants

The pandemic resulted in significant changes in grant opportunities and how nonprofits operate, including our own. In 2021, we continued our pivot toward new ways of serving our program participants while working to keep them, volunteers, and staff safe. In 2021, grants accounted for 28.8% of the organization's total revenue. PHW also experienced a high grant renewal rate, with many grantors continuing their status as long-term supporters of the organization.

PHW remains grateful to our generous grantors who awarded 31 grants totaling \$637,564 in support of our programs. These grants funded major PHW projects, initiatives, and ongoing programmatic operations through supporting national program supplies, equipment, and restorative fly fishing outings in our National Parks and on destination trips to places like Freedom Ranch for Heroes in Wise River, Montana.

Our top 2021 grantors include:

The Department of Veterans Affairs The John Stiger Ferry Charitable Foundation Chuck & Ernestina Kreutzkamp Foundation DAV Charitable Service Trust National Park Foundation Community Foundation of North Central Massachusetts Charities Aid Foundation America – Nike Fund

The pandemic and the uncertainty it caused made clearer the power of our robust and resilient mission to help heal disabled active military service personnel and disabled Veterans nationwide. We are grateful to every grantor for their continuous support and dedication to advancing our cause. "We are all stronger than we think we are. We are all capable of doing amazing things. We have all overcome adversity. We have become stronger, smarter, and wiser because of the adversities we've faced. I am not thinking about everyday problems while I'm on the water here. I am thinking about the gorgeous nature, clean air, and the new friends I've met today. I want to help as many as I can because so many have helped me along the way."

~ LtCol (Ret.) U.S. Marine Corps

"What I'm enjoying most about PHWFF is the help with my PTSD. I have an extremely hard time focusing, and my loved ones are constantly amazed at my flies and my rod, because they can't believe I could be still that long. PHWFF truly has changed my life for the better." ~ U.S. Army (Ret.) | PHWFF Winston-Salem, NC

National Programs

Competitions

The 9th Annual Fly Tying and the 13th Annual Fly Rod Building Competitions were a great success in 2021. Focused on expanding



the therapeutic experience for PHW disabled Veteran participants, these competitions give them the opportunity to showcase their fly tying and fly rod building creativity and skills in a fun contest.

The PHW Fly Tying Competition has grown each year since its inception in 2012 and since that time we have been delighted and astounded to see the remarkable patterns and flies submitted from PHW programs across the country.

"I love that I can actually create something with my own hands, that isn't destructive and helps me clear my mind. It has helped with patience and led me to try and be creative."

— Jon Krahe, PHW Erie, PA | 3rd Place, Beginners – The 9th Annual Fly Tying Competition

"Finally found the art to channel all the negative in my life to a therapy that takes me away from the dark. Seeing the endless options of wraps and art that it takes to build a custom rod, the ability to broaden the creativity for a final piece. The program has given me an outlet on life and mindset. Even this little time I've been with the program has helped my life so many ways it's kept me from taking that leap to the end."

Aaron Trevino, PHW Winston-Salem, NC | 2nd
Place, Beginners – The 13th Annual Fly Rod Building
Competition

Program Activities and Outings

As the pandemic grew and evolved, PHW implemented an engagement plan to successfully and carefully provide veterans with support, community and care beginning with virtual activities and evolving to encompass both outdoor and indoor core program activities.

The process included appropriate protocols designed to reduce the risk of transmission and infection of COVID-19 between the organization's volunteers, participants, and staff. PHW made each decision using current healthcare industry data with participant, volunteer, staff, and community risk management and well-being remaining as their top priority – while they comply with local,

state, and federal guidance and restrictions.

Since its implementation in early 2021, PHW achieved significant milestones in their Engagement Plan. PHW launched limited in-person outdoor program activities on March 13, 2021, with a test group of 12 programs. Following this successful test group, it quickly expanded on April 1, 2021, to encompass all PHW programs nationwide. During this same period, the organization successfully progressed to implement expanded Multiple Participant Outdoor Healing Gatherings around the nation to include groups of up to 20 individuals per gathering; expanded activities include fly tying and rod building classes, plus additional activities for fly fishing outings.

By June 10, 2021 PHW extended their outdoor activities for all programs nationwide. Since then, programs as far east as Maryland have gathered to catch-up and catch fish. Some Veterans even caught their personal bests on the Yellowstone River. The Midwest wasn't left behind either with programs such as Willoughby, OH and Omaha, NE getting back together.

"The (reengagement) protocol seemed a bit daunting at first," said Diane Wantz, Program Lead for the PHW program in Willoughby, Ohio, "but when everyone did their small part, it all came together

> nicely. We are happy and motivated to get as many participants out on the water as possible, and as soon as possible!"

> While continuing to navigate the pandemic throughout the summer of 2021, Freedom Ranch for Heroes suffered another blow. On July 8, 2021, lightning struck in the Beaverhead-Deer Lodge National Forest, sparking the Alder Creek fire seven miles west of Wise River. A week later, the Christensen fire emerged 12 miles west of Wise River, adding to the already dangerous situation surrounding the community. Heavy wildfire smoke

filled the air quickly, as over 200 homes had to evacuate:

"Even though the first nine outings were cancelled in 2021, we were able to still pull off one outing at Freedom Ranch for Heroes from October 5-9. The outing was attended by PHW disabled Veterans Kevin McPherson, James Boden, and Alfredo Lobo. The outing had a special guest in Atz Kilcher from the show Alaska: The Last Frontier. Kilcher, who himself is a Vietnam Veteran, easily fit in with the group and quickly bonded with everyone present. Kilcher also shared his musical talents throughout the week by playing his guitar and sharing songs he wrote. It was definitely a memorable experience for all that were there."

- David Folkerts, PHW Chief Operations Officer

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2021 Regions and Programs Map



2021 Coordinators

Regional Coordinators (RC) Deputy Regional Coordinators (DRC)

> Alaska - AK Jan Schnorr, RC Bob Bechtold, DRC

Florida – FL Stewart Mitchell, RC Ron Bloomquist, DRC

Heartland – AR, KS, MO, NE, OK Amy Milne, RC Lester Mead, DRC

National Capital – DC, DE, MD, VA Curt Boatman, RC Julie Keene, DRC

New England – CT, MA, ME, NH, RI, VT Joe Cresta, RC Sabrina Beganny, DRC

New Jersey – NJ Abraham Jacinto, RC

New York -NY

Tim Daly, RC Harry Kerrigan, DRC David Bollman, DRC Steve Caviasco, DRC John Propster, DRC North Carolina – NC Tom Carpenter, RC Ryan Harman, DRC

Northwest – ID, OR, WA Alan Fitzpatrick, RC Steve Balogh, DRC

Pennsylvania – PA David Riggio, RC Heide Cebrick, DRC Glenn Klinger, DRC

Rocky Mountain North - MT, ND, SD,

WY

Derrick Deitz, RC Cody Lewis, DRC John Lynn, DRC

Rocky Mountain South - CO, UT Crystal Woolen, RC

Jerry Griffin, DRC

South Central – LA, TX

Mike Schlimgen, RC Erik Larsen, DRC Walter McLendon, DRC

Southeast - AL, GA, MS, SC

Mark Pierce, RC Cullen McClure, DRC Alex Serota, DRC

Southwest – AZ, CA, HI, NM, NV Carole Katz, RC David Lipscomb, DRC

Tennessee Valley – KY, TN

Russ Ambrose, RC Marilyn Rogan, DRC Tim Lewis, DRC Frank Sospenzi, DRC

Virginia – VA Bill Campbell, RC Jim O'Brien, DRC

West Virginia – WV Bubba Holt, RC Brandon Rudisill, DRC



2021 Executive Staff

Todd Desgrosseilliers, *Chief Executive Officer* David Folkerts, *Chief Operations Officer* Emily Hendricks, *Chief Admin Officer* Dan Morgan, *Chief Marketing Officer* Stacey Crooks, *Chief Development Officer* Terrie Horstkamp, *Controller*





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