

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___ to _____

Commission File Number: 333-146182

International Surf Resorts, Inc.

(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization) 20-5978559
(I.R.S. Employer Identification No.)

1097 Country Coach Dr., Suite 705 Henderson, Nevada (Address of principal executive offices) 89002
(Zip Code)

(800) 315-0045

(Registrant's Telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Act:

Title of each class registered:

None

Name of each exchange on which registered:

None

Securities registered under Section 12(g) of the Act:

Title of each class registered:

None

Indicate by check mark if registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the registrant's shares of common stock held by non-affiliates of the registrant on Jun 30, 2009, based on \$0.58 per share, the average bid and asked price of such common equity as of that date, was \$342,084.

As of April 13, 2010, there were 3,769,800 shares of the issuer's \$.001 par value common stock issued and outstanding.

Documents incorporated by reference. There are no annual reports to security holders, proxy information statements, or any prospectus filed pursuant to Rule 424 of the Securities Act of 1933 incorporated herein by reference.

FORWARD-LOOKING STATEMENTS

In addition to historical information, this report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The forward-looking statements are not historical facts but rather are based on current expectations, estimates and projections about our business and industry, and our beliefs and assumptions. Words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” “will” and variations of these words and similar expressions identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, many of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. These risks and uncertainties include, but are not limited to, those described in Item 1 “Risk Factors” and elsewhere in this report. Forward-looking statements that were believed to be true at the time made may ultimately prove to be incorrect or false. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

PART I

Item 1. Business.

Our Background. We were incorporated in Nevada on December 4, 2006.

Our Business. We are an Internet-based provider of international surf resorts, camps and guided surf tours. We also intend to operate a surf camp at Scorpion Bay, which is located in San Juanico, Baja California Sur, Mexico. Through our Mexican subsidiary, we own approximately 2.5 acres of land on the beach at Scorpion Bay.

We are developing a website which advertises privately owned surf resorts, camps and guided surf tours in locations that we believe offer world class surf. For surf resort operators and property owners, our website will market their resorts, camps, and property rentals. Our primary source of revenue from our website will be fees that are charged to the surf resort operators or property owners as a percentage of the vacationers’ total rental price. We anticipate that those fees will continue to be our primary source of revenue from our website, although we may attempt to generate additional revenue sources such as Internet advertising.

In June 2009, we launched a pilot program to determine the feasibility of operating a small surf resort in Bali. As part of the program, we purchased a wood house in Bali for \$5,200 and leased the land where the house is located for \$400 per month. The land is located very close to a beach which has a very good surf break. Our president is currently living in Bali and is responsible to sanding and re-finishing the house to make it suitable for living. Our president believes that we can purchase several wood houses at prices comparable to the price we paid for the initial house. During the next twelve months, we plan to assess the feasibility of leasing a large plot of land near the break which would be suitable for multiple houses. In order to purchase those additional houses and operate a small surf resort in this area, we will need to raise additional capital.

Our Proposed Surf Resort. We intend to develop a surf camp at Scorpion Bay, which is located in San Juanico, Baja California Sur, Mexico. Through our Mexican subsidiary, we own one hectare, which is approximately 2.5 acres of land, on the beach at Scorpion Bay. Our parcel has 50 meters of oceanfront and a length of 243 meters. South swells from the southern hemisphere and local hurricanes spin off mainland Mexico sending what we believe are perfect waves to a series of point breaks at Scorpion Bay. The land at Scorpion Bay has recently been privatized and ocean front properties have been listed for sale. In addition, the Mexican government is currently paving the road that provides access to Scorpion Bay.

For the foreseeable future, we intend to lead surfing expeditions to Scorpion Bay and hold camps on our property. We hope to generate revenues from our surf camps during the summer season when there are historically a consistent amount of south swells.

We are reviewing plans to study the feasibility of building surf casas, or vacation rentals, for our camps and for visiting surfers and travelers to rent from us when we are not holding our camps. We are also assessing the feasibility of sub-dividing our parcel into smaller parcels and selling them as we believe that we can sell the smaller lots at a significant gain on our cost. We also may build on the subdivided lots and offer the surf casas for sale as a finished product.

Our Website www.isurfresorts.com. We are currently developing our website to allow consumers to search through all of our surf resorts, camps and rental properties and access detailed property information including photographs. Our primary source of revenue will be fees that are charged to the property owners as a percentage of the vacationer's total rental rate. Fee percentages for vacation condominiums and homes range from approximately 3% to over 40% of rental rates depending on the market and the type of services provided to the property owner.

Internet Advertising. We anticipate that we will be able to generate advertising revenues from companies which have complementary products such as airlines and travel agents and desire to advertise our on website. The Internet is an attractive method for certain advertisers, depending on the number of unique visitors we have to our site, the amount of time they spend on our site and a variety of other factors. Internet advertising spending continues to increase on an annual basis. We believe that significant revenues can be generated from online advertising from small business service providers and product vendors.

Future Website and Products. We hope to design our future website to provide a wide range of services to surfers and surf resort and camp operators as well as vacation rental owners. Our website will continue to allow consumers to search through all of our surf resorts, camps and vacation rentals and access detailed information including photographs of the surf and accommodations. We hope that our future website will also allow users to obtain local information about the location of the surf resort as well as information about special offers and promotions. As we generate revenues, we anticipate that we will expand our website to include specialized concierge-type services for traveling surfers and their families.

Our Target Markets and Marketing Strategy. We believe that our primary target market will consist of surfers and vacationers as well as surf resort and camp operators and vacation rental owners that desire to promote the rental of their surf resorts and camps and rental properties. We believe that many operators and owners desire to book their surf resorts and rent their properties without being responsible for the advertising and promotion of their own properties.

We will market and promote our website on the Internet. Our marketing strategy is to promote our services and products and attract businesses to our website. Our marketing initiatives include:

- utilizing direct response print advertisements placed primarily in surf related magazines and special interest magazines;
- links to industry focused websites;
- develop and print sales and marketing materials including brochures and cards; and
- initiate direct contact with those potential customers.

Growth Strategy. Our objective is to become one of the dominant providers of surf resorts and camps and guided surf tours in surf related areas. Key elements of our strategy include:

- create awareness of our products and services;
- continue and expand our website;
- increase the number of Internet users to our website;
- increase our relationships with clients;
- provide additional services for businesses and consumers; and
- pursue relationships with joint venture candidates which will support our development. We currently do not have plans, agreements, understandings or arrangements to engage in joint ventures.

Our Industry. The surf resort, camp and vacation rental industry is highly fragmented, with many small companies that offer surf resorts and camps throughout the world. We believe this fragmented market presents a significant opportunity for a company offering a branded, international network of high quality surf resorts, camps and vacation rentals with superior levels of customer service.

Our Competition. The surf resort, camp and vacation rental industry is highly competitive and has low barriers to entry. We believe that the principal competitive factors in attracting our customers are:

- the quality of the surf at the locations that we showcase on our website; and
- quality, cost and breadth of services and properties provided.

We also compete for customers from other operators of surf camps in Baja California and specifically Scorpion Bay. Many of these competitors have greater financial resources than we have and have been in operation for many years more than us. In addition, many of these companies have greater name recognition among surfers. These companies might be willing to sacrifice profitability to capture a greater portion of the market for vacationers or pay higher prices than we would for the same acquisition opportunities. Promotora Punta Pequena has operated a surf camp on the main point in Scorpion Bay for several years and currently rents vacation casas to traveling surfers. We do not know if we will be able to compete with Promotora Punta Pequena as a surf camp operator or provider of vacation rentals.

We also compete directly with other companies and businesses that have online surf resort, camps and vacation rental services which are functionally equivalent or similar to our proposed website. We expect that these competitors will market those websites to our target customers, which will significantly affect our ability to compete. Many of these competitors have greater financial resources and can afford to spend more resources than we can to market their websites. We cannot guaranty that we will succeed in marketing our websites and generating revenues. We cannot guaranty that our competitors will not succeed in marketing their websites and generating revenues.

Our Intellectual Property. We do not presently own any copyrights, patents, trademarks, licenses, concessions or royalties, and we may rely on certain proprietary technologies, trade secrets, and know-how that are not patentable. Although we may take action to protect our unpatented trade secrets and our proprietary information, in part, by the use of confidentiality agreements with our employees, consultants and certain of our contractors, we cannot guaranty that

- these agreements will not be breached;
- we would have adequate remedies for any breach; or
- our proprietary trade secrets and know-how will not otherwise become known or be independently developed or discovered by competitors.

We cannot guaranty that our actions will be sufficient to prevent imitation or duplication of both our products and services by others or prevent others from claiming violations of their trade secrets and proprietary rights.

We currently own the domain names www.isurfresorts.com. Under current domain name registration practices, no one else can obtain a duplicate domain name, but someone might obtain a similar name to the domain name we ultimately use, or the identical name with a different suffix, such as “.org”, or with a country designation. The regulation of domain names in the United States and in foreign countries is subject to change, and we could be unable to prevent third parties from acquiring domain names that infringe or otherwise decrease the value of our domain names.

Government Regulation. We are subject to federal, state and local laws and regulations generally applied to businesses, such as payroll taxes on the state and federal levels. We believe that we are in conformity with all applicable laws in Nevada and the United States.

We are also subject to the laws and regulations of Mexico. Mexico is subject to changing political, economic and regulatory influences that will affect our business practices and operations. The North American Free Trade Agreement has fostered ties between Mexico, the United States and Canada by removing trade restrictions. However, foreign ownership of land in Mexico has traditionally been subject to heavy regulation by the Mexican government. Any of these regulations or a change in the current regulations could significantly hinder our ability to develop our property in Mexico, which would negatively impact our ability to generate revenues. We cannot predict what impact, if any, such factors might have on our business, financial condition and results of operations.

In the early 1900s, Mexico began the process to provide farmers a beneficiary interest to land owned by the government. Those government parcels are known as "ejidos". In 1992, the Mexican government amended the laws to provide a process of legal entitlement thereby giving the ejido farmers the right to convert the land to private property and allowing them to benefit monetarily from the ensuing regularization process. We believe the property we purchased has been properly regularized and therefore, the seller had the right to sell the land to us. If the property was not properly regularized and converted to private property, then we may not actually own the property that we purchased. There have been numerous, well publicized cases and examples of Americans, Canadians and other non-Mexicans buying ejido land that has not been properly regularized. We cannot guaranty that the property we purchased was properly regularized and converted to private property.

We believe that foreigners are able to purchase Mexican real estate through a bank trust called a Fideicomiso. The Fideicomiso enables foreigners to own property in Mexico in what is called the "restricted zone." The restricted zone is that land which is located within 60 miles of the border or 30 miles of the coastline. The Fideicomiso gives the purchaser all rights of ownership. If the parcel is larger than 2000 square meters, approximately one half acre, then the property should be held in a Mexican corporation, which is wholly foreign owned with the intention of doing business. Because the parcel is one hectare, or approximately 12,150 square meters, we hired a local Mexican attorney to form a Mexican subsidiary corporation for the purpose of owning the property located at San Juanico, Baja California Sur, Mexico. We believe we have followed the appropriate laws regarding foreign ownership of land in Mexico and that we are in conformity with all applicable laws in the relevant jurisdictions. Although we have followed the advice of our Mexican legal counsel, we cannot guaranty we have clean title to the property located at San Juanico, Baja California Sur, Mexico.

Our Mexican Subsidiary. In February 2007, we incorporated ISR de Mexico, S. de R. L. de C.V., a Mexico corporation, for the purpose of owning the property at San Juanico, Baja California Sur, Mexico. We own approximately 55% of the issued and outstanding shares of our Mexican subsidiary's capital stock. Timothy Neely, our former officer, director and principal shareholder, owns approximately 15% of the issued and outstanding shares of our Mexican subsidiary's capital stock. ISR Investments LLC, one of our principal shareholders, owns approximately 30% of the issued and outstanding shares of our Mexican subsidiary's capital stock.

Our Research and Development. We are not currently conducting any research and development activities, other than the development of our website. We do not anticipate conducting such activities in the near future.

Employees. As of April 13, 2010, we have no employees other than our officers. We will utilize independent contractors, consultants, and other creative personnel from time to time to assist in developing our products. We are not a party to any employment agreements.

Our Facilities. Our offices are located at 1097 Country Coach Dr., Suite 705, Henderson, Nevada 89002. Our office space is provided to us by one of our directors at no charge. We treat the usage of the office space as additional paid-in capital and charge the estimated fair value rent of \$150 per month to operations. We recorded total rent expense of \$1,800 for the year ended December 31, 2009. We believe that our facilities are adequate for our needs. We do not own any real estate.

Item 1A. Risk Factors.

Investing in our common stock involves a high degree of risk. Any potential investor should carefully consider the risks and uncertainties described below before purchasing any shares of our common stock. The risks described below are those we currently believe may materially affect us.

Risks Related to our Business:

We have a limited operating history upon which an evaluation of our prospects can be made.

We were formed on December 4, 2006. Our lack of operating history in the Internet industry makes an evaluation of our business and prospects very difficult. Our prospects must be considered speculative, considering the risks, expenses, and difficulties frequently encountered in the establishment of a new business. We cannot be certain that our business will be successful or that we will generate significant revenues and become profitable.

We will need to raise additional capital to fund our operations. Our failure to raise additional capital will significantly affect our ability to fund our proposed activities.

To develop and market our proposed surf camps and resorts, we will be required to raise additional funds through debt or equity financings. We do not know if we will be able to acquire additional financing. We anticipate that we will need to spend significant funds on developing our proposed surf camps and resorts. Our failure to obtain additional funds would significantly limit or eliminate our ability to fund our operations.

We have incurred a net loss since inception and expect to incur net losses for the foreseeable future.

As of December 31, 2009, our net loss since inception was \$114,487. We expect to incur operating and capital expenditures of up to \$50,000 for the next year and, as a result, we expect significant net losses in the future. We will need to generate significant revenues to achieve and maintain profitability. We may not be able to generate sufficient revenues to achieve profitable operations.

Because we are a development stage company, we have no revenues to sustain our operations.

We are a development stage company that is currently developing our business. To date, we have not generated any revenues, and we do not anticipate that we will generate any revenues for the foreseeable future. The success of our business operations will depend upon our ability to develop our surf resort website and provides quality service to those visitors to our site. We are not able to predict whether we will be able to develop our business and generate revenues. If we are not able to complete the successful development of our business plan, generate significant revenues and attain sustainable operations, then our business will fail.

There is significant uncertainty with respect to the viability and growth potential for the real estate market in Baja California Sur, Mexico. If the market fails to develop or develops more slowly than we hope, our Mexican property may have very little value.

The real estate market in Baja California Sur, Mexico is rapidly evolving and likely will be characterized by an increasing number of market entrants. However, if the market for real estate in Baja California Sur, Mexico fails to develop, or develops more slowly than we expect, the property that we purchased in San Juanico, Baja California Sur, Mexico may be have very little value or be worthless. Thus, acceptance of Baja California Sur, Mexico as a viable real estate market is highly uncertain and subject to several potential factors, including:

- reluctance of potential purchasers to choose to invest in real estate in Baja California Sur, Mexico;
- reluctance of potential purchasers to follow through with their purchase of real property in Baja California Sur, Mexico; and
- concerns about whether potential purchasers will possess clean title to the real property in Baja California Sur, Mexico and in the future be able to convey that property to future purchaser.

The property that we purchased in San Juanico, Baja California Sur, Mexico was originally “ejido” property and may not have been properly converted to private property.

In the early 1900s, Mexico began the process to provide farmers a beneficiary interest to land owned by the government. Those government parcels are known as “ejidos”. In 1992, the Mexican government amended the laws to provide a process of legal entitlement thereby giving the ejido farmers the right to convert the land to private property and allowing them to benefit monetarily from the ensuing regularization process. We do not know if the property we purchased has been properly regularized and therefore, if the seller had the right to sell the land to us. If the property was not properly regularized and converted to private property, then we may not actually own the property that we purchased. We cannot guaranty that the property we purchased was properly regularized and converted to private property.

Our operations are significantly impacted by the laws and regulations of Mexico as well as the political instability of the Mexican government.

Mexico is subject to changing political, economic and regulatory influences that will affect our business practices and operations. The North American Free Trade Agreement has fostered ties between Mexico, the United States and Canada by removing trade restrictions. However, foreign ownership of land in Mexico has traditionally been subject to heavy regulation by the Mexican government. Any of these regulations or a change in the current regulations could significantly hinder our ability to develop our property in Mexico, which would negatively impact our ability to generate revenues. We cannot predict what impact, if any, such factors might have on our business, financial condition and results of operations.

We do not know if we have clean title to the property we purchased in San Juanico, Baja California Sur, Mexico.

Because the parcel we purchased is one hectare, or approximately 12,150 square meters, we hired a local Mexican attorney to form a Mexican subsidiary corporation for the purpose of owning the property located at San Juanico, Baja California Sur, Mexico. We hope that we have followed the appropriate laws regarding foreign ownership of land in Mexico and that we are in conformity with all applicable laws in the relevant jurisdictions. Although we have followed the advice of our Mexican legal counsel, we do not know with certainty if we have clean title to the property we purchased San Juanico, Baja California Sur, Mexico, or if we will have clean title to any other properties that we purchase in the future. Our inability to prove that we have clean title to that property could significant decrease the value of the property, which could cause investors to lose their entire investment in us.

Our business may be subject to Mexican currency fluctuations.

We intend to have operations in Mexico and therefore anticipate that some of our transactions may involve the use of the Mexican Peso, the official currency of Mexico. Throughout the 1990s, the Mexican Peso was extremely volatile and we anticipate that the Mexican Peso may continue to display such volatility. Although management will monitor our exposure to currency fluctuations, we cannot guaranty that exchange rate fluctuations will not negatively impact our financial condition.

A downturn in the general economy or the real estate market would harm our business.

Our business is negatively impacted by periods of economic slowdown or recession, rising interest rates and declining demand for real estate. These economic conditions could have a number of effects, which could have an adverse impact on certain segments of our business, including the following:

- a decline in residential transactions and commercial acquisition, disposition and leasing activity;
- a decline in the supply of capital invested in commercial real estate; and
- a decline in the value of real estate and in rental rates, which would cause us to realize lower revenue.

Economic and political developments in Mexico could affect Mexican economic policy and our business, financial condition and results of operations.

Our Mexican subsidiary is a Mexican corporation and all of its operations and assets are located in Mexico. As a result, our business, financial condition and results of operations may be affected by the general condition of the Mexican economy, the devaluation of the Peso as compared to the U.S. Dollar, price instability, inflation, interest rates, regulation, taxation, social instability and other political, social and economic developments in or affecting Mexico over which we have no control.

The Mexican government has exercised, and continues to exercise, significant influence over the Mexican economy. Mexican governmental actions concerning the economy and state-owned enterprises could have a significant effect on Mexican private sector entities in general, and us in particular, and on market conditions, prices and returns on companies with Mexican operations.

Mexico has experienced adverse economic conditions.

Mexico has historically experienced uneven periods of economic growth. If the Mexican economy should fall into a recession, our business, financial condition and results of operations may be negatively affected.

High interest rates in Mexico could increase our financing costs.

Mexico historically has had, and may continue to have, high interest rates. Accordingly, if we have to incur Peso-denominated debt in the future, it will likely be at higher interest rates. High interest rates in Mexico could increase our financing costs and thereby impair our financial condition, results of operations and cash flows.

We face intense competition, which could hinder our ability to implement our business plan and generate revenues. Most of our competitors have significantly greater resources than we do. If we cannot compete effectively, we may not be able to generate any revenues, or achieve or sustain profitability.

Our principal competitors include companies that are well recognized as providers of surf resorts and camps for several years and have an established customer base. These competitors may enhance their services to include some that we may not be able to provide until we achieve profitability. Many of our current and potential competitors enjoy substantial competitive advantages, such as:

- greater name recognition;
- larger marketing budgets and resources;
- established marketing relationships;
- access to larger customer bases; and
- substantially greater financial, technical and other resources.

As a result, they may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or customer requirements. In addition, because barriers to the real estate field are fairly low, additional competitors may enter our market.

We also compete for customers from other operators of surf camps in Baja California and specifically Scorpion Bay. Many of these competitors have greater financial resources than we have and have been in operation for many years more than us. In addition, many of these companies have greater name recognition among surfers. These companies might be willing to sacrifice profitability to capture a greater portion of the market for vacationers or pay higher prices than we would for the same acquisition opportunities. Promotora Punta Pequena has operated a surf camp at Scorpion Bay for several years and currently rents vacation casas to traveling surfers. We do not know if we will be able to compete with Promotora Punta Pequena as a surf camp operator or provider of vacation rentals.

For all of the foregoing reasons, we may not be able to compete successfully against our current and future competitors.

Our officers and directors are engaged in other activities that could conflict with our interests. Therefore, our officers and directors may not devote sufficient time to our affairs, which may affect our ability to conduct marketing activities and generate revenues.

The people currently serving as our officers and directors have existing responsibilities and have additional responsibilities to provide management and services to other entities. As a result, conflicts of interest between us and the other activities of those entities may occur from time to time, in that our officers and directors shall have conflicts of interest in allocating time, services, and functions between the other business ventures in which they may be or become involved and our affairs. Our officers and directors currently work for us on a part time basis.

We depend on the efforts and abilities of our management to continue operations.

Eduardo Biancardi is our only employee with experience relevant to business. Outside demands on his time may prevent him from devoting sufficient time to our operations. The interruption of the services of Mr. Biancardi will significantly hinder our operations, profits and future development, especially if suitable replacements are not promptly obtained. We do not currently have any executive compensation agreements. We cannot guaranty that our management will remain with us.

Our auditors have questioned our ability to continue operations as a “going concern.” Investors may lose all of their investment if we are unable to continue operations.

We hope to begin generating revenues. In the absence of generating revenues, we will seek to raise additional funds to meet our working capital needs principally through the additional sales of our securities. However, we cannot guaranty that we will be able to obtain sufficient additional funds when needed, or that such funds, if available, will be obtainable on terms satisfactory to us. As a result, our auditors believe that substantial doubt exists about our ability to continue operations.

The costs to meet our reporting requirements as a public company subject to the Exchange Act of '34 will be substantial and may result in us having insufficient funds to operate our business.

We will incur ongoing expenses associated with professional fees for accounting and legal expenses associated with being a public company. We estimate that these costs will range up to \$50,000 per year for the next few years. Those fees will be higher if our business volume and activity increases. Those obligations will reduce and possibly eliminate our ability and resources to fund our operations and may prevent us from meeting our normal business obligations.

Risks Related to Owning Our Common Stock:

Our officers, directors and principal shareholders own approximately 84.36% of our outstanding shares of common stock, allowing these shareholders control matters requiring approval of our shareholders.

Our officers, director and principal shareholders beneficially own, in the aggregate, approximately 84.36% of our outstanding shares of common stock. Such concentrated control of the company may negatively affect the price of our common stock. Our officers, directors and principal shareholders can control matters requiring approval by our security holders, including the election of directors.

The offering price of the shares of common stock was arbitrarily determined. Therefore, investors may lose all or part of their investment if the offering price is higher than the current market value of the offered shares.

The offering price of the shares of common stock being offered by the selling shareholders has been determined arbitrarily and has no relationship to any established criteria of value, such as book value or earnings per share. Additionally, because we have no significant operating history and have generated no revenues to date, the price of the shares of common stock is not based on past earnings, nor is the price of the shares indicative of current market value for the assets owned by us. Investors could lose all or a part of their investment if the offering price has been arbitrarily set too high. Even if a public trading market develops for our common stock, the shares may not attain market values commensurate with the offering price.

We lack a public market for shares of our common stock, which may make it difficult for investors to sell their shares.

There is no public market for shares of our common stock. We cannot guaranty that an active public market will develop or be sustained. Therefore, investors may not be able to find purchasers for their shares of our common stock. Should there develop a significant market for our shares, the market price for those shares may be significantly affected by such factors as our financial results and introduction of new products and services.

Our common stock is subject to penny stock regulations which may make it difficult for investors to sell their stock.

The Securities and Exchange Commission has adopted rules that regulate broker-dealer practices in connection with transactions in “penny stocks”. Penny stocks generally are equity securities with a price of less than \$5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, deliver a standardized risk disclosure document prepared by the Commission, which specifies information about penny stocks and the nature and significance of risks of the penny stock market. The broker-dealer also must provide the customer with bid and offer quotations for the penny stock, the compensation of the broker-dealer and salesperson in the transaction, and monthly account statements indicating the market value of each penny stock held in the customer's account. In addition, the penny stock rules require that, prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for a stock that becomes subject to the penny stock rules. If our common stock becomes subject to the penny stock rules, holders of our shares may have difficulty selling those shares.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Property held by us. As of the December 31, 2009, through our Mexican subsidiary, we own one hectare, which is approximately 2.5 acres of land located in San Juanico, Baja California Sur, Mexico. The property is undeveloped land located adjacent to the beach. Our parcel has 50 meters of oceanfront and a length of 243 meters. There is no mortgage or lien on the property. We are reviewing plans to study the feasibility of building surf casas, or vacation rentals, for our camps and for visiting surfers and travelers to rent from us when we are not holding our camps. We are also assessing the feasibility of sub-dividing our parcel into smaller parcels and selling them as we believe that we can sell the smaller lots at a significant gain on our cost. We also may build on the subdivided lots and offer the surf casas for sale as a finished product. We believe the property is suitable for the uses we are contemplating, although there is currently no electricity or water at the property. We are currently assessing the estimated cost of any proposed program for the renovation, improvement or development of the property. We will need to obtain financing to develop the property. We do not have any insurance for the property. We do not presently own any other interests in real estate.

Our Facilities. Our offices are located at 1097 Country Coach Dr., Suite 705, Henderson, Nevada 89002. Our office space is provided to us by one of our directors at no charge. We treat the usage of the office space as additional paid-in capital and charge the estimated fair value rent of \$150 per month to operations. We recorded total rent expense of \$1,800 for the years ended December 31, 2009 and 2008. We believe that our facilities are adequate for our needs. We do not own any real estate.

Item 3. Legal Proceedings.

There are no legal actions pending against us nor are any legal actions contemplated by us at this time.

Item 4. Submission of Matters to Vote of Security Holders.

Not applicable.

PART II

Item 5. Market for Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information. In January 2008, our common stock became eligible for quotation on the Over-the-Counter Bulletin Board under the symbol "ISFR". As of April 13, 2010, no shares of our common stock have traded since July 7, 2009 at \$1.05 per share.

Reports to Security Holders. We file annual, quarterly and current reports with the Securities and Exchange Commission. The public may read and copy any materials filed with the Securities and Exchange Commission at the Security and Exchange Commission's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may also obtain information on the operation of the Public Reference Room by calling the Securities and Exchange Commission at 1-800-SEC-0330. The Securities and Exchange Commission maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the Securities and Exchange Commission. The address of that site is <http://www.sec.gov>.

We had 3,769,800 shares of common stock issued and outstanding as of December 31, 2009.

As of April 13, 2010, there were 41 record holders of our common stock.

There are no outstanding shares of our common stock which can be sold pursuant to Rule 144. There are no outstanding options or warrants to purchase, or securities convertible into, shares of our common stock. We registered for sale 489,800 shares of common stock held by our shareholders in our registration Statement on Form SB-2, which was declared effective by the SEC on October 4, 2007.

Dividend Policy. We have never declared or paid a cash dividend on our capital stock. We do not expect to pay cash dividends on our common stock in the foreseeable future. We currently intend to retain our earnings, if any, for use in our business. Any dividends declared in the future will be at the discretion of our board of directors and subject to any restrictions that may be imposed by our lenders.

No Equity Compensation Plan. We do not have any securities authorized for issuance under any equity compensation plan. We also do not have an equity compensation plan and do not plan to implement such a plan.

Recent Sales of Unregistered Securities. There have been no sales of unregistered securities within the last three (3) years which would be required to be disclosed pursuant to Item 701 of Regulation S-K, except for the following:

In June 2007, we issued 529,800 shares of our common stock for \$0.25 per share for gross proceeds of \$132,450. In March 2007, we issued 240,000 shares of our common stock to repay certain loans in the amount of \$60,000. The shares were issued in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Section 4(2) of that act and Rule 506 of Regulation D promulgated pursuant to that act by the Securities and Exchange Commission.

In December 2006, we issued 1,000,000 shares of our common stock to Timothy Neely, our founder and former officer and director, and 2,000,000 shares of our common stock to two individuals. These shares were issued in exchange for gross proceeds of \$15,000, or \$.005 per share. The shares were issued in a transaction which we believe satisfies the requirements of that certain exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, as amended, which exemption is specified by the provisions of Section 4(2) of that act.

Use of Proceeds of Registered Securities. There were no sales or proceeds during the calendar year ended December 31, 2009, for the sale of registered securities.

Penny Stock Regulation. Shares of our common stock will probably be subject to rules adopted the Securities and Exchange Commission that regulate broker-dealer practices in connection with transactions in "penny stocks". Penny stocks are generally equity securities with a price of less than \$5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in those securities is provided by the exchange or system). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, deliver a standardized risk disclosure document prepared by the Securities and Exchange Commission, which contains the following:

- a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading;
- a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to violation to such duties or other requirements of securities' laws;
- a brief, clear, narrative description of a dealer market, including "bid" and "ask" prices for penny stocks and the significance of the spread between the "bid" and "ask" price;
- a toll-free telephone number for inquiries on disciplinary actions;
- definitions of significant terms in the disclosure document or in the conduct of trading in penny stocks; and
- such other information and is in such form (including language, type, size and format), as the Securities and Exchange Commission shall require by rule or regulation.

Prior to effecting any transaction in penny stock, the broker-dealer also must provide the customer the following:

- the bid and offer quotations for the penny stock;
- the compensation of the broker-dealer and its salesperson in the transaction;
- the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and
- monthly account statements showing the market value of each penny stock held in the customer's account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for a stock that becomes subject to the penny stock rules. Holders of shares of our common stock may have difficulty selling those shares because our common stock will probably be subject to the penny stock rules.

Purchases of Equity Securities. None during the period covered by this report.

Item 6. Selected Financial Data.

Not applicable.

Item 7. Management's Discussion and Analysis of Financial Condition or Plan of Operation.

This following information specifies certain forward-looking statements of management of the company. Forward-looking statements are statements that estimate the happening of future events are not based on historical fact. Forward-looking statements may be identified by the use of forward-looking terminology, such as "may", "shall", "could", "expect", "estimate", "anticipate", "predict", "probable", "possible", "should", "continue", or similar terms, variations of those terms or the negative of those terms. The forward-looking statements specified in the following information have been compiled by our management on the basis of assumptions made by management and considered by management to be reasonable. Our future operating results, however, are impossible to predict and no representation, guaranty, or warranty is to be inferred from those forward-looking statements.

The assumptions used for purposes of the forward-looking statements specified in the following information represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and, accordingly, no opinion is expressed on the achievability of those forward-looking statements. No assurance can be given that any of the assumptions relating to the forward-looking statements specified in the following information are accurate, and we assume no obligation to update any such forward-looking statements.

Critical Accounting Policies and Estimates. Our Management's Discussion and Analysis of Financial Condition and Results of Operations section discusses our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments, including those related to revenue recognition, accrued expenses, financing operations, and contingencies and litigation. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of our financial statements include estimates as to the appropriate carrying value of certain assets and liabilities which are not readily apparent from other sources. These accounting policies are described at relevant sections in this discussion and analysis and in the notes to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2009.

The following discussion of our financial condition and results of operations should be read in conjunction with our audited financial statements for the year ended December 31, 2009.

For the year ended December 31, 2009 as compared to the year ended December 31, 2008.

Results of Operations.

Revenues. We had no revenue for the years ended December 31, 2009 and 2008.

Operating Expenses and Net Loss. We had total operating expenses of \$31,997 for the year ended December 31, 2009, as compared to total operating expenses of \$46,837 for the year ended December 31, 2008. The decrease in total operating expenses between the comparable periods is primarily due to decreases in certain of our operating expenses. Specifically, legal and professional fees decreased from \$43,489 for the year ended December 31, 2008, to \$34,142 for the year ended December 31, 2009. Our general and administrative expenses decreased from \$7,623 for the year ended December 31, 2008, to \$2,669 for the year ended December 31, 2009. Our legal and professional fees and general and administrative expenses were higher for the comparable period in 2008 due to the costs associated with becoming a public company.

Net Loss. For the year ended December 31, 2009, our net loss was \$41,370, as compared to a net loss of \$52,917 for the year ended December 31, 2009. The decrease in the net loss was due to the decreases in legal and professional fees and general and administrative expenses for the year ended December 31, 2009. We expect to continue to incur net losses for the foreseeable future.

Liquidity and Capital Resources. We had cash of \$43,055 as of December 31, 2009, as compared to cash of \$74,588 as of December 31, 2008. We also had prepaid expenses of \$2,568 as of December 31, 2009, for total current assets of \$45,623 as of that date. In June 2007, we raised \$132,450 in a private placement in exchange for 529,800 shares of our common stock. We have used a small portion of those proceeds for the audit and review of our financial statements. In March 2007, we issued 240,000 shares of our common stock to repay certain loans in the amount of \$60,000. As of December 31, 2009, our investment in real property was \$61,335; after property and equipment of \$5,596 net of accumulated depreciation, our total assets as of December 31, 2009 were \$112,554. We expect that we will incur expense related to our president traveling to the property located in San Juanico, Baja California, Mexico, as well as professional fees to determine feasibility of potential uses of that property. As of December 31, 2009, our total liabilities were \$58,014, all of which was represented by accounts payable.

During 2010, we anticipate that we will incur significant accounting costs associated with the audit and review of our financial statements. We expect that the legal and accounting costs of being a public company will continue to impact our liquidity and we may need to obtain funds to pay those expenses. Other than the anticipated increases in legal and accounting costs due to the reporting requirements of being a reporting company and those anticipated costs related to our real property as specified above, we are not aware of any other known trends, events or uncertainties, which may affect our future liquidity. We had no long term liabilities, commitments or contingencies.

In September 2007, we filed a Registration Statement on Form SB-2 for the registration of 489,800 shares of our outstanding common stock. On October 4, 2007, our registration statement was declared effective by the Securities and Exchange Commission. The purpose of the SB-2 was to register shares of common stock held by our existing shareholders.

Our Plan of Operation for the Next Twelve Months. To effectuate our business plan during the next twelve months, we must determine the feasibility of building surf casas, or vacation rentals, for our property located in San Juanico, Baja California, Mexico. We are currently assessing the feasibility of building surf casas and also the feasibility of sub-dividing our parcel into smaller parcels and selling them as we believe that we can sell the smaller lots at a significant gain on our cost. We also may build on the subdivided lots and offer the surf casas for sale as a finished product. In order to properly determine the feasibility of those projects, our president Eduardo Biancardi intends to travel to the property and visit the property for a period of time. We also intend to look for opportunities to work with other companies that will assist us in our development of the property. In addition, during the next twelve months, we must continue to develop our website and begin to attract customers.

During the next three to six months, our primary objective is to complete our assessment of the opportunities for the property located in San Juanico, Baja California, Mexico, and complete development of our website. During the next six to twelve months, we hope to raise additional funds so that we can expand our product offerings and begin generating revenues. We believe that we will need to spend approximately \$5,000 to complete the development of website. In order to market and promote our services and develop our property in San Juanico, Baja California, Mexico, we will need to raise additional capital. Our failure to market and promote our services will hinder our ability to increase the size of our operations and generate revenues. If we are not able to generate additional revenues that cover our estimated operating costs, our business may ultimately fail.

In June 2009, we launched a pilot program to determine the feasibility of operating a small surf resort in Bali. As part of the program, we purchased a wood house in Bali for \$5,200 and leased the land where the house is located for \$400 per month. The land is located very close to a beach which has a very good surf break. Our president is currently living in Bali and is responsible to sanding and re-finishing the house to make it suitable for living. Our president believes that we can purchase several wood houses at prices comparable to the price we paid for the initial house. During the next twelve months, we plan to assess the feasibility of leasing a large plot of land near the break which would be suitable for multiple houses. In order to purchase those additional houses and operate a small surf resort in this area, we will need to raise additional capital.

To date, we have experienced significant difficulties in raising additional capital. We believe our inability to raise significant additional capital through debt or equity financings is due to various factors, including, but not limited to, a tightening in the equity and credit markets. We had hoped to expand our operations during the last six months. However, our ability to commence and expand operations has been negatively affected by our inability to raise significant capital and our inability to generate significant revenues.

We had cash of \$43,055 as of December 31, 2009. In the opinion of management, available funds will satisfy our working capital requirements for the next twelve months. Our forecast for the period for which our financial resources will be adequate to support our operations involves risks and uncertainties and actual results could fail as a result of a number of factors. In the event that we experience a shortfall in our capital, we intend to pursue capital through public or private financing as well as borrowings and other sources, such as our officers, director and principal shareholders. We cannot guaranty that additional funding will be available on favorable terms, if at all. If adequate funds are not available, we hope that our officers, director and principal shareholders will contribute funds to pay for our expenses to achieve our objectives over the next twelve months. However, our officers, director and principal shareholders are not committed to contribute funds to pay for our expenses.

We are not currently conducting any research and development activities other than the development of our website which we expect the total cost to be approximately \$5,000. We do not anticipate that we will purchase or sell any significant equipment. In the event that we generate significant revenues and expand our operations, then we may need to hire additional employees or independent contractors as well as purchase or lease additional equipment.

Off-Balance Sheet Arrangements. We have no off-balance sheet arrangements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 8. Financial Statements and Supplementary Data.

The financial statements required by Item 8 are presented in the following order:

TABLE OF CONTENTS

Report of Independent Registered Public Accounting Firm	18
Balance Sheets	20
Statements of Operations	21
Statements of Changes in Stockholders' Deficit	22
Statements of Cash Flows	23
Notes to Financial Statements	24

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
International Surf Resorts, Inc.

We have audited the accompanying balance sheet of International Surf Resorts, Inc. (a development stage company) as of December 31, 2009, and the related statements of operations, changes in stockholder's equity (deficit) and cash flows for the year then ended and for the period from inception (December 4, 2006) through December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of International Surf Resorts, Inc., as of December 31, 2008 were audited by other auditors, whose report dated March 20, 2009, on those statements included an explanatory paragraph that described the uncertainty of the Company's ability to continue as a going concern discussed in Note 2 to the financial statements.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Surf Resorts, Inc. as of December 31, 2009, and the results of its operations and its cash flows for the year then ended and for the period from inception (December 4, 2006) through December 31, 2009 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 2, the Company has incurred recurring operating losses and has an accumulated deficit. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments may result from the outcome of this uncertainty.

Q Accountancy Corporation

/s/ Q Accountancy Corporation
Laguna Niguel, California
April 10, 2010

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
International Surf Resorts, Inc.
Henderson, Nevada

We have audited the accompanying consolidated balance sheets of International Surf Resorts, Inc. (a development stage company) as of December 31, 2008 and the related consolidated statements of operations, stockholders' equity, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of International Surf Resorts, Inc. as of December 31, 2008 and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 2, the Company has incurred recurring operating losses and has an accumulated deficit. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

Mendoza Berger & Company, LLP

Irvine, California
March 20, 2009

INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2009 AND 2008

ASSETS

	2009	2008
Current assets		
Cash	\$ 43,055	\$ 74,588
Prepaid expenses	2,568	548
Total current assets	45,623	75,136
Property and equipment, net of accumulated depreciation	5,596	732
Investment in real property	61,335	61,335
Total assets	\$ 112,554	\$ 137,203

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities		
Accounts payable and accrued expenses	\$ 58,014	\$ 41,859
Total current liabilities	58,014	41,859
ISRI Stockholders' equity		
Common stock, \$.001 par value; 100,000,000 shares authorized, 3,769,800 shares issued and outstanding as of December 31, 2009	3,770	3,770
Additional paid-in capital	209,230	207,430
Deficit accumulated during the development stage	(155,857)	(114,487)
Total ISRI stockholders' equity	57,143	96,713
Noncontrolling interest	(2,603)	(1,369)
Total liabilities and stockholders' equity	\$ 112,554	\$ 137,203

See accompanying notes to unaudited consolidated financial statements

INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS

	<u>Years Ended December 31,</u>		Inception (December 4, 2006) to December 31, 2009
	<u>2009</u>	<u>2008</u>	
Net revenue	\$ -	\$ -	\$ -
Operating expenses			
Legal and professional fees	34,142	43,489	127,380
Dues and fees	1,437	2,942	10,270
Rent	4,600	1,800	8,350
Organization costs	-	-	2,140
General and administrative	2,669	7,623	14,435
Total operating expenses	42,848	55,854	162,575
Other income (expense), net	244	2,268	4,115
Net loss including noncontrolling interest	(42,604)	(53,586)	(158,460)
Less: Net loss attributable to noncontrolling interest	1,234	669	2,603
Net income (loss) attributable to ISRI	<u>\$ (41,370)</u>	<u>\$ (52,917)</u>	<u>\$ (155,857)</u>
Net income (loss) per common share – basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (.04)</u>
Weighted average of common shares – basic and diluted	<u>3,769,800</u>	<u>3,769,800</u>	<u>3,640,184</u>

See accompanying notes to unaudited consolidated financial statements

INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIOD FROM INCEPTION (DECEMBER 4, 2006)
THROUGH DECEMBER 31, 2009

	Common Stock		Additional Paid-In Capital	Deficit Accumulated During Development Stage	Total Stockholders' Equity
	Number of Shares	Amount			
Balance, December 4, 2006	-	\$ -	\$ -	\$ -	\$ -
Issuance of common stock, December 5, 2006	3,000,000	3,000	12,000	-	15,000
Additional paid-in capital in exchange for facilities provided by related party	-	-	150	-	150
Net loss attributable to ISRI	-	-	-	(2,847)	(2,847)
Balance, December 31, 2006	3,000,000	3,000	12,150	(2,847)	12,303
Notes payable conversion, May 3, 2007	240,000	240	59,760	-	60,000
Issuance of common stock, June 30, 2007	529,800	530	131,920	-	132,450
Additional paid-in capital in exchange for facilities provided by related party	-	-	1,800	-	1,800
Net loss attributable to ISRI	-	\$ -	\$ -	\$ (58,723)	\$ (58,723)
Balance, December 31, 2007	3,769,800	3,770	205,630	(61,570)	147,830
Additional paid-in capital in exchange for facilities provided by related party	-	-	1,800	-	1,800
Net loss attributable to ISRI	-	-	-	(52,917)	(52,917)
Balance, December 31, 2008	3,769,800	3,770	207,430	(114,487)	96,713
Additional paid-in capital in exchange for facilities provided by related party	-	-	1,800	-	1,800
Net loss attributable to ISRI	-	-	-	(41,370)	(41,370)
Balance, December 31, 2009	<u>3,769,800</u>	<u>\$ 3,770</u>	<u>\$ 209,230</u>	<u>\$ (155,857)</u>	<u>\$ 57,143</u>

See accompanying notes to unaudited consolidated financial statements

INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	<u>Years Ended December 31,</u>		<u>Inception</u>
	<u>2009</u>	<u>2008</u>	<u>(December 4, 2006) to December 31, 2009</u>
Cash flows from operating activities			
Net loss including noncontrolling interest	\$ (41,370)	\$ (52,917)	\$ (155,857)
Adjustments to reconcile net loss including noncontrolling interest to net cash provided by (used in) operating activities			
Additional paid-in capital in exchange for facilities provided by related party	1,800	1,800	5,550
Depreciation	336	280	616
Changes in operating assets and liabilities			
Increase in prepaid expenses	(2,020)	(548)	(2,568)
Increase in accounts payable and accrued expenses	16,155	17,808	58,014
Net cash used in operating activities	<u>(25,099)</u>	<u>(33,577)</u>	<u>(94,245)</u>
Cash flows from investing activities			
Purchase of fixed assets	(5,200)	(1,012)	(6,212)
Investment in real property	-	-	(61,335)
Noncontrolling interest in subsidiary	(1,234)	(669)	(2,603)
Net cash used in investing activities	<u>(6,434)</u>	<u>(1,681)</u>	<u>(70,150)</u>
Cash flows from financing activities			
Proceeds from issuance of common stock	-	-	147,450
Net proceeds/(payments) from stockholder loans	-	-	60,000
Net cash provided by financing activities	<u>-</u>	<u>-</u>	<u>207,450</u>
Net (decrease) increase in cash	(31,533)	(35,258)	43,055
Cash, beginning of period	74,588	109,846	-
Cash, end of period	<u>\$ 43,055</u>	<u>\$ 74,588</u>	<u>\$ 43,055</u>
Supplemental disclosure of cash flow information			
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Conversion of notes payable into common stock	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,000</u>

See accompanying notes to unaudited consolidated financial statements

INTERNATIONAL SURF RESORTS, INC. AND SUBSIDIARY
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations

International Surf Resorts, Inc. (the Company) is currently a development stage company under the provisions of ASC 915 "*Development Stage Entities*", and was incorporated under the laws of the State of Nevada on December 4, 2006. From inception (December 4, 2006) through December 31, 2009, the Company has produced no revenues and will continue to report as a development stage company until significant revenues are produced.

The Company is an Internet based provider of international surf resorts, camps, and guided surf tours. The Company also intends to operate a surf camp in San Juanico, Baja California Sur, Mexico on 2.5 acres of land that it owns there.

On February 19, 2007, the Company formed ISR de Mexico, a Mexican corporation, for the purpose of acquiring real estate in Mexico. At December 31, 2009, the Company owned 55% of ISR de Mexico. The remaining 45% interest is owned by related parties.

The Company has evaluated subsequent events through April 10, 2010, the date these consolidated financial statements were issued.

Principles of Consolidation

The consolidated financial statements include the accounts of International Surf Resorts, Inc. and its 55% owned subsidiary, ISR de Mexico. All inter-company accounts and transactions have been eliminated in consolidation and minority interests were accounted for in the consolidated statements of operations and the balance sheets.

Interest in Subsidiary

The Company's percentage of controlling interest requires that operations be included in the consolidated financial statements. The percentage of equity interest that is not owned by the Company is shown as "Noncontrolling interest" in the consolidated balance sheets and consolidated statements of operations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported periods. Actual results could materially differ from those estimates.

Cash and Cash Equivalents

For purposes of the balance sheet and statement of cash flows, the Company considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Prepaid Expenses

Prepaid expenses consist of rents and stock transfer agent fees for services to be rendered over the one-year period of the contract and are amortized monthly.

Property and Equipment

Property and equipment, if any, are stated at cost. Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the assets. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Long-Lived Assets

The Company accounts for its long-lived assets in accordance with ASC 360, "*Property, Plant, and Equipment*." ASC 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the historical cost carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the carrying value of an asset by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset's carrying value and fair value or disposable value.

As of December 31, 2009, the Company did not deem any of its long-term assets to be impaired.

Income Taxes

The Company accounts for income taxes under ASC No. 740, "*Accounting for Income Taxes*". Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

Basic and Diluted Income (Loss) Per Share

In accordance with ASC No. 260, "*Earnings Per Share*", basic income (loss) per common share is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding. Diluted income (loss) per common share is computed similar to basic income per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. As of December 31, 2009, the Company did not have any equity or debt instruments outstanding that could be converted into common stock.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Recent Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board (“FASB”) issued ASC Statement No. 105, the “*FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles*” (ASC 105). ASC 105 will become the single source authoritative nongovernmental U.S. generally accepted accounting principles (“GAAP”), superseding existing FASB, American Institute of Certified Public Accountants, Emerging Issues Task Force, and related accounting literature. ASC 105 reorganized the thousands of GAAP pronouncements into roughly 90 accounting topics and displays them using a consistent structure. Also included is relevant SEC guidance organized using the same topical structure in separate sections. The Company adopted ASC 105 for the financial statements during the year ended December 31, 2009. The adoption of ASC 105 did not have an impact on the Company’s financial position or results of operations.

On April 1, 2009, the Company adopted ASC 825-10-65, “*Financial Instruments – Overall – Transition and Open Effective Date Information*” (ASC 825-10-65). ASC 825-10-65 amends ASC 825-10 to require disclosures about fair value of financial instruments in interim financial statements as well as in annual financial statements and also amends ASC 270-10 to require those disclosures in all interim financial statements. The adoption of ASC 825-10-65 did not have a material impact on the Company’s results of operations or financial condition.

On April 1, 2009, the Company adopted ASC 855, “*Subsequent Events*” (ASC 855). ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date – that is, whether that date represents the date the financial statements were issued or were available to be issued. This disclosure should alert all users of financial statements that an entity has not evaluated subsequent events after that date in the set of financial statements being presented. The adoption of ASC 855 did not have a material impact on the Company’s results of operations or financial condition.

On July 1, 2009, the Company adopted ASU No. 2009-05, “*Fair Value Measurements and Disclosures*” (Topic 820) (ASU 2009-05). ASU 2009-05 provided amendments to ASC 820-10, “*Fair Value Measurements and Disclosures – Overall*”, for the fair value measurement of liabilities. ASU 2009-05 provides clarification that in circumstances in which a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using certain techniques. ASU 2009-05 also clarifies that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of a liability. ASU 2009-05 also clarifies that both a quoted price in an active market for the identical liability at the measurement date and the quoted price for the identical liability when traded as an asset in an active market when no adjustments to the quoted price of the asset are required are Level 1 fair value measurements. The adoption of ASU 2009-05 did not have a material impact on the Company’s results of operations or financial condition.

2. **GOING CONCERN**

As shown in the accompanying financial statements, the Company has incurred a net operating loss of \$155,857 from inception (December 4, 2006) through December 31, 2009.

The Company is subject to those risks associated with development stage companies. The Company has sustained losses since inception and additional debt or equity financing may be required by the Company to fund its development activities and to support operations. However, there is no assurance that the Company will be able to obtain additional financing. Furthermore, there is no assurance that rapid technological changes, changing customer needs and evolving industry standards will enable the Company to introduce new products on a continual and timely basis so that profitable operations can be attained.

3. FAIR VALUE MEASUREMENTS

Determination of Fair Value

At December 31, 2009, the Company calculated the fair value of its assets and liabilities for disclosure purposes only.

Valuation Hierarchy

ASC 820 establishes a three-level valuation hierarchy for the use of fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs that are both significant to the fair value measurement and unobservable. These inputs rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs are developed based on the best information available in the circumstances and may include the Company's own data.)

The Company had no other assets and liabilities measured at fair value on a recurring basis as of December 31, 2009 and 2008 within the fair value hierarchy other than its financial instruments as noted in the following paragraph.

Fair Value of Financial Instruments

Pursuant to ASC No. 825, "*Financial Instruments*", the Company is required to estimate the fair value of all financial instruments included on its balance sheet. The carrying value of cash, accounts payable and accrued expenses approximate their fair value due to the short period to maturity of these instruments.

4. **PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2009 and 2008, consists of the following:

	<u>2009</u>	<u>2008</u>
Computer equipment	\$ 1,012	\$ 1,012
Building	<u>5,200</u>	<u>-</u>
	6,212	1,012
Less: accumulated depreciation	<u>(616)</u>	<u>(280)</u>
Total property and equipment	<u>\$ 5,596</u>	<u>\$ 732</u>

Depreciation expense for the years ended December 31, 2009 and 2008 amounted to \$352 and \$280, respectively.

5. **INVESTMENT IN REAL PROPERTY**

In December 2006, the Company acquired real property in Mexico for \$57,500 to develop and potentially operate as a surf camp. During the year ended December 31, 2007, the Company incurred additional costs of \$3,835 related to the transfer of the property to the Company's 55% owned subsidiary, ISR de Mexico.

6. **COMMON STOCK**

On December 5, 2006, the Company issued 3,000,000 shares of its common stock to its founders at \$.005 per share for a total of \$15,000.

On May 3, 2007, the Company issued 240,000 shares of its common stock for the conversion of notes payable in the amount of \$60,000.

In June 2007, the Company performed a private placement and issued 529,800 shares of its common stock at \$0.25 per share for a total of \$132,450.

In September 2007, the Company submitted its Registration Statement on Form SB-2 for the registration of 489,800 shares of its outstanding common stock. On October 4, 2007, the Company's registration statement was declared effective by the Securities and Exchange Commission.

7. **PROVISION FOR INCOME TAXES**

As of December 31, 2009, the Company reported an estimated federal net operating loss carryforward of approximately \$153,000 which can be used to offset future federal income tax. The federal net operating loss carryforward expires in 2029. Deferred tax assets resulting from the net operating losses are reduced by a valuation allowance, when, in the opinion of management, utilization is not reasonably assured.

As of December 31, 2009 and 2008, the Company had the following deferred tax assets that related to its net operating losses. A 100% valuation allowance has been established; as management believes it more likely than not that the deferred tax assets will not be realized:

	<u>2009</u>	<u>2008</u>
Federal loss carryforward (@ 25%)	\$ 38,000	\$ 28,000
Less: valuation allowance	<u>(38,000)</u>	<u>(28,000)</u>
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

The Company's valuation allowance increased by approximately \$10,000 and \$18,250 during the years ended December 31, 2009 and 2008, respectively.

8. **RELATED PARTY TRANSACTIONS**

From the Company's inception (December 4, 2006) through December 31, 2009, the Company utilized office space of a director of the Company at no charge. The Company treated the usage of the office space as additional paid-in capital and charged the estimated fair value rent of \$150 per month to operations. The Company recorded total rent expense of \$1,800 for each of the years ended December 31, 2009 and 2008.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

There have been no changes in or disagreements with our accountants since our formation required to be disclosed pursuant to Item 304 of Regulation S-K, except for the following:

On March 30, 2010, we dismissed Mendoza Berger & Company, LLP (“Mendoza”) as our principal accountant effective on such date. The reports of Mendoza on our financial statements for fiscal years 2009 and 2008 did not contain an adverse opinion or a disclaimer of opinion, were not qualified or modified as to uncertainty, audit scope, or accounting principles, with the exception of a qualification with respect to uncertainty as to our ability to continue as a going concern. We engaged Q Accountancy Corporation (“QAC”) as its new principal accountant effective as of March 30, 2010. The decision to change accountants was recommended and approved by our Board of Directors.

During fiscal years 2009 and 2008, and the subsequent interim period through March 30, 2010, the date of dismissal, there were no disagreements with Mendoza on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedures, which disagreement(s), if not resolved to the satisfaction of Mendoza, would have caused it to make reference to the subject matter of the disagreement(s) in connection with its report, nor were there any reportable events as defined in Item 304(a)(1)(iv) of Regulation S-K.

We engaged QAC as our new independent accountant as of March 30, 2010. During fiscal years 2009 and 2008, and the subsequent interim period through March 30, 2010, we nor anyone on our behalf engaged QAC regarding either the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements, or any matter that was either the subject of a “disagreement” or a “reportable event,” both as such terms are defined in Item 304 of Regulation S-K.

Item 9A. Controls and Procedures.

Evaluation of disclosure controls and procedures.

We maintain controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and (ii) accumulated and communicated to our principal executive and principal financial officers to allow timely decisions regarding required disclosure. Based upon their evaluation of those controls and procedures performed as of December 31, 2009, the date of this report, our chief executive officer and the chief financial officer concluded that our disclosure controls and procedures were effective.

Management's annual report on internal control over financial reporting.

Our Chief Executive Officer and our Chief Financial Officer are responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of management and our directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, our internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our Chief Executive Officer and our Chief Financial Officer assessed the effectiveness of our internal control over financial reporting as of December 31, 2009. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in *Internal Control — Integrated Framework*.

Based on our assessment, our Chief Executive Officer and our Chief Financial Officer believe that, as of December 31, 2009, our internal control over financial reporting is not effective based on those criteria, due to the following:

- lack of proper segregation of functions, duties and responsibilities with respect to our cash and control over the disbursements related thereto due to our very limited staff, including our accounting personnel.

In light of this conclusion and as part of the preparation of this report, we have applied compensating procedures and processes as necessary to ensure the reliability of our financial reporting. Accordingly, management believes, based on its knowledge, that (1) this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made not misleading with respect to the period covered by this report, and (2) the financial statements, and other financial information included in this report, fairly present in all material respects our financial condition, results of operations and cash flows for the years and periods then ended.

This report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management's report in this report.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act) during our most recently completed quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Executive Officers and Directors. Directors are elected to serve until the next annual meeting of stockholders and until their successors have been elected and qualified. Officers are appointed to serve until the meeting of the Board of Directors following the next annual meeting of stockholders and until their successors have been elected and qualified.

The following table sets forth information regarding our executive officer and directors.

Name	Age	Position
Eduardo Biancardi	42	President, Secretary, Chief Financial Officer and Director
Santana Martinez	37	Director

Eduardo Biancardi. Mr. Eduardo Biancardi has been our President, Secretary, Chief Financial Officer and one of our directors since May 2007. Mr. Biancardi has traveled extensively to various international surf locations over the last ten years, including Mexico (Mainland & Baja), Costa Rica, El Salvador, Panama, Argentina, Brazil, Chile, Peru, Ecuador, Spain, France, Portugal, Germany, Canary Islands, Morocco, Australia, New Zealand, Fiji, Taiwan and Indonesia. From June 2005 to present, Mr. Biancardi has been researching potential surf resort locations while working as surf guide and photographer in Indonesia. From January 2006 to September 2006, Mr. Biancardi performed marketing services for Padang Padang Surf Camp in Bali, Indonesia. From 1996 to 2005, Mr. Biancardi worked as a marketing representative for ITW Shippers, a manufacturer of products designed to meet the needs of companies shipping their products using different modes of transportation. Mr. Biancardi is fluent in Spanish and is conversant in Indonesian and Italian. Mr. Biancardi earned his Bachelors degree in Communications from California State University, Long Beach in 1991. Mr. Biancardi is not an officer or director of any other company.

Santana Martinez. Mr. Santana Martinez has been one of our directors since our inception in 2006. Since 1992, Mr. Martinez has worked in various capacities at Mercedes Benz dealerships in Nevada and Southern California. He currently is the wholesale parts advisor for Fletcher Jones Mercedes in Las Vegas, Nevada. Mr. Martinez is semi-fluent in Spanish. Mr. Martinez is not an officer or director of any other company.

All directors hold office until the completion of their term of office, which is not longer than one year, or until their successors have been elected. All officers are appointed annually by the board of directors and, subject to employment agreements (which do not currently exist), serve at the discretion of the board. Currently, directors receive no compensation.

There is no family relationship between any of our officers or directors. There are no orders, judgments, or decrees of any governmental agency or administrator, or of any court of competent jurisdiction, revoking or suspending for cause any license, permit or other authority to engage in the securities business or in the sale of a particular security or temporarily or permanently restraining any of our officers or directors from engaging in or continuing any conduct, practice or employment in connection with the purchase or sale of securities, or convicting such person of any felony or misdemeanor involving a security, or any aspect of the securities business or of theft or of any felony. Nor are any of the officers or directors of any corporation or entity affiliated with us so enjoined.

Code of Ethics. We do not currently have a Code of Ethics that applies to all employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. We plan to adopt a Code of Ethics.

Nominating Committee. Our entire Board participates in consideration of director nominees. The Board will consider candidates who have experience as a board member or senior officer of a company or who are generally recognized in a relevant field as a well-regarded practitioner, faculty member or senior government officer. The Board will also evaluate whether the candidates' skills and experience are complementary to the existing Board's skills and experience as well as the Board's need for operational, management, financial, international, technological or other expertise. The Board will interview candidates that meet the criteria and then select nominees that Board believes best suit our needs.

The Board will consider qualified candidates suggested by stockholders for director nominations. Stockholders can suggest qualified candidates for director nominations by writing to our Corporate Secretary, Eduardo Biancardi, at 1097 Country Coach Dr., Suite 705 Henderson, Nevada 89002. Submissions that are received that meet the criteria described above will be forwarded to the Board for further review and consideration. The Board will not evaluate candidates proposed by stockholders any differently than other candidates

Compensation Committee. The board of directors has no compensation committee.

Audit Committee Financial Expert. Our board of directors does not have an "audit committee financial expert," within the meaning of such phrase under applicable regulations of the Securities and Exchange Commission, serving on its audit committee. We believe the cost related to retaining a financial expert at this time is prohibitive. Further, because of our start-up operations, we believe the services of a financial expert are not warranted.

Audit Committee. Presently, the board of directors acts as the audit committee. The board of directors does not have an audit committee financial expert. The board of directors has not yet recruited an audit committee financial expert to join the board of directors because we have only recently commenced a significant level of financial operations.

Item 11. Executive Compensation

Summary Compensation Table. The table set forth below summarizes the annual and long-term compensation for services in all capacities to us payable to our principal executive officer and our only other executive officer during the years ending December 31, 2009 and 2008.

Name and Principal Position	Year Ended	Salary \$	Bonus \$	Stock Awards \$	Option Awards \$	Non-Equity Incentive Plan Compensation \$	Nonqualified Deferred Compensation Earnings \$	All Other Compensation \$	Total \$
Eduardo Biancardi President, Secretary, CFO	2009	0	0	0	0	0	0	0	0
	2008	0	0	0	0	0	0	0	0

Except as set forth above, none of our officers and/or directors currently receives any compensation for their respective services rendered to the Company. Officers and directors have agreed to act without compensation until authorized by the Board of Directors, which is not expected to occur until we have generated sufficient revenues from our operations.

Stock Options/SAR Grants. No grants of stock options or stock appreciation rights were made since our date of incorporation in December 2006.

Long-Term Incentive Plans. As of December 31, 2009, we had no group life, health, hospitalization, or medical reimbursement or relocation plans in effect. Further, we had no pension plans or plans or agreements which provide compensation on the event of termination of employment or change in control of us.

Employment Contracts and Termination of Employment. We do not anticipate that we will enter into any employment contracts with any of our employees. We have no plans or arrangements in respect of remuneration received or that may be received by our executive officers to compensate such officers in the event of termination of employment (as a result of resignation or retirement).

Outstanding Equity Awards at Fiscal Year-end. As of the year ended December 31, 2009, the following named executive officer had the following unexercised options, stock that has not vested, and equity incentive plan awards:

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options # Exercisable	# Un-exercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock Not Vested	Market Value of Shares or Units Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights Not Vested	Value of Unearned Shares, Units or Other Rights Not Vested
Eduardo Biancardi President, Secretary, CFO	0	0	0	0	0	0	0	0	0

Director Compensation. Our directors received the following compensation for their service as directors during the fiscal year ended December 31, 2009:

Name	Fees Earned or Paid in Cash	Stock Awards \$	Option Awards \$	Non-Equity Incentive Plan Compensation \$	Non-Qualified Deferred Compensation Earnings \$	All Other Compensation \$	Total \$
Eduardo Biancardi	0	0	0	0	0	0	0
Santana Martinez	0	0	0	0	0	0	0

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth certain information regarding the beneficial ownership of our common stock as of April 13, 2010, by each person or entity known by us to be the beneficial owner of more than 5% of the outstanding shares of common stock, each of our directors and named executive officers, and all of our directors and executive officers as a group.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
Common Stock	Eduardo Biancardi 1097 Country Coach Dr., Suite 705 Henderson, Nevada 89002	40,000 shares, President, Secretary, CFO and director	1.06%
Common Stock	Santana Martinez 1097 Country Coach Dr., Suite 705 Henderson, Nevada 89002	3,140,000 shares ⁽¹⁾ , director	83.30%
Common Stock	ISR Investments LLC ⁽²⁾ 1097 Country Coach Dr., Suite 705 Henderson, Nevada 89002	3,140,000 shares	83.30%
Common Stock	All directors and named executive officers as a group	3,180,000 shares	84.36%

⁽¹⁾ Includes 3,160,000 shares of common stock held by ISR Investments LLC. Santana Martinez is deemed to beneficially own those shares.

⁽²⁾ Santana Martinez has sole voting and investment control over the securities held by ISR Investments LLC. Santana Martinez, Michelle Neely and Michael Muellerleile are the members of ISR Investments LLC.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. In accordance with Securities and Exchange Commission rules, shares of our common stock which may be acquired upon exercise of stock options or warrants which are currently exercisable or which become exercisable within 60 days of the date of the table are deemed beneficially owned by the optionees. Subject to community property laws, where applicable, the persons or entities named in the table above have sole voting and investment power with respect to all shares of our common stock indicated as beneficially owned by them.

Changes in Control. Our management is not aware of any arrangements which may result in “changes in control” as that term is defined by the provisions of Item 403(c) of Regulation S-K.

No Equity Compensation Plan. We do not have any securities authorized for issuance under any equity compensation plan. We also do not have an equity compensation plan and do not plan to implement such a plan.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Related party transactions.

In December 2006, we issued 1,000,000 shares of our common stock to Timothy Neely, who was our founder and our officer and director at inception. These shares were issued in exchange for cash of \$5,000, or \$0.005 per share.

Santana Martinez, one of our directors, provides office space to us at no charge. Our financial statements will reflect, as occupancy costs, the fair market value of that space, which is approximately \$150 per month. We treat the usage of the office space as additional paid-in capital and charge the estimated fair value rent of \$150 per month to operations. We recorded total rent expense of \$1,800 for the year ended December 31, 2009.

On December 5, 2006, we executed three unsecured promissory notes in exchange for \$20,000 from Timothy Neely, our former officer, former director and principal shareholder, \$70,000 from Ryan Neely, one of our principal shareholders, and \$20,000 from Michael Muellerleile, one of our principal shareholders, respectively. The notes bear interest at 8% and were due upon demand, no later than March 5, 2007. As of March 21, 2007, Timothy Neely and Michael Muellerleile each agreed to convert their notes into 80,000 shares of our common stock at a conversion price of \$0.25 per share. Both Mr. Neely and Mr. Muellerleile agreed to forgive any interest due pursuant to the notes. As of March 21, 2007, Ryan Neely agreed to convert \$20,000 of his note into 80,000 shares of our common stock at a conversion price of \$0.25 per share. We repaid the balance of the note, \$50,000, to Mr. Neely and he agreed to forgive any interest due pursuant to the note.

We believe that each report transaction and relationship is on terms that are at least as fair to us as would be expected if those transactions were negotiated with third parties.

There have been no other related party transactions, or any other transactions or relationships required to be disclosed pursuant to Item 404 of Regulation S-K.

With regard to any future related party transaction, we plan to fully disclose any and all related party transactions, including, but not limited to, the following:

- disclose such transactions in prospectuses where required;
- disclose in any and all filings with the Securities and Exchange Commission, where required;
- obtain disinterested directors consent; and
- obtain shareholder consent where required.

Director Independence. Members of our Board of Directors are not independent as that term is defined by defined in Rule 4200(a)(15) of the Nasdaq Marketplace Rules.

Item 14. Principal Accountant Fees and Services.

Audit Fees. The aggregate fees billed in each of the fiscal years ended December 31, 2009 and 2008 for professional services rendered by the principal accountant for the audit of our annual financial statements and quarterly review of the financial statements included in our Form 10-K or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years were \$18,043 and \$23,340, respectively.

Audit-Related Fees. For the fiscal year ended December 31, 2009 and 2008, there were fees billed for services reasonably related to the performance of the audit or review of the financial statements outside of those fees disclosed above under "Audit Fees." For the fiscal year ended December 31, 2009, we were billed a total of \$2,000 by a separate accountant for consulting services in preparation for the annual audit and quarterly reviews of the financial statements. For the fiscal year ended December 31, 2008, we were billed a total of \$4,489 by a separate accountant for consulting services in preparation for the annual audit and quarterly reviews of the financial statements.

Tax Fees. For the fiscal years ended December 31, 2009 and December 31, 2008, our accountants rendered services for tax compliance, tax advice, and tax planning work for which we paid \$500 and \$500, respectively.

All Other Fees. None.

Pre-Approval Policies and Procedures. Prior to engaging our accountants to perform a particular service, our board of directors obtains an estimate for the service to be performed. All of the services described above were approved by the board of directors in accordance with its procedures.

Item 15. Exhibits, Financial Statement Schedules.

(a) Financial Statements.

Included in Item 8

(b) Exhibits required by Item 601.

Exhibit No. **Description**

3.1	Articles of Incorporation*
3.2	Certificate of Amendment to Articles of Incorporation*
3.2	Bylaws*
21	List of Subsidiaries*
31	Certification of Principal Executive Officer and Principal Financial Officer, pursuant to Rule 13a-14 and 15d-14 of the Securities Exchange Act of 1934
32	Certification of Principal Executive Officer and Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Incorporated by reference to our registration statement on Form SB-2 filed on September 20, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

International Surf Resorts, Inc.
a Nevada corporation

April 14, 2010

By: /s/ Eduardo Biancardi
Eduardo Biancardi
President, Secretary, Treasurer and a director
(Principal Executive, Financial and Accounting
Officer)

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Eduardo Biancardi April 14,
2010
Eduardo Biancardi
Its: President, Secretary, Treasurer and a
director
(Principal Executive Officer and Principal
Financial and Accounting Officer)

By: /s/ Santana Martinez April 14,
2010
Santana Martinez
Its: director

Exhibit 31

**Certification of Principal Executive Officer and Principal Financial Officer
Pursuant to Section 302 of Sarbanes-Oxley Act**

I, Eduardo Biancardi, certify that:

1. I have reviewed this annual report on Form 10-K of International Surf Resorts, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 14, 2010

/s/ Eduardo Biancardi

Eduardo Biancardi
Chief Executive Officer and Chief
Financial Officer

Exhibit 32

**Certification of Principal Executive Officer and Principal Financial Officer
Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of International Surf Resorts, Inc. a Nevada corporation (the "Company") on Form 10-K for the year ending December 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Eduardo Biancardi, Chief Executive Officer and Chief Financial Officer of the Company, certifies to the best of his knowledge, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to International Surf Resorts, Inc., and will be retained by International Surf Resorts, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Eduardo Biancardi
Eduardo Biancardi
Chief Executive Officer and
Chief Financial Officer
April 14, 2010