

# GUIBERT & CO

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## SURGEONS OF HOPE (CdE) FOUNDATION

### FINANCIAL STATEMENTS

DECEMBER 31, 2015

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SURGEONS OF HOPE (CdE) FOUNDATION

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DECEMBER 31, 2015

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## INDEPENDENT AUDITORS' REPORT

To The Board of Directors  
Surgeons of Hope (CdE) Foundation, Inc.  
New York, NY

We have audited the accompanying financial statements of Surgeons of Hope (CdE) Foundation, Inc. (a nonprofit corporation) which comprise the statements of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express

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no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Surgeons of Hope (CdE) Foundation, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



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New York, NY  
December 15, 2016

SURGEONS OF HOPE (CdE) FOUNDATION

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015

ASSETS

Current Assets	
Cash	\$ 252,218
Pledges and grants receivable	81,250
Prepaid expenses	2,178
Other receivable	1,164
Total Current Assets	<u>336,810</u>
Property, Equipment and Software	26,898
Accumulated despeciation	11,294
	<u>15,604</u>
Total Assets	<u>\$ 352,414</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	\$ 20,118
Accrued expenses	8,150
Total Liabilities	<u>28,268</u>
Net Assets	
Temporarily restricted	160,666
Unrestricted	163,480
Total Net Assets	<u>324,146</u>
Total Liabilities and Net Assets	<u>\$ 352,414</u>

See Independent Auditors' Report  
 The accompanying notes are an integral part of these financial statements

SURGEONS OF HOPE (CdE) FOUNDATION

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Unrestricted Net Assets</u>	
Unrestricted revenues and gains	
Contributions	\$ 110,096
Annual Gala, <i>less Costs of direct benefits to Donors of \$25,366</i>	193,312
Interest income	320
Total Unrestricted revenues and gains	<u>303,728</u>
Net assets released from restrictions	<u>3,500</u>
Total Unrestricted revenues and gains and other support	<u>307,228</u>
Expenses	
Program services	204,494
Supporting services	
Management and general	33,942
Fundraising	54,904
Total Expenses	<u>293,340</u>
Increase (decrease) in Unrestricted Net Assets	<u>13,888</u>
<u>Temporarily Restricted Assets</u>	
Contributions	160,666
Net assets released from restrictions	<u>(3,500)</u>
Increase in Temporarily Restricted Assets	<u>157,166</u>
Increase (decrease) in Net Assets	171,054
<u>Net Assets beginning of the year</u>	<u>153,092</u>
<u>Net Assets end of the year</u>	<u>\$ 324,146</u>

See Independent Auditors' Report  
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SURGEONS OF HOPE (CdE) FOUNDATION

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Cash flows from Operating activities</u>	
Increase in Net Assets	\$ 171,054
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	5,121
Decrease (increase) in operating assets	
Contributions receivable	(81,250)
Other receivable	(265)
Increase (decrease) in operating liabilities	
Accounts payable	2,647
Accrued expenses	(166)
Net cash provided by Operating activities	<u>97,141</u>
Net change in cash	97,141
Cash beginning of the year	<u>155,077</u>
Cash at the end of the year	<u>\$ 252,218</u>

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SURGEONS OF HOPE (CdE) FOUNDATION

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

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**Nature of Activities and Summary of Significant Accounting Policies**

Nature of Activities

The Surgeons of Hope (CdE) Foundation (the Foundation) was organized in the State of Georgia on April 3, 2001. The purpose of the Foundation is to organize fundraising activities and administrative services in connection with the delivery of onsite surgical care to disadvantaged children in developing countries.

Financial Statements presentation

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Use of Estimates

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

Cash and Cash Equivalents

The Foundation considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

Contributions receivable

All contributions receivable will be received in less than one year.

Property, Equipment and software

Property and equipment acquired are recorded at cost, and are depreciated using the straight-line method over the estimated useful life of the related asset.



SURGEONS OF HOPE (CdE) FOUNDATION

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

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Contributed services

No amounts have been reflected in the financial statements for donated services. The Foundation generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Foundation, but these services do not meet the criteria for recognition as contributed services.

Contributions

Contribution income consists of donations from individuals, foundations and corporations. Contributions received are recorded as unrestricted or temporarily restricted support depending on the existence or nature of any donors' restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

In 2015, contribution from one major contributor accounted for 33% of the total contributions to the Foundation.

Matching contributions

In certain situations, contributions made by certain individuals are matched by other organizations. Matching contributions are recognized as revenue when they are received by the Foundation.

Income Tax

The Foundation is a tax-exempt organization under section 501 (c) (3) of the Internal Revenue Code except for unrelated business income. The Foundation has no net taxable unrelated business income for 2015 and accordingly, no provision for taxes has been made. The Foundation does not have any uncertain tax positions that are material to the financial statements. The Foundation's tax returns are subject to examination by taxing authorities, generally for three years after they were filed.

SURGEONS OF HOPE (CdE) FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

**Program**

The Foundation works in Latin America, mainly Nicaragua. It provides funds and equipment to pediatric heart surgical and training missions.

**Special Event**

The Organization organized a Gala dinner on May 1, 2015. Revenue and expenses were as follows:

Revenue and support	
Tickets:	\$ 72,700
Donations	55,200
Auction	89,128
Program	<u>1,650</u>
	<u>\$ 218,678</u>
Direct benefit expenses	
Food and catering	<u>\$ 25,366</u>
Indirect benefit expenses	
Photography and video	\$ 3,900
Decoration	689
Miscellaneous expenses	<u>1,871</u>
	<u>\$ 6,460</u>

The Organization designates certain gifts to function as endowment. The endowment is classified and reported as follows:

	<u>Unrestricted</u>	<u>Restricted</u>
Contributions	\$ 20,000	\$ 155,666
Net investment income	<u>88</u>	
Endowment, end of year	<u>\$ 20,088</u>	<u>\$ 155,666</u>

Funds are currently held in a saving account at M&T Bank.

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SURGEONS OF HOPE (CdE) FOUNDATION

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

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**Subsequent events**

The Foundation has evaluated subsequent events through December 15, 2016, the date which the financial statements were available to be issued.

See Independent Auditors' Report