

INDEPENDENT AUDITORS' REPORT

October 19th 2023,
To the Board of Directors of: Surgeons of Hope Foundation.

Report on the Financial Statements

We have audited the accompanying financial statements of Surgeons of Hope Foundation (a non-profit organization) which comprise the statements of financial position as of December 31, 2022 and December 31, 2021, and the related statements of activities and cash flow for the years 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 the accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 controls 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 controls. Accordingly, we express 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 Foundation as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Fiducial Jade Inc,
Benedicte Mur.
October 19th 2023



**SURGEONS OF HOPE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

ASSETS

	2022	2021
Current Assets		
Cash and cash equivalents	\$ 742,452	\$ 876,822
Pledges and grants receivable	0	0
Prepaid expenses	4,062	3,967
Other receivable	<u>7,255</u>	<u>45,213</u>
Total Current Assets	<u>753,769</u>	<u>926,002</u>
Property, Equipment and Software	<u>24,042</u>	<u>23,062</u>
Total property and equipment	24,042	23,062
Less: accumulated depreciation	<u>23,062</u>	<u>23,062</u>
Property and equipment, net	<u>980</u>	<u>0</u>
TOTAL	<u><u>\$ 754,749</u></u>	<u><u>\$ 926,002</u></u>

**SURGEONS OF HOPE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

LIABILITIES AND NET ASSETS

	2022	2021
Current liabilities		
Accounts payable	\$ 10,647	\$ 8,273
Accrued expenses	5,250	5,250
Payroll liabilities	-25	-5,106
Other Liabilities	<u>0</u>	<u>0</u>
Total current liabilities	<u>15,871</u>	<u>8,417</u>
Net assets		
Temporarily restricted	900,178	900,178
Unrestricted	<u>161,301</u>	<u>17,407</u>
Total net assets	<u>738,878</u>	<u>917,585</u>
TOTAL	<u>\$ 754,749</u>	<u>\$ 926,002</u>

**SURGEONS OF HOPE FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
Unrestricted Net Assets		
Unrestricted revenues and gains		
Contributions	\$ 47,028	\$ 118,949
Annual Gala, less Costs of direct benefits to Donors		
Interest Income	8,436	447
Other Income	708	46,997
Total Unrestricted revenues and gains	56,172	166,394
 Net assets released from restrictions		
 Total Unrestricted revenues and gains and other support	56,172	166,394
Expenses		
Program services	147,750	87,101
Supporting services		
Management and general	76,669	46,534
Fundraising	10,461	20,916
Total Expenses	234,880	154,551
 Unrealized gain (loss) in value of available-for-sale securities	0	0
 Extraordinary Adjustments from prior years		
 Increase (decrease) in Unrestricted Net Assets	-178,707	11,843
 Temporarily Restricted Assets		
Contributions	0	-20,074
Net assets released from restrictions		
Increase in Temporarily Restricted Assets	0	-20,074
 Increase (decrease) in Net Assets	-178,707	-8,231
 Net Assets beginning of the year	917,585	925,816
 Net Assets end of the year	738,878	917,585

**SURGEONS OF HOPE FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
Cash flow from Operating activities		
Increase in Net Assets	\$ 178,707	\$ -8,231
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	0	0
Decrease (increase) in operating assets		
Contribution receivable	0	0
Other receivable	37,863	5,212
Increase (decrease) in operating liabilities		
Accounts payable	2,373	5,912
Accrued expenses	0	0
Payroll liabilities	5,081	-8,117
Other liabilities	0	-28,575
	-	-
Net cash provided by Operating activities	133,390	-33,800
Cash flows from Investing activities		
Fixed assets	-980	0
	-980	0
Net cash used by Investing activities		
Net change in cash	134,370	-33,800
Cash at the beginning of the year	876,822	910,622
Cash at the end of the year	\$ 742,452	\$ 876,822

**SURGEONS OF HOPE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The Surgeons of Hope Foundation (The Foundation) was organized in the state of Georgia on April 3, 2001. The purpose of the Foundation is to provide every infant and child with a damaged heart an equal opportunity to receive life-saving surgery by giving urgently needed care, cultivating skills in local medical teams, and constructing centers of care in developing countries. The Foundation does it by raising funds specifically for this purpose.

Financial Statement Presentation

The financial statements that are presented are in accordance with FASB Accounting Standard Codification (FASB ASC) 958, Not-for-Profit Entities. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes on net assets: unrestricted, temporarily restricted assets and permanently restricted. The Organization had no permanently restricted net assets as of December 31, 2022 and 2021

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statement, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

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

Contribution receivable

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

Property, Equipment and Software

Property and equipment are stated at cost.

Depreciation is calculated for financial statement purposes using the straight-line method based on the property's estimate life. No calculation was made for 2022 for the new equipment. It will start in 2023.

Additions and improvements that add materially to productive capacity or extend the life of an asset are capitalized. Normal repairs and maintenance are charged against income.

When facilities are retired or sold, their cost and accumulated depreciation are removed from the accounts and related gains or losses are included in income. In case of trade items, any remaining book value increases the basis of the new acquisitions.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

The estimated lives used in determining depreciation are:

- Furniture and Equipment: 3 years
- Software: 5 years.

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 donation 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 classified to unrestricted net assets.

In 2022, contribution from one major contributor accounted for 22% 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 2022 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.

Program

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

Special Event

The Foundation didn't organize a Gala like every year in 2022, but some Online Event were organized (Global Giving). Revenue and expenses were as follows:

Revenue and support		
Donations	\$	1,650
		<u> </u>
	\$	<u>1,650</u>
Direct benefit expenses		<u> </u>
Food and catering	\$	<u>0</u>
Indirect benefit expenses		
Auction services		<u>4,559</u>
	\$	<u>4,559</u>
Net Revenue Special Event		<u><u>-2,909</u></u>

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

	Unrestricted	Restricted
Contributions	\$	\$
Net investment income	<u>8,436</u>	
Endowment, end of year	<u>\$ 8,436</u>	<u>\$</u>

Contributed services

The Foundation occupies a space free of charge in the PUBLICIS NORTH AMERICA' offices. The service offered by PUBLICIS NORTH AMERICA also includes the mail and the printings, in particular during the fundraising activities. The Foundation moved on March 2020 to the new offices located Hudson Street in New York.

Subsequent events

We reviewed subsequent events as provided by the Foundation between 12/31/2022 and 10/19/2023 and have not found anything that would materially affect the financial statements.