

**FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS**

**SAVE A CHILD'S HEART  
FOUNDATION - U.S., INC.**

**December 31, 2022 and 2021**

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## INDEPENDENT AUDITORS' REPORT

November 6, 2023

To the Board of Directors of:

Save A Child's Heart Foundation - U.S., Inc.  
Potomac, MD

### **Opinion**

We have audited the accompanying financial statements of Save A Child's Heart Foundation – US, Inc. (a non-profit organization) which comprise the statements of financial position as of December 31, 2022 and 2021 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Save A Child's Heart Foundation – US, Inc. 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.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Save A Child's Heart Foundation – US, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Save A Child's Heart Foundation - US, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Save A Child's Heart Foundation, Inc's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Save A Child's Heart Foundation - US, Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Garner, Just & Kuring, P.C.*

Warren, RI

**Save A Child's Heart Foundation - U.S., Inc.**  
**STATEMENTS OF FINANCIAL POSITION**  
**As of December 31,**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 2,460,821	\$ 2,172,132
Investment in securities	475,001	191,100
Prepaid expenses	<u>16,320</u>	<u>18,650</u>
Total current assets	<u>2,952,142</u>	<u>2,381,882</u>
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and equipment	6,085	4,433
Less: accumulated depreciation and amortization	<u>2,913</u>	<u>1,914</u>
Property and equipment, net	<u>3,172</u>	<u>2,519</u>
<b>TOTAL</b>	<u><u>\$ 2,955,314</u></u>	<u><u>\$ 2,384,401</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable - trade	<u>\$ 53,502</u>	<u>\$ 7,912</u>
<b>NET ASSETS:</b>		
Without donor restrictions	2,618,932	2,136,741
With donor restrictions	<u>282,880</u>	<u>239,748</u>
Total net assets	<u>2,901,812</u>	<u>2,376,489</u>
<b>TOTAL</b>	<u><u>\$ 2,955,314</u></u>	<u><u>\$ 2,384,401</u></u>

The accompanying notes are an integral part of these statements.

**Save A Child's Heart Foundation - U.S., Inc.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT &amp; REVENUE:</b>			
Contributions	\$ 3,245,362	\$ 43,132	\$ 3,288,494
Interest and dividend income	10,200	-	10,200
Merchandise sales	666	-	666
Unrealized gain on marketable securities	(33,363)	-	(33,363)
Realized gain on sale of marketable securities	(346)	-	(346)
Net assets released from restrictions	-	-	-
 Total unrestricted support and reclassifications	 3,222,519	 43,132	 3,265,651
 <b>EXPENSES:</b>			
Program services	2,026,671	-	2,026,671
Support services			
Management and general	293,231	-	293,231
Fundraising	420,426	-	420,426
 Net expenses	 2,740,328	 -	 2,740,328
 Change in net assets	 482,191	 43,132	 525,323
 Net assets, January 1, 2022	 2,136,741	 239,748	 2,376,489
 Net assets, December 31, 2022	 \$ 2,618,932	 \$ 282,880	 \$ 2,901,812

The accompanying notes are an integral part of these statements.

**Save A Child's Heart Foundation - U.S., Inc.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT &amp; REVENUE:</b>			
Contributions	\$ 2,912,691	\$ 239,748	\$ 3,152,439
Grant income - PPP note forgiveness	67,000	-	67,000
Interest and dividend income	6,379	-	6,379
Unrealized gain on marketable securities	17,205	-	17,205
Realized gain on sale of marketable securities	804	-	804
Net assets released from restrictions	-	-	-
	<u>3,004,079</u>	<u>239,748</u>	<u>3,243,827</u>
<b>EXPENSES:</b>			
Program services	1,821,333	-	1,821,333
Support services			
Management and general	246,807	-	246,807
Fundraising	302,863	-	302,863
	<u>2,371,003</u>	<u>-</u>	<u>2,371,003</u>
Net expenses	2,371,003	-	2,371,003
Change in net assets	633,076	239,748	872,824
Net assets, January 1, 2021	<u>1,503,665</u>	<u>-</u>	<u>1,503,665</u>
Net assets, December 31, 2021	<u>\$ 2,136,741</u>	<u>\$ 239,748</u>	<u>\$ 2,376,489</u>

The accompanying notes are an integral part of these statements.

**Save A Child's Heart Foundation - U.S., Inc.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2022**

	<b>Support Services</b>				<u>Totals</u>
	<u>Program Services</u>	<u>Mgmt &amp; General</u>	<u>Fundraising</u>	<u>Total Support</u>	
Salaries	\$ 321,642	\$ 128,657	\$ 192,985	\$ 321,642	\$ 643,284
Employee benefits	40,631	16,252	24,378	40,630	81,261
Payroll Taxes	24,163	9,665	14,498	24,163	48,326
Total payroll -related expenses	386,436	154,574	231,861	386,435	772,871
Grants and awards	1,240,500	-	-	-	1,240,500
Marketing and advertising	169,882	56,627	-	56,627	226,509
Event expenses	50,894	-	50,893	50,893	101,787
Postage and shipping	28,808	-	35,209	35,209	64,017
Bank fees & credit card fees	-	3,860	54,446	58,306	58,306
Consultants	22,230	-	22,230	22,230	44,460
Mission	37,230	-	-	-	37,230
Website, online services	27,299	-	9,099	9,099	36,398
Medical Personnel training	32,600	-	-	-	32,600
Young leadership event exp	15,189	-	15,188	15,188	30,377
Accounting and bookkeeping	-	18,177	-	18,177	18,177
Travel	11,826	2,957	-	2,957	14,783
Insurance	-	14,419	-	14,419	14,419
Rent	-	13,306	-	13,306	13,306
Office expenses and supplies	-	11,458	-	11,458	11,458
Dues and memberships	-	7,278	-	7,278	7,278
Meetings and conferences	-	6,103	-	6,103	6,103
State registrations	-	3,063	-	3,063	3,063
Medical publications	2,402	-	-	-	2,402
Printing and publications	375	-	1,500	1,500	1,875
Charitable donation	1,000	-	-	-	1,000
Depreciation	-	999	-	999	999
Telephone & internet	-	410	-	410	410
Total	<u>\$ 2,026,671</u>	<u>\$ 293,231</u>	<u>\$ 420,426</u>	<u>\$ 713,657</u>	<u>\$ 2,740,328</u>

The accompanying notes are an integral part of these statements.



**Save A Child's Heart Foundation - U.S., Inc.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2021**

	<b>Support Services</b>				<u>Totals</u>
	<u>Program Services</u>	<u>Mgmt &amp; General</u>	<u>Fundraising</u>	<u>Total Support</u>	
Salaries	\$ 257,540	\$ 103,016	\$ 154,524	\$ 257,540	\$ 515,080
Employee benefits	40,366	16,146	24,220	40,366	80,732
Payroll Taxes	19,161	7,665	11,497	19,162	38,323
Total payroll -related expenses	317,067	126,827	190,241	317,068	634,135
Grants and awards	1,186,000	-	-	-	1,186,000
Marketing and advertising	180,578	60,193	-	60,193	240,771
Postage and shipping	29,945	-	36,599	36,599	66,544
Consultants	25,152	-	25,151	25,151	50,303
Medical Personnel training	40,000	-	-	-	40,000
Bank fees & credit card fees	-	4,049	27,403	31,452	31,452
Website, online services	18,145	-	6,048	6,048	24,193
Young leadership event exp	8,510	-	8,509	8,509	17,019
Accounting and bookkeeping	-	16,067	-	16,067	16,067
Rent	-	13,306	-	13,306	13,306
Event expenses	5,925	-	5,925	5,925	11,850
Office expenses and supplies	-	8,678	-	8,678	8,678
Travel	5,918	1,479	-	1,479	7,397
Insurance	-	5,312	-	5,312	5,312
State registrations	-	5,221	-	5,221	5,221
Dues and memberships	-	4,249	-	4,249	4,249
Printing and publications	747	-	2,987	2,987	3,734
Charitable donation	2,000	-	-	-	2,000
Medical publications	1,106	-	-	-	1,106
Depreciation	-	714	-	714	714
Meetings and conferences	-	500	-	500	500
Telephone	-	169	-	169	169
Miscellaneous	240	43	-	43	283
Total	<u>\$ 1,821,333</u>	<u>\$ 246,807</u>	<u>\$ 302,863</u>	<u>\$ 549,670</u>	<u>\$ 2,371,003</u>

The accompanying notes are an integral part of these statements.

**Save A Child's Heart Foundation - U.S., Inc.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31,**

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 525,323	\$ 872,824
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	999	715
Non-cash contributions	(35,530)	(218,705)
PPP note forgiveness	-	(67,000)
Reinvested dividend income	(22,348)	(5,872)
Unrealized/realized loss (gain) on marketable securities	33,709	(18,009)
Decrease (increase) in operating assets:		
Prepaid expenses	2,330	(11,388)
Increase (decrease) in operating liabilities:		
Accounts payable - trade	45,590	(7,821)
	<u>550,073</u>	<u>544,744</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM BY INVESTING ACTIVITIES</b>		
Purchase of furniture and equipment	(1,652)	(948)
Purchases of marketable securities	(292,711)	-
Net proceeds from sale of marketable securities	32,979	239,815
	<u>(261,384)</u>	<u>238,867</u>
<b>NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from Paycheck Protection Loan	-	67,000
	<u>288,689</u>	<u>850,611</u>
<b>NET CHANGE IN CASH</b>		
Cash and cash equivalents - January 1,	2,172,132	1,321,521
	<u>2,460,821</u>	<u>2,172,132</u>
Cash and cash equivalents - December 31,	<u>\$ 2,460,821</u>	<u>\$ 2,172,132</u>
<b>SUPPLEMENTARY CASH FLOW INFORMATION:</b>		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

**Save A Child's Heart Foundation - U.S., Inc**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**1. Nature of Activities**

Save A Child's Heart Foundation - U.S., Inc. (the Foundation) is a non-profit organization incorporated in the state of Maryland in 1996. The Foundation's purpose is to provide funding for underprivileged children who are in need of cardiac surgery.

**2. Basis of Accounting**

These financial statements are prepared under the accrual basis of accounting. Under this accounting method, income is recorded as earned and expenses are recorded as incurred.

**3. Basis of Presentation**

The financial statements are presented in accordance with FASB Accounting Standard Codification (FASB ASC) released ASU2016-14 Not-for-Profit Entities (Topic 958). Under ASU 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions include all assets received with donor designated restrictions whether they are perpetual in nature, or purpose or time restricted.

**4. 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 statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**5. Cash and Cash Equivalents**

For purposes of the statements of financial position and cash flows, the Foundation considers all unrestricted highly liquid investments, with an initial maturity of three months or less, to be considered cash. The Foundation maintains its cash in bank accounts that, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant risk of loss on cash and cash equivalents.

**Save A Child's Heart Foundation - U.S., Inc**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**6. Property and Equipment**

Property and equipment are stated at cost. Depreciation is calculated for financial statement purposes using the straight-line method based on the property's estimated life. 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 donation asset to a specific purpose. The estimated lives used in determining depreciation are:

Furniture and equipment	5 years
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**7. Income Taxes**

The Foundation is a not-for-profit organization that is generally exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. In addition, the Organization has been classified as an organization that is not a private foundation under Section 590(a)(1). Income that is not related to exempt purposes, less applicable deductions, is subject to Federal and Maryland corporate income taxes. The Foundation did not have any unrelated business income for the years ended December 31, 2022 and 2021.

**8. Contribution Receivable**

Unconditional contributions are recognized as revenue when the promise is received. Conditional contributions receivable are recognized when the conditions on which they depend are substantially met. Contributions receivable due in more than one year are discounted to their present value (estimated fair value) using a rate commensurate with the risks involved.

**Save A Child's Heart Foundation - U.S., Inc**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**9. Contributed Services**

During the years ended December 31, 2022 and 2021, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

**10. Liquidity**

The Foundation maintains a liquid cash balance through its checking account in an amount necessary to meet its anticipated expenditures for the next 30 days. The Foundation reconciles the balance of financial assets subject to donor restrictions monthly, based on restricted amounts used and received. Any restricted cash is separately identified and monitored as part of the Foundation's monthly financial reporting process.

The Foundation's financial assets available within one year to meet cash needs for general expenditures through December 31, 2023 are as follows:

Financial Assets:

Cash	\$2,460,821
Marketable securities	<u>475,001</u>
Total Financial Assets	2,935,822

Less amounts not available within one year -282,880

Financial Assets available to meet cash needs for  
general expenditures within one year \$2,652,942

**11. Restricted and Unrestricted Revenue**

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in donor restrictions net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), with donor restrictions net assets are reclassified to without restrictions net assets and reported in the statement of activities as net assets released from restrictions.

**Save A Child's Heart Foundation - U.S., Inc**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**12. Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**13. Advertising**

The Foundation expenses advertising costs as they are incurred. Advertising expenses for 2022 and 2021 were \$70,433 and \$95,127, respectively.

**14. Uncertain Tax Provisions**

Accounting for uncertain income tax positions, relating to both federal and state income taxes, are required when a more likely than not threshold is attained. If such positions result in uncertainties, then the unrecognized tax liability is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. With the adoption of these new rules, the Foundation assessed its tax positions in accordance with the guidance. The Foundation has determined that its tax status as a MD non-profit corporation is its only tax position and is highly certain. Therefore, these new rules had no impact on the Foundation's financial statements.

**15. Subsequent Events**

Management has evaluated subsequent events through November 15, 2023, the date which the financial statements were available to be issued.

**NOTE B - CASH**

**Concentration of Risk - Cash**

The Foundation maintains its cash in bank accounts that, at times, may exceed federally insured limits. Accounts held at these financial institutions are insured, in amounts up to \$250,000 by the Federal Deposit Insurance Corporation. The aggregate of all uninsured balances at December 31, 2022 was \$2,137,618. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant risk of loss of cash and cash equivalents.

**Save A Child's Heart Foundation - U.S., Inc**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

**NOTE C – CONCENTRATION OF CREDIT RISK**

**Concentration of Risk – Marketable Securities**

The Foundation maintains accounts with two brokerage firms. These accounts contain cash and securities. Balances are insured up to \$500,000 (with a limit of \$100,000 for cash) by the Security Investor Protection Corporation. The brokerage firms maintain additional insurance to cover any significant credit risk on cash and cash equivalents. The Foundation has not experienced any losses in such accounts. The Foundation believes that it is not exposed to any significant credit risk on cash and cash equivalents.

**NOTE D – INVESTMENT IN DEBT AND EQUITY SECURITIES**

The Foundation classifies debt and equity securities into two categories, available-for-sale securities and held-to-maturity securities. All securities are carried at their fair market values in the statement of financial position. Unrealized gains and losses are included in the accompanying statement of activities.

As of December 31, 2022, detail of the unrealized gains and losses was as follows:

	Amortized <u>Cost</u>	Gross Unrealized <u>Gains</u>	Gross Unrealized <u>Losses</u>	Fair Market <u>Value</u>
Available-for-sale securities				
Equity securities	<u>\$475,452</u>	<u>\$14,922</u>	<u>\$15,373</u>	<u>\$475,001</u>

As of December 31, 2021, detail of the unrealized gains and losses was as follows:

	Amortized <u>Cost</u>	Gross Unrealized <u>Gains</u>	Gross Unrealized <u>Losses</u>	Fair Market <u>Value</u>
Available-for-sale securities				
Equity securities	<u>\$156,782</u>	<u>\$34,318</u>	<u>\$ -0-</u>	<u>\$191,100</u>

**Save A Child's Heart Foundation - U.S., Inc**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

**NOTE D – INVESTMENT IN SECURITIES (continued)**

Investment return consists of the following:

	<b>2022</b>	<b>2021</b>
Interest and dividends	\$ 10,058	\$ 6,379
Net realized & unrealized G/L	<u>-33,709</u>	<u>18,009</u>
	<u>\$-23,651</u>	<u>\$24,388</u>

On January 1, 2009, the Foundation adopted certain provisions of ASC Topic 820. ASC Topic 820 clarifies the principle that fair value should be based on the assumptions that market participants would use when pricing the asset or liability and establishes the following fair value hierarchy.

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the partners or managers have the ability to access.
- Level 2 inputs may include quoted prices for similar assets and liabilities in active intervals; and
- Level 3 inputs are unobservable inputs for the asset or liability that are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall with the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents a financial asset that the Foundation measured at fair value on a recurring basis as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	<u>\$ 475,001</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 475,001</u>

The following table presents a financial asset that the Foundation measured at fair value on a recurring basis as of December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	<u>\$ 191,100</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 191,100</u>



**Save A Child's Heart Foundation - U.S., Inc**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

**NOTE E – 401(K) PROFIT SHARING PLAN**

On July 1, 2018, the Foundation initiated a 401 (k) plan policy that allowed eligible employees to make annual contributions up to 5% of their wages. The Foundation matches up to 4% of the employee's contribution. The Foundation's contribution to the plan for the years ended December 31, 2022 and 2021 was \$21,370 and \$16,423, respectively.

**NOTE F – NOTES PAYABLE – PAYROLL PROTECTION PROGRAM**

On April 13, 2020, the Foundation received a Payroll Protection Program forgivable loan in the amount of \$67,300. This loan was forgiven on December 2, 2020.

On March 16, 2021, the Foundation received another Payroll Protection Program forgivable loan in the amount of \$67,000. This loan was forgiven on July 26, 2021.

**NOTE G – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at the end of the year represent grants that were received and with time or purpose restrictions by the grantor. As these funds are spent, the donor restrictions expire and the net assets with donor restrictions are reclassified to net assets without donor restrictions on the statement of activities.

Net assets with donor restrictions, by fund, as of December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Time or purpose restrictions:		
Endowment fund	<u>\$282,880</u>	<u>\$239,748</u>

In 2021, an endowment fund was formed to provide resources for the continued existence and expansion of the Foundation by supporting pediatric surgery and medical training programs. Each year, beginning 2022, the Foundation will distribute 5% of the value of the fund determined on the last day of the previous fiscal year.

**Save A Child's Heart Foundation - U.S., Inc**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

**NOTE H – COMMITMENTS**

The Foundation is obligated under the following rental leases:

<u><b>Lessor</b></u>	<u><b>Location/Equipment</b></u>	<u><b>Term / Exp. Date</b></u>	<u><b>Terms</b></u>
Jewish Council for the Aging of Greater Washington, DC	12320 Parklawn Drive, Rockville, MD	Three years, January 1 2021, to December 31, 2023.	\$8,652 annual rental due in 12 equal monthly payments

The future minimum rental commitments under operating leases as of December 31, 2022 are as follows:

For the year ending December 31, 2023	\$8,652
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