

OPERATION INTERNATIONAL LTD
FINANCIAL STATEMENTS
FOR THE YEARS ENDING DECEMBER 31, 2021

OPERATION INTERNATIONAL LTD
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BRUCE FABRIZIO
Certified Public Accountant
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To the Board of Directors
Operations International LTD.
225 Windmill Lane
Southampton, NY 11968

*2018 NYS 6th Assembly District
Businessman of the Year*

To The Directors:

I have audited the accompanying statements of financial position of Operation International LTD, Inc, a not-for-profit corporation, 'the Organization', as of December 31, 2021 and the related statements of activities functional expenses and cash flows for the years then ended and the notes to the financial statements.

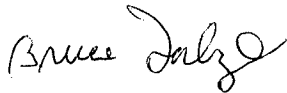
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United State of America: these include the design implementation, and maintenance of internal control relevant to the preparation and fair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

My responsibility is to express an opinion on the financial statements based on my audit. I conducted in accordance with auditing standards generally accepted in the United States of America. These Standards require that I plan and perform the audit 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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and the related results of its activities for the years ended December 31, 2021 and cash flows for the years ended December 31, 2021 in conformity with generally accepted accounting principles in the United States of America.



Bruce Fabrizio
Certified Public Accountant
November 7, 2022

OPERATION INTERNATIONAL LTD
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021

ASSETS:	<u>December 31, 2021</u>
Current assets:	
Cash and cash equivalents	<u>\$ 817,713</u>
Property, Plant and Equipment (net)	<u>-</u>
TOTAL ASSETS	<u><u>\$ 817,713</u></u>
 LIABILITIES AND NET ASSETS	
Current Liabilities:	
Credit Cards Payable	<u>\$ 6,265</u>
 NET ASSETS:	
Without Donor Restrictions	774,013
With Donor Restrictions	<u>37,435</u>
Total net assets	<u>811,448</u>
 TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 817,713</u></u>

See independent accountant's audit report and noted to financial statements

OPERATIONS INTERNATIONAL LTD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING DECEMBER 31, 2021

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
REVENUES:			
Donation Income	\$ 520,043	122,600	\$ 642,643
Total Revenue and other Support	520,043	122,600	642,643
EXPENSES:			
Program	242,689	85,165	327,854
Supporting service expense:	-	-	-
Fundraising expenses	24,166	-	24,166
Management & General expense	14,218	-	14,218
TOTAL EXPENSES	281,073	85,165	366,238
CHANGE IN NET ASSETS	238,970	37,435	276,405
Net Assets January 1, 2021	535,043	-	535,043
Net Assets December 31, 2021	\$ 774,013	\$ 37,435	\$ 811,448

See independent accountant's audit report and notes to the financial statements

OPERATION INTERNATIONAL LTD
STATEMENT OF CASH FLOWS
AS OF DECEMBER 31, 2021

	<u>December 31, 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase(decrease)in Net Assets	\$ 276,406
Change in assets	
Adjustments to reconcile change in net assets to net cash used by operating activities	
Depreciation and Amortization	-
Changes in assets (increase) decrease	
Accounts receivable	-
Changes in liabilities increase (decrease)	
Accounts payable and Accrueables	5,875
	<hr/>
Net cash provided (used) by operating activities	<u>282,281</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
CASH FLOWS FROM FINANCING ACTIVITIES	
	<hr/> -
NET INCREASE (DECREASE) IN CASH	282,281
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>535,432</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 817,713</u></u>

See independent accountant's review report and notes to financial statements

OPERATION INTERNATIONAL LTD
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021

Note 1 - Description of Organization

Organization and Activity:

Operation International Ltd. Is a not-for-profit, tax exempt entity incorporated on September 17, 2002 in Suffolk County, NY. The Organization's principal function is to provide medical and surgical expertise to the indigent.

Qualifying contributions to the organization are tax deductible.

Note 2 - Summary of Significant Accounting Policies

Basis of presentation - The financial statements of the organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulation imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities

Measure of operations - The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the organization's program services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and cash equivalents -The organization's cash consists of cash on deposit with banks, Cash equivalents represent money market funds or short term investments with original maturities of three months or less of from the date of purchase, except for those amounts that are held in investment portfolio which are invested for long term purposes.

**OPERATION INTERNATIONAL LTD
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021**

Note 2 - Summary of Significant Accounting Policies (continued)

Grants Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realized value.

As of December 31, 2020, the organization's Grants Receivable consisted of promises of \$0.

Advertising Costs

The Organization uses advertising to promote among its programs among the audience it serves. The production costs of advertising are expensed as incurred.

Functional Allocation of Expenses

The cost of providing the program and other activities have been summarized basis in the statements of activities. Accordingly, certain costs have been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis.

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are classified without donor and are reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with Donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net restrictions assets with donor restrictions; otherwise, the contributions are recorded as net assets without restrictions.

Accordingly, certain costs have been allocated between the program and the supporting services in reasonable ratios determined by management.

OPERATION INTERNATIONAL LTD
NOTES TO FINANCIAL STATEMENT
AS OF DECEMBER 31, 2021

Note 2 - Summary of Significant Accounting Policies (continued)

Concentration of credit risk

Financial instruments that potentially subject the organization to concentrations of credit risk consists principally of cash and cash equivalents. maintains its cash and cash equivalents in various bank accounts. The organization's cash and cash equivalents account have been placed with high credit quality financial institutions. The organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Income taxes

The organization is exempt from income tax under IRC section 501 (c) (3), though it is subject to tax on subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The organization is exempt from income tax under IRC section 501 (c) (3), though it is subject to tax on disclosure in the financial statements.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

New Accounting Pronouncement

On August 16, 2016, FASB issued ASU 2016-14, Not- for -Profit Entities (topic 958)- Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net assets classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Note 3- Intangible Assets

As of December 31, 2021 Intangible Asset consists of the following:

	<u>December 31, 2021</u>
Organizational Costs	\$ 1,028
Less: Accumulated Amortization	<u>1,028</u>
Intangible Asset (net)	<u><u>\$ -</u></u>

OPERATION INTERNATIONAL LTD
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021

Note 4 - Availability and Liquidity

The following represents the organization's financial assets at December 31, 2021:

Financial assets at year end:	<u>2021</u>
Cash and cash equivalents	\$ 817,713
Accounts receivable	-
Total financial assets	<u>817,713</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	37,435
Less net assets with purpose restrictions to be met in less than a year	-
	<u>37,435</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 780,278</u>
;	

The Organization's goal is generally to maintain financial assets to meet 90 days of operation expenses (approximately \$70,262). The Organization has assets to meet its cash flow needs.

Note 5 -Net assets with donor restrictions

Net assets with donor restrictions were as follows for the years ended December 31, 2021

Specific purpose	<u>2021</u>
	\$ 37,435
Total	<u>\$ 37,425</u>

Net assets without donor restrictions for the years ended December 31, 2021 were as follows:

Undesignated	<u>2021</u>
	\$ 774,013

Note 6 - Subsequent Events

Management has evaluated subsequent events through November 7, 2022 which is the date the financial statements were available to be issued. The company notes that it is not aware of any material subsequent events other than an international pandemic which has affected the entire nation.

OPERATIONS INTERNATIONAL LTD
SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2021

	<u>Program</u>	<u>Fundraising</u>	<u>Management & General</u>	<u>TOTAL</u>
Mission expense	\$ 163,190	\$ -	\$ -	163,190
Program-- Construction of School	85,165			85,165
Medical equipment	11,788	-	-	11,788
Medical supplies	65,872	-	-	65,872
Insurance	1,267	-	-	1,267
Website Expenses	572			572
Fundraiser expense	-	24,166	-	24,166
Office Expense	-	-	1,360	1,360
NY fee	-	-	250	250
NJ fees	-	-	31	31
Storage	-	-	7,040	7,040
Supplies	-	-	2,375	2,375
Postage	-	-	388	388
Bank charges	-	-	2,774	2,774
	<u>\$ 327,854</u>	<u>\$ 24,166</u>	<u>\$ 14,218</u>	<u>\$ 366,238</u>

See independent's accountant's audit report and notes to financial statements