

**HEART CARE INTERNATIONAL, INC.**

**FINANCIAL STATEMENTS**

**Years Ended December 31, 2024 and 2023**

**HEART CARE INTERNATIONAL, INC.**

**TABLE OF CONTENTS**

**Years Ended December 31, 2024 and 2023**

	<b><u>PAGE</u></b>
Independent Auditor's Report	2 - 3
Statements of Financial Position	4
Statements of Activities	5 - 6
Statements of Functional Expenses	7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 14

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Heart Care International, Inc.

We have audited the accompanying financial statements of Heart Care International, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 Heart Care International, Inc. as of December 31, 2024 and 2023, 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.

### **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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Heart Care International, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Heart Care International, 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**

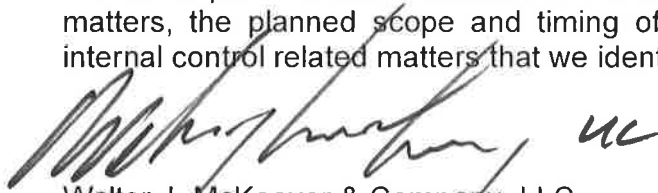
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit 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 fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment 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 Heart Care International, 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 Heart Care International, 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.

A handwritten signature in dark ink, appearing to read "Walter J. McKee", followed by the initials "uc".

Walter J. McKee & Company, LLC  
Greenwich, Connecticut  
November 7, 2025

**HEART CARE INTERNATIONAL, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**For the Year Ended December 31, 2024 and 2023**

**ASSETS**

Current Assets	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 682,021	\$ 519,355
Investments (Note 3)	4,345,201	3,380,076
Promises to give - current (Note 4)	39,120	61,520
Other receivables	14,490	11,185
Prepaid expenses	<u>5,892</u>	<u>2,654</u>
Total Current Assets	<u>5,086,724</u>	<u>3,974,790</u>
Equipment (Note 2)		
Computers	9,673	9,673
Medical equipment		130,163
Ultrasound probe	5,000	5,000
Accumulated depreciation	<u>(14,674)</u>	<u>(144,836)</u>
Net Equipment		
Total Assets	<u><u>\$ 5,086,724</u></u>	<u><u>\$ 3,974,790</u></u>

**LIABILITIES AND NET ASSETS**

Current Liabilities		
Accrued expenses	\$ -	\$ 3,984
Deferred reveune		<u>3,060</u>
Total Current Liabilities	<u>-</u>	<u>7,044</u>
Net Assets		
Without donor restrictions	2,937,152	1,819,807
With donor restrictions (Note 5)	<u>2,149,572</u>	<u>2,147,939</u>
Total Net Assets	<u>5,086,724</u>	<u>3,967,746</u>
Total Liabilities and Net Assets	<u><u>\$ 5,086,724</u></u>	<u><u>\$ 3,974,790</u></u>

See accompanying notes to financial statements.

**HEART CARE INTERNATIONAL, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
Revenues, Gains, and Other Support			
Contributions	\$ 135,368		\$ 135,368
Donated facilities and services (Note 2)	679,819		679,819
Special event revenue - net	797,553		797,553
Investment return (Note 3)	610,323	1,633	611,956
Total Revenues, Gains and Other Support	<u>2,223,063</u>	<u>1,633</u>	<u>2,224,696</u>
Functional Expenses			
Program	953,495		953,495
Support	152,223		152,223
Total Functional Expenses	<u>1,105,718</u>		<u>1,105,718</u>
Change in Net Assets from Operations	<u>1,117,345</u>	<u>1,633</u>	<u>1,118,978</u>
NONOPERATING ACTIVITIES			
Depreciation			-
Change in Net Assets from Nonoperating Activities			-
Change in Net Assets	1,117,345	1,633	1,118,978
Net Assets - Beginning of Year	<u>1,819,807</u>	<u>2,147,939</u>	<u>3,967,746</u>
Net Assets - End of Year	<u><u>\$ 2,937,152</u></u>	<u><u>\$ 2,149,572</u></u>	<u><u>\$ 5,086,724</u></u>

**HEART CARE INTERNATIONAL, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
Revenues, Gains, and Other Support			
Contributions	\$ 197,865	\$ 33,047	\$ 230,912
Donated facilities and services (Note 2)	514,654		514,654
Special event revenue	43,731		43,731
Investment return (Note 3)	475,404	3,830	479,234
Total Revenues, Gains and Other Support	<u>1,231,654</u>	<u>36,877</u>	<u>1,268,531</u>
Functional Expenses			
Program	773,093		773,093
Support	<u>123,287</u>		<u>123,287</u>
Total Functional Expenses	<u>896,380</u>		<u>896,380</u>
Change in Net Assets from Operations	<u>335,274</u>	<u>36,877</u>	<u>372,151</u>
NONOPERATING ACTIVITIES			
Depreciation	<u>(20)</u>		<u>(20)</u>
Change in Net Assets from Nonoperating Activities	<u>(20)</u>		<u>(20)</u>
Change in Net Assets	335,254	36,877	372,131
Net Assets - Beginning of Year	<u>1,484,553</u>	<u>2,111,062</u>	<u>3,595,615</u>
Net Assets - End of Year	<u><u>\$ 1,819,807</u></u>	<u><u>\$ 2,147,939</u></u>	<u><u>\$ 3,967,746</u></u>

See accompanying notes to financial statements.

**HEART CARE INTERNATIONAL, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2024 and 2023**

PROGRAM SERVICES	<u>2024</u>	<u>2023</u>
Drugs and medical supplies	\$ 22,559	\$ 25,967
Hospital	338,559	219,065
Hotel	62,058	49,102
Insurance	6,806	6,288
Clothing for team membership	1,967	5,156
Salaries	62,017	57,917
Payroll taxes	4,939	4,716
Education-Allison Fund	3,925	
Parent booklets	3,275	7,647
Professional medical services	313,216	273,220
Travel	134,174	124,015
	<u>          </u>	<u>          </u>
Total Program Services	<u>\$ 953,495</u>	<u>\$ 773,093</u>
SUPPORT		
Accounting and payroll	\$ 10,127	\$ 9,774
Bank fees	632	2,490
Insurance	895	1,297
Marketing	1,315	798
Miscellaneous	31,662	5,391
Office expense	2,127	5,168
Payroll taxes	6,562	6,075
Rent (Note 7)	14,268	13,854
Salaries	80,971	75,443
Telephone	3,094	2,329
Website	570	668
	<u>          </u>	<u>          </u>
Total Support	<u>\$ 152,223</u>	<u>\$ 123,287</u>

See accompanying notes to financial statements.



**HEART CARE INTERNATIONAL, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Year Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	<u>\$ 1,118,978</u>	<u>\$ 372,131</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		20
Unrealized gain (loss) on investments	(477,872)	(398,095)
Realized (gain) on investments	(38,780)	(11,652)
Decrease in promises to give	22,400	236,000
(Increase) in other receivables	(3,305)	(7,935)
Increase in prepaid expenses	(35)	(34)
Decrease in deferred revenue	(3,060)	3,060
Increase (Decrease) in accrued expenses	<u>7,187</u>	<u>(1,084)</u>
Total adjustments	<u>(493,465)</u>	<u>(179,720)</u>
Net cash provided by operating activities	<u>625,513</u>	<u>192,411</u>
Cash flows from investing activities:		
Proceeds from sale and purchase of investments- net	<u>(462,847)</u>	<u>(634,435)</u>
Net cash used by investing activities	<u>(462,847)</u>	<u>(634,435)</u>
Net (decrease) in cash and cash equivalents	162,666	(442,024)
Cash and cash equivalents - beginning of year	<u>519,355</u>	<u>961,379</u>
Cash and cash equivalents - end of year	<u><u>\$ 682,021</u></u>	<u><u>\$ 519,355</u></u>

See accompanying notes to financial statements.

**HEART CARE INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 1. NATURE OF ORGANIZATION**

Heart Care International, Inc. (the “Organization”) is a team of health care professionals who volunteer their time and skills to save lives by providing high-quality, compassionate medical and surgical care to children with heart disease in developing countries. The immediate goal of Heart Care International, Inc. is to provide open heart surgery for poor children and young adults in these developing countries. The long term goal is to train local health care professionals in the medical and surgical management of heart disease enabling them to provide heart care within their own country. The Organization is supported primarily through donor contributions and grants, and interest and dividend income from investments.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The financial statements of the Organization have been prepared in accordance with generally accepted accounting principles which require reporting its financial position and activities according to the following asset classifications:

Net assets without donor restrictions – net assets that are not subject to donor-imposed restrictions and may be expended for any purpose at the discretion of the Organization’s management and board of directors.

Net assets with donor restrictions – net assets subject to restrictions imposed by donors. Some restrictions are temporary in nature which can be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature where the donor has directed that the funds be maintained in perpetuity.

Contributions received are recorded as donor restricted and unrestricted depending on the existence/nature or absence of restrictions. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions in the statement of activities.

**Measure of Operations**

The statement of activities reports all changes in net assets from operating and non-operating activities. Operating activities are attributable to the Organization’s ongoing activities. Non-operating activities are limited to resources that generate return from depreciation and other activities considered to be of a more unusual and nonrecurring nature.

**In-Kind Contributions**

Donations of property, equipment and goods are recorded at their estimated fair value at the date of donation if the amount is material. Donated services are recognized as contributions only if the services create or enhance nonfinancial assets, require specialized skills, are performed by people with those skills and would otherwise be purchased. Numerous other volunteers donate significant amounts of their time to the Organization which is not recognized as contributions since the criteria for recognition is not met.

(Continued)

**HEART CARE INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Securities

Securities donated to the Organization are valued at fair market value as of the date of receipt. A realized gain (loss) is recognized when the securities are subsequently sold.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are recorded at fair value in accordance with accounting standards. See Note 3 for a discussion of fair value measurements. Unrealized gains and losses are included in the change in net assets.

Property and Equipment

Items of property and equipment acquired at a cost in excess of \$1,000 are recorded at cost and depreciated using the straight-line method over their estimated useful lives.

Tax Status

The Organization is a “not-for-profit” organization as described in Section 509(a)(1) of the Internal Revenue Code and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As of December 31, 2024, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Federal information returns are subject to examination for a period of three years from the filing date of the return; returns for calendar year 2021 – 2023 remain open.

Functional Expenses

The cost of providing program and other activities have been summarized on a functional basis in the statement of activities and in detail in the statement of functional expenses. Certain costs have been allocated among program and supporting services on the basis of estimates made by management. Such allocations are determined by management on an equitable basis based on periodic time and expense studies. Support expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

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 reporting period. Actual results could differ from those estimates.

(Continued)

**HEART CARE INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, Leases (Topic 842), which supersedes the leasing guidance in ASC 840, Leases. Under ASU 2016-02 lessees with terms longer than 12 months are required to recognize the rights and obligations of new and existing lease arrangements as assets and liabilities on the statement of financial position. Leases will be classified as either finance or operating, with classification determining the pattern of expense recognition on the statement of activities. Topic 842 was effective for the Organization on January 1<sup>st</sup>, 2022. Adoption of the standard had no impact on the financial statements.

NOTE 3. INVESTMENTS

The Organization's investments are reported at fair value in the accompanying statement of financial position. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, the Organization believes its valuation methods are appropriate and consistent with other market participants; the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Organization's investments at December 31, 2024 and 2023 consists of the following:

<u>Level 1:</u>	<u>2024</u>	<u>2023</u>
Equities	\$ 2,710,753	\$ 1,991,808
Fixed Income	<u>1,634,448</u>	<u>1,388,268</u>
	<u>\$ 4,345,201</u>	<u>\$ 3,380,076</u>

The authoritative literature on fair value measurements establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The Organization uses appropriate valuation techniques based on available inputs to measure fair value of its investments. The Organization's investments are classified as defined below.

*Level/ 1* - Inputs to the valuation methodology are unadjusted quoted prices identical assets in active markets that the Organization has the ability to access.

*Level/ 2* – Inputs to the valuation methodology include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, inputs other than quoted prices that are observable for the asset and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

*Level/ 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The Organization does not hold any investments classified as Level 3.

(Continued)

**HEART CARE INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 3. INVESTMENTS (Continued)**

The following schedule summarizes the investment return for the year ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest and dividend income	\$ 95,303	\$ 69,487
Realized gain on investments	38,781	11,652
Unrealized gain(loss) on investments	<u>477,872</u>	<u>398,095</u>
	<u>\$ 611,956</u>	<u>\$ 479,234</u>

**NOTE 4. PROMISES TO GIVE**

At the end of 2018, HCI quietly embarked on a \$5 million capital campaign to transform the delivery of heart care in the developing countries where we currently serve. Promises to give are restricted to payment of the costs of this project. The promises to give as of December 31, 2024, are unconditional and \$39,120 is due the following year. Uncollectible promises are expected to be insignificant.

**NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS**

In 2001, the Allison Education and Fellowship Fund ("AEFF") was created. The Board of Heart Care International ("HCI") administers the fund with operations directed by a committee appointed by the President. The committee seeks opportunities to use the fund for the training and education of nurses and doctors for the furtherance of the mission of HCI. The balances of this fund at December 31, 2024 and 2023 were \$154,225 and \$150,268, respectively.

In April 2003, HCI received a \$25,000 contribution from a Foundation to be used towards the purchase of cardiothoracic medical equipment. This contribution was given for this express purpose, but without a time constraint as to when the funds must be expended. No additional purchases were made during 2024 or 2023. The balance remaining of \$16,491 will be used for future purchases.

During 2018, HCI embarked on a \$5 million capital campaign to transform the delivery of heart care in the developing countries where we currently serve. To date HCI has received a total of \$2,135,100 in pledges and related payments and expended \$120,673 on capital campaign fundraising costs. The balances of this fund at December 31, 2024 and 2023 were \$2,014,427.

Net assets with donor restrictions as of December 31, 2024 and 2023 total \$2,149,572 and \$2,147,939, respectively.

**NOTE 6. CONCENTRATION OF CREDIT RISK**

The Organization's cash deposits are held in an account at one banking institution. Accounts at the institution are insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). As of December 31, 2024, there were no uninsured balances.

(Continued)

**HEART CARE INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE 6. CONCENTRATION OF CREDIT RISK (Continued)**

The Organization's investment accounts are protected by the Securities Investor Protection Corporation, which provides up to \$500,000 (up to \$250,000 cash claims) per investor in the event of brokerage failure. As of December 31, 2024, investments of \$2,272,441 were at risk.

During 2023 all capital campaign contributions and promises to give were made by related parties.

**NOTE 7. COMMITMENTS**

On July 1, 2021, the Organization entered into a two year operating lease ending June 30, 2024 with Second Congregational Church. The annual rent per year is \$13,650 payable in advance on the first day of each month. The terms of the lease provide Heart Care International, Inc. with office space, maintenance, all utilities aside from communication, and use of common church facilities. The Organization may request two renewals of the lease for one year terms, under the same conditions and terms except that the rent will be increased 3% above its current level at the time of each renewal. The lease was renewed through June 30, 2025.

**NOTE 8. AVAILABILITY AND LIQUIDITY**

The following represents the Organization's financial assets at December 31, 2024 available to meet general expenditures.

Cash and cash equivalents	\$ 682,021
Investments	4,345,201
Promises to give – current	39,120
Other receivables	<u>14,490</u>
Total Financial Assets	<u>5,080,832</u>
Less amounts not available to be used within one year	
Net assets with donor restrictions	<u>2,149,572</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,931,260</u>

**NOTE 9. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 7, 2025, the date which the financial statements were available for issue.

Heart Care International (HCI) embarked on four team medical mission trips during 2024 – The Dominican Republic in March 2024, Mexico in April and September 2024, and Peru in November 2024. In addition, HCI embarked on a site visit to Peru in November 2024.

(Continued)

**HEART CARE INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

NOTE 9. SUBSEQUENT EVENTS (Continued)

At the time of this audit review, HCI has completed the following three medical mission trips in 2024 – the Dominican Republic in March 2024, and Mexico in April and September 2024. The remaining 2024 schedule includes a team medical mission trip to Peru in November 2024.

Our technology build research continued in 2024 but has paused into 2025. This technology piece remains at the heart of the capital campaign, quietly begun in 2018 with pledges from the HCI Board of Directors. HCI remains hopeful that a solution can be identified, and the campaign can be re-ignited with the technology piece at the forefront.

Grant research and discussions have continued through 2025 and will remain a targeted element of HCI's annual fundraising into the future. The work continues under the leadership of HCI's Board of Directors and key HCI friends and donors.