NEW ORLEANS MEDICAL MISSION SERVICES, INC.

FINANCIAL STATEMENTS

December 31, 2022 and 2021

CONTENTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
New Orleans Medical Mission Services, Inc.
Metairie, Louisiana

Opinion

We have audited the financial statements of New Orleans Medical Mission Services, Inc. (a nonprofit 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 accompanying financial statements present fairly, in all material respects, the financial position of New Orleans Medical Mission Services, 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 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Orleans Medical Mission Services, 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 New Orleans Medical Mission Services, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' 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 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 New Orleans Medical Mission Services, 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 New Orleans Medical Mission Services, 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.

Metairie, Louisiana
July 6, 2023

Wegmann Dazet, APC

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	$ 795,370	$ 658,536
Certificates of deposit	105,905	105,559
Other receivables	2,000	1,000
Endowment		
Promises to give	17,800	18,800
Investments	492,015	592,520
Total current assets	1,413,090	1,376,415
Property and equipment, at cost less accumulated depreciation	671,324	369,839
Deposits	11,550	13,399
Total assets	$ 2,095,964	$ 1,759,653
LIABILITIES		
Current liabilities		
Accounts payable	$ 9,425	$ 32,240
Total current liabilities	9,425	32,240
NET ASSETS		
Net assets		
Without donor restrictions		
Board designated	541,759	411,472
Undesignated	1,301,481	1,009,276
With donor restrictions	243,299	306,665
Total net assets	2,086,539	1,727,413
Total liabilities and net assets	$ 2,095,964	$ 1,759,653

See accompanying Notes to Financial Statements.

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions - individuals	$ 322,939	$ -	$ 322,939
Contributions - M.D.'s missions	28,136	-	28,136
Grants - nonprofits	17,353	-	17,353
Grants - foundations	48,141	40,000	88,141
In-kind contributions - professional services	146,340	-	146,340
Event income	182,753	-	182,753
Interest and investment loss, net	(64,815)	(30,659)	(95,474)
Net assets released from restrictions	72,707	(72,707)	-
Total revenues	753,554	(63,366)	690,188
Expenses			
Program services	300,427	-	300,427
Supporting services			
Fundraising	2,613	-	2,613
General and administrative	28,022	-	28,022
Total expenses	331,062	-	331,062
Change in net assets	422,492	(63,366)	359,126
Net assets			
Beginning of year	1,420,748	306,665	1,727,413
End of year	$ 1,843,240	$ 243,299	$ 2,086,539

See accompanying Notes to Financial Statements.

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions - individuals	$ 19,137	$ -	$ 19,137
Contributions - businesses	4,500	25,000	29,500
Grants - nonprofits	13,015	-	13,015
Grants - foundations	1,860	-	1,860
Event income	90,426	-	90,426
Interest and investment income, net	39,615	12,347	51,962
Gain on disposal of assets	173,493	-	173,493
Net assets released from restrictions	25,000	(25,000)	-
Total revenues	367,046	12,347	379,393
Expenses			
Program services	190,356	-	190,356
Supporting services			
Fundraising	2,628	-	2,628
General and administrative	26,331	-	26,331
Total expenses	219,315	-	219,315
Change in net assets	147,731	12,347	160,078
Net assets			
Beginning of year	1,273,017	294,318	1,567,335
End of year	$ 1,420,748	$ 306,665	$ 1,727,413

See accompanying Notes to Financial Statements.

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022

		Supporting Services		
	Program Services	Fundraising	General and Administrative	Total Expenses
Accounting	$ -	$ -	$ 14,717	$ 14,717
Building insurance and maintenance	13,769	-	-	13,769
Depreciation	20,763	-	-	20,763
Donated professional services	146,340	-	-	146,340
Insurance	1,887	-	2,279	4,166
Other expenses	10,602	-	8,389	18,991
Printing and postage	1,026	9	16	1,051
Professional fees	2,604	2,604	2,592	7,800
Shipping	22,876	-	-	22,876
Supplies	7,902	-	-	7,902
Telephone	900	-	-	900
Travel	60,839	-	29	60,868
Utilties	6,784	-	-	6,784
Warehouse and office equipment	4,135	-	-	4,135
Total expenses	$ 300,427	$ 2,613	$ 28,022	$ 331,062

See accompanying Notes to Financial Statements.

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

		Supporting Services		
	Program Services	Fundraising	General and Administrative	Total Expenses
Accounting	$ -	$ -	$ 14,535	$ 14,535
Building insurance and maintenance	115,617	-	-	115,617
Depreciation	21,943	-	-	21,943
Donated materials and supplies	691	-	-	691
Insurance	4,187	-	1,970	6,157
Other expenses	14,283	-	7,196	21,479
Printing and postage	65	24	7	96
Professional fees	2,604	2,604	2,592	7,800
Shipping	7,845	-	-	7,845
Supplies	7,372	-	-	7,372
Telephone	2,900	-	-	2,900
Travel	1,924	-	31	1,955
Utilties	4,547	-	-	4,547
Warehouse and office equipment	6,378	-	-	6,378
Total expenses	$ 190,356	$ 2,628	$ 26,331	$ 219,315

See accompanying Notes to Financial Statements.

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ 359,126	$ 160,078
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	20,763	21,943
Gain on the disposal of assets	-	(173,993)
Investment loss (gain), realized and unrealized	96,575	(37,035)
(Increase) decrease in operating assets:		
Other receivables	(1,000)	-
Deposits	1,849	(49)
Increase (decrease) in operating liabilities:		
Accounts payable	(22,815)	28,264
Net cash provided (used) by operating activities	454,498	(792)
Cash flows from investing activities:		
Purchase of property and equipment	(322,248)	-
Insurance proceeds from disposal of assets	-	295,185
Investments in marketable securities, net	3,584	(54,224)
Net cash (used) provided by investing activities	(318,664)	240,961
Cash flows from financing activities:		
Promises to give restricted to endowment	1,000	31,500
Net cash provided by financing activities	1,000	31,500
Net increase in cash and cash equivalents	136,834	271,669
Cash and cash equivalents at beginning of year	658,536	386,867
Cash and cash equivalents at end of year	$ 795,370	$ 658,536

See accompanying Notes to Financial Statements.

1) Nature of activities

Founded in 2001, New Orleans Medical Mission Services, Inc. (the "Organization") is an independent 501(c)(3) nonprofit organization with a mission to deliver medical expertise and treatment to the underprivileged population of foreign countries by providing services, treatments, and supplies, and to do so with dignity and self-esteem to program recipients and participants.

2) Summary of significant accounting policies

The significant accounting policies followed by the Organization are summarized as follows:

(a) Financial statement 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 objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors. The Board has designated its unrestricted net assets for endowment purposes.

Net assets with donor restrictions: Net assets subject to stipulations 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, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization had no restrictions that were perpetual in nature as of December 31, 2022 and 2021.

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.

(b) Cash and cash equivalents
All cash-related items having a maturity of three months or less from the original maturity date are classified as cash and cash equivalents.

(c) Investments in marketable securities
Investments in marketable securities are valued at fair value in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains with donor restrictions are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are recognized. Investments with a maturity of one year or less are classified as current.

(d) Functional allocation of expenses
The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

2) Summary of significant accounting policies (continued)

(e) Property and equipment

Depreciation is computed using the straight-line method over the estimated useful live of the assets ranging from 3 to 20 years. When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment at December 31, 2022 and 2021.

(f) Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. The Organization has filed for and received income tax exemptions in the various jurisdictions where it is required to do so. Management believes that none of the Organization's activities constitute unrelated business income which would be subject to unrelated business income tax.

The Organization adopted the provisions of Accounting Standards Codification ("ASC") 740, *Accounting for Uncertainty in Income Taxes.* Management of the Organization believes it has no material uncertain tax positions and, accordingly it has not recognized any liability for unrecognized tax benefits. With few exceptions, the Organization is not subject to U.S. federal, state and local income tax examinations by tax authorities beyond three years from the filing of those returns.

(g) Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

(h) Concentration of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits. The Organization may at times have cash on deposit at financial institutions that is in excess of federally insured limits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to certain limits. The Organization has not experienced any losses in such accounts. The Organization has no policy requiring collateral or other security to support its deposits.

(i) Donated services and in-kind contributions

The time of professional doctors, nurses, and other licensed healthcare professionals is valued at fair market value and included in the statements of activities as in-kind contributions when their professional services are provided to patients in the course of delivering the Organization's program services. The value of such services is based on the estimated average wage for such licensed professionals in the New Orleans metropolitan area.

The estimated value of the contributed services for the years ended December 31, 2022 and 2021 was $146,340 and $-0-, respectively.

2) Summary of significant accounting policies (continued)

(j) Revenue recognition

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At December 31, 2022, all promises to give are expected to be collected during 2023, therefore, no allowance was deemed necessary nor was any discount rate applied.

Conditional promises to give, that is, those with a measurable performance obligation or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Until that point, any amounts received are recorded as refundable advances.

Event revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The revenue equal to the fair value of direct benefits to donors is recognized when the event takes place. The contribution element is recognized immediately, unless there is a right of return if the event does not take place.

(k) Accounting standard recently adopted

In September 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* This accounting standard improves transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for non-for-profit organizations through enhancements to presentation and disclosure. The standard is effective for annual periods beginning after June 15, 2021. The Organization has adopted this ASU and there was not a material effect on the financial statements.

3) Property and equipment

Property and equipment consists of the following as of December 31:

	2022	2021
Equipment	$ 157,379	$ 91,347
Building and land	674,315	418,098
Total costs	831,694	509,445
Less: accumulated depreciation	(160,370)	(139,606)
Property and equipment	$ 671,324	$ 369,839

4) Certificates of deposit

The Organization has two certificates of deposit at a local bank totaling $105,905 and $105,559 at December 31, 2022 and 2021, respectively. The certificates bear interest at rates ranging from 0.2% to 0.45% and mature in December 2023 and June 2024. These certificates have a 180 day early withdrawal penalty on any amounts withdrawn.

5) Restrictions on net assets

Net assets with donor restrictions consist of the following as of December 31:

	2022	2021
Subject to expenditure for medical mission trips:		
Cash	$ 43,949	$ 76,656
Total subject to expenditure	43,949	76,656
Permanently restricted for endowment fund:		
Cash	31,212	30,162
Pledges receivable - current	17,800	18,800
Investments	150,338	181,047
Total endowment restriction	199,350	230,009
Net assets with donor restrictions	$ 243,299	$ 306,665

Board designated net assets consist of the following:

Endowment fund	$ 541,759	$ 411,472

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes were as follows for the years ended December 31:

	2022	2021
Use restriction	$ 72,707	$ 25,000

6) Contingencies

The Organization performs medical missions in foreign countries. The Organization does not maintain any liability or malpractice insurance on the doctors or nurses who work on these mission trips. In addition to the potential liability for the mission trips, the Organization also uses and provides medical supplies and drugs that have passed their expiration date and that can no longer be used or sold in the United States. The doctors working with the Organization as well as those supervising the missions in the foreign countries approve the use of these drugs and supplies before they are used. The Organization's attorney has advised the Organization that because of the legal and political environment in the countries in which the missions are held that there is little actual exposure to the Organization for these risks.

7) Risk/uncertainties

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect account balances and the amounts reported in the statements of financial position.

8) Investments

Investments as of December 31, 2022 and 2021 are composed of the following:

	2022		
	Cost	Fair Market Value	Excess of Market Over Cost
Money market funds	$ 12,357	$ 12,357	$ -
Mutual funds	271,174	241,533	(29,641)
Exchange traded products	235,196	238,125	2,929
Totals	$ 518,727	$ 492,015	$ (26,712)

	2022		
	Cost	Fair Market Value	Excess of Market Over Cost
Balance, December 31, 2022	$ 518,727	$ 492,015	$ (26,712)
Balance, December 31, 2021	$ 518,293	$ 592,520	74,227
Decrease in unrealized positions			(100,939)
Net realized gain			4,364
Interest and dividend income			1,101
Investment loss			$ (95,474)

	2021		
	Cost	Fair Market Value	Excess of Market Over Cost
Money market funds	$ 17,287	$ 17,287	$ -
Mutual funds	271,731	289,603	17,872
Exchange traded products	229,275	285,630	56,355
Totals	$ 518,293	$ 592,520	$ 74,227

	2021		
	Cost	Fair Market Value	Excess of Market Over Cost
Balance, December 31, 2021	$ 518,293	$ 592,520	$ 74,227
Balance, December 31, 2020	$ 450,352	$ 501,691	51,339
Increase in unrealized positions			22,888
Net realized gain			14,147
Interest and dividend income			14,927
Investment income			$ 51,962

9) Fair value measurement

FASB ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level l measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022.

Money market fund: Valued at net asset value, which is fair value.

Mutual funds and exchange traded products: Valued at net asset value, which is fair market value, as the assets are market-to-market on a daily basis.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is 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 measurement at the reporting date.

9) Fair value measurement (continued)

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2022 and 2021:

2022

Description	Total Assets Measured at Fair Value	Quoted Prices In Active Markets (Level 1)
Money market funds	$ 12,357	$ 12,357
Mutual funds	241,533	241,533
Exchange traded products	238,125	238,125
Totals	$ 492,015	$ 492,015

2021

Description	Total Assets Measured at Fair Value	Quoted Prices In Active Markets (Level 1)
Money market funds	$ 17,287	$ 17,287
Mutual funds	289,603	289,603
Exchange traded products	285,630	285,630
Totals	$ 592,520	$ 592,520

10) Promises to give

Promises to give are restricted for either future medical mission trips or contributions to the Organization's endowment fund. Due to the amounts involved and short time to collection, the pledges have not been adjusted to net present value.

Promises to give consist of the following as of December 31, 2022:

Donor	Missions	Endowment	2023
Greater Houston Community Foundation	$ -	$ 10,000	$ 10,000
Board Members	-	5,500	5,500
Others	-	2,300	2,300
Total promises to give	$ -	$ 17,800	$ 17,800

11) Liquidity and availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the financial position date, comprise the following:

	2022
Cash and cash equivalents	$ 795,370
Certificates of deposit	105,905
Pledges receivable	17,800
Investments in marketable securities	492,015
Other receivables	2,000
Total financial assets	1,413,090
Less amounts not available for general use:	
Net assets with donor restrictions	243,299
Board designated funds	541,759
Financial assets available to meet general expenditures over the next twelve months	$ 628,032

12) <u>Endowment fund</u>

The Organization established an endowment fund during 2017 with the purpose of providing sufficient cash flow from the fund's future investment earnings to substantially reduce the Organization's reliance upon outside grants and net revenues from its annual fundraising events in order to fund mission trips, and to some extent, other operating costs.

The endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. As of December 31, 2022 and 2021, the restricted part of the endowment fund totaled $199,350 and $230,009, respectively. These assets have, and will, come solely from donor contributions.

The Board of Directors has designated the remaining fund balance of $541,759 and $411,472 as of December 31, 2022 and 2021, respectively, to be part of the total endowment. Since these funds are the result of an internal designation and are not donor restricted, they are classified and reported as part of net assets without donor restrictions.

The Board of Directors of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities. The Organization expects its endowment assets, over time, to produce an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. The Organization does not plan to commence spending from the restricted and non-restricted endowment funds until such time as the combined net assets of the funds is much higher than it was at December 31, 2022. The Board of Directors' basic plan for endowment fundraising is to raise several million dollars in contributions for the permanently restricted fund. Future investment returns reinvested in the combined funds are also anticipated to increase the total net assets during this growth phase. Depending on future circumstances, it is possible that spending could commence at a net asset level short of the fundraising goal if the Organization's financial activities demand it, or if the Organization determines that no significant additional funds can be raised.

12) Endowment fund (continued)

Whenever the spending from the combined funds does commence, the Board of Directors has determined that the spending will be limited to such amounts as to preserve the then current net asset levels of the funds, or to increase them as to reasonably maintain purchasing power. The plan is for the spending in any one year to not exceed a certain percentage of fund assets, such that over a relatively short span of years the average spending level does not decrease the net assets of the funds and to provide for purchasing power increases, if needed. It is currently anticipated that annual spending will be close to 5% of the funds' assets, but the actual future percentage may be adjusted by the Board of Directors in accordance with the financial investing environment prevailing in those future time periods.

13) Medical mission trips and other program services

In 2022, a single mission trip was taken to Puerto Plata, Dominican Republic. The trip was staffed by ten physicians, twenty-one licensed medical professionals (nurses, CRNAs, surgical techs, etc.), and nine unlicensed volunteers. Eighty-four surgical procedures were performed on forty-six patients in the specialty areas of Orthopedics, Female Pelvic, ENT, General surgery, and Anesthesia. Seventy-five medical consults were performed and twenty-two hand prostheses were fitted. Supplies for the mission were shipped using six pallets of air cargo in addition to twenty-five trunks of other supplies and reusable medical/surgical instruments carried as extra luggage by the mission volunteers.

Two shipping containers filled with medical supplies and equipment were shipped in 2022: one to the Dominican Republic and another to Cameroon, Africa.

As in prior years, the Organization's local donations of equipment and supplies were made to the Louisiana SPCA, the New Orleans Mission, LSU Medical School, United Churches of Algiers, and Audubon Zoo for veterinary use. Service hours for students from St. Paul's, Rummel, Ursuline, Brother Martin, and Dominican High Schools were provided at the Organization's warehouse to expose students to the value of philanthropy. Also, donations were made to local individuals, including wheelchairs, walkers, hospital beds, potty chairs and other medical assistance apparatuses.

During 2021 the Organization had planned to conduct a mission trip to the Dominican Republic. Due to the COVID-19 pandemic the 2021 trip had to be cancelled out of concerns for the health and safety of the mission volunteers and because of various governmental restrictions on international travel.

Five containers filled with various medical supplies and everyday needs were sent to Honduras, Liberia and the Dominican Republic. The Organization also partnered with Cheer Up Mission to send out containers. The Organization continued to coordinate with the Dipp Foundation in transportation of supplies to Honduras in connection with that country's hurricane disaster.

14) Subsequent events

The Organization has evaluated subsequent events through the date of the auditors' report, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.