MERCY MULTIPLIED AMERICA, INC.
Financial Statements
And
Independent Auditors' Report
Years Ended December 31, 2016 and 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Mercy Multiplied America, Inc.

Report on the Financial Statements
We have audited the accompanying financial statements of Mercy Multiplied America, Inc. (a Tennessee not-for-profit corporation, the "Ministry"), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Ministry'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 Ministry's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mercy Multiplied America, Inc. as of December 31, 2016 and 2015, 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.

April 20, 2017

MERCY MULTIPLIED AMERICA, INC.
Statements of Financial Position
December 31, 2016 and 2015

ASSETS

	2016	2015
Current assets		
Cash	$ 594,433	$ 829,919
Contributions receivable	77,119	252,662
Other receivables	41,865	4,829
Inventory	66,743	96,038
Prepaid expenses	62,034	49,669
Other current assets	500	5,750
Total current assets	842,694	1,238,867
Cash - permanently restricted	550,000	550,000
Property and equipment, net		
Land	1,001,281	1,001,281
Land - undeveloped	1,040,525	1,040,525
Buildings and improvements	6,619,672	6,571,217
Equipment and furniture	2,063,622	2,056,065
Vehicles	274,084	274,084
Website and database	65,311	61,210
	11,064,495	11,004,382
Less accumulated depreciation and amortization	(5,534,982)	(5,168,190)
Property and equipment, net	5,529,513	5,836,192
Land held for sale	2,003,323	2,003,323
Total Assets	$ 8,925,530	$ 9,628,382

LIABILITIES AND NET ASSETS

	2016	2015
Current liabilities		
Accounts payable	$ 46,166	$ 88,507
Accrued expenses	314,012	230,346
Current portion of note payable	117,293	95,874
Total current liabilities	477,471	414,727
Note payable, net of current portion	741,636	1,249,272
Total liabilities	1,219,107	1,663,999
Net assets		
Unrestricted	7,095,176	7,002,134
Temporarily restricted	61,247	412,249
Permanently restricted	550,000	550,000
Total net assets	7,706,423	7,964,383
Total Liabilities and Net Assets	$ 8,925,530	$ 9,628,382

The accompanying notes are an integral part of these financial statements.

MERCY MULTIPLIED AMERICA, INC.
Statements of Activities and Changes in Net Assets
Years Ended December 31, 2016 and 2015

	2016			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Support and Revenues				
Contributions	$ 7,218,588	$ 325,935	$ -	$7,544,523
Special events	491,911	-	-	491,911
In-kind donations	352,286	-	-	352,286
Resource sales	80,446	-	-	80,446
Adoption application fees	2,700	-	-	2,700
Other income	66,854	-	-	66,854
Total Support and Revenues	8,212,785	325,935	-	8,538,720
Net assets released from restrictions	676,937	(676,937)	-	-
Total Support, Revenues and Reclassifications	8,889,722	(351,002)	-	8,538,720
Functional Expenses				
Counseling and outreach	7,483,226	-	-	7,483,226
Management and general	755,118	-	-	755,118
Fundraising	558,336	-	-	558,336
Total Functional Expenses	8,796,680	-	-	8,796,680
Increase (Decrease) in net assets	93,042	(351,002)	-	(257,960)
Net assets - beginning of year	7,002,134	412,249	550,000	7,964,383
Net assets - end of year	$ 7,095,176	$ 61,247	$ 550,000	$7,706,423

The accompanying notes are an integral part of these financial statements.

	2015			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Support and Revenues				
Contributions	$ 7,312,600	$ 635,699	$ -	$ 7,948,299
Special events	630,355	-	-	630,355
In-kind donations	383,112	-	-	383,112
Resource sales	63,598	-	-	63,598
Adoption application fees	2,125	-	-	2,125
Other income	36,322	-	-	36,322
Total Support and Revenues	8,428,112	635,699	-	9,063,811
Net assets released from restrictions	395,329	(395,329)	-	-
Total Support, Revenues and Reclassifications	8,823,441	240,370	-	9,063,811
Functional Expenses				
Counseling and outreach	7,718,820	-	-	7,718,820
Management and general	788,665	-	-	788,665
Fundraising	595,929	-	-	595,929
Total Functional Expenses	9,103,414	-	-	9,103,414
(Decrease) increase in net assets	(279,973)	240,370	-	(39,603)
Net assets - beginning of year	7,282,107	171,879	550,000	8,003,986
Net assets - end of year	$ 7,002,134	$ 412,249	$ 550,000	$ 7,964,383

The accompanying notes are an integral part of these financial statements.

MERCY MULTIPLIED AMERICA, INC.
Statements of Functional Expenses
Years Ended December 31, 2016 and 2015

	2016			
	Program Services	Supporting Services		
	Counseling and Outreach	Management and General	Fundraising	Total
Salaries	$ 3,679,483	$ 380,749	$ 277,898	$ 4,338,130
Benefits	521,121	53,925	39,358	614,404
Contract labor	1,883	15,459	132	17,474
Total salaries and related expenses	4,202,487	450,133	317,388	4,970,008
Tithe	772,317	-	-	772,317
Room and board	488,785	-	-	488,785
Contributions to Mercy Multiplied International, Inc.	369,381	-	-	369,381
Occupancy	325,093	4,216	-	329,309
Special events	134,472	-	97,506	231,978
Utilities	158,028	16,353	11,935	186,316
Insurance	140,509	14,540	10,612	165,661
Marketing and public relations	67,003	-	67,003	134,006
Repairs and maintenance	123,304	5,089	3,705	132,098
Professional fees	46,247	57,948	9,646	113,841
Travel, conferences and meetings	62,822	7,853	7,853	78,528
IT outsourcing	-	73,590	-	73,590
Telephone	57,316	5,931	4,329	67,576
Computer and equipment	41,780	4,323	3,156	49,259
Cost of resources sold	44,343	-	-	44,343
New hire and staff development	36,537	3,781	2,759	43,077
Contribution processing charges	-	42,798	-	42,798
Interest	-	39,841	-	39,841
Office	26,633	2,756	2,011	31,400
Automobile	27,990	3,110	-	31,100
Postage	11,038	1,840	5,519	18,397
Miscellaneous	9,630	4,071	2,578	16,279
Total expenses before depreciation and amortization	7,145,715	738,173	546,000	8,429,888
Depreciation and amortization	337,511	16,945	12,336	366,792
Total expenses	$ 7,483,226	$ 755,118	$ 558,336	$ 8,796,680

The accompanying notes are an integral part of these financial statements.

	2015			
	Program Services	Supporting Services		
	Counseling and Outreach	Management and General	Fundraising	Total
Salaries	$ 3,735,668	$ 340,988	$ 272,703	$ 4,349,359
Benefits	552,662	50,350	40,268	643,280
Contract labor	4,849	32,338	354	37,541
Total salaries and related expenses	4,293,179	423,676	313,325	5,030,180
Tithe	761,713	-	-	761,713
Room and board	548,622	-	-	548,622
Contributions to Mercy Multiplied International, Inc.	422,193	-	-	422,193
Occupancy	328,247	1,981	-	330,228
Special events	130,298	-	112,835	243,133
Utilities	164,979	15,059	12,043	192,081
Insurance	133,931	12,225	9,777	155,933
Marketing and public relations	101,337	-	100,387	201,724
Repairs and maintenance	105,448	5,105	3,138	113,691
Professional fees	45,372	84,398	3,834	133,604
Travel, conferences and meetings	75,318	9,415	9,415	94,148
IT outsourcing	-	75,450	-	75,450
Telephone	52,493	4,792	3,832	61,117
Computer and equipment	53,608	4,893	3,913	62,414
Cost of resources sold	44,812	-	-	44,812
New hire and staff development	23,637	2,158	1,726	27,521
Contribution processing charges	-	44,519	-	44,519
Interest	-	65,542	-	65,542
Office	20,568	1,877	1,501	23,946
Automobile	34,962	3,885	-	38,847
Postage	16,533	2,756	8,267	27,556
Miscellaneous	11,916	16,389	285	28,590
Total expenses before depreciation and amortization	7,369,166	774,120	584,278	8,727,564
Depreciation and amortization	349,654	14,545	11,651	375,850
Total expenses	$ 7,718,820	$ 788,665	$ 595,929	$ 9,103,414

The accompanying notes are an integral part of these financial statements.

MERCY MULTIPLIED AMERICA, INC.
Statements of Cash Flows
Years Ended December 31, 2016 and 2015

	2016	2015
Cash flows from operating activities		
Decrease in net assets	$ (257,960)	$ (39,603)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities		
Depreciation and amortization	366,792	375,850
Decrease (increase) in		
Contributions receivable	175,543	(121,756)
Other receivables	(37,036)	16,632
Inventory	29,295	3,511
Prepaid expenses	(12,365)	(7,556)
Other current assets	5,250	(4,090)
Increase (decrease) in		
Accounts payable	(42,341)	(25,772)
Accrued expenses	83,666	18,931
Total adjustments	568,804	255,750
Net cash provided by operating activities	310,844	216,147
Cash flows from investing activities		
Purchases of property and equipment	(60,113)	(169,608)
Net cash used by investing activities	(60,113)	(169,608)
Cash flows from financing activities		
Payments on notes payable	(486,217)	(84,365)
Net cash used by financing activities	(486,217)	(84,365)
Net decrease in cash	(235,486)	(37,826)
Cash - beginning of year	1,379,919	1,417,745
Cash - end of year	$ 1,144,433	$ 1,379,919

The accompanying notes are an integral part of these financial statements.

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Mercy Multiplied America, Inc. (the "Ministry") is a Tennessee not-for-profit corporation whose mission is to provide opportunities for all to experience God's unconditional love, forgiveness, and life-transforming power. The Ministry serves this mission in two ways: through a residential program and through outreach programs and resources.

The Ministry's residential program is provided free of charge to young women ages 13 to 28 who are struggling with life-controlling issues, including eating disorders, self-harm, drug and alcohol addictions, unplanned pregnancy, depression, sexual abuse, and sex trafficking. The program is voluntary, lasts approximately six months, and includes biblically based counseling and teaching integrated with life-skills training and educational opportunities. The goal is to help residents permanently stop destructive cycles, discover purpose for their lives, and become productive and thriving individuals. The Ministry currently operates homes in California, Louisiana, Missouri and Tennessee.

In addition to its residential program, the Ministry offers outreach programs and resources based on the same biblically based, life-transforming principles used in Mercy homes. These initiatives are designed for men and women ages 12 and up and seek to bring awareness to life-controlling issues, teach keys to lasting freedom, and share practical insights into helping others who are struggling. Outreach programs include educational events and workshops; resources include content on the Ministry's website, podcasts, books, a biblically based study and corresponding videos, and various teaching materials for pastors, parents, and the community at large.

The Ministry has experienced tremendous increase in the global interest and demand for its services. In order to respond to the increase in demand, during 2007 a separate not-for-profit was organized, Mercy Multiplied International, Inc. ("MMI" – formally known as Mercy Ministries International, Inc.). MMI is custodian and owner of the Mercy Multiplied programs on a global basis. MMI provides the Ministry spiritual support and technical assistance with the ongoing operation of existing homes and the startup and initial operation of new homes. The Ministry transferred all rights to its intellectual properties to MMI upon formation.

The Ministry has a Ministry Collaboration Agreement (MCA) with MMI, agreeing to adhere to the standards of operation, governance, structure and commitments as defined per the MCA agreement. As part of this agreement, the Board of Directors, on behalf of the Ministry, may make donations to MMI as the Ministry deems appropriate to support its efforts to spread the ministry throughout the world.

Mercy Multiplied America, Inc. operated under the name Mercy Ministries of America, Inc. until October 2015, when it changed its name to reflect its expanded outreach initiatives and commitment to "multiplying" Mercy outside of its residential homes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Basis of Presentation</u>

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, liabilities and changes therein and the disclosures of commitments and contingencies. Actual results could differ from those estimates.

Cash

Cash includes funds on deposit with financial institutions.

Contributions Receivable

Contributions receivable represent those contributions received immediately after year end that are postmarked prior to year end and pledge receivables made at fundraising events.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Inventory

Inventory consists of paperback copies of books written by the founder of the Ministry, jewelry and apparel. Inventory is stated at the lower of cost, determined on a first-in, first-out (FIFO) basis, or market (net realizable value).

Long-lived Assets

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment and Depreciation

It is the Ministry's policy to capitalize all property and equipment over $2,000. Property and equipment acquisitions are recorded at cost. Donations of property and equipment are recorded as revenues at their estimated fair value. Such donations are reported as unrestricted revenues unless the donor has restricted the donated asset to a specific purpose. When depreciable assets are disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain (except on trade-in) or loss is included in the statements of activities and changes in net assets for the period. A gain on trade-in is applied to reduce the cost of the new acquisition. Depreciation is provided over the assets' estimated useful lives using the straight-line method. Buildings and improvements are generally depreciated over seven to 40 years. Equipment and furniture are depreciated over three to ten years. Vehicles are depreciated over five years. Website development costs are amortized over a period of three to seven years.

Accrued Absences

Employees of the Ministry are entitled to paid time off including vacation, sick days, and personal days off, depending on job classification, length of service, and other factors. The Ministry's policy is to recognize the costs of compensated absences when earned. Accrued compensated absences are included with accrued expenses on the accompanying statements of financial position and totaled $107,933 and $122,483 at December 31, 2016 and 2015, respectively.

Income Taxes

The Ministry is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation.

Accounting principles generally accepted in the United States of America require the management to evaluate tax positions taken by the Ministry and recognize a tax liability (or asset) if the Ministry has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The management has analyzed the tax positions taken by the Ministry and has concluded that as of December 31, 2016, no uncertain positions are taken or are expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Ministry is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Ministry is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2013.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing various program services and supporting activities of the Ministry have been summarized on a functional basis. Accordingly, certain expenses have been allocated among program (counseling and outreach), management and general, and fundraising expenses.

Program expenses consist of the activities that promote the Ministry's vision, including the operation of the residential program, counseling services, Christian education, outreach initiatives, publication and media that supports the Ministry's mission and other activities that fulfill the purpose for which the Ministry exists.

Management and general expenses include oversight, business management and finance activities. These expenses are not identifiable with program or fundraising activities, but are indispensable in conducting those activities and to the Ministry's existence.

Fundraising expenses relate to those activities that promote the growth of contributions, gifts, grants, etc., including conducting fundraising campaigns and events, maintaining donor information, distributing fundraising materials and conducting other fundraising activities.

The Ministry's policy is to report all joint costs not specifically attributable to particular components of the activities, as allocated among program, fundraising and management and general expenses.

The Ministry donates ten percent of its unrestricted cash contributions as a tithe to other organizations or individuals that are involved in activities aligned with the Ministry's mission and vision.

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment, net of accumulated depreciation and amortization, by location as of December 31 is as follows:

	2016	2015
St. Louis, Missouri home	$ 2,168,203	$ 2,236,410
Nashville, Tennessee corporate offices	1,321,990	1,392,557
Nashville, Tennessee home	850,160	921,186
Destin, Florida (undeveloped land)	1,040,525	1,040,525
Destin, Florida – development costs	14,010	-
Lincoln, California home	23,772	85,886
Monroe, Louisiana home	110,853	159,628
	$ 5,529,513	$ 5,836,192

The Ministry is leasing the Lincoln, California home from a third party (Note 8).

NOTE 4 - LAND HELD FOR SALE

Land held for sale of $2,003,323 consists of approximately 8 acres of an 11.75 acre plot of undeveloped land in Florida. The remainder of the land is to be used for a future residential facility and is included in property and equipment.

NOTE 5 - NOTE PAYABLE

Note payable consists of the following as of December 31:

	2016	**2015**
Note payable to a bank, requiring monthly principal and interest payments of $12,664 at an annual interest rate of 4.25% with all principal due March 11, 2020. The note is secured by the undeveloped and held for sale Florida land.	$ 858,929	$1,345,146
Less current portion	(117,293)	(95,874)
Note payable, excluding current portion	$ 741,636	$ 1,249,272

Annual principal maturities of the note payable are as follows:

Year ending December 31,

2017	$ 117,293
2018	122,449
2019	127,830
2020	491,357
	$ 858,929

NOTE 6 - CONCENTRATIONS

The Ministry has cash balances in a bank in excess of amounts federally insured. The uninsured balances totaled approximately $868,000 at December 31, 2016 ($1,090,000 at December 31, 2015). The Ministry maintains its cash with a high quality financial institution which the Ministry believes limits these risks.

NOTE 7 - JOINT COSTS

During the year ended December 31, 2016 and 2015, the Ministry incurred joint costs of $231,978 and $243,133, respectively, for special events that included both educational outreach activities and fund raising appeals. The Organization allocated $134,472 and $130,298, respectively, to program services, and $97,506 and $112,835, respectively, to fundraising.

NOTE 8 - LEASE COMMITMENTS AND RENT EXPENSE

The Ministry has entered into various operating leases for office equipment. A schedule of future minimum lease payments under these operating leases are as follows for the year ending December 31:

2017	$ 5,850

The Ministry leases a residential facility in Lincoln, California under an operating lease through December 2015 at which time the lease term automatically renewed for two successive one-year terms. The lease payment, $3,000 per month, is considered a below market rental rate. The Ministry has included an in-kind rent donation and expense of $247,500 and $247,968 on the statements of activities and changes in net assets for this lease for 2016 and 2015, respectively. Additionally, the property taxes for this facility are also donated which totaled $40,500 and $40,679 and accordingly are included as an additional in-kind donations. Effective April 1, 2017, the Ministry renewed its lease for the facility. The new lease calls for monthly payments of $3,000 through March 31, 2018, at which time the Ministry has the option to renew the lease for two successive one-year terms.

Rental expense was $337,109 and $343,200 for the years ended December 31, 2016 and 2015, respectively.

NOTE 9 - CONTINGENT LIABILITIES

In 2001, a not-for-profit entity contributed land with a value of approximately $790,000 on which the St. Louis facility was constructed. The deed to this land contains certain restrictions which require the property to revert to the contributing not-for-profit entity if the following restrictions are not met:

- The Ministry shall remain a Christian-based residential facility for young women struggling with life-controlling issues.
- The Founder of the Ministry shall be the President of Mercy Multiplied International, Inc. ("MMI") and the Ministry shall continue to be affiliated with MMI.

NOTE 10 - RELATED PARTY TRANSACTIONS

MMI was created as a separate not-for-profit organization, maintaining a separate board of directors and organizational structure from the Ministry. MMI is not reported on a consolidated basis with the Ministry.

The Ministry maintains a close working relationship with MMI with which it shares equipment, office facilities, supplies and shares some common members on their boards of directors. Contributions made to MMI totaled $369,381 and $422,193 in 2016 and 2015, respectively. Included in these contributions are administrative related fees charged to MMI totaling $83,565 and $107,400 in 2016 and 2015, respectively.

Consistent with historical giving, during 2016, the Ministry made donations totaling $50,000 ($45,000 in 2015) to another Christian ministry for which a member of the MMI board of directors is employed. The member joined the MMI board of directors in 2015.

NOTE 11 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets included the following at December 31:

	2016	2015
Christmas funds	$ 32,831	$ 24,378
Monroe home furnishings and equipment	9,782	179
Transitional care	6,000	-
Nashville home equipment	4,030	-
Development of potential Los Angeles home	2,849	2,849
Residents	2,237	-
Resident database	1,900	8,000
Nashville home education	569	749
Baby showers	456	456
Bibles	290	200
St. Louis home furnishings	258	258
Outreach	25	-
Development of potential Houston home	20	20
Development of potential Florida home	-	373,950
Lincoln home outing	-	1,210
	$ 61,247	$412,249

NOTE 12 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions included the following for the year ended December 31:

	2016	2015
Florida home	$ 374,395	$ -
Home operations	106,653	-
Christmas funds	89,689	95,879
Transitional care	80,103	89,595
Outreach	12,000	-
Resident database	6,100	8,036
Residents	3,052	-
Monroe home furnishings and equipment	1,500	-
Lincoln home outing	1,210	-
Nashville home equipment	970	-
Bibles	510	400
St. Louis home equipment	400	-
Nashville home education	180	-
Graduation rings	175	1,980
Monroe home operating	-	61,692
St. Louis renovation	-	34,046
Brand development	-	29,500
Lincoln home operating	-	23,450
St. Louis home operating	-	20,280
Nashville home capital project	-	11,301
Outreach	-	7,050

NOTE 12 - NET ASSETS RELEASED FROM RESTRICTIONS (CONTINUED)

	2016	**2015**
Special project 2015	-	5,000
Intake portal	-	4,281
Nashville home operating	-	2,600
Baby showers	-	239
	$ 676,937	$ 395,329

NOTE 13 - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets represent donations received for the Ministry's working capital fund. The intent of this fund is to allow the Ministry to have a permanent source of short term capital that eliminates the need for a line of credit. Accordingly, the Ministry uses these funds throughout the year when there are fluctuations in cash flow. The Ministry replenishes the cash balance when cash flow is available. Given the permanent nature of this arrangement, the ministry maintains this cash balance in a separate bank account and these funds are segregated on the statements of financial position as a noncurrent asset.

NOTE 14 - EVALUATION OF SUBSEQUENT EVENTS

The Ministry has evaluated subsequent events through April 20, 2017 which is the date the financial statements were available to be issued.

NOTE 15 - SUPPLEMENTAL DISCLOSURE OF CASH FLOWS STATEMENTS INFORMATION

	2016	**2015**
Interest paid	$ 39,841	$ 65,542