MERCY MINISTRIES OF AMERICA, INC.
Financial Statements
And
Independent Auditors' Report
Years Ended December 31, 2013 and 2012

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Mercy Ministries of America, Inc.

We have audited the accompanying financial statements of Mercy Ministries of America, Inc. (a Tennessee not-for-profit corporation, the "Ministry"), which comprise the statements of financial position as of December 31, 2013 and 2012, 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 purposes 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 Ministries of America, Inc. as of December 31, 2013 and 2012, 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.

Blankenship CPA Group, PLLC
April 11, 2014

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MERCY MINISTRIES OF AMERICA, INC.
Statements of Financial Position
December 31, 2013 and 2012

ASSETS

	2013	2012
Current assets		
Cash	$ 752,143	$ 566,646
Contributions receivable	121,047	75,757
Other receivables	24,876	299
Inventory	114,751	134,516
Prepaid expenses	55,040	46,704
Other current assets	1,350	10,280
Total current assets	1,069,207	834,202
Cash - permanently restricted	550,000	500,000
Property and equipment, net		
Land	1,001,281	1,055,280
Land - undeveloped	1,040,525	1,040,525
Buildings and improvements	6,549,178	6,465,545
Equipment and furniture	2,352,155	2,298,405
Vehicles	422,442	392,396
Website and database	52,900	52,900
	11,418,481	11,305,051
Less accumulated depreciation and amortization	(5,083,788)	(4,693,119)
Property and equipment, net	6,334,693	6,611,932
Land held for sale	2,003,323	2,003,323
Total Assets	$ 9,957,223	$ 9,949,457

LIABILITIES AND NET ASSETS

	2013	2012
Current liabilities		
Accounts payable	$ 57,128	$ 103,458
Accrued expenses	210,176	211,682
Current portion of notes payable	89,882	107,501
Current portion of capital lease obligations	-	2,677
Total current liabilities	357,186	425,318
Notes payable, net of current portion	1,446,096	1,570,379
Net assets		
Unrestricted	7,517,347	7,301,693
Temporarily restricted	86,594	152,067
Permanently restricted	550,000	500,000
Total Liabilities and Net Assets	$ 9,957,223	$ 9,949,457

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

Statements of Activities and Changes in Net Assets
Years Ended December 31, 2013 and 2012

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenues				
Contributions	$ 7,184,313	$ 560,447	$ 50,000	$ 7,794,760
Special events	1,424,300	25,000	-	1,449,300
Adoption application fees	3,375	-	-	3,375
Resource sales	57,510	-	-	57,510
In-kind donations	385,895	-	-	385,895
Other income	34,764	-	-	34,764
Total Support and Revenues	9,090,157	585,447	50,000	9,725,604
Net assets released from restrictions	650,920	(650,920)	-	-
Total Support, Revenues and Reclassifications	9,741,077	(65,473)	50,000	9,725,604
Functional Expenses				
Counseling and outreach	8,094,852	-	-	8,094,852
Management and general	803,538	-	-	803,538
Fundraising	627,033	-	-	627,033
Total Unrestricted Functional Expenses	9,525,423	-	-	9,525,423
Increase (decrease) in net assets	215,654	(65,473)	50,000	200,181
Net assets - beginning of year	7,301,693	152,067	500,000	7,953,760
Net assets - end of year	$ 7,517,347	$ 86,594	$ 550,000	$ 8,153,941

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

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenues				
Contributions	$ 7,446,197	$ 650,330	$ 500,000	$8,596,527
Special events	767,431	-	-	767,431
Adoption application fees	5,325	-	-	5,325
Resource sales	79,035	-	-	79,035
In-kind donations	404,146	-	-	404,146
Other income	13,729	-	-	13,729
Total Support and Revenues	8,715,863	650,330	500,000	9,866,193
Net assets released from restrictions	512,988	(512,988)	-	-
Total Support, Revenues and Reclassifications	9,228,851	137,342	500,000	9,866,193
Functional Expenses				
Counseling and outreach	7,679,574	-	-	7,679,574
Management and general	870,227	-	-	870,227
Fundraising	620,346	-	-	620,346
Total Functional Expenses	9,170,147	-	-	9,170,147
Increase in net assets	58,704	137,342	500,000	696,046
Net assets - beginning of year	7,242,989	14,725	-	7,257,714
Net assets - end of year	$ 7,301,693	$ 152,067	$ 500,000	$7,953,760

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

MERCY MINISTRIES OF AMERICA, INC.
Statements of Functional Expenses
Years Ended December 31, 2013 and 2012

	2013			
	Program Services	Supporting Services		
	Counseling and Outreach	Management and General	Fundraising	Total
Salaries	$ 3,772,494	$ 328,795	$ 224,965	$ 4,326,254
Benefits	632,729	55,371	37,975	726,075
Contract labor	1,355	26,450	-	27,805
Total salaries and related expenses	4,406,578	410,616	262,940	5,080,134
Tithe	854,413	-	-	854,413
Room and board	566,813	-	-	566,813
Contributions to Mercy Ministries International, Inc.	394,798	-	-	394,798
Special events	189,509	-	189,509	379,018
Occupancy	367,128	2,105	-	369,233
Marketing and public relations	110,004	-	110,004	220,008
Insurance	180,602	15,740	10,770	207,112
Utilities	159,641	13,913	9,520	183,074
Professional fees	57,566	89,795	3,810	151,171
Repairs and maintenance	103,359	4,572	3,029	110,960
Interest	-	88,978	-	88,978
Computer and equipment	76,951	6,707	4,589	88,247
Travel, conferences and meetings	67,532	8,441	8,441	84,414
IT outsourcing	-	77,081	-	77,081
Telephone	60,742	5,294	3,622	69,658
Automobile	46,850	5,206	-	52,056
Cost of resources sold	43,139	-	-	43,139
Contribution processing charges	-	39,713	-	39,713
Miscellaneous	13,891	13,700	282	27,873
Postage	16,332	2,721	8,167	27,220
Office	17,127	1,493	1,021	19,641
Total expenses before depreciation and amortization	7,732,975	786,075	615,704	9,134,754
Depreciation and amortization	361,877	17,463	11,329	390,669
Total expenses	$ 8,094,852	$ 803,538	$ 627,033	$ 9,525,423

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

	2012			
	Program Services	Supporting Services		
	Counseling and Outreach	Management and General	Fundraising	Total
Salaries	$ 3,508,425	$ 365,925	$ 246,422	$ 4,120,772
Benefits	585,028	61,018	41,091	687,137
Contract labor	19,165	8,460	6,232	33,857
Total salaries and related expenses	4,112,618	435,403	293,745	4,841,766
Tithe	725,171	-	-	725,171
Room and board	574,765	-	-	574,765
Contributions to Mercy Ministries International, Inc.	418,326	-	-	418,326
Special events	128,404		128,404	256,808
Occupancy	347,640	2,733	-	350,373
Marketing and public relations	114,964	-	114,964	229,928
Insurance	175,571	18,311	12,332	206,214
Utilities	157,208	16,397	11,042	184,647
Professional fees	47,216	96,504	9,778	153,498
Repairs and maintenance	81,630	3,459	3,160	88,249
Interest	-	98,361	-	98,361
Computer and equipment	116,269	12,127	8,166	136,562
Travel, conferences and meetings	84,622	10,578	10,578	105,778
IT outsourcing	-	93,230		93,230
Telephone	57,407	5,987	4,032	67,426
Automobile	39,016	4,335	-	43,351
Miscellaneous	34,002	10,334	733	45,069
Cost of resources sold	65,364	-	-	65,364
Contribution processing charges	-	39,808	-	39,808
Postage	14,727	2,454	7,364	24,545
Office	18,719	1,794	2,726	23,239
Total expenses before depreciation and amortization	7,313,639	851,815	607,024	8,772,478
Depreciation and amortization	365,935	18,412	13,322	397,669
Total expenses	$ 7,679,574	$ 870,227	$ 620,346	$ 9,170,147

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

MERCY MINISTRIES OF AMERICA, INC.
Statements of Cash Flows
Years Ended December 31, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Increase in net assets	$ 200,181	$ 696,046
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	390,669	397,669
Decrease (increase) in		
Contributions receivable	(45,290)	54,913
Other receivables	(24,577)	(67)
Inventory	19,765	29,409
Prepaid expenses	(8,336)	1,250
Other assets	8,930	12,641
Increase (decrease) in		
Accounts payable	(46,330)	19,622
Accrued expenses	(1,506)	47,142
Total adjustments	293,325	562,579
Net cash provided by operating activities	493,506	1,258,625
Cash flows from investing activities		
Proceeds from the sale of land	54,000	-
Purchases of property and equipment	(167,430)	(153,118)
Net cash used by investing activities	(113,430)	(153,118)
Cash flows from financing activities		
Payments on notes payable	(141,902)	(205,784)
Payments on capital leases	(2,677)	(24,228)
Net cash used by financing activities	(144,579)	(230,012)
Net increase in cash	235,497	875,495
Cash - beginning of year	1,066,646	191,151
Cash - end of year	$ 1,302,143	$ 1,066,646

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

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Mercy Ministries of America, Inc. (the "Ministry") is a not-for-profit corporation whose mission is to provide opportunities for young women to experience God's unconditional love, forgiveness, and life-transforming power. The Ministry primarily serves this mission through a residential counseling program provided free of charge to young women ages 13 to 28 with life-controlling issues such as eating disorders, self-harm, unplanned pregnancy, sexual abuse, physical abuse, addictions and depression. The program is voluntary, lasts approximately six months, and includes biblically based counseling, nutrition and fitness education and life-skills training. The program takes a Christian approach to treatment by addressing the root cause of problems, helping young women move past their debilitating circumstances as they recognize and accept their self-worth and preparing them to reach their full potential. Mercy Ministries of America, Inc. currently operates homes in California, Louisiana, Missouri and Tennessee.

In addition to its residential program, the Ministry provides outreach to the community through speaking engagements, podcasting, and resources which educate and bring awareness about life-controlling issues and the opportunity to experience freedom. Resources include: the Ministry's website, books, and teaching materials for pastors, parents and the general public.

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 Ministries International, Inc. ("MMI"). MMI is custodian and owner of the Mercy Ministries programs on a global basis. MMI provides the Ministry spiritual support and technical assistance with the ongoing operation of existing homes and the start up 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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.

Reclassifications

Certain reclassifications have been made to the 2012 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

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, compact discs recorded by the founder of the Ministry and various musicians, 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' 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.

Assets and Liabilities Measured at Fair Value

Accounting principles generally accepted in the United States of America require the Ministry to disclose the basis for considering market participants assumptions in fair value measurements. Fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity including quoted market prices in active markets for identical assets (Level 1), or significant other observable inputs (Level 2) and the reporting entity's own assumptions about market participant assumptions (Level 3). The Ministry does not have any fair value measurements using level 3 inputs as of December 31, 2013 and 2012.

The carrying amount of financial instruments, consisting of cash, contributions and other receivables, other current assets, accounts payable, accrued expenses and the current installments of notes payable and capital lease obligations approximate their fair value due to their relatively short maturities. Long-term portions of notes payable and capital lease obligations are carried at amortized cost, which approximates fair value.

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 $119,815 and $111,970 at December 31, 2013 and 2012, respectively.

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, fundraising and general and management expenses.

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

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.

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.

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.

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 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, 2013, 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 2010.

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:

	2013	2012
St. Louis, Missouri home	$ 2,312,029	$ 2,424,169
Nashville, Tennessee corporate offices	1,487,189	1,560,655
Nashville, Tennessee home	1,046,812	1,033,818
Destin, Florida (undeveloped land)	1,040,525	1,040,525
Lincoln, California home	243,009	299,734
Monroe, Louisiana home	205,129	253,031
	$ 6,334,693	$ 6,611,932

The Ministry is leasing the Lincoln, California home from a third party (Note 9).

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 - NOTES PAYABLE

Notes payable consist of the following as of December 31:

	2013	2012
Note payable to a bank, requiring monthly principal and interest payments of $15,434 at an annual interest rate of 5.50% with all principal due November 2, 2014. The note is secured by the undeveloped and held for sale Florida land.	$ 1,522,906	$ 1,665,148
Note payable to a finance company for insurance payable in monthly installments of $3,326 including annual interest at 8.50%, maturing April 2014.	13,072	-
Note payable to a finance company for insurance payable in monthly installments of $3,240 including annual interest at 8.50%, maturing April 2013.	-	12,732
Total notes payable	1,535,978	1,677,880
Less current portion	(89,882)	(107,501)
Notes payable, excluding current portion	$ 1,446,096	$ 1,570,379

NOTE 5 - NOTES PAYABLE (CONTINUED)

Annual principal maturities of notes payable are as follows:

Year ending December 31,

2013	$ 89,882
2014	1,446,096
	$ 1,535,978

NOTE 6 - CONCENTRATIONS

The Ministry has cash balances in a bank in excess of amounts federally insured. The uninsured balances totaled approximately $1,011,027 at December 31, 2013. The Ministry maintains its cash with a high quality financial institution which the Ministry believes limits these risks.

NOTE 7 - LEASE COMMITMENTS

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 years ending December 31:

2014	$ 11,244
2015	10,957
2016	7,800
2017	5,850
	$ 35,851

Additionally, the Ministry leases a residential facility in Lincoln, California under an operating lease that commenced in January 2012 for a one-year term for $36,000. The lease term automatically renews for two successive one-year terms. This lease payment is considered a below market rental rate. The Ministry has included an in-kind rent contribution and expense of $288,000 on the statements of activities and changes in net assets for this lease for 2013 and 2012.

Rental expense was $365,291 and $376,928 for the years ended December 31, 2013 and 2012, respectively.

NOTE 8 - 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 troubled girls and unwed mothers.
- The Founder of the Ministry shall be the President of Mercy Ministries International, Inc. ("MMI") and the Ministry shall continue to be affiliated with MMI.

NOTE 9 - 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 $394,798 and $418,326 in 2013 and 2012, respectively. Included in these contributions are administrative related fees charged to MMI totaling $91,296 and $97,401 in 2013 and 2012, respectively.

NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets included the following at December 31:

	2013	**2012**
Christmas funds	$ 43,109	$ -
Resident database	20,816	21,465
Intake portal	10,780	7,500
Development of potential Los Angeles home	7,060	-
2014 Board of Directors strategic meeting	2,500	-
Monroe home	1,730	2,674
Baby showers	301	-
St. Louis home furnishings	278	-
Development of potential Houston home	20	20
Nashville home capital project	-	100,000
30th anniversary	-	20,000
Graduates	-	208
Bibles	-	200
	$ 86,594	$ 152,067

NOTE 11 - NET ASSETS RELEASED FROM RESTRICTIONS

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

	2013	2012
Transitional care	$ 149,700	$ 149,175
Lincoln home – operating	158,919	135,151
Nashville capital project	100,000	-
Christmas funds	78,307	93,640
Destin home	50,670	11,192
30^{th} anniversary	45,000	5,000
Monroe home – operating	41,240	44,918
St. Louis home – operating	9,646	15,731
Nashville home – operating	5,977	8,500
Nashville – equipment	4,500	1,250
Monroe home – renovations	2,454	1,972
Graduation rings	1,972	-
Resident database	650	18,535
Bibles	600	1,028
Baby showers	524	-
Adoptions	500	-
Graduates	208	9,792
Intake portal	53	10,000
Residents	-	5,078
Development of Charlotte home	-	1,260
Equipment	-	390
Other	-	276
Sex trafficking victims	-	100
	$ 650,920	$ 512,988

NOTE 12 - 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 13 - EVALUATION OF SUBSEQUENT EVENTS

The Ministry has evaluated subsequent events through April 11, 2014 which is the date the financial statements were available to be issued.

NOTE 14 - SUPPLEMENTAL DISCLOSURE OF CASH FLOW STATEMENT INFORMATION

	2013	2012
Interest paid	$ 88,978	$ 98,361