

**MISSION OF MERCY ARIZONA HEALTH
PARTNERSHIP FUND**

FINANCIAL STATEMENTS

**FOR THE PERIOD FROM INCEPTION (AUGUST 2, 2016)
TO JUNE 30, 2017**



**CPAs &
BUSINESS
ADVISORS**

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INDEPENDENT AUDITORS' REPORT

November 9, 2017

Board of Directors
Mission of Mercy Arizona Health Partnership Fund
Phoenix, Arizona

We have audited the accompanying financial statements of Mission of Mercy Arizona Health Partnership Fund (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the period from inception (August 2, 2016) to June 30, 2017, 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 audit. We conducted our audit 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 Mission of Mercy Arizona Health Partnership Fund as of June 30, 2017, and the changes in its net assets and its cash flows for the initial period then ended in accordance with accounting principles generally accepted in the United States of America.

RLH CPAs & Business Advisors, LLC

Frederick, Maryland

MISSION OF MERCY ARIZONA HEALTH PARTNERSHIP FUND
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents \$ 6,000

TOTAL CURRENT ASSETS 6,000

TOTAL ASSETS \$ 6,000

LIABILITIES AND NET ASSETS

LIABILITIES \$ -

NET ASSETS

Unrestricted 6,000

Total Unrestricted 6,000

TOTAL NET ASSETS 6,000

TOTAL LIABILITIES AND NET ASSETS \$ 6,000

See Accompanying Notes

MISSION OF MERCY ARIZONA HEALTH PARTNERSHIP FUND
STATEMENT OF ACTIVITIES
FOR THE PERIOD FROM INCEPTION (AUGUST 2, 2016) TO JUNE 30, 2017

	Unrestricted
SUPPORT, REVENUE, AND GAINS	
SUPPORT	
Contributions	\$ 6,000
TOTAL SUPPORT	6,000
TOTAL SUPPORT	6,000
 TOTAL EXPENSES AND LOSSES	 -
CHANGE IN NET ASSETS	6,000
Net Assets - Beginning of Year	-
NET ASSETS - END OF YEAR	\$ 6,000

See Accompanying Notes

MISSION OF MERCY ARIZONA HEALTH PARTNERSHIP FUND
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM INCEPTION (AUGUST 2, 2016) TO JUNE 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Inflows:

Receipts from Contributions	\$ 6,000
	6,000
	6,000

NET CASH PROVIDED BY OPERATING ACTIVITIES	6,000
	6,000

NET INCREASE IN CASH AND CASH EQUIVALENTS	6,000
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Cash and Cash Equivalents - Beginning of Year	-
	-

CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,000
	\$ 6,000

See Accompanying Notes

MISSION OF MERCY ARIZONA HEALTH PARTNERSHIP FUND
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Accounting Policies

Nature of Activities

Mission of Mercy Arizona Health Partnership Fund (the “Organization”) is a nonprofit organization, created as of August 2, 2016, as a Type I supporting organization. The Organization operates exclusively for the benefit of its parent organization, Mission of Mercy, Inc., an Arizona nonprofit corporation. Contributions to the Organization qualify as charitable contributions for Arizona state income tax purposes.

Cash and Cash Equivalents

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

Contributions

Support and revenue are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Revenues are recorded as services are provided.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases the applicable net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Net Assets

The Organization reports information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted Net Assets

Unrestricted net assets are resources that are currently available for support of the Organization's operations and are not subject to donor-imposed restrictions.

MISSION OF MERCY ARIZONA HEALTH PARTNERSHIP FUND
NOTES TO FINANCIAL STATEMENTS

Temporarily Restricted Net Assets

Temporarily restricted net assets are resources that may be utilized only in accordance with the restricted purposes established by the donor. The restriction may require passage of time or the occurrence of a specific event in order to trigger the release of the restriction. The Organization considers all contributions that are designated to a particular program to be transferred to unrestricted net assets when the terms of the restrictions have been met.

Permanently Restricted Net Assets

Permanently restricted net assets are resources subject to donor-imposed restrictions and must be maintained permanently.

The Organization had no temporarily restricted or permanently restricted net assets as of June 30, 2017.

Functional Expenses

Expenses are charged to program services, management and general, and fundraising on the basis of actual invoices received. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Certain administrative personnel expenses such as salaries, payroll expenses, professional fees, and travel and entertainment are allocated to each functional expense category based upon the responsibilities of the administrative personnel. Rent and utilities are allocated to each functional expense category based upon the use of the space during the applicable year which factors in the responsibilities of the personnel utilizing the space.

For the initial period of operations ended June 30, 2017, the organization did not incur any expenditures.

Tax-Exempt Status

The Organization is incorporated under the laws of the State of Arizona as a nonprofit organization. The Organization has elected under provisions of Internal Revenue Code (IRC) Section 501(c)(3) and state income tax statutes to be excluded from taxes on exempt function income. Therefore, no provision is made for taxes on income.

The Organization is a Type I supporting organization under IRC Section 509(a)(3), and is operated, supervised, and controlled by its parent organization, Mission of Mercy, Inc.

MISSION OF MERCY ARIZONA HEALTH PARTNERSHIP FUND
NOTES TO FINANCIAL STATEMENTS

Estimates

Management uses estimates and assumptions in preparing the financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 9, 2017, the date the financial statements were available to be issued.

Note 2. Concentration of Contributions

The Organization relies entirely on public and private donations to operate. All contributions received during the initial period ended June 30, 2017 were from the parent organization.