

**NEW ORLEANS MEDICAL MISSION
SERVICES, INC.**

(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
(A NONPROFIT ORGANIZATION)
DECEMBER 31, 2016 AND 2015

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BERNARD & FRANKS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of New Orleans Medical Mission Services, Inc. (a nonprofit organization) which comprise of the statement of financial position as of December 31, 2016 and 2015, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibilities 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.

Auditor's 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 auditor's 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.

MEMBERS: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS; SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

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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 New Orleans Medical Mission Services, 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 conformity with accounting principles generally accepted in the United States of America.

Bernard + Franks

October 2, 2017

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
(A NONPROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

ASSETS	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 162,007	\$ 148,429
Certificate of deposit	214,612	-
Pledges receivable	22,600	10,830
Investments, Marketable Securities	355,376	224,603
Deposits	<u>4,650</u>	<u>6,825</u>
Total current assets	<u>\$ 759,245</u>	<u>\$ 390,687</u>
RESTRICTED ASSETS		
Cash	\$ 40,458	\$ 5,004
Investments, Marketable Securities	<u>182,103</u>	<u>176,490</u>
	<u>\$ 222,561</u>	<u>\$ 181,494</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	\$ 51,654	\$ 41,694
Accumulated depreciation	<u>(40,175)</u>	<u>(40,645)</u>
Total property and equipment, net	<u>\$ 11,479</u>	<u>\$ 1,049</u>
OTHER INVESTMENTS - ASSETS		
Pledges receivable- Long-term	\$ -	\$ 2,000
Real Estate, Condo	<u>-</u>	<u>170,000</u>
	<u>\$ -</u>	<u>\$ 172,000</u>
	<u><u>\$ 993,285</u></u>	<u><u>\$ 745,230</u></u>

The Notes to Financial Statements are an integral part of these statements.

LIABILITIES AND NET ASSETS

	<u>2016</u>	<u>2015</u>
Accounts payable and accruals	<u>\$ 3,378</u>	<u>\$ 336</u>
Total current liabilities	<u>\$ 3,378</u>	<u>\$ 336</u>
NET ASSETS		
Temporarily restricted	\$ 222,561	\$ 181,494
Unrestricted:		
Board designated	507,610	164,147
Unrestricted	<u>259,736</u>	<u>399,253</u>
Total net assets	<u>\$ 989,907</u>	<u>\$ 744,894</u>
	<u>\$ 993,285</u>	<u>\$ 745,230</u>

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
(A NONPROFIT ORGANIZATION)

STATEMENTS OF ACTIVITIES
YEARS ENDING DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2016</u>	<u>2016</u>	<u>2015</u>
	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>TOTALS</u>	<u>TOTALS</u>
REVENUE, GAINS AND OTHER SUPPORT				
Contributions, individuals	\$ 20,950	\$ -	\$ 20,950	\$ 17,059
Contributions, business	3,105	-	3,105	2,080
Contributions, M.D.'s Missions	49,130	-	49,130	50,969
Grants, Nonprofits	960	5,500	6,460	6,482
Grants, foundations	12,920	71,812	84,732	51,100
In-kind contributions, professional services	388,006	-	388,006	205,885
Special events:				
Contributions	143,577	-	143,577	134,490
Ticket sales, value	36,595	-	36,595	37,425
Less cost of special events	(45,724)	-	(45,724)	(40,229)
	<u>\$ 609,519</u>	<u>\$ 77,312</u>	<u>\$ 686,831</u>	<u>\$ 465,261</u>
Interest income and investment income	9,244	5,906	15,150	(5,511)
Loss on sale of Condo	(47,020)	-	(47,020)	-
Settlement, B.P.	220,706	-	220,706	-
	<u>\$ 792,449</u>	<u>\$ 83,218</u>	<u>\$ 875,667</u>	<u>\$ 459,750</u>
Total revenue, gains and other support				
Net assets released from restrictions				
Restriction satisfied by payments	\$ (41,812)	\$ (41,812)	\$ -	\$ -
EXPENSES				
Program services	\$ 587,069	\$ -	\$ 587,069	\$ 361,700
Fund raising	21,355	-	21,355	12,322
Management and general	21,891	339	22,230	20,560
	<u>\$ 630,315</u>	<u>\$ 339</u>	<u>\$ 630,654</u>	<u>\$ 394,582</u>
Total expenses				
Change in net assets	\$ 203,946	\$ 41,067	\$ 245,013	\$ 65,168
Net assets - beginning of year	<u>563,400</u>	<u>181,494</u>	<u>744,894</u>	<u>679,726</u>
Net assets - end of year	<u>\$ 767,346</u>	<u>\$ 222,561</u>	<u>\$ 989,907</u>	<u>\$ 744,894</u>

The Notes to Financial Statements are an integral part of these statements.

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
(A NONPROFIT ORGANIZATION)

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2016

	Program Services	Supporting Services		Total
		Fund Raising	Management and general	
Depreciation and amortization	\$ 1,725	\$ -	\$ -	\$ 1,725
Accounting	-	2,678	10,050	12,728
Utilities	3,676	-	-	3,676
Rent, parking, other occupancy	44,394	-	-	44,394
Insurance	4,108	-	1,749	5,857
Warehouse and office equipment	5,599	-	-	5,599
Professional fees	4,173	7,042	2,596	13,811
Donated materials and supplies	1,319	-	-	1,319
Donated professional services	388,005	-	-	388,005
Printing and postage	756	-	365	1,121
Shipping	17,983	2,098	-	20,081
Salaries and payroll taxes	25,997	7,428	3,714	37,139
Supplies	4,133	43	-	4,176
Telephone, communication	6,473	180	180	6,833
Travel	66,959	117	144	67,220
Other expenses, in total	11,769	1,769	3,093	16,631
	<u>\$ 587,069</u>	<u>\$ 21,355</u>	<u>\$ 21,891</u>	<u>\$ 630,315</u>

The Notes to Financial Statements are an integral part of these statements.

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
(A NONPROFIT ORGANIZATION)

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015

	Program Services	Supporting Services		Total
		Fund Raising	Management and general	
Depreciation and amortization	\$ 1,499	\$ -	\$ -	\$ 1,499
Accounting	-	-	9,700	9,700
Utilities	4,010	-	-	4,010
Rent, parking, other occupancy	49,815	-	-	49,815
Insurance	3,903	-	-	3,903
Warehouse and office equipment	3,613	-	-	3,613
Professional fees	3,730	2,780	2,590	9,100
Donated materials and supplies	366	-	-	366
Donated professional services	205,885	-	-	205,885
Printing and postage	967	327	354	1,648
Shipping	14,647	-	-	14,647
Salaries and payroll taxes	25,997	7,428	3,714	37,139
Supplies	5,890	-	217	6,107
Telephone, communication	6,387	180	180	6,747
Travel	26,509	12	89	26,610
Other expenses, in total	8,482	1,595	3,177	13,254
	<u>\$ 361,700</u>	<u>\$ 12,322</u>	<u>\$ 20,021</u>	<u>\$ 394,043</u>

The Notes to Financial Statements are an integral part of these statements.

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
(A NONPROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 245,013	\$ 65,168
Adjustments to reconcile net cash provided by operating activities		
Depreciation and amortization	1,725	1,499
Gains losses on sales of securities	8,896	(3,889)
Loss on sale of Condo	47,020	-
Unrealized holding (losses) gains	16,839	(24,430)
(Increase) decrease in pledges receivable	(9,770)	37,100
(Increase) decrease in deposits	2,175	6,948
Increase (decrease) in accounts payable	3,042	(30,751)
	\$ 314,940	\$ 51,645
 CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in marketable securities	\$ (733,286)	\$ (181,626)
Purchase of property and equipment	(12,155)	-
Purchase of Certificate of deposit	(214,612)	-
Proceeds from sale of Condo	122,980	-
Proceeds from sales of securities	571,165	153,885
Decrease (increase) in restricted assets, net of investments change	(35,454)	15,657
	\$ (301,362)	\$ (12,084)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by financing activities	\$ -	\$ -
Net increase (decrease) in cash and cash equivalents	\$ 13,578	\$ 39,561
Cash and cash equivalents - beginning of year	148,429	108,868
Cash and cash equivalents - end of year	\$ 162,007	\$ 148,429

The Notes to Financial Statements are an integral part of these statements.

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES

Operations

New Orleans Medical Mission Services, Inc. is a nonprofit organization formed in 2001 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. The services are provided through the donation of their time by professional doctors and nurses and other volunteers. The organization also receives and distributes large amounts of medical supplies and equipment to those who can use them. The supplies and equipment are not included in these financial statements because of the difficulty and uncertainty of setting a value for these items. Professional services are recorded and valued as noted below. The Organization changed its name during 2010 to New Orleans Medical Mission Services, Inc.

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Cash and Cash Equivalents

Cash and cash equivalents consist of operating funds maintained in checking and operating accounts. Any investments in money market accounts or certificates of deposit with maturities of three months or less would also be considered cash and cash equivalents. Investments of longer terms would be classified as investments. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had no deposits over the insurance limits.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are carried at cost. Depreciation is computed using the straight-line method over the following useful lives: office furniture and equipment – 3 to 4 years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. The fair value of donated property is similarly capitalized.

In-kind Contributions

In-kind contributions are recorded at fair market value and recognized as revenue in the accounting period when they are received. Many professional and lay volunteers donate time to the Organization to assist in managing the warehouse, staffing fundraising activities, or handling various day-to-day administrative duties. These donated services are not included in the financial statements. However, the time of professional doctors, nurses, and other licensed healthcare professionals is valued at fair market value and included in the financial statements when their professional services are provided to patients in the course of delivering the Organization's program services. In 2016 and 2015, the value of such services provided by nurses, medical students, nurse anesthetists, and certified surgical technicians is based on the estimated average wage for such licensed professionals in the New Orleans metropolitan area. In 2016 and 2015, the value of doctors' time is based on the estimated amount of reimbursement the doctors would have received had the same medical procedures provided to indigent patients been performed for paying patients in the New Orleans area.

Promises to Give

Contributions are recognized when the donor makes a promise to give the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investments income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Fair Value Measurement Standard

Accounting Standard Codification (ASC) *Fair Value Measurements* establishes a framework for measuring fair value in accordance with Generally Accepted Accounting Principles (GAAP) and disclosures about the fair value measurements. The valuation hierarchy is based upon the reliability of inputs to the valuation of an asset or liability on the measurement date. The three levels of the fair value hierarchy are described below:

LEVEL 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

LEVEL 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.

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

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

Assets and liabilities measured at fair value are based on one or more of three valuation techniques noted in the standard. The three valuation techniques are as follows:

- Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Cost approach – Amount that would be required to replace the service capacity of an asset (i.e. replacement cost); and
- Income approach – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2. INVESTMENTS IN SECURITIES

Investment securities at December 31, 2016 consisted of the following:

<u>Description</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Gain</u>	<u>Loss</u>
Money Market Funds:				
Fidelity Gov't MMKT Capital	<u>\$ 537,479</u>	<u>\$537,479</u>	<u>\$ --</u>	<u>\$ --</u>
Reported as:				
Current, Investments, Securities		\$ 355,376		
Restricted Investments		<u>182,103</u>		
		<u>\$ 537,479</u>		
Dividend income	\$ 6,053			
Unrealized gain	16,839			
Realized loss	(8,896)			
Interest income	<u>1,154</u>			
Interest and investment income	<u>\$ 15,150</u>			
Fees and expenses	<u>\$ 591</u>			
Sales of securities:				
Selling price	\$ 571,165			
Cost of securities sold	<u>(580,061)</u>			
Gain (loss) on sales	<u>\$ 8,896</u>			

Investment securities at December 31, 2015 consisted of the following:

<u>Description</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Gain</u>	<u>Loss</u>
Money Market Funds:				
Prime Fund Capital Reserves	<u>\$ 9,009</u>	<u>\$ 9,009</u>	<u>\$ --</u>	<u>\$ --</u>
Equities:				
Mutual Funds	\$ 42,349	\$ 38,148	\$ --	\$(4,201)
Exchange Trade Products	<u>119,475</u>	<u>115,665</u>	<u>--</u>	<u>(3,810)</u>
Total Equities	<u>\$161,824</u>	<u>\$153,813</u>	<u>\$ --</u>	<u>\$(8,011)</u>

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 2. INVESTMENTS IN SECURITIES (Continued)

<u>Description</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Gain</u>	<u>Loss</u>
Fixed Income				
Exchange Traded Products	\$136,320	\$134,018	\$ --	\$(2,302)
Mutual Funds	<u>110,906</u>	<u>104,253</u>	<u>--</u>	<u>(6,653)</u>
Total Fixed Income	<u>\$247,226</u>	<u>\$238,271</u>	<u>\$ --</u>	<u>\$(8,955)</u>
Totals	<u>\$418,059</u>	<u>\$401,093</u>	<u>\$ --</u>	<u>\$16,966</u>
Reported as:				
Current, Investments, Securities		\$224,603		
Restricted Investments		<u>176,490</u>		
		<u>\$401,093</u>		
Dividend income	\$ 11,179			
Capital Gains	502			
Unrealized losses	(24,430)			
Realized gains	3,889			
Interest income	299			
Other income	<u>3,050</u>			
Interest and investment income	<u>\$ (5,511)</u>			
Fees and expenses	<u>\$ 1,080</u>			
Sales of securities:				
Selling price	\$ 153,885			
Cost of securities sold	<u>(149,996)</u>			
Gain (loss) on sales	<u>\$ 3,889</u>			

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 3. OTHER INVESTMENT – REAL ESTATE

During 2012, the Organization received an unrestricted donation of a condo located in Mississippi. The Organization intends to sell the property. The donation and the property were valued at fair value of \$170,000 based upon a current appraisal. The Condo was sold in 2016.

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2016:

Furniture and equipment	<u>\$ 51,654</u>
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Depreciation and amortization expense charged to income was \$1,725 for 2016 and \$1,499 for 2015.

NOTE 5. REVENUE AND SUPPORT

Most of the Organization's revenues and support have come from two major sources, the Annual Gala and Grants from major foundations. In 2016 and 2015 the Organization received \$30,000 and \$45,000 from the Joe W. and Dorothy Dorcett Brown Foundation, respectively. In 2016 the Organization received a \$30,000 Grant from the Raymond and Kay Eckstein Charitable Trust and a \$15,000 donation from The Catholic Foundation.

The Gala is an annual event that receives various levels of sponsorships, ticket sales, and a raffle and auction. The Gala had revenues in 2016 and 2015 of approximately \$140,120 and \$142,795, respectively. In 2007, the Organization added a Golf Tournament as a fund raiser and collected approximately \$27,185 in revenues in 2016 and \$29,120 in 2015.

As noted above the Organization receives large donations of medicines, medical supplies and equipment which it uses and donates to those that can use these items. Because of the difficulty and uncertainty of the value of these items, no value is recorded for these donations in these financial statements.

NOTE 6. RELATED PARTY TRANSACTION

Effective February 1, 2010, the Organization signed a contract for \$30,000 with its CEO and Managing Director. The contract is being paid as salary. The CEO salary was increased to \$34,500 in 2012.

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 7. INCOME TAXES

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualified for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization has adopted the provisions of FASB ASC 740-10 as of January 1, 2009, but since the Organization has never had to pay income taxes because of its tax exempt status the pronouncement has had no effect on the Organization's financial statements.

NOTE 8. 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.

NOTE 9. FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at December 31, 2016 are as follows:

	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using</u>	
		<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
December 31, 2016			
Fidelity Gov't Money Market			
Capital Reserves	\$ 537,479	\$ 537,479	\$ --
Total Securities	<u>\$ 537,479</u>	<u>\$ 537,479</u>	<u>\$ --</u>

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 9. FAIR VALUE MEASUREMENTS (Continued)

Fair values of assets measured on a recurring basis at December 31, 2015 are as follows:

	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using</u>	
		<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
December 31, 2015			
Money Market Funds	\$ 9,009	\$ 9,009	\$ --
Equities	153,813	153,813	--
Fixed Income	<u>238,271</u>	<u>238,271</u>	<u>--</u>
Total Securities	<u>\$ 401,093</u>	<u>\$ 401,093</u>	<u>\$ --</u>
Condo	<u>\$ 170,000</u>	<u>\$ --</u>	<u>\$ 170,000</u>

NOTE 10. MEDICAL MISSION TRIPS AND OTHER PROGRAM SERVICES

During 2016 two mission trips were completed. The locations visited were Matagalpa, Nicaragua, and Leon, Nicaragua. The two mission trips involved a total of seventy volunteers, including fourteen surgeons, two physician assistants, plus nurses, physical therapists and technicians, and thirty non-medical eye clinic volunteers.

Direct healthcare services to the poor included one-hundred-twenty-eight surgeries and one-hundred-forty-seven consults. The two eye clinics in Matagalpa and Leon served a total of three-thousand-five-hundred patients. A medical education lecture was provided to local physicians in Leon.

Medical equipment and supply shipments associated with these missions totaled 4, including hazardous materials and air cargo.

In addition to the medial missions, in 2016 NOMMS donated a variety of equipment and supply shipments to Nicaragua. Also, four shipments of medical materials were donated to the Dipp Foundation in Honduras, and medical supplies were donated to a physician volunteer in Costa Rica.

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 10. MEDICAL MISSION TRIPS AND OTHER PROGRAM SERVICES (Continued)

Local donations of equipment and supplies were made to the LSU Medical Simulation Lab, the New Orleans Mission, Algiers United Churches, and the Louisiana SPCA; wheelchairs, ostomy supplies, and hospital beds to local people in need with no insurance.

During 2015 two mission trips were completed. The locations visited were Matagalpa, Nicaragua, and Leon, Nicaragua. The two mission trips involved a total of forty-nine volunteers, including a nurse anesthetist, a pharmacist, nine surgeons, a physician assistant, two medical students, a surgical technician, nine nurses, and a physical therapist, plus twenty-three non-medical eye clinic volunteers.

Direct healthcare services to the poor included seventy-five surgeries, sixty-six endoscopies, and one-hundred-forty-one consults. The two eye clinics in Matagalpa and Leon served a total of three-thousand-two-hundred-ninety-nine patients. Three medical education lectures were provided to local physicians in Leon.

Medical equipment and supply shipments associated with these missions totaled four, including hazardous cargo, air cargo, and a sea container.

In addition to the medial missions, in 2015 NOMMS donated a variety of equipment and supply shipments to Honduras.

Local donations included expired medications and supplies to the Audubon Zoo and Louisiana SPCA, wheelchairs, hospital beds, and medical supplies to local needy people, as well as donations to the Simulation Lab at LSU Health Sciences Center.

NOTE 11. RESTRICTED ASSETS

As of December 31, 2016 Temporarily Restricted Net Assets includes \$222,561 restricted to use in purchasing and renovating a warehouse facility for New Orleans Medical Mission Services, Inc. The Board of Directors has also designated an additional \$337,416 in 2016 for a total at December 31, 2016 of \$507,610.

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 11. RESTRICTED ASSETS (Continued)

RESTRICTED ASSETS

	<u>Temporarily Restricted</u>	<u>Board Designated</u>	<u>Totals</u>
Balance December 31, 2015	\$ 181,494	\$ 164,147	\$ 345,641
Contributions	77,312	--	77,312
Board designations in 2016		337,416	337,416
Income, (loss) - 2016	5,906	6,047	11,953
Released from restrictions	(41,812)	--	(41,812)
Expenses	<u>(339)</u>	<u>--</u>	<u>(339)</u>
Balance, December 31, 2016	<u>\$ 222,561</u>	<u>\$ 507,610</u>	<u>\$ 730,171</u>

NOTE 12. RENTAL – LEASE

The warehouse lease calls for a monthly rental of \$2,828 and the organization pays insurance and property taxes. The Organization has the right of first refusal and a purchase option to acquire the building for \$550,000. The least term was due to end in August 31, 2017, but ended May 1, 2017 when the Organization purchased the warehouse.

NOTE 13. CAPITAL CAMPAIGN

In 2010, the Organization began raising funds for the eventual purchase of a warehouse and warehouse operation equipment. As of December 31, 2016 the amount raised included \$222,561 in Temporarily Restricted Net Assets and a Board Designated fund of \$507,610 in net assets. At December 31, 2015 the funding included \$181,494 in Temporarily Restricted Net Assets and \$164,147 in Board Designated funds.

NOTE 14. SUBSEQUENT EVENTS

The Management of the Organization has evaluated subsequent events affecting the Organization through the date the financial statements were issued which was October 2, 2017. All disclosures considered necessary are made in the financial statements.

In May, 2017 the Organization purchased the warehouse which they had been leasing for \$550,000.

NEW ORLEANS MEDICAL MISSION SERVICES, INC.
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NOTE 15. PLEDGES RECEIVABLE

Of the total amount of pledges receivable, \$22,600 all is due currently. Because of the amounts involved and the short time to collection, the pledges have not been adjusted to net present value.

NOTE 16. SETTLEMENT – B.P.

In June, 2016 the Organization received a settlement from B. P. in the amount of \$220,706. The net amount received was \$213,715 after legal and accounting fees of \$6,991 were paid. These fees were charged to expense in 2016.

NOTE 17. CERTIFICATE OF DEPOSIT

In July 2016, the Organization purchased a Certificate of Deposit at a local bank for \$213,715. The Certificate is for 13 months and is due August 7, 2017. The interest rate on the Certificate is 1 percent. The Certificate has a 180 day early withdrawal penalty on any amounts withdrawn.

NOTE 18. SALE OF CONDO

In 2016, the Pass Christian Mississippi Condo that had been held as an investment was sold for \$122,980. The Condo was being carried at a cost of \$170,000 and therefore a loss of \$47,020 was recorded on the sale.