

Mission of Mercy
(a Division of Bethesda Ministries)

Accountants' Report and Financial Statements

September 30, 2006 and 2005

Mission of Mercy
(A Division of Bethesda Ministries)
September 30, 2006 and 2005

Contents

Independent Accountants' Report.....	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities.....	3
Statements of Cash Flows.....	4
Notes to Financial Statements	5
Independent Accountants' Report on Supplementary Information	11
Supplementary Information	
Schedule of Functional Expenses	12



Independent Accountants' Report

Board of Directors
Bethesda Ministries
Colorado Springs, Colorado

We have audited the accompanying statement of financial position of Mission of Mercy (a division of Bethesda Ministries) (Mission of Mercy) as of September 30, 2006, and the related statements of activities and cash flows for the year ended September 30, 2006. These financial statements are the responsibility of Mission of Mercy's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year's summarized comparative information has been derived from Mission of Mercy's September 30, 2005 financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mission of Mercy (a division of Bethesda Ministries) as of September 30, 2006, and the changes in its net assets and its cash flows for the year ended September 30, 2006, in conformity with accounting principles generally accepted in the United States of America.

\s\ **BKD, LLP**

November 10, 2006

**Mission of Mercy
(A Division of Bethesda Ministries)**

Statements of Financial Position

September 30, 2006

(With Summarized Financial Information for September 30, 2005)

Assets

	2006	2005
Cash and cash equivalents	\$ 706,251	\$ 669,505
Receivables	4,984	46,783
Investments	2,518,536	3,213,768
Note receivable	—	73,836
Furniture and equipment, net	1,250,038	1,119,342
Other assets	<u>176,056</u>	<u>228,415</u>
Total assets	<u>\$ 4,655,865</u>	<u>\$ 5,351,649</u>

Liabilities and Net Assets

Current Liabilities

Accounts payable		
Related parties	\$ 430,340	\$ 484,823
Other	59,140	154,792
Accrued liabilities	120,275	122,147
Gift annuities payable	<u>88,405</u>	<u>94,315</u>
Total liabilities	<u>698,160</u>	<u>856,077</u>

Net Assets

Unrestricted	962,485	441,971
Temporarily restricted	2,979,545	3,987,236
Permanently restricted	<u>15,675</u>	<u>66,365</u>
Total net assets	<u>3,957,705</u>	<u>4,495,572</u>
Total liabilities and net assets	<u>\$ 4,655,865</u>	<u>\$ 5,351,649</u>

Mission of Mercy
(A Division of Bethesda Ministries)

Statements of Activities

Year Ended September 30, 2006

(With Summarized Financial Information for the Year Ended September 30, 2005)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2006 Total</u>	<u>2005 Total</u>
Revenues, Gains and Other Support					
Contributions					
General	\$ 2,982,222	\$ 9,357,747	\$ —	\$ 12,339,969	\$ 13,277,772
Bethesda Ministries	572,061	—	—	572,061	96,325
Interest and dividends	34,098	—	—	34,098	30,432
Realized and unrealized gains on investments, net	221,508	—	—	221,508	331,974
Other revenue	373	—	—	373	215
Satisfaction of program restrictions	<u>10,365,438</u>	<u>(10,365,438)</u>	<u>—</u>	<u>0</u>	<u>0</u>
Total revenues, gains and other support	<u>14,175,700</u>	<u>(1,007,691)</u>	<u>—</u>	<u>13,168,009</u>	<u>13,736,718</u>
Expenses					
Program Services					
Child ministries	10,224,946	—	—	10,224,946	8,640,842
Humanitarian and relief	152,039	—	—	152,039	902,182
Higher education and vocational training	5,412	—	—	5,412	26,360
Sponsor/donor ministries	<u>356,519</u>	<u>—</u>	<u>—</u>	<u>356,519</u>	<u>622,293</u>
Total program services	<u>10,738,916</u>	<u>—</u>	<u>—</u>	<u>10,738,916</u>	<u>10,191,677</u>
Supporting Services					
General and administrative	1,604,379	—	—	1,604,379	1,507,826
Promotion and development	1,767,206	—	—	1,767,206	1,533,629
Less supporting services subsidized by Bethesda Ministries	<u>(455,315)</u>	<u>—</u>	<u>—</u>	<u>(455,315)</u>	<u>(428,092)</u>
Total supporting services	<u>2,916,270</u>	<u>—</u>	<u>—</u>	<u>2,916,270</u>	<u>2,613,363</u>
Total expenses	<u>13,655,186</u>	<u>—</u>	<u>—</u>	<u>13,655,186</u>	<u>12,805,040</u>
Change in Net Assets	520,514	(1,007,691)	—	(487,177)	931,678
Net Assets, Beginning of Year	441,971	3,987,236	66,365	4,495,572	3,563,894
Transfer of Permanently Restricted Net Assets to Unrelated Organization	<u>—</u>	<u>—</u>	<u>(50,690)</u>	<u>(50,690)</u>	<u>0</u>
Net Assets, End of Year	<u>\$ 962,485</u>	<u>\$ 2,979,545</u>	<u>\$ 15,675</u>	<u>\$ 3,957,705</u>	<u>\$ 4,495,572</u>

**Mission of Mercy
(A Division of Bethesda Ministries)**

Statements of Cash Flows

Year Ended September 30, 2006

(With Summarized Financial Information for the Year Ended September 30, 2005)

	2006	2005
Operating Activities		
Change in net assets	\$ (487,177)	\$ 931,678
Items not requiring (providing) cash		
Depreciation and amortization	177,573	100,484
Loss (gain) on disposal of assets	467	(135)
Realized and unrealized gains on investments, net	(221,508)	(331,974)
Contributions restricted for long-term investment	—	(3,265)
Changes in		
Receivables	41,799	(16,661)
Other assets	50,771	(115,957)
Related party payables	(54,483)	207,006
Other accounts payable	(95,651)	110,636
Accrued liabilities	(1,872)	33,529
Gift annuities payable	<u>6,237</u>	<u>11,565</u>
Net cash provided by (used in) operating activities	<u>(583,844)</u>	<u>926,906</u>
Investing Activities		
Purchases of investments	—	(3,140)
Proceeds from sale of investments	866,049	20,729
Issuance of notes receivable	—	(3,836)
Collections on notes receivable	73,836	—
Purchases of furniture, equipment and computer software	(324,452)	(776,710)
Proceeds from sale of equipment	<u>17,300</u>	<u>—</u>
Net cash provided by (used in) investing activities	<u>632,733</u>	<u>(762,957)</u>
Financing Activities		
Contributions restricted for long-term investment	—	3,265
Payments on annuities	<u>(12,143)</u>	<u>(12,975)</u>
Net cash used in financing activities	<u>(12,143)</u>	<u>(9,710)</u>
Net Increase in Cash and Cash Equivalents	36,746	154,239
Cash and Cash Equivalents, Beginning of Year	<u>669,505</u>	<u>515,266</u>
Cash and Cash Equivalents, End of Year	<u>\$ 706,251</u>	<u>\$ 669,505</u>

**Mission of Mercy
(A Division of Bethesda Ministries)**

Notes to Financial Statements

September 30, 2006

(With Summarized Financial Information for September 30, 2005)

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Mission of Mercy operates as a division of Bethesda Ministries (Bethesda), a not-for-profit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Mission of Mercy exists to equip children in developing nations to reach their God-given potential by creating opportunities for spiritual, physical, social, mental and emotional development. Outreaches include, but are not limited to, elementary, secondary and vocational education, orphanages, medical projects, feeding programs, homes for babies with AIDS and other Christian ministries of compassion.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

Mission of Mercy considers all liquid investments with original maturities of three months or less to be cash equivalents. At September 30, 2006 and 2005, cash equivalents consisted primarily of money market funds and certificates of deposit. At September 30, 2006, Mission of Mercy's cash accounts exceeded federally insured limits by approximately \$620,000. Management believes no significant credit risk exists related to these uninsured balances.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Investments in limited partnerships are carried at their estimated fair value as determined by the partnerships. Other investments are valued at the lower of cost or estimated fair value.

Furniture and Equipment

Furniture and equipment are recorded at cost or, if donated, at estimated fair market value at the date of donation. Costs of computer software developed or obtained for internal use are recorded in accordance with AICPA Statement of Position No. 98-1 (SOP 98-1), *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use*. Under SOP 98-1, costs incurred during the preliminary project stage are expensed as incurred, costs incurred during the application development stage are capitalized and training and maintenance costs incurred during the post-implementation/operation stage are expensed as incurred. Depreciation is provided on the straight-line method over a useful life of three to ten years.

Mission of Mercy (A Division of Bethesda Ministries)

Notes to Financial Statements

September 30, 2006

(With Summarized Financial Information for September 30, 2005)

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by Mission of Mercy has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by Mission of Mercy in perpetuity.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor 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 restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets, unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

Contributions to Foreign Operations

Contributions to foreign operations are considered to be expenses when Mission of Mercy commits to disburse funds to the overseas projects.

Income Taxes

Mission of Mercy, as a division of Bethesda, is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, Mission of Mercy is subject to federal income tax on any unrelated business taxable income.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the program, management and general and fund raising categories based on the actual expense purpose.

Reclassifications

Certain reclassifications have been made to the 2005 financial statements to conform to the 2006 financial statement presentation. These reclassifications had no effect on the change in net assets.

**Mission of Mercy
(A Division of Bethesda Ministries)**

Notes to Financial Statements

September 30, 2006

(With Summarized Financial Information for September 30, 2005)

Note 2: Investments

Investments consist of the following as of September 30:

	2006	2005
Limited partnership, which is an investment hedge fund that invests in other limited partnerships. The other limited partnerships invest principally in equity securities in non-public companies, across various industries, in the United States	\$ 2,362,103	\$ 3,007,213
Securities held in an investment pool of an unrelated 501(c)(3) organization	125,950	134,727
Mutual funds	30,483	71,828
	<u>\$ 2,518,536</u>	<u>\$ 3,213,768</u>

Note 3: Note Receivable

Note receivable consists of the following as of September 30, 2005. The note was paid in full during fiscal year 2006:

	2006	2005
Note receivable from individuals, interest at 10%, monthly interest-only payments, principal and unpaid interest due upon sale of property	\$ <u>0</u>	\$ <u>73,836</u>

Furniture and Equipment

Furniture and equipment at September 30 consists of:

	2006	2005
Furniture and equipment	\$ 582,443	\$ 562,104
Leasehold improvements	224,226	222,426
Computers – hardware	59,458	42,429
Computers – software	1,056,047	629,166
Transportation equipment	3,000	34,419
Software development in progress	—	141,596
	1,925,174	1,632,140
Less accumulated depreciation	(675,136)	(512,798)
	<u>\$ 1,250,038</u>	<u>\$ 1,119,342</u>

Mission of Mercy (A Division of Bethesda Ministries)

Notes to Financial Statements

September 30, 2006

(With Summarized Financial Information for September 30, 2005)

Note 4: Gift Annuities Payable

Mission of Mercy has been the recipient of several gift annuities which require future payments to the donor or their named beneficiaries. The assets received from the donor are recorded at fair value. Mission of Mercy has recorded a liability at September 30, 2006 and 2005, of \$88,405 and \$94,315, respectively, which represents the present value of the future annuity obligations. The liability has been determined using a discount rate of 6.0% and 5.5% for 2006 and 2005, respectively.

Note 5: Related Party Transactions

Mission of Mercy operates as a division of Bethesda. Transactions between Mission of Mercy and other related entities were as follows:

- Bethesda gave \$10,886 and \$96,325 to specific Mission of Mercy programs during the years ended September 30, 2006 and 2005, respectively. These were accounted for as unrestricted contributions in 2006 and as temporarily restricted contributions in 2005.
- Bethesda gave \$0 and \$3,265 to a specific Mission of Mercy endowment fund during the years ended September 30, 2006 and 2005, respectively. These were accounted for as permanently restricted contributions.
- During the years ended September 30, 2006 and 2005, Bethesda subsidized certain Mission of Mercy's overhead costs in order to reduce the ongoing overhead burden on funds received from donors. Specifically, during the years ended September 30, 2006 and 2005, Bethesda gave \$455,315 and \$428,092, respectively, to Mission of Mercy to subsidize unrestricted general, administrative and promotional costs. These items were recorded as a decrease in supporting services as donors' funds were not used for these expenses.
- Mission of Mercy had non-interest bearing payables to Bethesda and entities to which Bethesda is related of \$430,340 and \$484,823 as of September 30, 2006 and 2005, respectively. Of the amount due as of September 30, 2006, \$429,953 is due to Bethesda Ministries. There are no formal terms in place for repayment, but Mission of Mercy intends to repay this balance within the next three years or less.
- An entity to which Bethesda is related charged \$243,360 and \$253,932 for computer, accounting and other services provided to Mission of Mercy during the years ended September 30, 2006 and 2005, respectively. Bethesda charged Mission of Mercy \$123,021 and \$126,440 for rental of office and storage space during the years ended September 30, 2006 and 2005, respectively. The rent is charged on a monthly basis; as such, there is no future operating lease commitment.

**Mission of Mercy
(A Division of Bethesda Ministries)**

Notes to Financial Statements

September 30, 2006

(With Summarized Financial Information for September 30, 2005)

Note 6: Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for ministry activities as follows, as of September 30:

	<u>2006</u>	<u>2005</u>
Child care – various countries	\$ 1,597,361	\$ 1,371,269
Disaster relief	484,180	1,026,447
Forgotten Children	330,692	81,272
Kenya	210,077	362,234
Other overseas projects	202,192	272,494
Bangladesh	42,323	226,660
Ethiopia	37,723	40,252
Feeding program	31,270	68,021
Cambodia	20,762	65,520
Sri Lanka	15,724	157,721
Krygyzstan	5,406	69,192
Calcutta, India	1,388	126,003
Haiti	447	24,752
Tribal Orissa	—	95,399
	<u>\$ 2,979,545</u>	<u>\$ 3,987,236</u>

Note 7: Permanently Restricted Net Assets

During the year ended September 30, 2006, Mission of Mercy transferred two endowments which were classified as permanently restricted net assets in prior years. This transfer was made to an unrelated not-for-profit organization which is now operating the projects in India that the endowments are required to fund. This other organization has assumed all responsibility to manage the endowments in accordance with donor restrictions. The amount transferred is shown as a \$50,690 decrease in net assets on the Statement of Activities.

The remaining balance of the permanently restricted net assets consists of two endowments held in perpetuity.

Note 8: Retirement Plan

Bethesda has established a retirement plan for the benefit of its employees and their beneficiaries under a 403(b) arrangement. The plan covers all eligible Mission of Mercy employees and their beneficiaries. Employees are eligible for employer contributions after one year of service and attainment of age 21. The employer matches employee contributions up to 3% of compensation. Additional amounts are contributed at the discretion of the Board of Directors, generally 4% of compensation. Contributions under the plan for the years ended September 30, 2006 and 2005, were \$61,031 and \$56,945, respectively.

**Mission of Mercy
(A Division of Bethesda Ministries)**

Notes to Financial Statements

September 30, 2006

(With Summarized Financial Information for September 30, 2005)

Note 9: Commitments and Contingencies

Claims Incurred but Not Reported

Mission of Mercy records a claims incurred but not reported liability as an estimate of the liability for services provided by Mission of Mercy's self-funded health insurance beneficiaries as of September 30, 2006 and 2005. Due to inherent uncertainties in determining the accrual for claims incurred but not reported, the actual payments required may be different than the liability accrued. The claims incurred but not reported liability is \$15,600 and \$31,100 as of September 30, 2006 and 2005, respectively, and is included in the category of accrued liabilities on the statement of financial position.

Note 10: Significant Estimates and Concentrations

Valuation of Investments in Limited Partnerships

Mission of Mercy's investments in limited partnerships are recorded at their estimated fair market value as determined by the partnerships. Actual fair value of the investments upon liquidation could vary significantly from the current estimated fair value.

Supplementary Information

Independent Accountants' Report On Supplementary Information

Board of Directors
Bethesda Ministries
Colorado Springs, Colorado

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

 **BKD, LLP**

November 10, 2006

**Mission of Mercy
(A Division of Bethesda Ministries)**

**Schedule of Functional Expenses
Year Ended September 30, 2006**

	Program Services					Supporting Services			Total Expenses
	Child Ministries	Humanitarian and Relief	Education and Vocational Training	Sponsor/Donor Ministries	Total	General and Administrative	Promotion and Development	Total	
Direct payments to ministries	\$ 8,872,548	\$ 152,039	\$ 5,412	\$ 16,644	\$ 9,046,643	\$ —	\$ —	\$ 0	\$ 9,046,643
Salaries and labor	431,261	—	—	224,619	655,880	499,775	410,747	910,522	1,566,402
Payroll taxes	29,062	—	—	2,511	31,573	24,002	17,668	41,670	73,243
Benefits	43,206	—	—	17,099	60,305	61,305	34,241	95,546	155,851
Travel and entertainment	74,153	—	—	50,343	124,496	19,045	93,230	112,275	236,771
Informational materials	6,814	—	—	38	6,852	141,838	97,045	238,883	245,735
Printing and publications	—	—	—	17,340	17,340	—	178,052	178,052	195,392
Special events	—	—	—	—	0	—	385,685	385,685	385,685
Conference and education	2,777	—	—	—	2,777	7,031	30	7,061	9,838
Promotion and advertising	—	—	—	—	0	352	165,850	166,202	166,202
Computer services	—	—	—	—	0	169,788	32	169,820	169,820
Telephone	5,640	—	—	9,196	14,836	15,728	4,837	20,565	35,401
Postage	68,643	—	—	7,242	75,885	53,512	9,692	63,204	139,089
Supplies and materials	114,041	—	—	1,600	115,641	17,608	20,467	38,075	153,716
Building rent and maintenance	—	—	—	—	0	123,021	—	123,021	123,021
Depreciation and amortization	—	—	—	—	0	177,573	—	177,573	177,573
Insurance	500	—	—	—	500	10,664	—	10,664	11,164
Professional and other fees	576,028	—	—	9,887	585,915	95,083	344,521	439,604	1,025,519
Legal	—	—	—	—	0	9,879	—	9,879	9,879
Finance and accounting	—	—	—	—	0	75,398	—	75,398	75,398
Bank fees	—	—	—	—	0	94,089	—	94,089	94,089
Other	273	—	—	—	273	8,688	5,109	13,797	14,070
	10,224,946	152,039	5,412	356,519	10,738,916	1,604,379	1,767,206	3,371,585	14,110,501
Less: Bethesda subsidy	—	—	—	—	0	(125,000)	(330,315)	(455,315)	(455,315)
	<u>\$ 10,224,946</u>	<u>\$ 152,039</u>	<u>\$ 5,412</u>	<u>\$ 356,519</u>	<u>\$ 10,738,916</u>	<u>\$ 1,479,379</u>	<u>\$ 1,436,891</u>	<u>\$ 2,916,270</u>	<u>\$ 13,655,186</u>

**Mission of Mercy
(A Division of Bethesda Ministries)**

**Schedule of Functional Expenses
Year Ended September 30, 2005**

	Program Services					Supporting Services			Total Expenses
	Child Ministries	Humanitarian and Relief	Education and Vocational Training	Sponsor/Donor Ministries	Total	General and Administrative	Promotion and Development	Total	
Direct payments to ministries	\$ 7,879,670	\$ 902,182	\$ 26,360	\$ —	\$ 8,808,212	\$ —	\$ —	\$ 0	\$ 8,808,212
Salaries and labor	396,676	—	—	290,119	686,795	493,178	322,905	816,083	1,502,878
Payroll taxes	26,069	—	—	5,886	31,955	44,507	16,632	61,139	93,094
Benefits	54,904	—	—	47,081	101,985	56,092	32,241	88,333	190,318
Travel and entertainment	53,773	—	—	115,604	169,377	25,682	102,006	127,688	297,065
Informational materials	67,507	—	—	6,472	73,979	69,179	107,768	176,947	250,926
Printing and publications	—	—	—	40,775	40,775	—	155,193	155,193	195,968
Special events	—	—	—	13,407	13,407	—	304,806	304,806	318,213
Conference and education	3,025	—	—	321	3,346	25,241	30,669	55,910	59,256
Promotion and advertising	—	—	—	—	0	750	180,048	180,798	180,798
Computer services	187	—	—	—	187	115,418	—	115,418	115,605
Telephone	4,340	—	—	6,413	10,753	16,934	5,930	22,864	33,617
Postage	25,200	—	—	41,473	66,673	100,745	11,984	112,729	179,402
Supplies and materials	36,638	—	—	37,362	74,000	35,978	25,733	61,711	135,711
Building rent and maintenance	—	—	—	—	0	126,460	—	126,460	126,460
Depreciation and amortization	—	—	—	—	0	100,484	—	100,484	100,484
Insurance	—	—	—	—	0	11,031	—	11,031	11,031
Professional and other fees	92,853	—	—	17,380	110,233	66,689	236,694	303,383	413,616
Legal	—	—	—	—	0	38,181	—	38,181	38,181
Finance and accounting	—	—	—	—	0	68,951	—	68,951	68,951
Bank fees	—	—	—	—	0	76,537	—	76,537	76,537
Other	—	—	—	—	0	35,789	1,020	36,809	36,809
	8,640,842	902,182	26,360	622,293	10,191,677	1,507,826	1,533,629	3,041,455	13,233,132
Less: Bethesda subsidy	—	—	—	—	0	(53,092)	(375,000)	(428,092)	(428,092)
	<u>\$ 8,640,842</u>	<u>\$ 902,182</u>	<u>\$ 26,360</u>	<u>\$ 622,293</u>	<u>\$ 10,191,677</u>	<u>\$ 1,454,734</u>	<u>\$ 1,158,629</u>	<u>\$ 2,613,363</u>	<u>\$ 12,805,040</u>