

FISCAL YEAR 2008
Annual Report



rescuing children



Rescuing Forgotten Children, with Jesus' Love

missionofmercy.org

Dear Friends in Christ

There is nothing more gratifying than to hold one of our sponsored children, and to see the light in their eyes and a big smile on their face. Or to see how proud they are to hold up a letter from their sponsor in America. Though for many of them, their situation is desperate, they have hope because someone cares about them. At Mission of Mercy, we are passionate about bringing hope to forgotten children around the world.

Together, we were able to make a significant impact in the year ending September 30, 2008:

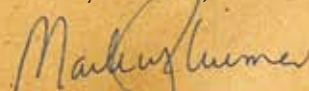
- We crossed the threshold of examining and treating over 85,000 patients through the Medical Mercy program the past couple years. These are primarily children we serve, as well as their families, and the families in the communities we work in.
- The needs in Africa have drawn a great deal of public awareness around the globe. We increased our outreach to children in Africa by 38.8%.
- We continue to focus on efficiency and effectiveness, and have increased the percentage of expenses going to ministry purposes to over 85%.

Our primary purpose is to share the love of Christ with children who otherwise would slip through the cracks of the system in the countries we serve. Your faithful giving, even in difficult economic times, enables us to meet the needs of these children day in and day out.

Because we believe in doing our best for the God we serve, we are striving for excellence in ministry. There are certainly a number of challenges ahead in 2009, but we have faith that many more lives will be touched as children continue to hear about the hope that is in Christ. With your help, we'll make a difference for "the least of these."

Thank you for being a faithful friend and ministry partner. Together, we can continue reaching out to meet the physical, emotional and spiritual needs of His children.

Warmly in Christ,



Mark Pluimer
President



Our ministry
to forgotten children
couldn't happen
without you!

Statements of Financial Position

September 30, 2008

(With Summarized Financial Information for the Year Ended September 30, 2007)

	2008	2007
Assets		
Cash and cash equivalents	\$ 559,179	\$ 583,294
Receivables		
Related parties	39,656	—
Other	109,395	61,930
Investments	1,924,415	2,741,495
Furniture and equipment, net	1,206,642	1,157,539
Other assets	111,268	124,033
Total assets	<u>\$ 3,950,555</u>	<u>\$ 4,668,291</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable		
Related parties	\$ —	\$ 103,803
Other	231,383	107,231
Accrued liabilities	248,302	168,634
Gift annuities payable	—	25,459
Total liabilities	<u>479,685</u>	<u>405,127</u>
Net Assets		
Unrestricted	1,322,461	1,347,056
Temporarily restricted	2,132,734	2,900,433
Permanently restricted	15,675	15,675
Total net assets	<u>3,470,870</u>	<u>4,263,164</u>
Total liabilities and net assets	<u>\$ 3,950,555</u>	<u>\$ 4,668,291</u>

NOTE: This report is a summary of the financial activities for fiscal year 2008. Please visit www.missionofmercy.org/financial to see the full auditor's report, or call to request a printed copy.

Statements of Activities

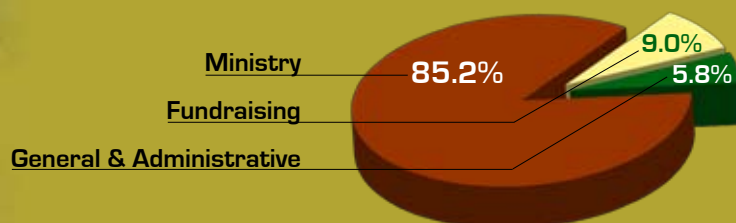
Year Ended September 30, 2008

(With Summarized Financial Information for the Year Ended September 30, 2007)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2008 Total	2007 Total
Revenues, Gains and Other Support					
Contributions					
General	\$ 2,785,794	\$ 11,225,899	\$ —	\$ 14,011,693	\$ 12,898,408
Bethesda Ministries	21,029	95,800	—	116,829	414,480
Interest and dividends	27,107	—	—	27,107	43,730
Realized and unrealized gains (losses) on investments, net	(113,964)	—	—	(113,964)	347,655
Other revenue	26,430	—	—	26,430	3
Satisfaction of program restrictions	12,089,398	(12,089,398)	—	—	—
Total revenues, gains and other support	<u>14,835,794</u>	<u>(767,699)</u>	<u>—</u>	<u>14,068,095</u>	<u>13,704,276</u>
Expenses					
Program services					
Child ministries	11,119,988	—	—	11,119,988	9,990,189
Higher education and vocational training	601,830	—	—	601,830	32,836
Medical Mercy	380,904	—	—	380,904	300,565
Humanitarian and relief	90,643	—	—	90,643	135,836
Sponsor/donor ministries	462,545	—	—	462,545	389,660
Total program services	<u>12,655,910</u>	<u>—</u>	<u>—</u>	<u>12,655,910</u>	<u>10,849,086</u>
Supporting services					
General and administrative	1,667,530	—	—	1,667,530	1,766,070
Promotion and development	1,269,526	—	—	1,269,526	1,545,821
Less supporting services subsidized by Bethesda Ministries	(732,577)	—	—	(732,577)	(762,160)
Total supporting services	<u>2,204,479</u>	<u>—</u>	<u>—</u>	<u>2,204,479</u>	<u>2,549,731</u>
Total expenses	<u>14,860,389</u>	<u>—</u>	<u>—</u>	<u>14,860,389</u>	<u>13,398,817</u>
Change in Net Assets	(24,595)	(767,699)	—	(792,294)	305,459
Net Assets, Beginning of Year	<u>1,347,056</u>	<u>2,900,433</u>	<u>15,675</u>	<u>4,263,164</u>	<u>3,957,705</u>
Net Assets, End of Year	<u>\$ 1,322,461</u>	<u>\$ 2,132,734</u>	<u>\$ 15,675</u>	<u>\$ 3,470,870</u>	<u>\$ 4,263,164</u>

How your 2008 gifts were used:

(Based on total expenses for the fiscal year ended September 30, 2008)



MISSION OF MERCY
(A Division of Bethesda Ministries)

Schedule of Functional Expenses

Year Ended September 30, 2008

	Program Services		Supporting Services		Total Expenses
	Total	General & Administrative	Promotion & Development	Total	
Direct payment to Ministries	\$ 9,686,651	\$ —	\$ —	\$ —	\$ 9,686,651
Salaries and labor	1,415,546	479,547	401,599	881,146	2,296,692
Payroll taxes	64,218	28,739	22,893	51,632	115,850
Benefits	136,938	87,372	49,051	136,423	273,361
Travel and entertainment	384,459	67,711	72,294	140,005	524,464
Informational materials	23,068	162,345	22,431	184,776	207,844
Printing and publications	3,480	—	82,704	82,704	86,184
Special events	—	—	168,475	168,475	168,475
Conference and education	53,993	80	4,307	4,387	58,380
Promotion and advertising	2,880	405	182,444	182,849	185,729
Computer services	66,154	246,270	9,188	255,458	321,612
Telephone	39,153	10,077	6,807	16,884	56,037
Postage	81,286	20,070	24,024	44,094	125,380
Supplies and materials	178,551	21,071	33,738	54,809	233,360
Building rent and maintenance	61,101	87,226	17,229	104,455	165,556
Depreciation and amortization	36,747	149,436	16,887	166,323	203,070
Insurance	—	10,694	—	10,694	10,694
Professional and other fees	409,681	15,896	138,873	154,769	564,450
Legal	11,657	12,308	1,582	13,890	25,547
Finance and accounting	—	127,713	—	127,713	127,713
Bank fees	347	130,184	—	130,184	130,531
Other	—	10,386	15,000	25,386	25,386
	12,655,910	1,667,530	1,269,526	2,937,056	15,592,966
Less Bethesda subsidy	—	(330,113)	(402,464)	(732,577)	(732,577)
	\$ 12,655,910	\$ 1,337,417	\$ 867,062	\$ 2,204,479	\$ 14,860,389

Please visit the Mission of Mercy website for more detail.



*A higher standard.
A higher purpose.*

P.O. Box 62600 • Colorado Springs, CO 80962 • 800.864.0200 • www.missionofmercy.org

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Sponsorship Works



Rosaria often woke up screaming in the middle of the night. Horrible dreams plagued her and a good night's sleep—on the dirt floor of her grandmother's house with only the comfort of a thin mat—was virtually impossible. The nightmares had been going on since she was three. That was when her mother died and her father and uncle started to abuse her.

Carmen, Rosaria's grandmother, does her best. She tries to reassure her that she is safe and that she will protect her. But sometimes, Carmen feels hopeless. She can't afford to feed her three meals a day. Sometimes she can't even afford one meal a day. Rosaria doesn't attend school—transportation and fees are too expensive. And Rosaria had developed such a bad temperament that even if it was financially possible, peers and teachers would not likely have accepted her in a classroom.

But sponsorship changed everything for Rosaria. At the Mission of Mercy child development center, Rosaria was loved and accepted by the staff. She received psychological and spiritual counseling that helped her better respond to the internal rage she felt. She receives at least one wholesome meal each day. And, she participates in the educational program, which will give her an opportunity to break the bond of poverty.

Rosaria changed as a result of sponsorship. She says, "My sponsor is like the mother I never had."