Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning , 2008, and ending , 20

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Termination
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type See Specific Instructions

C Name of organization **Mercy Ministries of America, Inc.**

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite

P.O. Box 111060

City or town, state or country, and ZIP + 4

Nashville, TN 37222

D Employer identification number **72 0973419**

E Telephone number **(615) 831-6987**

G Gross receipts $ **8,098,820**

F Name and address of principal officer **Linda Hood,**
15328 Old Hickory Blvd, Nashville, TN 37211

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

I Tax-exempt status ☑ 501(c) (3)◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J **Website: ▶ www.mercyministries.com**

H(c) Group exemption number ▶ **N/A**

K Type of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation **1983**

M State of legal domicile **LA**

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities:
Mercy Ministries exists to provide opportunities for young women to experience God's unconditional love, forgiveness, and life-transforming power.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	9
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	8
5	Total number of employees (Part V, line 2a)	5	107
6	Total number of volunteers (estimate if necessary)	6	90
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	6,606,210	7,755,375
	9	Program service revenue (Part VIII, line 2g)	4,300	88,101
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	16,949	2,586
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	180,702	(101,081)
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	6,808,161	7,744,981
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	631,497	396,538
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	3,064,756	3,618,485
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 449,825		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	2,806,456	3,604,947
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	6,502,709	7,619,970
	19	Revenue less expenses Subtract line 18 from line 12	305,452	125,011

			Beginning of Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	10,232,891	10,179,255
	21	Total liabilities (Part X, line 26)	2,491,428	2,518,906
	22	Net assets or fund balances. Subtract line 21 from line 20	7,741,463	7,660,349

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Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

▶ Signature of officer — Date 5.15.09

▶ LINDA HOOD, Executive Director
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ | Date | Check if self-employed ▶ ☐ | Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ | EIN ▶ | Phone no ▶ ( )

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y Form **990** (2008)

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Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission.
See Schedule O for description of organization's mission.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No
If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 4,030,933 including grants of $ 0) (Revenue $)
Mercy Ministries of America, Inc. (the "Ministry") primarily serves 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, addictions and depression. The program is voluntary, lasts approximately six months, and includes biblically-based counseling, nutrition and fitness education and life-skills training.
At 2008 year-end, there were 596 young women who had applied and were on the waiting list. During 2008, 145 young women had graduated from the program.

4b (Code:) (Expenses $ 910,168 including grants of $ 0) (Revenue $ 0)
Mercy Ministries of America, Inc. (the "Ministry") provides outreach to young women through speaking engagements, resources, and the internet to educate young women about eating disorders, self-harm, unplanned pregnancy, sexual abuse, addictions and depression. This outreach communicates the home and practice aspects for struggling people to find freedom. Resources include: the Ministry's website, books, teaching tapes, and training seminars for pastors, parents and the general public.
In addition to the above, in 2008 the Ministry held its 25th Anniversary, providing numerous speakers and artists to share to the public the opportunities for young women to experience God's unconditional love, forgiveness, and life-transforming power.

4c (Code.) (Expenses $ 489,562 including grants of $ 0) (Revenue $)
Mercy Ministries of America, Inc. (the "Ministry") provides outreach through other ministries by giving a portion of its receipts as assistance to help groups or individuals that are involved in or do work that is aligned with the Ministry's mission. The Ministry believes that it is called to follow the biblical principle of tithing and give 10% of non-restricted receipts.
In 2008, $396,538 was given to assist other ministries both nationally and internationally and $93,024 in resources were given away to further the mission of spreading God's unconditional love, forgiveness, and life-transforming power.

4d Other program services. (Describe in Schedule O.)
(Expenses $ 709,595 including grants of $ 0) (Revenue $)

4e **Total program service expenses ▶ $** 6,140,258 *(Must equal Part IX, Line 25, column (B))*

Part IV. Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	✓	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	✓	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		✓
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4		✓
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		✓
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		✓
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		✓
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		✓
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		✓
10	Did the organization hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		✓
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	✓	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12	✓	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		✓
14a	Did the organization maintain an office, employees, or agents outside of the U.S.?	14a		✓
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U S.? *If "Yes," complete Schedule F, Part I*	14b		✓
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II.*	15	✓	
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16	✓	
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17		✓
18	Did the organization report more than $15,000 total on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	✓	
19	Did the organization report more than $15,000 on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		✓
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20		✓
21	Did the organization report more than $5,000 on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	✓	
22	Did the organization report more than $5,000 on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	✓	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? *If "Yes," complete Schedule J*	23	✓	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to question 25*	24a		✓
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		✓
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		✓
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		✓
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		✓
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		✓
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		✓
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27	✓	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	28a		✓
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	28b	✓	
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *If "Yes," complete Schedule L, Part IV*	28c		✓
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	✓	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30	✓	
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		✓
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		✓
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	✓	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35	✓	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		✓
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		✓

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a	107		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	✓	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	107		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	✓	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		3a		✓
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O* N/A		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		✓
b	If "Yes," enter the name of the foreign country: ▶ N/A See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		✓
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction? N/A		5c		
6a	Did the organization solicit any contributions that were not tax deductible?		6a		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than $75?		7a	✓	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b	✓	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		✓
d	If "Yes," indicate the number of Forms 8282 filed during the year N/A	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		✓
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		7g		✓
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		7h		✓
8	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		✓
9	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		✓
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		✓
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12 N/A	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities N/A	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders N/A	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) N/A	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		✓
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year N/A	12b			

Part VI Governance, Management, and Disclosure *(Sections A, B, and C request information about policies not required by the Internal Revenue Code.)*

Section A. Governing Body and Management

			Yes	No
	For each "Yes" response to lines 2–7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body 1a 9			
b	Enter the number of voting members that are independent 1b 8			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	✓	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		✓
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	✓	
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		✓
6	Does the organization have members or stockholders?	6		✓
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		✓
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	✓	
b	Each committee with authority to act on behalf of the governing body?	8b	✓	
9a	Does the organization have local chapters, branches, or affiliates?	9a	✓	
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b	✓	
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations *must describe in Schedule O the process, if any, the organization uses to review the Form 990*	10	✓	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	11		✓

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	✓	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	✓	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	✓	
13	Does the organization have a written whistleblower policy?	13	✓	
14	Does the organization have a written document retention and destruction policy?	14	✓	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:			
a	The organization's CEO, Executive Director, or top management official?	15a	✓	
b	Other officers or key employees of the organization?	15b	✓	
	Describe the process in Schedule O. (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		✓
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? N/A	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ **Tennessee, Missouri, California**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☑ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ **Susan Howard, Controller; 15328 Old Hickory Blvd, Nashville, TN 37211; (615) 831-6987**

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers, key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
Nancy Alcorn, Vice Chairman	2.5	✓						0	216,173	39,230
Sam Carr, Chairman	2.5	✓						0	0	0
Kathy Campbell, Secretary	2.5	✓						0	0	0
Joe Cook, Jr., Member	2.5	✓						0	0	0
Steven Pruett, Member	12.5	✓						0	0	0
Susan Cordell, Member	2.5	✓						0	0	0
Rich Dunn, Member	2.5	✓						0	0	0
Lanny Hester, Member	2.5	✓						0	0	0
Greg Murtha, Member	2.5	✓						0	0	0
Linda Hood, Executive Director	70			✓				160,102	0	0
Christy Singleton, Executive Director of Development	70				✓			63,109	0	0
Ginger Etheridge, Executive Director of Programs	50				✓			46,608	0	0
Susan Howard, Controller	55			✓				66,736	0	0

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
1b Total . . . . . ▶										

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 1

		Yes	No
3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		✓
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	✓	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		✓

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
N/A		

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 0

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c	772,105				
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	6,983,270				
	g Noncash contributions included in lines 1a-1f: $ 60,583						
	h **Total.** Add lines 1a–1f ▶			7,755,375			
Program Service Revenue		Business Code					
	2a **Adoption application fees**			2,250	2,250		
	b **25th conference/concert**			85,851	85,851		
	c						
	d						
	e						
	f All other program service revenue						
	g **Total.** Add lines 2a–2f ▶			88,101			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶			2,689			2,689
	4 Income from investment of tax-exempt bond proceeds ▶						
	5 Royalties ▶						
		(i) Real	(ii) Personal				
	6a Gross Rents						
	b Less: rental expenses						
	c Rental income or (loss)						
	d Net rental income or (loss) ▶						
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory	50,968					
	b Less cost or other basis and sales expenses	51,071					
	c Gain or (loss)	(103)					
	d Net gain or (loss) ▶			(103)			(103)
	8a Gross income from fundraising events (not including $ 847,095 of contributions reported on line 1c) See Part IV, line 18	a	74,990				
	b Less. direct expenses	b	227,678				
	c Net income or (loss) from fundraising events ▶			(152,688)	(152,688)		
	9a Gross income from gaming activities. See Part IV, line 19	a					
	b Less: direct expenses	b					
	c Net income or (loss) from gaming activities ▶						
	10a Gross sales of inventory, less returns and allowances	a	175,867				
	b Less: cost of goods sold	b	126,161				
	c Net income or (loss) from sales of inventory ▶			49,706	49,706		
	Miscellaneous Revenue	Business Code					
	11a **Other miscellaneous**			1,901	1,901		
	b						
	c						
	d All other revenue						
	e **Total.** Add lines 11a–11d ▶			1,901			
	12 **Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶			7,744,981	(12,980)		2,586

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S. See Part IV, line 21	255,392	255,392		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	27,616	27,616		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	113,530	113,530		
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	336,555	164,886	140,114	31,555
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	2,753,407	2,238,076	310,759	204,572
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	285,029	221,838	41,472	21,719
10 Payroll taxes	243,494	189,512	35,428	18,554
11 Fees for services (non-employees):				
a Management				
b Legal	65,553	21,586	43,967	
c Accounting	64,530	12,906	51,624	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other	255,086	210,436	44,650	
12 Advertising and promotion	222,814	131,517		91,297
13 Office expenses	293,139	144,389	113,901	34,849
14 Information technology	89,132	69,371	12,969	6,792
15 Royalties				
16 Occupancy	303,664	249,264	37,395	17,005
17 Travel	151,973	139,372	6,764	5,837
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	72,041		72,041	
21 Payments to affiliates	567,688	567,688		
22 Depreciation, depletion, and amortization	336,630	267,311	51,674	17,645
23 Insurance	189,033	141,775	47,258	
24 Other expenses Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a **25th Anniversary program expense**	393,364	393,364		
b **Room and board (home operations)**	461,397	461,397		
c **Resource giveaways**	93,024	93,024		
d **Educational materials**	25,264	23,915	1,349	
e				
f All other expenses	20,615	2,093	18,522	
25 **Total functional expenses.** Add lines 1 through 24f	7,619,970	6,140,258	1,029,887	449,825
26 **Joint Costs.** Check here ▶ ☑ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	190,192	1	196,629
	2	Savings and temporary cash investments	50,968	2	
	3	Pledges and grants receivable, net		3	25,000
	4	Accounts receivable, net	161,033	4	365,029
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	180,693	8	312,539
	9	Prepaid expenses and deferred charges	215,101	9	206,788
	10a	Land, buildings, and equipment: cost basis — 10a: 12,253,365			
	b	Less. accumulated depreciation. Complete Part VI of Schedule D — 10b: 3,180,095	9,428,707	10c	9,073,270
	11	Investments—publicly traded securities		11	
	12	Investments—other securities. See Part IV, line 11		12	
	13	Investments—program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	6,197	15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	10,232,891	16	10,179,255
Liabilities	17	Accounts payable and accrued expenses	182,334	17	205,069
	18	Grants payable		18	
	19	Deferred revenue	7,200	19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable	2,301,894	24	2,313,837
	25	Other liabilities. Complete Part X of Schedule D		25	
	26	**Total liabilities.** Add lines 17 through 25	2,491,428	26	2,518,906
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	7,552,366	27	7,609,333
	28	Temporarily restricted net assets	189,097	28	51,016
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	7,741,463	33	7,660,349
	34	Total liabilities and net assets/fund balances	10,232,891	34	10,179,255

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☑ Accrual ☐ Other			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	✓	
b	Were the organization's financial statements audited by an independent accountant?	2b	✓	
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	✓	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		✓
b	If "Yes," did the organization undergo the required audit or audits? N/A	3b		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization: Mercy Ministries of America, Inc.

Employer identification number: 72 0973419

Part I **Reason for Public Charity Status** (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only **one** organization)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).** (Attach Schedule H.)

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: ----------

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☑ An organization that normally receives· (1) more than 33⅓ % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33⅓ % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).** (see instructions)

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☐ Type III–Functionally integrated **d** ☐ Type III–Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)		
(ii) A family member of a person described in (i) above?	11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)		

h Provide the following information about the organizations the organization supports

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	N/A					
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1-3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	N/A					
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) . . 14 N/A %

15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f . . . . . 15 %

16a **33⅓ % support test—2008.** If the organization did not check the box on line 13, and line 14 is 33⅓ % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33⅓ % support test—2007.** If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓ % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test—2008.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization . . ▶ ☐

b **10%-facts-and-circumstances test—2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	4,141,418	5,528,217	5,349,875	6,606,210	7,755,375	29,381,095
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	31,386	67,061	3,575	103,300	336,708	542,030
3 Gross receipts from activities that are not an unrelated trade or business under section 513				4,300	2,250	6,550
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1-5	4,172,804	5,595,278	5,353,450	6,713,810	8,094,333	29,929,675
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000	26,386	62,061	0	35,219	155,762	279,428
c Add lines 7a and 7b	26,386	62,061	0	35,219	155,762	279,428
8 **Public support** (Subtract line 7c from line 6.)						29,650,247

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6	4,172,804	5,595,278	5,353,450	6,713,810	8,094,333	29,929,675
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources			4,208	16,949	2,586	23,743
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b			4,208	16,949	2,586	23,743
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	31,745	169,569	136,917	77,402	1,901	417,534
13 **Total support.** (Add lines 9, 10c, 11, and 12)						30,370,952

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** N/A ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	97.63 %
16	Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	97.94 %

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2008** (line 10c, column (f) divided by line 13, column (f))	17	0 %
18	Investment income percentage from **2007** Schedule A, Part IV-A, line 27h	18	0 %

19a **33⅓ % support tests—2008.** If the organization did not check the box on line 14, and line 15 is more than 33⅓ %, and line 17 is not more than 33⅓ %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☑

b **33⅓ % support tests—2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33⅓ %, and line 18 is not more than 33⅓ %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization	Employer identification number
Mercy Ministries of America, Inc.	72 0973419

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6. N/A

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7. N/A

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or pleasure)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of certified historic structure
☐ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8. N/A

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items.

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply).

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21. N/A

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10. N/A

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ▶ ____%
b Permanent endowment ▶ ____%
c Term endowment ▶ ____%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land	2,003,323	2,095,805		4,099,128
b Buildings		5,417,870	1,377,529	4,040,341
c Leasehold improvements		722,015	250,421	471,594
d Equipment		1,954,582	1,535,659	418,923
e Other		59,770	16,486	43,284
Total. Add lines 1a–1e. *(Column (d) should equal Form 990, Part X, column (B), line 10(c))* ▶				9,073,270

Part VII Investments—Other Securities. See Form 990, Part X, line 12. N/A

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12.)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13. N/A

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15. N/A

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 15.)* ▶	

Part X Other Liabilities. See Form 990, Part X, line 25. N/A

(a) Description of liability	(b) Amount
Federal income taxes	
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25.)* ▶	

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	7,744,981
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	7,619,970
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	125,011
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4–8	9	
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	125,011

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	7,538,531
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	374,363		
e	Add lines **2a** through **2d**			2e	374,363
3	Subtract line **2e** from line **1**			3	7,164,168
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b	580,813		
c	Add lines **4a** and **4b**			4c	580,813
5	Total revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	7,744,981

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	7,413,520
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Losses reported on Form 990, Part IX, line 25	2c			
d	Other (Describe in Part XIV)	2d	374,363		
e	Add lines **2a** through **2d**			2e	374,363
3	Subtract line **2e** from line **1**			3	7,039,157
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b	580,813		
c	Add lines **4a** and **4b**			4c	580,813
5	Total expenses. Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18.)			5	7,619,970

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

Part XII, line 2d:

Direct expenses from fundraising events (see Form 990, Part VIII, line 8b)	**$227,678**
Cost of goods sold on inventory (see Form 990, Part VIII, line 10b)	**126,161**
Other revenue (adoption reimbursements/printing reimbursement)	**20,524**
Total	**374,363**

Part XIV Supplemental Information *(continued)*

Part XII, line 4b:

Total cost of 25th Anniversary (see Statements of Activities and Changes in Net Assets, line Special Events, net of expenses	**$580,813**

Part XIII, line 2d:

Direct expenses from fundraising events (see Form 990, Part VIII, line 8b)	**227,678**
Cost of goods sold on inventory (see Form 990, Part VIII, line 10b)	**126,161**
Other revenue (adoption reimbursements/printing reimbursement)	**20,524**
Total	**374,363**

Part XIII, line 4b:

Total cost of 25th Anniversary	**580,813**

Schedule F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ **Attach to Form 990. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, line 15, or line 16.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization

Mercy Ministries of America, Inc.

Employer identification number

72 0973419

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b N/A

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ **Yes** ☐ **No**

2 **For grantmakers.** Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region. (Use Schedule F-1 (Form 990) if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i e , fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures in region
Totals . . . . . ▶					

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 50082W **Schedule F (Form 990) 2008**

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . ▶ ☐
Use Schedule F-1 (Form 990) if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
		Asia/Pacific	support	35,000	wire			
		Asia/Pacific	support	31,200	wire			
		Asia/Pacific	support	10,000	wire			
		Europe	support	10,000	wire			
		Asia/Pacific	support	9,694	credit card			

2 Enter total number of organizations that are recognized as charities by the foreign country or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ 4

3 Enter total number of other organizations or entities . . . . . ▶ 1

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Use Schedule F-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
Emergency cancer medical expense for Mercy							
Ministries of America, Inc. graduate currently							
residing in Australia.	**Asia/Pacific**	**1**	**5,500**	**wire**			

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

► Attach to Form 990 or Form 990-EZ. Must be completed by organizations that answer "Yes" to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than $15,000 on Form 990-EZ, line 6a.

OMB No 1545-0047

2008

Open To Public Inspection

Name of the organization: **Mercy Ministries of America, Inc.**

Employer identification number: **72 : 0973419**

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. N/A

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a ☐ Mail solicitations
b ☐ Email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total . . . . . ►						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 25TH Gala (event type)	(b) Event #2 Merry Christmas (event type)	(c) Other Events 2 (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	755,104	20,830	33,165	809,099
	2 Less: Charitable contributions	687,479	17,365	29,265	734,109
	3 Gross revenue (line 1 minus line 2)	67,625	3,465	3,900	74,990
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes		4,340		4,340
	6 Rent/facility costs	85,980	5,910	11,202	103,092
	7 Other direct expenses	101,469	727	18,050	120,246
	8 Direct expense summary. Add lines 4 through 7 in column (d) ▶				(227,678)
	9 Net income summary. Combine lines 3 and 8 in column (d) ▶				(152,688)

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a. N/A

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____% ☐ No	☐ Yes ____% ☐ No	☐ Yes ____% ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine lines 1 and 7 in column (d) ▶				

			Yes	No
9	Enter the state(s) in which the organization operates gaming activities:			
a	Is the organization licensed to operate gaming activities in each of these states?	9a		
b	If "No," Explain:			
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a		
b	If "Yes," Explain:			
11	Does the organization operate gaming activities with nonmembers?	11		
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12		

			Yes	No
13	Indicate the percentage of gaming activity operated in:			
a	The organization's facility . . . . . **13a** %			
b	An outside facility . . . . . **13b** %			
14	Provide the name and address of the person who prepares the organization's gaming/special events books and records:			
	Name ►			
	Address ►			
15a	Does the organization have a contract with a third party from whom the organization receives gaming revenue?	**15a**		
b	If "Yes," enter the amount of gaming revenue received by the organization ► $ _____ and the amount of gaming revenue retained by the third party ► $ _____ .			
c	If "Yes," enter name and address.			
	Name ►			
	Address ►			
16	Gaming manager information:			
	Name ►			
	Gaming manager compensation ► $ _____			
	Description of services provided ►			
	☐ Director/officer ☐ Employee ☐ Independent contractor			
17	Mandatory distributions:			
a	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?	**17a**		
b	Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► $			

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the U.S.

▶ Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22.
▶ Attach to Form 990.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization: Mercy Ministries of America, Inc.

Employer identification number: 72 0973419

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Christian Internation Church, P.O. Box 9000, Santa Rosa	59-3096327	501(c)3	57,333				Ministry support
Joyce Meyer Ministries, P.O. Box 655, Fenton, MO 63026	43-1382734	501(c)3	42,337				Ministry support
Oasis Christian Center, 5700 Wilshire Blvd., Ste 580, Los	95-4754631	501(c)3	14,500				Ministry support
Fellowship of Christian Athletes, 8701 Leeds Rd, Kansas City, MO	44-0610626	501(c)3	12,850				Ministry support
Calvary Chapel, 215 Ward Circle, Ste 200, Brentwood, TN	26-0018764	501(c)3	10,000				Support bldg projec
Word of Life Center, 4425 Meriwether Rd, Shreveport, LA	72-0830720	501(c)3	10,000				Support youth mini
FiHi, 858 W Trinity Lane, Nashville, TN 37207	62-1750350	501(c)3	10,000				Support bldg projec
The Call, 10516A Grandview Rd, Kansas City, MO 64137	95-4754631	501(c)3	8,888				Ministry support
Generals International, P.O. Box 340, Red Oak, TX 75154	75-2089242	501(c)3	7,000				Ministry support
Christ Church, 15354 Old Hickory Blvd, Nashville, TN	62-1068235	501(c)3	5,400				Ministry support
Every Nation Ministries P.O. BOX 1787, Brentwood, TN	33-0698386	501(c)3	5,300				Ministry support

2 Enter total number of section 501(c)(3) and government organizations ▶ 11

3 Enter total number of other organizations ▶ 0

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
Graduate support	11	10,614			
Gifts for graduates and other, memorials, and					
mission trips	38	17,002			
Underprivileged camp sponsorship	50	10,000			

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

In conforming with Mercy Ministries of America, Inc.'s (the "Ministry") mission, the Ministry gives a portion of receipts directly to other ministries.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization: Mercy Ministries of America, Inc.

Employer identification number: 72 0973419

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☑ First-class or charter travel ☑ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax indemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☑ Personal services (e.g., maid, chauffeur, chef)			
b	If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	✓	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	✓	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. ☑ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☑ Compensation survey or study ☑ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a.			
a	Receive a severance payment or change of control payment?	4a		✓
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b		✓
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		✓
	If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.			
	Only 501(c)(3) and 501(c)(4) organizations must complete lines 5–8.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of.			
a	The organization?	5a		✓
b	Any related organization?	5b		✓
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a		✓
b	Any related organization?	6b		✓
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		✓
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		✓

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)–(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Linda Hood	(i)	160,102					160,102	156,667
	(ii)							
Nancy Alcorn	(i)							
	(ii)	189,520	25,000	40,883			255,403	230,012
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
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	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Schedule J, Part I, Lines 1a:

Related Party Expense-

First class travel upgrades are provided for international travel for the President and Founder of Mercy Ministries International, Inc., most often using frequent flyer miles earned.

A personal assistant was employed through August 2008 for the President and Founder of Mercy Ministries International, Inc.

A housing allowance is provided for the President and Founder of Mercy Ministry International, Inc., as an ordained minister. The amount of housing allowance is reviewed annually and approved by the Board of Directors.

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Attach to Form 990 or Form 990-EZ.
▶ To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.

OMB No 1545-0047

2008

Open To Public Inspection

Name of the organization: Mercy Ministries of America, Inc.

Employer identification number: 72 : 0973419

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

N/A

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . ▶ $

Part II Loans to and/or From Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

N/A

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance
Joyce Meyer Ministries	Contributor	42,100
Word of Life Center	Church of Sam Carr, Pastor, Director	10,000
Joyce Meyer	Contributor	756
Susan Cordell	Member of Board of Directors	404
Christy Singleton	Key employee	300

Part IV Business Transactions Involving Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
Rebecca Anderson	Sister to Nancy Alcorn	41,949	employment compensation		✓

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

▶ To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No 1545-0047

2008

Open To Public Inspection

Name of the organization: **Mercy Ministries of America, Inc.**

Employer identification number: **72 0973419**

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1	Art—Works of art	✓	5	4,200	FMV
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications	✓			
5	Clothing and household goods	✓		23,764	FMV
6	Cars and other vehicles	✓	1	15,589	FMV
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded				
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution (historic structures)				
14	Qualified conservation contribution (other)				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory	✓	6	10,376	FMV
20	Drugs and medical supplies	✓			
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (Equipment)	✓	6	6,003	FMV
26	Other ▶ (Postage)	✓	1	640	FMV
27	Other ▶ ( )				
28	Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29** **0**

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1–28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		✓
b	If "Yes," describe the arrangement in Part II.			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	✓	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		✓
b	If "Yes," describe in Part II.			
33	If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.			

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization: Mercy Ministries of America, Inc.

Employer identification number: 72 0973419

Form 990, Part I, Line 22:

Current year net assets (Form 990, Part I, line 22 current year)	$7,660,349
Prior year net assets(Form 990, Part 1, line 22 prior year)	7,741,463
Change in net assets per tax return	(81,114)
Prior period adjustment per 2008 audited financial statements	206,125
Change in net assets per 2008 audited financial statements	125,011

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization: Mercy Ministries of America, Inc.

Employer identification number: 72 0973419

Form 990, Part III, line 1 -

Mercy Ministries of America, Inc. (the "Ministry") is a non-profit organization whose mission is to provide opportunities for young women to experience God's unconditional love, forgiveness, and live-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, addictions, and depression. The program is voluntary, lasts approximately six months, and includes biblically-based counseling, nutrition and fitness education, and life-skills training such as budgeting, setting boundaries, and preparation for parenting if they are pregnant.

In addition to its residential program, the Ministry provides outreach to young women through speaking engagements and resources to educate young women about these life-controlling issues and the opportunity to experience freedom. Resources include: the Ministry's website, books, teaching tapes, and training seminars for pastors, parents and the general public.

The program takes a non-conventional approach to treatment by addressing the root cause of the 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.

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization: Mercy Ministries of America, Inc.

Employer identification number: 72 0973419

Form 990, Part VI, Section A, line 2-

Joe Cook, Jr., Board Member, is the father to Christy Singleton, Executive Director of Development.

Form 990, Part VI, Section A, line 10:

A copy of the Form 990 is delivered to the Board of Directors by May 1st or sooner of each year for review and full approval. The Controller of the ministry is to be available to answer questions to the Board of Directors during the period of review and approval. A signed acknowledgement of review and approval is to be received by each Board of Directors by May 15th or sooner each year.

Form 990, Part VI, Section B, line 15b:

The process for determining compensation of the officers or key employees of the organization includes a review and approval by a Compensation Committee as elected by the Board of Directors before such compensation may become effective. The Compensation Committee is provided independent compensation studies and comparable compensations as reported on similar organizations on a filed Form 990.

Form 990, Part VI, Section C, line 19:

Mercy Ministries of America, Inc. makes its governing documents and financial statements available to the public via the ministry's website at www.mercyministries.com. These documents, as well as the Conflict of Interest policy, are available upon request.

Form 990, Part VI, Section A, line 4 -

In November 2008, the Board of Directors ratified the amended Articles of Incorporation and amended Bylaws for Mercy Ministries of America, Inc. These have been filed with the Internal Revenue Service.

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization: Mercy Ministries of America, Inc.

Employer identification number: 72 0973419

Form 990, Part VI, Section B, Line 12c:

If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

To ensure Mercy Ministries of America, Inc. operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- Whether partnerships, joint ventures, and arrangements with management organizations conform to the Ministry's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

When conducting the periodic reviews, the Ministry may, but need not, use outside advisors. If outside experts are used their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization: Mercy Ministries of America, Inc.

Employer identification number: 72 0973419

Schedule R, Part V, line 1q:

Mercy Ministries of America, Inc. (the Ministry) donated certain intellectual properties pertaining to the Program to Mercy Ministries International, Inc., another 501(c)(3) organization in 2008 for use outside the United States. The Ministry retained the rights in the intellectual property in the United States plus any enhancements thereto and uses it in its Programs. At this time, an appraisal has not been obtained to value the intellectual property donated by the Ministry.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.

▶ See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization: Mercy Ministries of America, Inc.

Employer identification number: 72 0973419

Part I Identification of Disregarded Entities

N/A

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
~~Mercy Ministries International, Inc., Nashville, TN EIN# 20-0408162~~	International Outreach	Tennessee	501(c)3	509(a)2	

Part III Identification of Related Organizations Taxable as a Partnership

N/A

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations?		(I) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner?	
							Yes	No		Yes	No

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

N/A

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership

Part V Transactions With Related Organizations

Note. Complete line 1 if any entity is listed in Parts II, III, or IV.

			Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		✓
b	Gift, grant, or capital contribution to other organization(s)	1b	✓	
c	Gift, grant, or capital contribution from other organization(s)	1c		✓
d	Loans or loan guarantees to or for other organization(s)	1d		✓
e	Loans or loan guarantees by other organization(s)	1e		✓
f	Sale of assets to other organization(s)	1f		✓
g	Purchase of assets from other organization(s)	1g		✓
h	Exchange of assets	1h		✓
i	Lease of facilities, equipment, or other assets to other organization(s)	1i		✓
j	Lease of facilities, equipment, or other assets from other organization(s)	1j		✓
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k		✓
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		✓
m	Sharing of facilities, equipment, mailing lists, or other assets	1m	✓	
n	Sharing of paid employees	1n	✓	
o	Reimbursement paid to other organization for expenses	1o		✓
p	Reimbursement paid by other organization for expenses	1p	✓	
q	Other transfer of cash or property to other organization(s)	1q	✓	
r	Other transfer of cash or property from other organization(s)	1r		✓

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(A) Name of other organization(s)	(B) Transaction type (a–r)	(C) Amount involved
(1)	**Mercy Ministries International, Inc.**	b	136,764
(2)	**Mercy Ministries International, Inc.**	m	25,594
(3)	**Mercy Ministries International, Inc.**	n	28,682
(4)	**Mercy Ministries International, Inc.**	p	28,300
(5)	**Mercy Ministries International, Inc.**	q	348,348
(6)			

Part VI **Unrelated Organizations Taxable as a Partnership** N/A

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproportionate allocations?		(G) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

UNITED STATES OF AMERICA

State of Louisiana

UNION · JUSTICE AND CONFIDENCE

Jay Dardenne

SECRETARY OF STATE

As Secretary of State, of the State of Louisiana, I do hereby Certify that the annexed transcript was prepared by and in this office from the record on file, of which purports to be a copy, and that it is full, true and correct.

In testimony whereof, I have hereunto set my hand and caused the Seal of my Office to be affixed at the City of Baton Rouge on,

NOV 1 2 2008

Secretary of State

STATE OF LOUISIANA · UNION JUSTICE CONFIDENCE · SECRETARY OF STATE

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
MERCY MINISTRIES OF AMERICA, INC

STATE OF LOUISIANA

PARISH OF CADDO

BE IT KNOWN, that on this 10th day of November, 2008, before me, the undersigned Notary Public, personally came and appeared the duly authorized President identified hereunder, a person of the full age of majority and citizen of the United States, who declared to me, Notary, in the presence of the undersigned competent witnesses, that, availing himself of the provisions of the Louisiana Nonprofit Corporation Law, La Rev Stat. §§ 12.201, et seq (the "Louisiana Nonprofit Corporation Law"), and pursuant to the authority granted him at a meeting of the Board of Directors of the Corporation (as defined below) held on the 4th day of November, 2008, pursuant to proper notice and wherein a quorum was present in accordance with the provisions of Section 237 of the Louisiana Nonprofit Corporation Law, he hereby does file these Amended and Restated Articles of Incorporation of Mercy Ministries of America, Inc , a Louisiana nonprofit corporation (the "Corporation"), incorporated on March 29, 1983; that this Restatement has been adopted unanimously by the Directors of the Corporation; this Restatement accurately restates the Articles, and all amendments thereto, in effect as of the date of this Restatement, without substantive change except as made by any new amendments contained in this Restatement, and that each amendment has been effected in conformity with the original Articles and applicable law

Accordingly, the Amended and Restated Articles of Incorporation shall read as follows:

ARTICLE I

The name of the Corporation is Mercy Ministries of America, Inc

ARTICLE II

The Corporation is a nonprofit corporation and shall have all of the [illegible]ies and responsibilities as provided in the Louisiana Nonprofit Corporation La

ARTICLE III

The name and address of the Corporation's registered agent is as fo

Teresa Halley
804 Spell Street
West Monroe, Louisiana 71292

ARTICLE IV

The address of the Corporation's registered office in the State of Louisiana is:

804 Spell Street
West Monroe, Louisiana 71292

ARTICLE V

The name and address of the original incorporator of the Corporation was:

Nancy Susan Alcorn
2510 Hawthorne Street
Monroe, Louisiana 71201

ARTICLE VI

The Corporation shall have members and will be organized on a non-stock basis The members of the Corporation shall be those persons serving as Directors of the Corporation from time to time; provided, that a Director shall only be a member of the Corporation during the term of his service as Director. Each member of the Corporation shall have one (1) vote and only one (1) vote Each and every member of the Corporation shall enjoy equal rights and privileges The Corporation's Board of Directors may fix dues and member obligations consistent with the purposes of this Corporation

ARTICLE VII

The affairs of the Corporation shall be managed by a Board of Directors The manner of election or appointment of the Board of Directors of the Corporation shall be as provided in the Bylaws of the Corporation The names, addresses and terms of office of the Corporation's Directors are as follows.

Sam Carr
804 Spell Street
West Monroe, Louisiana 71292
One Year Term of Office

Nancy Alcorn
804 Spell Street
West Monroe, Louisiana 71292
One Year Term of Office

Kathy Campbell
804 Spell Street
West Monroe, Louisiana
71292One Year Term of Office

Joe Cook
804 Spell Street
West Monroe, Louisiana 71292
One Year Term of Office

Susan Cordell
804 Spell Street
West Monroe, Louisiana 71292
One Year Term of Office

Rich Dunn
804 Spell Street
West Monroe, Louisiana 71292
One Year Term of Office

22002710

Lanny Hester
804 Spell Street
West Monroe, Louisiana 71292
One Year Term of Office

Greg Murtha
804 Spell Street
West Monroe, Louisiana 71292
One Year Term of Office

Steven Pruett
804 Spell Street
West Monroe, Louisiana 71292
One Year Term of Office

ARTICLE VIII

The Corporation shall enjoy perpetual corporate existence unless sooner dissolved in accordance with law.

ARTICLE IX

The Corporation is a Christian faith-based entity organized exclusively for charitable, religious, educational, literary, and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") Without limiting the foregoing, the principal purposes for which the Corporation is organized are: to provide direction, help develop, support and operate either directly or through wholly-owned local subsidiary organizations residential programs in the United States of America for troubled young women to experience God's unconditional love, forgiveness and life transforming power in an organized living environment and by addressing the whole person: spiritual, physical, and emotional; to support other Christian religious purposes and the persons furthering such purposes in the United States of America or across the world to alone or in cooperation with other persons or organizations, do any and all lawful acts and things that may be necessary, useful, suitable or proper for the furtherance, accomplishment, or attainment of any or all of the purposes or powers of the Corporation, and to solicit, collect, receive, accumulate and administer and disburse funds in such a manner as will, in the sole discretion of the Board of Directors, most effectively operate to further the charitable and religious purposes that qualify under Section 501(c)(3) of the Code

ARTICLE X

In the event of the liquidation, dissolution, or winding up of the Corporation, and pursuant to the Louisiana Nonprofit Corporation Law, all of the assets of the Corporation, after the payment of the obligations and liabilities of the Corporation, shall be transferred to one or more nonprofit corporations or associations having a similar or analogous character or purpose as may be selected by the Corporation's Board of Directors, provided, however, that any transferee shall qualify under the provisions of Section 501(c)(3) of the Code and be a public charity as described in Section 509(a) of the Code, and such assets shall be used by such transferee for purposes substantially similar to those of the Corporation, or shall be distributed to the Federal, State, or local government for a public purpose Any such assets not so disposed of shall be disposed of by the Clerk of Court of the

Parish in which the principal office of the Corporation is then located, exclusively for such purposes.

ARTICLE XI

The powers of the Corporation shall be subject to the following terms, provisions, and limitations

A No part of the net earnings of the Corporation shall inure to the benefit of any individual (except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes in accordance with the applicable federal tax law governing Section 501(c)(3) organizations) No part of the activities of the Corporation shall consist of attempts to influence legislation The Corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office

B. Notwithstanding any other provision of these Amended and Restated Articles of Incorporation, the Corporation shall not carry on any activity not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, and (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code

ARTICLE XII

The provisions of these Amended and Restated Articles of Incorporation may be amended, altered, or repealed from time to time to the extent and in the manner prescribed by the Act or the Bylaws, and any additional provisions authorized may be added hereto; provided that the provisions of these Amended and Restated Articles of Incorporation shall not be changed, modified, repealed or expanded in such a manner as to be inconsistent with a Christian faith-based mission, or to jeopardize the Corporation's federal tax-exempt status under Section 501(c)(3) of the Code (or any amendments or successor provision thereto).

These Amended and Restated Articles of Incorporation shall be effective as of the date of filing with the Secretary of State

[SIGNATURE PAGE TO FOLLOW]

[SIGNATURE PAGE TO AMENDED AND RESTATED
ARTICLES OF INCORPORATION OF MERCY MINISTRIES OF AMERICA, INC.]

THUS DONE AND PASSED, in the Parish of Caddo, State of Louisiana, on the date written above, in the presence of the undersigned competent witnesses who have hereunto signed their names with the appearer and me, Notary, after a due reading of the whole

WITNESSES:

Print Name: Craig Giddens

Sam Carr
President

Print Name: LINDA Goodpasture

Melody Bassett
Notary Public
Print name Melody Bassett
My commission expires at death
Louisiana Notarial ID #. 77237

Melody Bassett
Notary Public #77237
Caddo Parish, Louisiana
My Commission Is For Life

AFFIDAVIT OF ACCEPTANCE OF APPOINTMENT
BY DESIGNATED REGISTERED AGENT
ACT 769 OF 1987

****

To the State Corporation Department
State of Louisiana

STATE OF LOUISIANA
PARISH OF OUACHITA

On this 10th day of November, 2008, before me, a Notary Public in and for the State and Parish aforesaid, personally came and appeared

Teresa Halley

who after being first duly sworn, deposed and said:

Affiant is the person designated as registered agent of MERCY MINISTRIES OF AMERICA, INC. (the "Corporation"), which is a nonprofit corporation authorized to transact business in the State of Louisiana pursuant to the provisions of Louisiana Nonprofit Corporation Law

Affiant hereby acknowledges and accepts the appointment as registered agent of the Corporation

Name Teresa Halley

SWORN TO AND SUBSCRIBED
BEFORE ME, THIS 10th DAY
OF NOVEMBER, 2008

NOTARY PUBLIC
Print name: Kelly G. Clemons
My commission expires: At Death
Louisiana Notarial ID #: 55227

Kelly G. Clemons
LA # 55270

22092739

AMENDED AND RESTATED BYLAWS
OF
MERCY MINISTRIES OF AMERICA, INC.

THESE AMENDED AND RESTATED BYLAWS OF MERCY MINISTRIES OF AMERICA, INC. (the "Bylaws") are hereby adopted this 12th day of November, 2008 (the "Effective Date") by the Board of Directors (the "Board").

WITNESSETH:

WHEREAS, Mercy Ministries of America, Inc., a Louisiana nonprofit corporation (the "Corporation"), was formed pursuant to the Articles of Incorporation of the Corporation dated March 29, 1983, prepared and filed in accordance with the laws of the State of Louisiana and subject to the provisions of the Louisiana Nonprofit Corporation Law, La. Rev. Stat. §§ 12:201, et. seq. (the "Louisiana Nonprofit Corporation Law"); and

WHEREAS, the Board adopted Amended and Restated Articles of Incorporation (the Articles") effective November 12th, 2008; and

WHEREAS, the Board desires to amend and restate the current bylaws of the Corporation

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants contained in the Articles and in these Bylaws, the Board does hereby adopt the following written Bylaws to govern the affairs of the Corporation in the conduct of business.

ARTICLE I
Offices

Section A. Principal Office. The principal office of the Corporation and its mailing address shall be at 15328 Old Hickory Boulevard, Nashville, Tennessee 37211, in Davidson County, or such other place as the Board may determine.

Section B. Registered Office. The Corporation shall have and continuously maintain at 804 Spell Street, West Monroe, Louisiana 71202, in the Parish of Ouachita, a registered office and a registered agent whose address is the registered office. The address of the registered office and the registered agent may be changed from time to time by the Board.

ARTICLE II
Purpose, Programs and Activities

Section A. General Purpose. The Corporation is a Christian faith-based entity organized exclusively for charitable, religious, educational, literary, and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). Without limiting the foregoing, the principal purposes for which the

Corporation is organized are: to provide direction, help develop, support and operate either directly or through wholly-owned local subsidiary organizations residential programs in the United States of America for troubled young women to experience God's unconditional love, forgiveness and life transforming power in an organized living environment and by addressing the whole person: spiritual, physical, and emotional; to support other Christian religious purposes and the persons furthering such purposes in the United States of America or across the world; to alone or in cooperation with other persons or organizations, do any and all lawful acts and things that may be necessary, useful, suitable or proper for the furtherance, accomplishment, or attainment of any or all of the purposes or powers of the Corporation; and to solicit, collect, receive, accumulate and administer and disburse funds in such a manner as will, in the sole discretion of the Board, most effectively operate to further the charitable and religious purposes that qualify under Section 501(c)(3) of the Code.

Section B. Mission Statement. The Board shall adopt a Mission Statement reflecting the principal activities and purposes of the Corporation. The Mission Statement will be periodically reviewed by the Board and may be revised without revision to these Amended and Restated Bylaws. Consistent with the Corporation's general purposes, the Mission Statement of the Corporation shall be as follows:

> The mission of the Corporation is to provide opportunities for young women to experience God's unconditional love, forgiveness, and life-transforming power. The vision of the Corporation is a commitment to being an effective and well-respected organization dedicated to transforming lives of generations searching for truth and wholeness. The core principles of the Corporation are: (1) take young women in free of charge; (2) tithe 10% to other ministries; and (3) accept no funding from state or federal governmental units or any other source where such receipt interferes with the freedom to share the Good News of the Bible and the transformative power of Jesus Christ. In carrying out the Corporation's mission, vision and adherence to its core principals, the Corporation shall provide direction, help develop, support and operate either directly or through wholly-owned local subsidiary organizations. The Corporation shall assist other qualified tax exempt organizations fostering opportunities for young women to experience God's unconditional love, forgiveness, and life transforming power throughout the world.

ARTICLE III
Board of Directors

Section A. General Powers. The Board shall supervise, manage and control all of the affairs, business activities and policies of the Corporation. Directors need not be residents of the State of Louisiana.

Section B. Number. The Board shall consist of not less than five (5) individuals. From time to time, the Board may increase or decrease the number of Directors, provided the Board always consists of at least five (5) individuals.

Section C. Election, Term, Vacancies and Removal

1. Election. Directors shall be elected by the Board by majority vote of the Board. Such election normally shall be made at the annual meeting of the Board or, in the case of vacancies, at any other meeting of the Board called for such purpose. Notice of any other meeting shall be given in accordance with Section F of this Article III; provided, however, that notice of any such meeting shall specify that the purpose of the meeting is the election of one or more Directors. Such newly elected Director's term shall take effect at the time designated by the Board.

2. Term of Office. Except as otherwise provided herein, Directors shall serve one (1) year terms or until their voluntary resignation or removal. Each Director, however, may be considered for reelection upon the completion of the term.

3. Vacancies. Any vacancy occurring on the Board, including a vacancy resulting from an increase in the number of Directors comprising the Board, shall be filled by election of the Board as set forth above.

4. Resignation. Any Director may resign at any time by notifying the President or the Secretary in writing. Such resignation shall take effect at the time therein specified. In the event that a Director has tendered his or her resignation that is to become effective at a later date, such Board member shall be included in the vote to fill the vacancy.

5. Removal. Any Director may be removed, with or without cause, by a super-majority vote of the Board excluding the Director subject to the removal action. Any such removal shall take effect at the time designated by the Board in accordance with the provisions of this paragraph.

6. Qualifications. In addition to the requirements set forth in the Louisiana Nonprofit Corporation Law and such other requirements as shall be determined from time to time by the Board, each Director must be of legal age and must be a practicing Christian.

7. Designation of Chairman. Sam Carr shall be designated to serve as the initial Chairman of the Board. The Chairman of the Board shall serve for a term of one (1) year. Upon the conclusion of the Chairman's term, resignation or removal, the seat of Chairman of the Board shall be filled by majority vote of the Board and the prior Chairman may be considered for reelection.

Section D. Regular Meetings. There shall be four (4) regular meetings of the Board each year, including an annual meeting. Such regular and annual meetings may be held either within or without the state of Louisiana as determined by the Board and may be held on any day set pursuant to resolution of the Board.

Section E. Additional Meetings. Additional meetings of the Board may be called by or at the request of the President or any two (2) Directors. The person(s) calling the additional meeting may fix the time and place, either within or without the state of Louisiana for the holding of additional meetings of the Board. Notice of such additional meeting shall be given in accordance with Section F of this Article III.

Section F. Notice. Notice of any meeting of the Board shall be given at least three (3) business days prior thereto, in form decided by the Board. Any Director may waive notice of any meeting. The attendance of any Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

Section G. Quorum. A majority of the voting Directors of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. Participation in any meeting of the Board shall be in person. A conference among Directors by any means of communication, electronic or otherwise, through which the participants may simultaneously speak to and hear each other during the conference constitutes attendance at the meeting in person.

Section H. Manner of Acting. The act of a majority of the voting Directors present at a meeting at which a quorum of the Board is present shall be the act of the Board, except where otherwise provided by law or by these Bylaws. Meetings of the Board or of any committee formed under the authority of these Bylaws may be held by telephone conference call or any other similar communications equipment which allows all participants to communicate with each other.

Section I. Compensation. Directors shall not be compensated for their services as Directors of the Corporation, but may be reimbursed for expenses incurred on behalf of the Corporation and expenses, if any, of attendance at a meeting of the Board or other function at the request of the Board.

Section J. Action Without a Meeting. Any action which is required to be taken, or which may be taken, at a meeting of Directors, may be taken without a meeting if notice is given to all Directors and if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

Section K. Advisors to the Corporation. The Board may elect or appoint any person or persons to act in an advisory capacity to the Corporation or in an honorary capacity with respect to the Corporation and to create one or more non-voting advisory committees to provide advice and wisdom to the Board.

Section L. Super-Majority Vote of the Directors. Two thirds or more of the Directors then in office shall constitute a super-majority vote of the Board For this purpose, in the event that one or more Directors are not eligible to vote on a matter, the number of Directors deemed to then be in office shall not include the Director(s) not eligible to vote on the matter.

Section M. Successor Directors. From time to time, the Board may appoint a slate of proposed directors that shall succeed the Directors in the event that, for any reason, there ceases to be any existing Directors then serving the Corporation. In such event, the slate of proposed directors shall be deemed to be elected to the Board as replacements for those Directors whose seats are vacant and the Board size shall automatically be expanded

by the number of proposed directors in excess of the previous size of the Board, and all other provisions of these Bylaws, the Articles, and the Louisiana Nonprofit Corporation Law shall immediately apply to such newly elected Directors.

Section N. Removal for Cause. For purposes of this Article, "cause" shall mean acting in contravention of these Bylaws, the Articles, the Louisiana Nonprofit Corporation Law, the Code, or an act of fraud or illegal activity with respect to the Corporation or conduct which discredits the Corporation and/or subjects it to ridicule.

ARTICLE IV
Officers

Section A. The Officers. The officers of the Corporation shall be the President, Secretary, and Treasurer and such other officers as may be elected in accordance with the provisions of this Article. The Board may elect such other officers, including Vice Presidents, Assistant Secretaries, or Assistant Treasurers, as it shall deem desirable, to have the authority and perform the duties prescribed, from time to time, by the Board. Any two (2) or more offices except those of President and Secretary may be held by the same person, provided that no person holding more than one office may sign, in more than one capacity, any certificate or other instrument required by law to be signed by two officers.

Section B. Election and Term of Office. The officers of the Corporation shall be elected by the Board. Directors may serve as officers and employees of the Corporation. Each officer shall hold office until his or her successor shall have been duly chosen and shall qualify, or until his or her death, resignation or removal in the manner hereinafter provided.

Section C. Term and Vacancies. Officers shall serve until they resign or are removed. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by a majority vote of the Board or, with the exception of the President, Secretary, and Treasurer, the Board may choose not to fill the vacancy.

Section D. Resignations. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Any such resignation shall take effect at the date of receipt of such notice, or at any later time therein specified, and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

Section E. Removal. Any officer or agent elected or appointed by the Board may be removed, with or without cause, by a majority vote of the Board (excluding the vote of any Director who is the officer or agent sought to be removed, provided that a quorum shall be a majority of the non-excluded Directors).

Section F. President. The President may be a member of the Board and shall supervise the affairs of the Corporation, subject, however, to the control and direction of the Board. In addition, the President shall perform such other duties as may be prescribed by the Board.

Section G. Secretary. The Secretary shall keep the minutes of the meetings of the Board and of committees having any of the authority of the Board in one or more books provided for that purpose; see that all notices are duly given in accordance with these Bylaws or as required by law; be custodian of the corporate records; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board.

Section H. Treasurer. The Treasurer shall have charge of the funds and assets of the Corporation; shall keep proper records showing all receipts, expenditures, and disbursements, with vouchers in support thereof; shall make a report of the financial status of the Corporation at each regular Board meeting; and, in general, shall perform such other duties as are from time to time assigned by the President or by the Board.

Section I. Compensation. Officers of the Corporation may receive reasonable compensation for their service as officers and employees of the Corporation and shall be reimbursed for expenditures incurred in discharge of their duties. Compensation shall be approved by the Board, or any committee thereof to which such authority has been delegated, in accordance with these Bylaws, the Code, the Louisiana Nonprofit Corporation Law, or any policy that shall be adopted from time to time by the Board to govern such compensation.

Section J. Removal for Cause. For purposes of this Article, "cause" shall mean acting in contravention of these Bylaws, the Articles, the Louisiana Nonprofit Corporation Law, the Code, or an act of fraud or illegal activity with respect to the Corporation or conduct which discredits the Corporation and/or subjects it to ridicule.

ARTICLE V
Committees

Section A. Establish Committees. From time to time, that Board may establish or dissolve any number of committees to assist and advise the Board in the management of the Corporation. Members of any such committee may, but need not, be members of the Board, unless otherwise set forth herein.

Section B. Advisory Committee. The Board may establish one or more Ministry Advisory Committees composed of members of the board of directors or similar governing body of Ministry Affiliates or other persons as the Board may determine. Meetings of the Ministry Advisory Committee shall be at intervals established by the Board, and additional meetings of the Ministry Advisory Committee may be called by the Chairman of the Board. The Ministry Advisory Committee shall provide advice and counsel to the Board but shall not be composed of Directors. The Board may establish other advisory committees for general or specific advice whose members shall not include Directors.

Section C. Finance, Audit and Compliance Committee. It shall be the duty of the Finance, Audit and Compliance Committee of the Board to ensure that an audit policy and a conflict of interest policy are adopted by the Corporation and are in full force and effect. In carrying out such duty, the Finance, Audit and Compliance Committee shall work in conjunction with the Board, officers, employees, and the other committees to monitor compliance of such Board members, officers, committee members, and employees with the

financial controls and other legal and compliance matters as shall be set forth from time to time in the Corporation's audit policy or otherwise relating to all financial matters of the Corporation. The Finance, Audit and Compliance Committee shall monitor all potential or existing conflicts of interest that may arise from time to time between the Corporation and the Board, officers, Ministry Advisory Committee, other committee members, or employees, as more particularly set forth in the conflict of interest policy of the Corporation. Any outside accountants, attorneys, or other legal or financial advisors, shall report to the Finance, Audit and Compliance Committee.

Section D. Charitable Giving Committee. The Board may establish a Charitable Giving Committee to monitor all donations received by the Corporation, all donations or grants made by the Corporation, and all tithing by or on behalf of the Corporation or any Ministry Affiliate. In so doing, the Charitable Giving Committee shall have primary responsibility for the following: ensuring that the Corporation maintains a policy governing the tithing and charitable giving activities of the Corporation, gathering information on charities involved in works that are consistent with the charitable mission of the Corporation, confirming the public charity status (or equivalent) and suitability of any organization proposed to be a recipient of such giving, ensuring that any grants to individuals or non-public charities conform to grant making procedures and requirements approved by the Internal Revenue Service, and attend to any details in connection with dispersal of such funds. As and if required by the Code, the Charitable Giving Committee shall exercise expenditure responsibility with respect to donations or grants made to entities other than public charities or foreign charities, including but not limited to Ministry Affiliates. The Charitable Giving Committee shall prepare for the Board's approval a Charitable Giving Policy, and any amendments thereto, from time to time. The Charitable Giving Committee shall periodically report to the Board on the charitable giving activities undertaken and/or planned by the Corporation.

Section E. Compensation and Human Resources Committee. The Board may establish a Compensation and Human Resources Committee to establish appropriate compensation for the President and/or CEO and guidelines for all other officers of the Corporation. The Committee shall also determine annually upon the recommendation of management the appropriate annual increase or decrease in the size of the compensation pool for all employees. The Committee shall also be responsible for setting corporate policy regarding compensation matters and employee benefits where such policies require Board input or determination. The Board shall ensure that all compensation arrangements are reasonable by relying on data or experts as to comparable compensation for similarly qualified persons in functionally comparable positions. Under no circumstances shall any compensation arrangement exceed that which would ordinarily be paid for like services. Any person having a conflict of interest with respect to any compensation arrangement shall be precluded from voting on matters pertaining to such compensation arrangement. The Board shall retain contemporaneous documentation to substantiate all deliberations and decisions regarding compensation arrangements.

Section F. Governance and Nomination Committee. The Board may establish a Governance and Nomination Committee to take a leadership role in corporate governance, oversee the performance of the Board, recommend individuals for nomination, election or appointment to the Board and/or its committees and review and concur in senior management succession plans.

ARTICLE VI
Miscellaneous Provisions

Section A. Contracts and Other Documents. The Board, except as otherwise required by law, the Articles, or these Bylaws, may authorize any officer(s), or agent(s) of the Corporation, in addition to the President, to enter into any contract or execute and deliver any instrument or document in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances.

Section B Checks, Drafts, Loans, Etc. All checks, drafts, loans or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by the Board. In the absence of such determination, such instrument shall be signed by the Secretary.

Section C. Deposits. All funds of the Corporation shall be deposited to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may from time to time select.

Section D. Gifts. The Board, or the Charitable Giving Committee if delegated such authority, may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purpose or for any special purpose of the Corporation. No gift of an interest in real property shall be effective and deemed to have been received until it shall have been accepted by the action of the Board or, if applicable, the Charitable Giving Committee.

Section E. Waiver of Notice. Wherever any notice is required to be given under the provisions of these Bylaws, under the provisions of the Articles, or under the Louisiana Nonprofit Corporation Law, a waiver thereof signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice

ARTICLE VII
Books and Records

The Corporation shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its Board and committees having any authority of the Board, resolutions of the Board, policies adopted by the Board, and shall keep at the registered office a record giving the names and addresses of the Board. All books and records of the Corporation may be inspected by any Director, or his or her agent or attorney, for any proper purpose at any reasonable time.

ARTICLE VIII
Annual Audit

The Corporation shall provide for an annual audit or other review of its accounts by a certified public accountant to be chosen by the Board as more particularly set forth in the audit policy of the Corporation.

ARTICLE IX
Fiscal Year

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each calendar year unless otherwise determined by the Board.

ARTICLE X
Exculpation of Directors

Section A. General Exculpation. To the fullest extent that the law of the State of Louisiana as it exists on the date hereof or as it may hereafter be amended permits the limitation or elimination of the liability of Directors, no Director of the Corporation shall be personally liable to the Corporation for monetary damages for breach of fiduciary duty as a Director; provided, however, that this provision is not intended to eliminate or limit the liability of a Director (i) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law (ii) unlawful distributions under the Louisiana Nonprofit Corporation Law, as amended from time to time, or under any provision with regard to distributions contained in the Code; (iii) engaging in any conduct creating an excess benefit to such Director; (iv) engaging in any act of direct or indirect prohibited self dealing, as such term is defined in the Code and applicable Treasury Regulations; (v) acting, or failing to act, in the interest of any private benefit or private inurement or for any penalty imposed by Code Sections 4958 or 4965.

Section B. Effect of Amendments to Applicable Law. If either the Louisiana Nonprofit Corporation Law or the Code is amended after approval of the Articles to authorize or restrict corporate action further limiting or eliminating the personal liability of Directors, then the liability of a Director of the Corporation shall be deemed to be limited, eliminated, or increased to the fullest extent permitted by the more restrictive provisions of the Louisiana Nonprofit Corporation Law or Code, as either shall be amended from time to time.

ARTICLE XI
Indemnification

Section A. General Powers. The Corporation shall indemnify, and upon request shall advance expenses to, in the manner and to the full extent permitted by law, any officer or Director (or the estate of any such person) who was or is a party to, or is threatened to be made a party to, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or otherwise, by reason of the fact that such person is or was a Director or officer of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, partner, trustee or employee of another corporation, partnership, joint venture, trust or other enterprise (an "Indemnitee"). To the full extent permitted by law, the indemnification and advances provided for herein shall include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement. The rights to indemnification and advancement of expenses set forth above are intended to be greater than those which are otherwise provided for in the Louisiana Nonprofit Corporation Law, are contractual between the Corporation and the person being indemnified, his heirs, executors and administrators, and are mandatory, notwithstanding a person's failure to meet the standard of conduct required for permissive

indemnification under the Louisiana Nonprofit Corporation Law, as amended from time to time.

Section B. Prohibited Indemnification. Notwithstanding the foregoing, the Corporation shall not indemnify any such Indemnitee (1) in any proceeding by the Corporation against such Indemnitee; or (2) if a judgment or other final adjudication adverse to the Indemnitee establishes his liability for (i) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law (ii) unlawful distributions under the Louisiana Nonprofit Corporation Law, as amended from time to time, or under any provision with regard to distributions contained in the Code; (iii) engaging in any conduct creating an excess benefit to such Director; (iv) engaging in any act of direct or indirect prohibited self dealing, as such term is defined in the Code and applicable Treasury Regulations; (v) acting, or failing to act, in the interest of any private benefit or private inurement.

Section C Non-Limiting Application. The indemnification provided herein shall not be deemed to limit the right of the Corporation to indemnify any other person for any such expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement to the full extent permitted by law, both as to action in his official capacity and as to action in another capacity while holding such office. The rights to indemnification and advancement of expenses set forth in paragraph XI(A) above are nonexclusive of other similar rights which may be granted by law, the Articles, these Bylaws, a resolution of the Board, or an agreement with the Corporation, which means of indemnification and advancement of expenses are hereby specifically authorized subject to any limitations imposed by the Code to maintain Section 501(c)(3) status and not be subject to intermediate sanctions under Section 4958 or penalties under Section 4965 or any similar section of the Code.

Section D. Insurance. The Corporation may, to the full extent permitted by law, purchase and maintain insurance on behalf of any such person against any liability which may be asserted against him or her.

Section E. Repeal or Modification Not Retroactive. Except as required by the Code to maintain Section 501(c)(3) status and not be subject to excise taxes, including intermediate sanctions under Section 4958 or penalties under Section 4965 or any similar section of the Code, any repeal or modification of the provisions of this Article XI, either directly or by the adoption of an inconsistent provision of the Articles shall not adversely affect any right or protection set forth herein existing in favor of a particular individual at the time of such repeal or modification. In addition, if an amendment to the Louisiana Nonprofit Corporation Law limits or restricts in any way the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification which occur subsequent to the effective date of such amendment.

ARTICLE XII
Amendments to the Bylaws

Notwithstanding any other provision to the contrary contained herein, these Bylaws may be altered, amended or repealed and new bylaws may be adopted by a majority vote of a quorum of the Board present at any regular or at any special-called meeting of the Board

pursuant to the provisions of the Louisiana Nonprofit Corporation Law, and, with the exception of the indemnification and exculpation provisions except as limited by the Code for maintenance of Section 501(c)(3) status or avoidance of intermediate sanctions under Section 4958 or penalties under Section 4965 or any similar section of the Code, no Director, officer or third party shall have a vested interest in any provision of the Articles or these Bylaws.

[SIGNATURE PAGE TO FOLLOW]

[SIGNATURE PAGE TO AMENDED AND RESTATED
BYLAWS OF MERCY MINISTRIES OF AMERICA, INC.]

I certify that the foregoing Amended and Restated Bylaws of Mercy Ministries of America, Inc. were approved and adopted by its Board of Directors, that these Amended and Restated Bylaws are currently in effect, and that they contain all amendments thereto which have been duly approved and adopted by its Board of Directors.

Effective this the 12th day of November, 2008.

Kathy Campbell

Kathy Campbell
Secretary