



SINCE 1887
**MERCY
HOME**
FOR BOYS & GIRLS

A Solution for Kids in Crisis

Annual Report 2014



This report covers Mercy Home's fiscal year,
which ran from July 1, 2013 through June 30, 2014.



Rev. L. Scott Donahue
President & CEO

A Year of Change and Growth

The great Irish dramatist George Bernard Shaw said that progress is impossible without change. That's as true for the young people in the full-time care of our home as it is for our home itself.

Because of our historical commitment to change — the embrace of growth, innovation, and extension that's written into our institutional DNA — Mercy Home is able to provide expert care and support for more than 900 children, and their family members every year. The three safe and welcoming campuses we operate today are a far cry from the rented rooms in which we sheltered the first group of homeless boys in 1887. And our evolution continues.

In the year under review, we crossed even more milestones, particularly in our expansion of our AfterCare services and our supportive housing program. We expanded our mentoring program to match more youth living out in the community with positive adult role models. And, we launched a wider, yearly program of public awareness about child abuse known as March for Kids.



This year also ushered in a change in our board leadership. I am honored to work alongside our new chairman, Joseph P. Nolan,

in advancing the Home's strategic vision for the future. A member of our Board of Regents since 2008, Nolan brings a passion for this life-giving mission and the business acumen to help us pursue continued growth with financial stability.

I look forward to keeping you updated on our progress.

Blessings,

Rev. Scott



Because of you ...

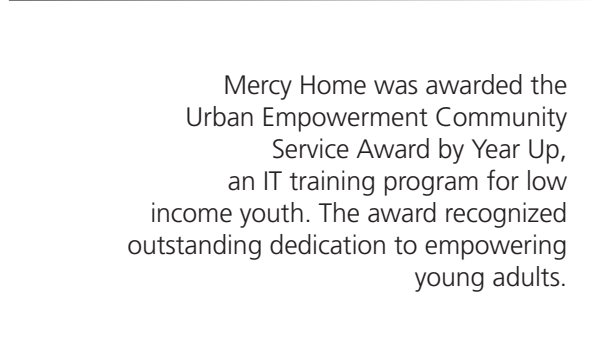


Our Career Resources team taught our young people how to find a job, how to keep one, and how to start planning for a career.

Our girls packed lunches and supplies to give to the homeless during the cold of winter.



The Chicago Tribune named Mercy Home among its Top 100 Workplaces list for the second straight year. Mercy Home was the only childcare organization to make the list.



Mercy Home was awarded the Urban Empowerment Community Service Award by Year Up, an IT training program for low income youth. The award recognized outstanding dedication to empowering young adults.



Mercy Home's boys and girls enjoyed summer camp where they had the chance to reflect and heal in a serene natural environment. Many had never before gone outside the city.



Our Friends First mentoring program launched a new site-based model in which matches meet on Mercy Home's campus, allowing us to serve more at-risk youth in the community.



Mercy Home dedicated our new AfterCare supportive housing community in the South Shore neighborhood to help former residents lay the foundation for stable and productive adult lives.



One of our young women celebrated her birthday by writing letters to each of our staff members thanking them for the ways they've helped her grow during her time at Mercy Home.



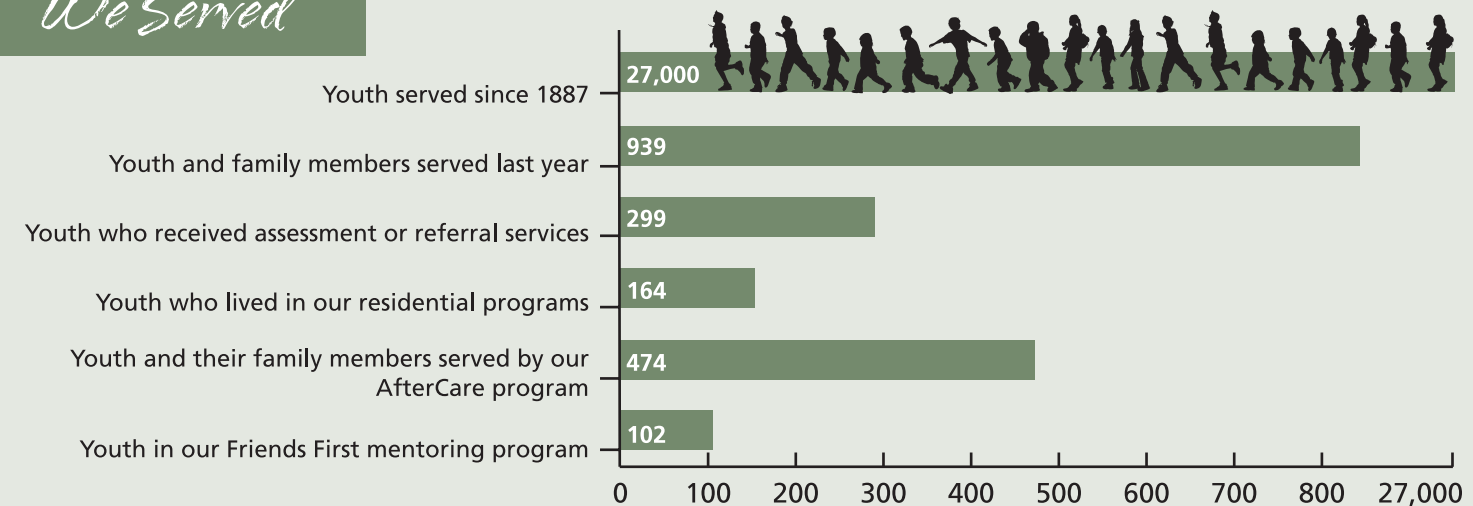
Acclaimed author and journalist Alex Kotlowitz, whose work addresses poverty and race in American life, visited Mercy Home to speak with our MercyWorks volunteers.



The city of Chicago declared the month of March "Mercy Home's March for Kids month" in honor of our fundraising and awareness building campaign.

Mercy Home connected our young people with over 40 professional internship opportunities around the city of Chicago, where they gained real-world work experience, discovered career passions, and earned confidence.

We Served



Governance 2013-2014

Chairman - Joe Nolan,
Beverly Capital
President - Rev. L. Scott Donahue,
Mercy Home for Boys & Girls
Secretary - Mary Pat Hay
Treasurer - Robert Greco
Rev. Michael Boland,
Archdiocese of Chicago
Rich Daniels,
City Lights Music Inc.
Edward J. Noha,
CNA Financial Corporation
Darryl Schimeck,
President/CEO, Optimer Brands
Mercy Home is nationally accredited by
the Council of Accreditation of Services
for Families and Children, Inc. (COA)



FINANCIAL STATEMENT

OPERATING REVENUE

Support from donors	31,520,439	94.3%
Sale of printing services	859,469	2.6%
Government revenue	68,257	.2%
Family support	54,118	.1%
Other	930,429	2.8%
Total	33,432,712	100%

OPERATING EXPENSES

Program services		
Youth care programs	21,259,283	67.5%
Mission press	1,112,967	3.5%
Televised Sunday Mass	749,940	2.5%
Total program services	23,122,190	73.5%
Fundraising	7,517,318	23.9%
Management and general	833,513	2.6%
Total current year operating expenses	31,473,021	100%
Program enhancement	1,959,691	
Total	33,432,712	

ASSETS

Current assets	5,320,607
Investments	101,641,178
Fixed assets	38,270,666
Other	605,002
Total assets	145,837,453

LIABILITIES

Accounts payable and accrued expenses	1,864,744
Gift annuities payable, charitable trusts and asset retirement obligations	11,061,377
Total liabilities	12,926,121

NET ASSETS (Assets Minus Liabilities)

Unrestricted	99,761,792
Board designated for annuity and trust obligations	10,833,143
Temporarily restricted	2,648,328
Permanently restricted	19,668,069
Total net assets	132,911,332

A CLOSER LOOK AT 2013 — 2014

Mercy home raised 99.8% of its operating revenue privately. This includes support from donors, sale of printing services, family support and other miscellaneous sources.

Approximately 74 cents of every dollar spent on operating expenses went toward program services.

Mercy Home's fundraising ratio, defined as fundraising expenses as a percentage of support from donors, was 22.5%. That is lower than the 35% recommended by the Better Business Bureau's Wise Giving Alliance.

INVESTMENTS

Total investments	101,641,178
Permanently restricted funds for scholarships	19,476,324
Board designated for annuity and trust obligations	10,833,143
Other restricted funds	298,475
Unrestricted investments available for future operations (endowment)	*71,033,236

* One way we honor our commitment to the children we care for is by maintaining an endowment, which provides a safety net. The funds from the endowment are invested and overseen by our Board. As of June 30, 2014, our Unrestricted Endowment would cover operating expenses for up to 28 months.

