

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 private foundations)

- ▶ Do not enter Social Security numbers on this form as it may be made public.
- ▶ Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

# 2013

Open to Public Inspection

**A** For the 2013 calendar year, or tax year beginning 07/01, 2013, and ending 06/30, 2014

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <u>MERCYFIRST</u>			<b>D</b> Employer identification number <u>11-1635089</u>		
	Doing Business As					
	Number and street (or P.O. box if mail is not delivered to street address)			Room/suite		
	<u>525 CONVENT ROAD</u>					
City or town, state or province, country, and ZIP or foreign postal code <u>SYOSSET, NY 11791</u>			<b>E</b> Telephone number <u>(516) 921-0808</u>			
<b>F</b> Name and address of principal officer: <u>GERARD MCCAFFERY</u> <u>525 CONVENT ROAD SYOSSET, NY 11791</u>			<b>G</b> Gross receipts \$ <u>42,297,809.</u>			
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>J</b> Website: <u>WWW.MERCYFIRST.ORG</u>			<b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			<b>L</b> Year of formation: <u>1967</u>			
			<b>M</b> State of legal domicile: <u>NY</u>			

## Part I Summary

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <u>MERCYFIRST, A SPONSORED MINISTRY OF THE SISTERS OF MERCY, INSPIRES HOPE AND PROMOTES HEALING FOR CHILDREN AND FAMILIES BY PROVIDING QUALITY HUMAN (CONTINUED ON SCHEDULE O)</u>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<u>20.</u>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<u>20.</u>
	<b>5</b> Total number of individuals employed in calendar year 2013 (Part V, line 2a)	<b>5</b>	<u>680.</u>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<u>135.</u>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<u>0</u>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	<u>0</u>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	<u>706,063.</u>	<u>989,952.</u>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<u>43,382,074.</u>	<u>41,143,673.</u>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<u>38,724.</u>	<u>-3,530.</u>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<u>353,397.</u>	<u>25,923.</u>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<u>44,480,258.</u>	<u>42,156,018.</u>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	<u>0</u>	<u>0</u>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<u>0</u>	<u>0</u>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<u>28,706,519.</u>	<u>26,505,184.</u>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <u>156,225.</u>	<u>0</u>	<u>0</u>
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<u>16,119,030.</u>	<u>15,834,110.</u>
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<u>44,825,549.</u>	<u>42,339,294.</u>	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<u>-345,291.</u>	<u>-183,276.</u>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>21</b> Total liabilities (Part X, line 26)	<u>20,401,762.</u>	<u>18,273,114.</u>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<u>15,354,127.</u>	<u>13,408,755.</u>
		<u>5,047,635.</u>	<u>4,864,359.</u>

## 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.

<b>Sign Here</b>	Signature of officer		Date		
	Type or print name and title				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>PAUL HAMMERSCHMIDT</u>				<u>P01384178</u>
	Firm's name ▶ <u>BDO USA, LLP</u>	Firm's EIN ▶ <u>13-5381590</u>		Phone no. <u>212-885-8000</u>	
Firm's address ▶ <u>100 PARK AVENUE NEW YORK, NY 10017-5001</u>					

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

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2013)

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission:

MERCYFIRST, A SPONSORED MINISTRY OF THE SISTERS OF MERCY, INSPIRES HOPE AND PROMOTES HEALING FOR CHILDREN AND FAMILIES BY PROVIDING QUALITY HUMAN SERVICES AND EDUCATIONAL OPPORTUNITIES WHILE ADVOCATING FOR SOCIAL CHANGE.

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 [X] 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 [X] No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations 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 \$ 18,578,350. including grants of \$ ) (Revenue \$ 21,096,152. )

RESIDENTIAL COMMUNITY PROGRAMS - THESE PROGRAMS AFFORD CHILDREN OF ALL AGES THE OPPORTUNITY TO LIVE IN A COMMUNITY SETTING. THERE ARE APPROXIMATELY 620 INDIVIDUALS IN COMMUNITY BASED RESIDENTIAL PROGRAMS.

4b (Code: ) (Expenses \$ 10,085,311. including grants of \$ ) (Revenue \$ 11,948,743. )

RESIDENTIAL CAMPUS PROGRAMS - THESE PROGRAMS PROVIDE A STRUCTURED, NURTURING, AND CORRECTIVE EXPERIENCE FOR ADOLESCENTS WHO HAVE SERIOUS ADJUSTMENT DIFFICULTIES THAT NECESSITATE SEPARATION FROM THEIR HOME AND COMMUNITY. THE PROGRAM PROVIDES SERVICES FOR 96 RESIDENTS ON ITS CAMPUS.

4c (Code: ) (Expenses \$ 5,421,703. including grants of \$ ) (Revenue \$ 5,490,908. )

MEDICAL AND HEALTH PROGRAMS - PROVIDES ON-GOING MEDICAL AND DENTAL SERVICES TO ALL YOUTH IN THE RESIDENTIAL PROGRAMS AND FOSTER HOMES. CLINICAL STAFF PROVIDE DIAGNOSTIC AND TREATMENT SERVICES INCLUDING INDIVIDUAL, GROUP, AND FAMILY THERAPY & MEDICATION. THIS PROGRAM PROVIDES SERVICES FOR APPROXIMATELY 650 YOUTH SERVICED BY RESIDENTIAL PROGRAMS.

4d Other program services (Describe in Schedule O.)

(Expenses \$ 2,480,562. including grants of \$ ) (Revenue \$ 2,607,870. )

4e Total program service expenses 36,565,926.

Part IV Checklist of Required Schedules

Table with 3 columns: Question number, Yes, No. Rows include questions 1 through 20b regarding organizational requirements and reporting.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 21 through 38 regarding grants, compensation, tax-exempt bonds, and organizational transactions.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with columns for question numbers (1a-14b), Yes/No checkboxes, and numerical responses. Includes questions about Form 1096, Form W-2G, Form W-3, and various IRS forms like 8886-T, 8899, and 720.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include 1a (voting members), 1b (independent members), 2-9 (governance and management questions).

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include 10a-16b (policies on chapters, conflict of interest, whistleblower, compensation, and investments).

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection.
19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization.

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

Check if Schedule O contains a response or note to any line in this Part VII. . . . .

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

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- 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 neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) KEVIN SHINE BOARD CHAIR	3.00	X		X				0	0	0
(2) SR. CATHERINE CRUMLISH VICE CHAIR	3.00	X		X				0	0	0
(3) MARIE D'AMATO-RIZZI VICE CHAIR	3.00	X		X				0	0	0
(4) SCOTT GILDEA TREASURER	3.00	X		X				0	0	0
(5) SHEILA PELAN BOARD SECRETARY	2.00	X		X				0	0	0
(6) JOHN ALLEN BOARD MEMBER	2.00	X						0	0	0
(7) SR. SHEILA BROWNE BOARD MEMBER	2.00	X						0	0	0
(8) CHRISTINE CANARIATO BOARD MEMBER	2.00	X						0	0	0
(9) STEPHEN DAVY BOARD MEMBER	2.00	X						0	0	0
(10) SR. IVETTE V DIAZ BOARD MEMBER	2.00	X						0	0	0
(11) SR. MAUREEN JESSNIK BOARD MEMBER	2.00	X						0	0	0
(12) WILLIAM LAVIN BOARD MEMBER	2.00	X						0	0	0
(13) RHONDA MACO BOARD MEMBER	2.00	X						0	0	0
(14) JOHN MCCABE BOARD MEMBER	2.00	X						0	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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
( 15) PATRICK MCCARTHY BOARD MEMBER	2.00	X						0	0	0
( 16) MARC MCKENZIE BOARD MEMBER	2.00	X						0	0	0
( 17) LEONARD STEKOL BOARD MEMBER	2.00	X						0	0	0
( 18) HAROLD THOMAS BOARD MEMBER	2.00	X						0	0	0
( 19) SR. SHEILA TYNAN BOARD MEMBER	2.00	X						0	0	0
( 20) SR. PATRICIA WOLF BOARD MEMBER	2.00	X						0	0	0
( 21) GERARD MCCAFFERY PRESIDENT/CEO	41.00			X				238,189.	0	21,328.
( 22) CARLA DEFRANCISCO CHIEF FINANCIAL OFFICER	44.00			X				177,158.	0	21,328.
( 23) JACQUELINE MCKELVEY CHIEF PROGRAM OFFICER	47.00				X			155,812.	0	21,328.
( 24) JAMES HORNE MEDICAL DIRECTOR	41.00					X		173,581.	0	10,628.
( 25) ACHIM KRETSCHMER SR VP OF IS	36.00					X		136,895.	0	21,328.
<b>1b Sub-total</b> . . . . .								0	0	0
<b>c Total from continuation sheets to Part VII, Section A</b> . . . . .								1,207,373.	0	133,450.
<b>d Total (add lines 1b and 1c)</b> . . . . .								1,207,373.	0	133,450.

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **▶** 8

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .		X
<b>4</b> 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? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	X	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> . . . . .		X

**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. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 1		

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **▶** 11



**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII  X

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>						
	<b>b</b> Membership dues . . . . .	<b>1b</b>						
	<b>c</b> Fundraising events . . . . .	<b>1c</b>	103,355.					
	<b>d</b> Related organizations . . . . .	<b>1d</b>	30,650.					
	<b>e</b> Government grants (contributions) . .	<b>1e</b>						
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above .	<b>1f</b>	855,947.					
	<b>g</b> Noncash contributions included in lines 1a-1f: \$		104,042.					
	<b>h Total.</b> Add lines 1a-1f . . . . .			989,952.				
	<b>Program Service Revenue</b>	<b>Business Code</b>						
<b>2a</b> FAMILY FOSTER CARE AND ADOPTION SERVICES			623990	14,989,458.	14,989,458.			
<b>b</b> RESIDENTIAL CAMPUS PROGRAMS			623990	11,948,743.	11,948,743.			
<b>c</b> COMMUNITY-BASED GROUP HOMES			623990	6,106,694.	6,106,694.			
<b>d</b> MEDICAL AND MENTAL HEALTH SERVICES			623990	5,490,908.	5,490,908.			
<b>e</b> IMMIGRANT YOUTH PROGRAM SERVICES			623990	1,586,764.	1,586,764.			
<b>f</b> All other program service revenue . . . . .				1,021,106.	1,021,106.			
<b>g Total.</b> Add lines 2a-2f . . . . .				41,143,673.				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . .			18,273.			18,273.	
	<b>4</b> Income from investment of tax-exempt bond proceeds . . .			0				
	<b>5</b> Royalties . . . . .			0				
	<b>6a</b> Gross rents . . . . .	(i) Real	(ii) Personal					
		<b>b</b> Less: rental expenses . . . . .						
		<b>c</b> Rental income or (loss) . . . . .						
		<b>d Net rental income or (loss)</b> . . . . .			0			
	<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
		<b>b</b> Less: cost or other basis and sales expenses . . . . .			2,761.			
		<b>c</b> Gain or (loss) . . . . .			24,564.			
		<b>d Net gain or (loss)</b> . . . . .			-21,803.			-21,803.
	<b>8a</b> Gross income from fundraising events (not including \$ 103,355. of contributions reported on line 1c). See Part IV, line 18 . . . . .	<b>a</b>		ATCH 2	124,660.			
	<b>b</b> Less: direct expenses . . . . .	<b>b</b>			117,227.			
	<b>c Net income or (loss) from fundraising events</b> . . . . .			ATCH 3	7,433.			7,433.
	<b>9a</b> Gross income from gaming activities. See Part IV, line 19 . . . . .	<b>a</b>						
<b>b</b> Less: direct expenses . . . . .	<b>b</b>							
<b>c Net income or (loss) from gaming activities</b> . . . . .				0				
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>							
	<b>b</b> Less: cost of goods sold . . . . .	<b>b</b>						
	<b>c Net income or (loss) from sales of inventory</b> . . . . .				0			
<b>Miscellaneous Revenue</b>			<b>Business Code</b>					
<b>11a</b> OTHER INCOME		900099		18,490.			18,490.	
<b>b</b> . . . . .								
<b>c</b> . . . . .								
<b>d</b> All other revenue . . . . .								
<b>e Total.</b> Add lines 11a-11d . . . . .				18,490.				
<b>12 Total revenue.</b> See instructions . . . . .				42,156,018.	41,143,673.		22,393.	

**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).

Check if Schedule O contains a response or note to any line in this Part IX

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	(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 United States. See Part IV, line 21 .	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22 . . . . .	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16 . . . . .	0			
4 Benefits paid to or for members . . . . .	0			
5 Compensation of current officers, directors, trustees, and key employees . . . . .	568,140.		568,140.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	0			
7 Other salaries and wages . . . . .	20,546,571.	17,762,706.	2,683,963.	99,902.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) . . . . .	0			
9 Other employee benefits . . . . .	3,580,942.	3,012,460.	551,259.	17,223.
10 Payroll taxes . . . . .	1,809,531.	1,522,264.	278,705.	8,562.
11 Fees for services (non-employees):				
a Management . . . . .	0			
b Legal . . . . .	480,856.	434,722.	46,134.	
c Accounting . . . . .	75,000.		75,000.	
d Lobbying . . . . .	0			
e Professional fundraising services. See Part IV, line 17.	0			
f Investment management fees . . . . .	0			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) . . . . .	2,388,621.	2,032,202.	352,455.	3,964.
12 Advertising and promotion . . . . .	0			
13 Office expenses . . . . .	429,262.	300,626.	127,900.	736.
14 Information technology . . . . .	0			
15 Royalties . . . . .	0			
16 Occupancy . . . . .	1,624,375.	1,556,314.	67,707.	354.
17 Travel . . . . .	417,971.	385,094.	32,706.	171.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19 Conferences, conventions, and meetings . . . . .	0			
20 Interest . . . . .	395,797.	176,206.	219,591.	
21 Payments to affiliates . . . . .	0			
22 Depreciation, depletion, and amortization . . . . .	640,410.	487,550.	152,860.	
23 Insurance . . . . .	637,007.	396,201.	240,806.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a FOSTER PARENT PAYMENTS -----	5,871,843.	5,871,843.		
b CHILDREN'S EXPENSES -----	1,621,669.	1,621,669.		
c FOOD -----	581,844.	556,923.	24,791.	130.
d MISCELLANEOUS -----	391,003.	218,769.	147,301.	24,933.
e All other expenses -----	278,452.	230,377.	47,825.	250.
<b>25 Total functional expenses.</b> Add lines 1 through 24e	42,339,294.	36,565,926.	5,617,143.	156,225.
<b>26 Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) . . . . .	0			

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing	253,077.	<b>1</b>	156,695.
	<b>2</b> Savings and temporary cash investments	760,924.	<b>2</b>	508,737.
	<b>3</b> Pledges and grants receivable, net	95,946.	<b>3</b>	54,942.
	<b>4</b> Accounts receivable, net	9,067,894.	<b>4</b>	9,446,538.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	<b>5</b>	0
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0	<b>6</b>	0
	<b>7</b> Notes and loans receivable, net	0	<b>7</b>	0
	<b>8</b> Inventories for sale or use	0	<b>8</b>	0
	<b>9</b> Prepaid expenses and deferred charges	396,158.	<b>9</b>	410,520.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	<b>10a</b> 18,440,331.		
	<b>b</b> Less: accumulated depreciation	<b>10b</b> 11,278,473.	7,446,829.	<b>10c</b> 7,161,858.
	<b>11</b> Investments - publicly traded securities	0	<b>11</b>	0
	<b>12</b> Investments - other securities. See Part IV, line 11	2,224,810.	<b>12</b>	412,833.
	<b>13</b> Investments - program-related. See Part IV, line 11	0	<b>13</b>	0
	<b>14</b> Intangible assets	0	<b>14</b>	0
	<b>15</b> Other assets. See Part IV, line 11	156,124.	<b>15</b>	120,991.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34)	20,401,762.	<b>16</b>	18,273,114.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses	4,613,105.	<b>17</b>	4,170,779.
	<b>18</b> Grants payable	0	<b>18</b>	0
	<b>19</b> Deferred revenue	26,500.	<b>19</b>	0
	<b>20</b> Tax-exempt bond liabilities	1,195,000.	<b>20</b>	960,000.
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D	0	<b>21</b>	0
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	<b>22</b>	0
	<b>23</b> Secured mortgages and notes payable to unrelated third parties	7,916,627.	<b>23</b>	6,850,131.
	<b>24</b> Unsecured notes and loans payable to unrelated third parties	0	<b>24</b>	0
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	1,602,895.	<b>25</b>	1,427,845.
	<b>26 Total liabilities.</b> Add lines 17 through 25	15,354,127.	<b>26</b>	13,408,755.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets	4,299,020.	<b>27</b>	4,137,830.
	<b>28</b> Temporarily restricted net assets	510,865.	<b>28</b>	488,779.
	<b>29</b> Permanently restricted net assets	237,750.	<b>29</b>	237,750.
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds		<b>32</b>	
	<b>33</b> Total net assets or fund balances	5,047,635.	<b>33</b>	4,864,359.
<b>34</b> Total liabilities and net assets/fund balances	20,401,762.	<b>34</b>	18,273,114.	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	42,156,018.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	42,339,294.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	-183,276.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	5,047,635.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	0
<b>6</b>	Donated services and use of facilities	<b>6</b>	0
<b>7</b>	Investment expenses	<b>7</b>	0
<b>8</b>	Prior period adjustments	<b>8</b>	0
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	0
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	4,864,359.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

- 1** Accounting method used to prepare the Form 990:  Cash  Accrual  Other \_\_\_\_\_  
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant? .....  
 If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant? .....  
 If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- c** If "Yes" to line 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? .....  
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 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? .....
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
<b>2a</b>		X
<b>2b</b>	X	
<b>2c</b>	X	
<b>3a</b>	X	
<b>3b</b>	X	

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Public Charity Status and Public Support**

OMB No. 1545-0047

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

**2013**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ.  
▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

**Open to Public Inspection**

Name of the organization

MERCYFIRST

Employer identification number

11-1635089

**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: (For lines 1 through 11, check only one box.)

- 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)**.
- 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 33 1/3 % 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 33 1/3 % 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)**.
- 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-Non-functionally integrated
- 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?  
  - (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? 

	Yes	No
11g(i)		
  - (ii) A family member of a person described in (i) above? 

	Yes	No
11g(ii)		
  - (iii) A 35% controlled entity of a person described in (i) or (ii) above? 

	Yes	No
11g(iii)		
- h Provide the following information about the supported organization(s).

(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 monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
<b>Total</b>									

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2013

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 or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Table with 7 columns: (a) 2009, (b) 2010, (c) 2011, (d) 2012, (e) 2013, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total; 5 The portion of total contributions by each person; 6 Public support.

Section B. Total Support

Table with 7 columns: (a) 2009, (b) 2010, (c) 2011, (d) 2012, (e) 2013, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income; 11 Total support; 12 Gross receipts from related activities; 13 First five years.

Section C. Computation of Public Support Percentage

Table with 2 columns: Line number, Percentage. Rows include: 14 Public support percentage for 2013 (85.44%); 15 Public support percentage from 2012 Schedule A, Part II, line 14 (86.05%); 16a 33 1/3% support test - 2013; 16b 33 1/3% support test - 2012; 17a 10%-facts-and-circumstances test - 2013; 17b 10%-facts-and-circumstances test - 2012; 18 Private foundation.

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 or if the organization failed to qualify under Part II.
If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Table with 7 columns: (a) 2009, (b) 2010, (c) 2011, (d) 2012, (e) 2013, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 7c Add lines 7a and 7b; 8 Public support (Subtract line 7c from line 6).

Section B. Total Support

Table with 7 columns: (a) 2009, (b) 2010, (c) 2011, (d) 2012, (e) 2013, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included in line 10b; 12 Other income. Do not include gain or loss from the sale of capital assets; 13 Total support. (Add lines 9, 10c, 11, and 12.)

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.

Section C. Computation of Public Support Percentage

Table with 3 columns: Description, 2013, 2012. Row 15: Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f)). Row 16: Public support percentage from 2012 Schedule A, Part III, line 15.

Section D. Computation of Investment Income Percentage

Table with 3 columns: Description, 2013, 2012. Row 17: Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f)). Row 18: Investment income percentage from 2012 Schedule A, Part III, line 17.

19a 33 1/3% support tests - 2013. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization.

19b 33 1/3% support tests - 2012. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, 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.

**Part IV** **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

ATTACHMENT 1

SCHEDULE A, PART II - OTHER INCOME

DESCRIPTION	2009	2010	2011	2012	2013	TOTAL
OTHER INCOME	69,255.	8,422.	129,758.	103,519.	18,490.	329,444.
INSURANCE RECOVERIES				302,508.		302,508.
<b>TOTALS</b>	<u>69,255.</u>	<u>8,422.</u>	<u>129,758.</u>	<u>406,027.</u>	<u>18,490.</u>	<u>631,952.</u>

**Schedule of Contributors**

**2013**

▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**  
 ▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

<b>Name of the organization</b> MERCYFIRST	<b>Employer identification number</b> 11-1635089
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**Organization type** (check one):

**Filers of:**

**Section:**

- Form 990 or 990-EZ  501(c)(03 ) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization
- Form 990-PF  501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

- For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** \$5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of \$5,000 or more during the year . . . . . ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization	MERCYFIRST	Employer identification number	11-1635089
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**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	ESTATE OF MARY VIRGINIA DONNELLY 6 THORNDAL CIRCLE DARIEN, CT 06820	\$ 300,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	THE RTS FAMILY FOUNDATION P.O. BOX 156 HAWORTH, NJ 07641	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	ESTATE OF AGNES TRILL FUNK 22 HUNTING HILL ROAD NEW HYDE PARK, NY 11040	\$ 93,025.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	NYC DEPT. OF HEALTH & MENTAL HYGIENE 2 LAFAYETTE STREET NEW YORK, NY 10007	\$ 83,102.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
5	SISTERS OF MERCY MID-ATLANTIC COMMUNITY 515 MONTGOMERY AVENUE MERION STATION, PA 19066	\$ 30,650.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	THE ROCHE FAMILY FOUNDATION, INC. 969 5TH AVENUE NEW YORK, NY 10075	\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

<b>Name of organization</b> MERCYFIRST	<b>Employer identification number</b> 11-1635089
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**Part I** **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	TECHSOUP GLOBAL 435 BRANNAN STREET SAN FRANCISCO, CA 94107	\$ 14,800.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
8	MARIE D'AMATO RIZZI 61 GREEN MEADOW LANE HUNTINGTON, NY 11743	\$ 14,370.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9	RIDGEWOOD SAVINGS BANK 7102 FOREST AVENUE RIDGEWOOD, NY 11385	\$ 12,260.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10	THE ANGEL GUARDIAN GUILD 159 SENATOR STREET BROOKLYN, NY 11220	\$ 11,220.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
11	TD CHARITABLE FOUNDATION 317 MADISON AVENUE NEW YORK, NY 10017	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
12	THE SUSAN & LEONARD FEINSTEIN FOUNDATION 2 JERICHO PLAZA JERICHO, NY 11753	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

<b>Name of organization</b> MERCYFIRST	<b>Employer identification number</b> 11-1635089
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**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
13	ESTATE OF JOSEPH SULLIVAN ----- 74 2ND PLACE ----- BROOKLYN, NY 11231 -----	\$ 9,224.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
14	VIRGINIA MCCARTHY ----- 15 WOODMAN PLACE ----- MATAWAN, NJ 07747 -----	\$ 9,050.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
15	JOSEPH SWEENEY ----- P.O. BOX 2381 ----- HUNTINGTON, NY 11743 -----	\$ 6,840.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
16	WARREN & WARREN PC ----- 185 MONTAGUE STREET ----- BROOKLYN, NY 11201 -----	\$ 6,200.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
17	VALENTINO GROUP ----- 11 WEST 42ND STREET ----- NEW YORK, NY 10036 -----	\$ 6,140.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
18	FIDELITY CHARITABLE GIFT FUND ----- P.O. BOX 770001 ----- CINCINNATI, OH 45277 -----	\$ 5,100.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

<b>Name of organization</b> MERCYFIRST	<b>Employer identification number</b> 11-1635089
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**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
19	GILDEA & IVANIS LLC ----- 535 FIFTH AVENUE ----- NEW YORK, NY 10017 -----	\$ 5,100.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
20	DON KORENCZUK ----- 1 RANDOLPH WAY ----- HILLSBOROUGH, NJ 08844 -----	\$ 5,100.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
21	API SYSTEMS ----- 301 GIBRALTER DRIVE ----- MORRIS PLAINS, NJ 07950 -----	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
22	VICTORIA LOCONSOLO FOUNDATION, INC. ----- 2660 CONEY ISLAND AVENUE ----- BROOKLYN, NY 11223 -----	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
23	SILVERITE CONSTRUCTION ----- 520 WEST OLD COUNTRY ROAD ----- HICKSVILLE, NY 11801 -----	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization <b>MERCYFIRST</b>	Employer identification number 11-1635089
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**Part II** **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
4	DRUGS & MEDICAL SUPPLIES ----- ----- -----	\$ 83,102.	VAR
7	SOFTWARE ----- ----- -----	\$ 14,800.	VAR
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----

Name of organization MERCYFIRST

Employer identification number  
11-1635089

**Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year.** Complete columns (a) through (e) and the following line entry.

For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ▶ \$ \_\_\_\_\_  
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
----- ----- -----	----- ----- -----

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
----- ----- -----	----- ----- -----

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
----- ----- -----	----- ----- -----

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
----- ----- -----	----- ----- -----

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

2013

Department of the Treasury Internal Revenue Service

Attach to Form 990.

Open to Public Inspection

Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization

Employer identification number

MERCYFIRST

11-1635089

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 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... Yes No, 6 Did the organization inform all grantees... Yes No.

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

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements, 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution, 3 Number of conservation easements modified, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy..., 6 Staff and volunteer hours..., 7 Amount of expenses..., 8 Does each conservation easement..., 9 In Part XIII, describe how the organization reports...

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.

Table with 2 columns: Amounts. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report..., 1b If the organization elected, as permitted under SFAS 116 (ASC 958), to report..., 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain...

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

Schedule D (Form 990) 2013

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

3 Using the organization's acquisition, 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 XIII.

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?

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

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

Table with 2 columns: Description, Amount. Rows: 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance.

2a Did the organization include an amount on Form 990, Part X, line 21?

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII.

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

Table with 6 columns: (a) Current year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows: 1a-1g Balance and changes.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment, b Permanent endowment, c Temporarily restricted endowment

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

Table with 2 columns: Yes, No. Rows: 3a(i) unrelated organizations, 3a(ii) related organizations.

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

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

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Table with 5 columns: (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows: 1a Land, b Buildings, c Leasehold improvements, d Equipment, e Other, Total.

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives . . . . .		
(2) Closely-held equity interests . . . . .		
(3) Other _____		
(A) _____		
(B) _____		
(C) _____		
(D) _____		
(E) _____		
(F) _____		
(G) _____		
(H) _____		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) . . . . . ▶	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) DUE TO GOVERNMENT AGENCIES	1,427,845.	
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	1,427,845.	

2. Liability for uncertain tax positions. In Part XIII, 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 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

<b>1</b>	Total revenue, gains, and other support per audited financial statements		<b>1</b>	42,273,245.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
<b>a</b>	Net unrealized gains on investments	<b>2a</b>		
<b>b</b>	Donated services and use of facilities	<b>2b</b>		
<b>c</b>	Recoveries of prior year grants	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	117,227.	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>	117,227.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>	42,156,018.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>		
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>	
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)		<b>5</b>	42,156,018.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

<b>1</b>	Total expenses and losses per audited financial statements		<b>1</b>	42,456,521.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
<b>a</b>	Donated services and use of facilities	<b>2a</b>		
<b>b</b>	Prior year adjustments	<b>2b</b>		
<b>c</b>	Other losses	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	117,227.	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>	117,227.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>	42,339,294.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>		
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>	
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)		<b>5</b>	42,339,294.

**Part XIII Supplemental Information.**

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, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

**Part XIII** Supplemental Information (continued)

PART V, LINE 4:

ENDOWMENT FUNDS ARE INTENDED TO PROVIDE FUNDING FOR SCHOLARSHIPS.

PART X, LINE 2:

UNDER ACS 740, "INCOME TAXES", AN ORGANIZATION MUST RECOGNIZE THE TAX BENEFIT ASSOCIATED WITH TAX POSITIONS TAKEN FOR TAX RETURN PURPOSES WHEN IT IS MORE LIKELY THAN NOT THE POSITION WILL BE SUSTAINED UPON EXAMINATION BY THE TAXING AUTHORITY. MERCYFIRST DOES NOT BELIEVE IT HAS TAKEN ANY MATERIAL UNCERTAIN TAX POSITIONS AND, ACCORDINGLY, IT HAS NOT RECORDED ANY LIABILITY FOR UNRECOGNIZED TAX BENEFITS. MERCYFIRST HAS FILED FOR AND RECEIVED INCOME TAX EXEMPTIONS IN THE JURISDICTIONS WHERE IT IS REQUIRED TO DO SO. ADDITIONALLY, MERCYFIRST HAS FILED IRS FORM 990 INFORMATION RETURNS, AS REQUIRED. FOR THE YEAR ENDED JUNE 30, 2014, THERE WAS NO INTEREST OR PENALTIES RECORDED IN THE STATEMENT OF ACTIVITIES. MERCYFIRST IS SUBJECT TO ROUTINE AUDIT BY TAXING AUTHORITIES. MERCYFIRST BELIEVES IT IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS FOR YEARS PRIOR TO 2011.

PART XI, LINE 2D:

COST OF FUNDRAISING EVENTS IS INCLUDED IN THE EXPENSES ON THE FINANCIAL STATEMENTS.

**Part XIII** Supplemental Information *(continued)*

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PART XII, LINE 2D:

COST OF FUNDRAISING EVENTS IS INCLUDED IN THE EXPENSES ON THE FINANCIAL STATEMENTS.



**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		HARVEST BALL (event type)	SPRING GOLF (event type)	1. (total number)	(add col. (a) through col. (c))
Revenue	<b>1</b> Gross receipts . . . . .	86,890.	133,625.	7,500.	228,015.
	<b>2</b> Less: Contributions . . . . .	45,980.	56,880.	495.	103,355.
	<b>3</b> Gross income (line 1 minus line 2) . . . . .	40,910.	76,745.	7,005.	124,660.
Direct Expenses	<b>4</b> Cash prizes . . . . .				
	<b>5</b> Noncash prizes . . . . .		4,196.		4,196.
	<b>6</b> Rent/facility costs . . . . .	21,180.	62,850.		84,030.
	<b>7</b> Food and beverages . . . . .			19,960.	19,960.
	<b>8</b> Entertainment . . . . .				
	<b>9</b> Other direct expenses . . . . .	2,659.	5,305.	1,077.	9,041.
	<b>10</b> Direct expense summary. Add lines 4 through 9 in column (d) . . . . .				117,227.
	<b>11</b> Net income summary. Subtract line 10 from line 3, column (d) . . . . .				7,433.

**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.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	<b>1</b> Gross revenue . . . . .				
Direct Expenses	<b>2</b> Cash prizes . . . . .				
	<b>3</b> Noncash prizes . . . . .				
	<b>4</b> Rent/facility costs . . . . .				
	<b>5</b> Other direct expenses . . . . .				
	<b>6</b> Volunteer labor . . . . .	<input type="checkbox"/> Yes _____% <input type="checkbox"/> No	<input type="checkbox"/> Yes _____% <input type="checkbox"/> No	<input type="checkbox"/> Yes _____% <input type="checkbox"/> No	
	<b>7</b> Direct expense summary. Add lines 2 through 5 in column (d) . . . . .				
	<b>8</b> Net gaming income summary. Subtract line 7 from line 1, column (d) . . . . .				

**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?  Yes  No

**b** If "No," explain: \_\_\_\_\_

**10 a** Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?  Yes  No

**b** If "Yes," explain: \_\_\_\_\_

- 11 Does the organization operate gaming activities with nonmembers?  Yes  No
- 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?  Yes  No
- 13 Indicate the percentage of gaming activity operated in:
 

a The organization's facility	<b>13a</b>	%
b An outside facility	<b>13b</b>	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

- 15 a Does the organization have a contract with a third party from whom the organization receives gaming revenue?  Yes  No
- 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 of the third party:

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?  Yes  No
  - b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

**Part IV** **Supplemental Information.** Provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

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**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

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

- ▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.
- ▶ Attach to Form 990. ▶ See separate instructions.
- ▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

**Open to Public  
Inspection**

Name of the organization

MERCYFIRST

Employer identification number

11-1635089

**Part I Questions Regarding Compensation**

**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.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are 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

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee          | <input type="checkbox"/> Written employment contract                                |
| <input type="checkbox"/> Independent compensation consultant        | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
  - b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
  - c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.**

**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?
  - b** Any related organization?
- 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?
  - b** Any related organization?
- 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

**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 Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		X
<b>4b</b>		X
<b>4c</b>		X
<b>5a</b>		X
<b>5b</b>		X
<b>6a</b>		X
<b>6b</b>		X
<b>7</b>		X
<b>8</b>		X
<b>9</b>		

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

Schedule J (Form 990) 2013

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 GERARD MCCAFFERY PRESIDENT/CEO	(i)	227,343.	0	10,846.	0	21,328.	259,517.	0
	(ii)	0	0	0	0	0	0	0
2 CARLA DEFRANCISCO CHIEF FINANCIAL OFFICER	(i)	176,783.	0	375.	0	21,328.	198,486.	0
	(ii)	0	0	0	0	0	0	0
3 JACQUELINE MCKELVEY CHIEF PROGRAM OFFICER	(i)	146,043.	0	9,769.	0	21,328.	177,140.	0
	(ii)	0	0	0	0	0	0	0
4 JAMES HORNE MEDICAL DIRECTOR	(i)	173,233.	0	348.	0	10,628.	184,209.	0
	(ii)	0	0	0	0	0	0	0
5 ACHIM KRETSCHMER SR VP OF IS	(i)	136,895.	0	0	0	21,328.	158,223.	0
	(ii)	0	0	0	0	0	0	0
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

---

**Part III Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

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**SCHEDULE M  
(Form 990)**

**Noncash Contributions**

OMB No. 1545-0047

**2013**

**Open To Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

- ▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
- ▶ Attach to Form 990.
- ▶ Information about Schedule M (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization

MERCYFIRST

Employer identification number

11-1635089

**Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art . . . . .				
2 Art - Historical treasures . . . . .				
3 Art - Fractional interests . . . . .				
4 Books and publications . . . . .				
5 Clothing and household goods . . . . .				
6 Cars and other vehicles . . . . .				
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 . . . . .				
20 Drugs and medical supplies . . . . .	X	1.	83,102.	SELLING PRICE
21 Taxidermy . . . . .				
22 Historical artifacts . . . . .				
23 Scientific specimens . . . . .				
24 Archeological artifacts . . . . .				
25 Other ▶ (ATCH 1) . . . . .		80.	20,940.	
26 Other ▶ ( ) . . . . .				
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**

	Yes	No
30 a 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? . . . . .		X
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? . . . . .		X
32 a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? . . . . .		X
b If "Yes," describe in Part II.		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

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

Schedule M (Form 990) (2013)

JSA

3E1298 1.000

**Part II** **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

ATTACHMENT 1

SCHEDULE M, PART I - OTHER NONCASH CONTRIBUTIONS

<u>DESCRIPTION</u>	<u>(A) CHECK</u>	<u>(B) NUMBER OF CONTRIBUTIONS</u>	<u>(C) REVENUES REPORTED</u>	<u>(D) METHOD OF DETERMINING</u>
COMPUTER SOFTWARE	X	50.	14,800.	REPLACEMENT COST
COMPUTERS	X	28.	5,040.	REPLACEMENT COST
SERVERS	X	2.	1,100.	REPLACEMENT COST
TOTALS		<u>80.</u>	<u>20,940.</u>	

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

MERCYFIRST

**Supplemental Information to Form 990 or 990-EZ**

**Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.**

OMB No. 1545-0047

**2013**

**Open to Public  
Inspection**

Employer identification number

11-1635089

FORM 990, PART I, LINE 1:

SERVICES AND EDUCATIONAL OPPORTUNITIES WHILE ADVOCATING FOR SOCIAL  
CHANGE.

FORM 990, PART III, LINE 4D:

1) IMMIGRANT YOUTH PROGRAM SERVICES - THESE PROGRAMS PROVIDE A SAFE AND  
CARING ENVIRONMENT FOR UNACCOMPANIED REFUGEE CHILDREN NEEDING RESIDENTIAL  
AND OTHER SUPPORT SERVICES. MERCYFIRST PROVIDED SERVICES FOR 135 YOUTH,  
FROM INFANCY THROUGH AGE 17.

EXPENSES: \$1,378,267. REVENUE: \$1,586,764.

2) FAMILY SUPPORT AND AFTER-SCHOOL PROGRAMS - THESE PROGRAMS OFFER  
STABILITY TO FAMILIES IN CRISIS AND PROVIDE INTENSIVE CASE MANAGEMENT  
SERVICES. THE GOAL IS TO KEEP FAMILIES TOGETHER AND PROVIDE OPTIONS FOR  
CHILD CARE. OVER 350 FAMILIES ARE SERVED BY THESE PROGRAMS ANNUALLY.

EXPENSES: \$1,102,295. REVENUE: \$1,021,106.

FORM 990, PART VI, SECTION A, LINE 6:

THE MEMBERS OF THE CORPORATION ARE THE PRESIDENT AND THE LEADERSHIP TEAM  
OF THE SISTERS OF MERCY OF THE AMERICAS MID-ATLANTIC COMMUNITY.

FORM 990, PART VI, SECTION A, LINE 7A:

THE MEMBERS HAVE ESTABLISHED THE SPONSOR COUNCIL AND HAVE DELEGATED  
CERTAIN POWERS TO THE COUNCIL. THEY MAY APPOINT OR REMOVE MEMBERS OF THE

Name of the organization MERCYFIRST	Employer identification number 11-1635089
--	--

BOARD UPON RECOMMENDATION OF THE LOCAL BOARD OR IN CONSULTATION WITH THE MEMBERS, APPOINT THE CHAIR OF THE BOARD UPON RECOMMENDATION OF THE LOCAL BOARD, APPOINT THE CEO UPON THE RECOMMENDATION OF THE LOCAL BOARD; REMOVE, IN CONSULTATION WITH THE MEMBERS, THE CEO FOR VIOLATION OF THE MISSION OBJECTIVES OR PURPOSES OF THE CORPORATION.

FORM 990, PART VI, SECTION A, LINE 7B:

THE MEMBERS OF THE CORPORATION MUST APPROVE CERTAIN PROPOSALS INCLUDING, THE SALE OF SUBSTANTIALLY ALL THE ASSETS OF THE CORPORATION, THE AMOUNT OF DEBT TO BE INCURRED BY THE CORPORATION, AND THE AMOUNT OF ASSETS THAT CAN BE SOLD ANNUALLY.

FORM 990, PART VI, SECTION B, LINE 11B:

FORM 990 IS PREPARED BY THE FINANCE DEPARTMENT OF MERCYFIRST AND IS REVIEWED BY A SPECIALIST OF THE CPA FIRM ENGAGED TO PROVIDE AUDIT SERVICES. ALL TRUSTEES ARE PROVIDED WITH A COPY OF THE FINAL FORM 990 PRIOR TO FILING. THE 990 IS REVIEWED WITH THE TRUSTEES IN DETAIL AT A MONTHLY BOARD MEETING. THE REVIEW INCLUDES DISCUSSION OF GOVERNANCE PRACTICES. ADDITIONALLY AN OPERATIONAL REVIEW IS CONDUCTED TO HIGHLIGHT OPERATIONS, INCLUDING EMPLOYEES AND THEIR RESPONSIBILITIES WITHIN THE ORGANIZATION.

FORM 990, PART VI, SECTION B, LINE 12C:

ALL TRUSTEES, OFFICERS AND KEY PERSONNEL ARE REQUESTED TO COMPLETE A CONFLICT OF INTEREST CHECKLIST ANNUALLY AND DISCLOSE ANY POTENTIAL CONFLICTS.

Name of the organization MERCYFIRST	Employer identification number 11-1635089
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FORM 990, PART VI, SECTION B, LINE 15A:

THE COMPENSATION OF THE PRESIDENT/CEO IS DETERMINED BY A COMPENSATION COMMITTEE CONSISTING OF INDEPENDENT MEMBERS OF THE ORGANIZATION'S BOARD OF TRUSTEES. THE COMPENSATION OF THE PRESIDENT/CEO IS ESTABLISHED CONSIDERING COMPENSATION SURVEYS AND STUDIES AS WELL AS SALARIES FOR CEOS AT COMPARABLE ORGANIZATIONS BASED ON AMOUNTS REPORTED ON 990S. THE DECISION OF THE COMMITTEE IS DOCUMENTED IN PERSONNEL FILES.

FORM 990, PART VI, SECTION B, LINE 15B:

THE COMPENSATION OF OTHER OFFICERS AND KEY EMPLOYEES IS ESTABLISHED CONSIDERING COMPENSATION SURVEYS AND STUDIES AS WELL AS SALARIES FOR OFFICERS AND KEY EMPLOYEES AT COMPARABLE ORGANIZATION BASED ON AMOUNTS REPORTED ON 990S. THE PROCESS WAS LAST PERFORMED IN 2012 AND THE DECISION OF THE COMMITTEE IS DOCUMENTED IN PERSONNEL FILES.

FORM 990, PART VI, SECTION C, LINE 19:

ALL GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

ATTACHMENT 1

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
CULINART, INC. 175 SUNNYSIDE BLVD PLAINVIEW, NY 11803	FOOD SERVICE	734,803.
WARREN & WARREN 189 MONTAGUE STREET BROOKLYN, NY 11201	LEGAL	409,557.

Name of the organization MERCYFIRST	Employer identification number 11-1635089
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ATTACHMENT 1 (CONT'D)

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
CHEMRX P.O. BOX 1060 LONG BEACH, NY 11561	PHARMACEUTICALS	345,759.
PHARMADYNAMICS, INC. P.O. BOX 156 CENTERPORT, NY 11721	PHARMACEUTICALS	323,545.
RICHARD U LY, DDS 10 OLD ORCHARD LANE RIDGE, NY 11961	DENTAL SERVICES	197,411.

ATTACHMENT 2

FORM 990, PART VIII - EXCLUDED CONTRIBUTIONS

<u>DESCRIPTION</u>	<u>AMOUNT</u>
"NO SHOW" HARVEST BALL	45,980.
SPRING GOLF OUTING	56,880.
OTHER SPECIAL EVENTS	495.
TOTAL	<u>103,355.</u>

ATTACHMENT 3

FORM 990, PART VIII - FUNDRAISING EVENTS

<u>DESCRIPTION</u>	<u>GROSS INCOME</u>	<u>DIRECT EXPENSES</u>	<u>NET INCOME</u>
"NO SHOW" HARVEST BALL	40,910.	23,839.	17,071.
SPRING GOLF OUTING	76,745.	72,351.	4,394.
OTHER SPECIAL EVENTS	7,005.	21,037.	-14,032.
TOTALS	<u>124,660.</u>	<u>117,227.</u>	<u>7,433.</u>

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No. 1545-0047

**2013**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

- ▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.**
- ▶ **Attach to Form 990.**      ▶ **See separate instructions.**
- ▶ **Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

Name of the organization

MERCYFIRST

Employer identification number

11-1635089

**Part I Identification of Disregarded Entities** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) 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
(1) -----					
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

**Part II Identification of Related Tax-Exempt Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(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	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) SISTERS OF MERCY OF THE MID-ATLANTIC COM      20-4874208 515 MONTGOMERY AVENUE      MERION, PA 19066	RELIGIOUS	PA	501(C)(3)	1	N/A		X
(2) -----							
(3) -----							
(4) -----							
(5) -----							
(6) -----							
(7) -----							

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

Schedule R (Form 990) 2013

**Part III Identification of Related Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(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, unrelated, excluded from tax under sections 512-514)	(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?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) -----												
(2) -----												
(3) -----												
(4) -----												
(5) -----												
(6) -----												
(7) -----												

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(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	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) -----									
(2) -----									
(3) -----									
(4) -----									
(5) -----									
(6) -----									
(7) -----									

**Part V Transactions With Related Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

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

	Yes	No
<b>1</b> 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?		
<b>a</b> Receipt of <b>(i)</b> interest <b>(ii)</b> annuities <b>(iii)</b> royalties or <b>(iv)</b> rent from a controlled entity		X
<b>b</b> Gift, grant, or capital contribution to related organization(s)		X
<b>c</b> Gift, grant, or capital contribution from related organization(s)	X	
<b>d</b> Loans or loan guarantees to or for related organization(s)		X
<b>e</b> Loans or loan guarantees by related organization(s)		X
<b>f</b> Dividends from related organization(s)		
<b>g</b> Sale of assets to related organization(s)		X
<b>h</b> Purchase of assets from related organization(s)		X
<b>i</b> Exchange of assets with related organization(s)		X
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s)		X
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s)	X	
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s)		X
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s)		X
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
<b>o</b> Sharing of paid employees with related organization(s)		X
<b>p</b> Reimbursement paid to related organization(s) for expenses		X
<b>q</b> Reimbursement paid by related organization(s) for expenses		X
<b>r</b> Other transfer of cash or property to related organization(s)		X
<b>s</b> Other transfer of cash or property from related organization(s)		X

**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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) SISTERS OF MERCY OF THE MID-ATLANTIC COMM.	C	30,650.	CASH VALUE
(2) SISTERS OF MERCY OF THE MID-ATLANTIC COMM.	K	343,589.	LEASE AMOUNT
(3)			
(4)			
(5)			
(6)			

**Part VI** Unrelated Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

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) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(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?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1) -----													
(2) -----													
(3) -----													
(4) -----													
(5) -----													
(6) -----													
(7) -----													
(8) -----													
(9) -----													
(10) -----													
(11) -----													
(12) -----													
(13) -----													
(14) -----													
(15) -----													
(16) -----													

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**Part VII** **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

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