2016
Annual Report

Mercy Ships

Africa Mercy

Bringing Hope and Healing...

Mission
Mercy Ships follows the 2,000-year-old model of Jesus, bringing hope and healing to the world's forgotten poor.

Vision
Mercy Ships uses hospital ships to transform individuals and serve nations one at a time.

Values
Following the model of Jesus, we seek to:

- Love God
- Love and serve others.
- Be people of integrity.
- Aim for excellence in all we say and do.

Our Threefold Focus

Hope is the large-scale medical capacity-building programs and training we provide to help the host country better serve the medical needs of its people.

Healing is individual, free, life-changing surgeries provided to the poorest of the poor.

Heart is following the 2000-year-old model of Jesus.

Since her deployment in 2007, the *Africa Mercy* has participated in 12 field services in sub-Saharan Africa — serving the countries of Liberia, Guinea, South Africa, Sierra Leone, the Republic of Congo, Benin, Togo, and Madagascar.

Words From the Chairman

In 2016, the *Africa Mercy*'s dedicated staff and crew served the "poorest of the poor" in two African nations – Madagascar off the east coast and Benin on the west coast. Both countries have extraordinary challenges in caring for the health and welfare of their people. Of the 187 countries tracked in the Human Development Index (HDI), Benin ranks at 166 and Madagascar at 154. **The tragic truth is that more than 5 billion people worldwide have no access to safe surgical care.**

For almost 40 years, the Mercy Ships team has brought "hope and healing" by providing free surgeries and healthcare where it is scarce. Our professionals collaborate with local and international partners to improve the health outcomes and delivery systems in the countries we serve. Last year, Mercy Ships provided specific courses to over 1,600 local healthcare professionals, as well as mentoring 76 local medical professionals onboard the *Africa Mercy* in port. **These initiatives enable countries to better serve their own people.**

The need is immense in Africa, and we are eager to extend our reach by going to a two-ship model to more than double our effectiveness. The new ship is well into the shipyard construction process, and we expect to have her deployed sometime in early 2019. The "new-built" vessel will serve as a partner to the *Africa Mercy* and will have the capacity to serve for more than 50 years! **The configuration of the new ship includes state-of-the-art medical facilities for training in-country medical staff … it will literally be a classroom for the continent! More patients can be reached, and local medical professionals will be educated.**

As we look to the future with two ships, we have not lost sight of our life-saving mission in the present. During 2016, over 1,200 volunteers representing 51 nationalities served onboard our hospital ship, with over 400 onboard at any given time. This multinational team performed over 1,500 major surgeries, 21,000 dental procedures, and 4,000 medical screenings during the visits to Madagascar and Benin.

In 2010 and 2013, we were grateful for the high-profile recognition by the Discovery Channel and CBS *60 Minutes* segments that aired about Mercy Ships. Recently, filming was completed for an eight-segment series that will be aired by National Geographic in a number of countries around the world. We are excited about the added awareness this will bring about both the urgent need in Africa and our selfless professionals who serve the poor.

Our work is far from over – and on behalf of my board colleagues and extraordinary staff and crew, I encourage you to help us sail ahead to offer even more "hope and healing" to the people of Africa.

Sincerely,

Myron E. Ullman, III
Chairman of the Board, Mercy Ships International

From the Heart of the Founder

Dear Friends,

For almost 40 years, Mercy Ships has gone where the people are. People who have been robbed of many things … a happy childhood, a healthy family, and sometimes of life itself. Mercy Ships offers unique solutions to this situation. And our service is based upon three elements: **hope, healing and heart.**

Every national leader or minister of health I've spoken to has asked, "Don, can you please train our people in-country?" Thousands and thousands die every day from absolutely curable conditions. The medical capacity-building programs we freely offer sow seeds of hope for a future free of deaths caused by lack of access to safe surgery.

In Africa, abnormalities cause marginalization. Mercy Ships offers healing through free life-saving surgeries. But the healing process actually starts the moment our doctors and nurses look the patients directly in the eye and shake their hands. For some of those patients, it's their first human touch in a very long time. When an eight-year-old patient says, "Maybe I do matter," we know we are making progress toward a brighter future. We believe that everyone should have a place at the table of the human race.

And everything we do is motivated by the heart of Mercy Ships – our desire to follow the model of Jesus. Two thousand years ago, Jesus enabled the lame to walk and the blind to see. We carry on His mission today, bringing hope and healing to thousands. We couldn't do it without heart.

Our goal of serving more people centers on the construction of a new flagship vessel, bigger than our last four ships combined. God willing, it will join the *Africa Mercy* and stay in service for 50 years, as an anchor of hope for Africa. Millions live within 100 miles of the African coast – and we are uniquely positioned to help them. Mercy Ships has the potential, within a generation, to rewrite the healthcare narrative in Africa. We can train more medical professionals and upgrade the quality of hospitals and clinics – all while saving many lives. Imagine the hope and healing provided by this second vessel!

Something amazing happens when hope, healing and heart combine. People and communities are transformed. And not just the patients, but everyone onboard – doctors, nurses, non-medical crew, everyone … including me. It is an exciting time to be involved with Mercy Ships, and I believe our greatest days are ahead … I am so grateful that you are partnering with us.

Don Stephens
President/Founder

Our History Since 1978

For **nearly 40 years**, Mercy Ships has been bringing hope and healing to those in need by providing services and materials in developing nations valued at **over $1 billion** and impacting more than **2.61 million direct beneficiaries**.

55
Developing nations visited

592
Port visits by our ships

over **1,100**
Community development projects completed

over **642,579**
Village patients treated with medical and dental procedures

over **6,121**
Healthcare professionals trained to train others

over **39,684**
Healthcare professionals trained in their field of expertise

over **84,477**
Life-changing surgical procedures provided

2016 At a Glance

Together with your help and that of our international volunteer crew, lasting transformation was brought to the nations of Madagascar and Benin **during 2016** through training, surgeries, and gentle acts of kindness and mercy.

1,143
Volunteers

49
Nationalities represented by our crew

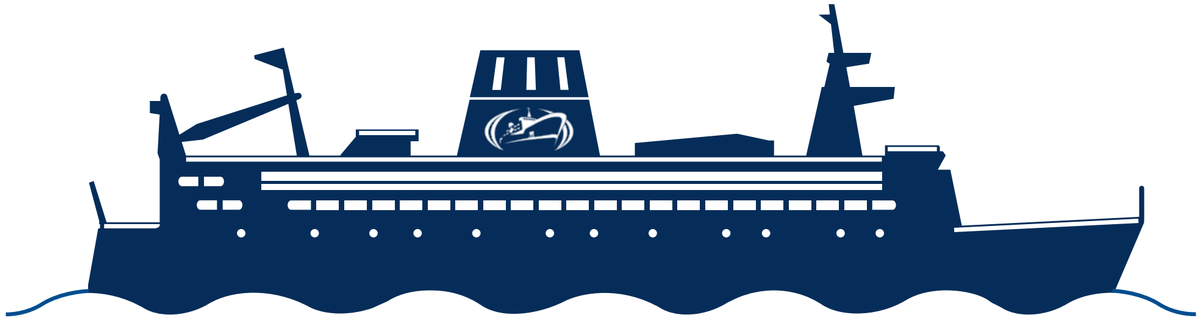
718,516
Total contributed hours by our volunteers

22,466
Dental procedures performed

1,551
Life-changing surgeries

1,704
Healthcare professionals trained

6,917
Medical consultations



48,799 Direct beneficiaries in 2016

HOPE

The Situation

The number of people worldwide who do not have access to safe, timely and affordable surgery is staggering … **5 billion**. Most hospitals in sub-Saharan Africa operate with limited resources, in some cases without electricity and running water. Also, many hospitals are unable to offer training and education opportunities. The situation is even more serious due to an alarming trend – the emigration of highly skilled African medical professionals to the West. More than 40% move to the U.S. or Europe, creating a significant "brain drain".

The Mercy Ships Solution

Mercy Ships provides essential capacity-building projects, launched in cooperation with the nations we serve and tailored to their specific needs. These projects deliver healthcare safely and with increased knowledge, tools and resources. We strengthen healthcare delivery systems by:

- Training and mentoring local medical professionals onboard our hospital ship
- Providing courses to improve skills, patient care and local health practices
- Strengthening infrastructure through renovation and construction, from clinics to hospitals

The power of hope addresses the challenge of need.

Mercy Ships has provided free surgical care for almost 40 years. Additionally, we serve nations in building their own healthcare delivery systems through capacity-building programs.

"'For I know the plans I have for you,' declares the Lord, 'plans to prosper you and not to harm you, plans to give you hope and a future.'"

— Jeremiah 29:11

Medical Capacity-Building Projects

Medical Capacity-Building Projects impart knowledge and skills, while modeling and encouraging compassion and a professional work ethic. These projects incorporate one-on-one mentoring opportunities and internationally recognized courses for groups, held in the *Africa Mercy* hospital or in conference venues onshore.

> "Our heart is to come alongside and say, 'You are doing an amazing job with what you have. Let's see if we can make it even better.'"
>
> — *Krissy Close*
> *Medical Capacity-Building Project Manager*

Goals

- To impart knowledge and skills in order to affect transformational development.
- Select participants in the training-of-trainers portions who have the skills to train others in the course material.

Projects Results

Healthcare Providers Trained Through Courses

713	WHO Safe Surgery Checklist
265	Mental Health Course (including 128 in Cameroon)
135	Primary Trauma Care + 30 in Training of Trainers
131	Essential Pain Management + 11 Training of Trainers
118	"SAFE" Obstetric Anesthesia + 29 Training of Trainers
117	"SAFE" Pediatric Anesthesia + 18 in Training of Trainers
64	Improving Surgical Care (various courses)
59	Sterile Processing Courses
33	Essential Surgical Skills + 6 in Training of Trainers
33	Medical Leadership
20	Newborn Resuscitation Courses for Nurses
17	Ponseti Method Courses
8	Regional Anesthesia Course
6	Biomedical Technicians
4	Helping Babies Breathe
1	Dental

Healthcare Providers Mentored

16	Ward Nurses for Fistula Care
14	Nurse Anesthetists – onboard the *Africa Mercy*
13	Maxillofacial Ward Nurses
7	Healthcare workers for Ponseti Method
6	Maxillofacial surgeons – onboard the *Africa Mercy*
6	Pediatric Ward Nurses
6	Plastics Ward Nurses
5	General surgeons – onboard the *Africa Mercy*
4	Surgeons mentored in obstetric fistula surgery – onboard the *Africa Mercy*
4	Emergency Room Nurses
3	Dentists – at our local clinic
2	Plastic Reconstructive Surgeons
2	Operating Room Nurses – onboard the *Africa Mercy*
2	Ophthalmic Nurses mentored
1	Sterile Processing Technician – at the local hospital and onboard the ship
1	Surgeon in Ponseti Method

Infrastructure Development in Madagascar

Mercy Ships infrastructure improvement projects include renovations at local hospitals and clinics. Mercy Ships personnel provide project management, using local construction crews. In 2016, we made a major investment in the Centre Hospitalier Universitaire Toamasina (CHUT) in Madagascar. Renovations included:

- Improved power source for operating room block
- Improved septic system
- Repair of surgery ward roof
- Repair of water distribution system
- Improved roads and sidewalks
- Renovations of Pediatric and ICU Departments
- Equipment for the Operating Rooms, Pediatric and ICU Departments

> "The medical training and capacity building that Mercy Ships provides leverages our time in a country to leave a lasting and sustained impact of the healthcare systems of the countries we visit."
>
> *—Dr. Peter Linz*
> *International Chief Medical Officer*

When A Plan Comes Together …

Capacity-building programs and renovation projects combined in a wonderful way at the Centre Hospitalier Universitaire Toamasina (CHUT). We watched hope take shape holistically, leaving the entire healthcare delivery system of Madagascar much stronger. The three key elements that came together were healthcare training, renovations, and equipment donations.

CHUT was built between 1975-1980, and the hospital treats about 13,000 patients per year. It provides surgery, emergency, labor and delivery, and neonatal care. Like many African hospitals, it struggles with lack of training, equipment, and personnel.

By working with designated departments in the hospital, Mercy Ships focused training, renovations, and equipment procurement in the best way to reinforce the quality of the hospital's services. The project included renovating the operating bloc, improving the power source, repairing the water and septic system, improving walkways and roads for patient safety, training maintenance personnel, training biomedical technicians to keep medical equipment in working order, and providing operating room equipment. These efforts bolstered Mercy Ships training for surgeons, nurses, anesthesia providers, and sterile processing technicians, also at CHUT. The result? Better healthcare delivery in Madagascar.

Infrastructure Development in Benin

Improvement projects in Benin included:

- Renovation of facility at Centre de Santé de Zogbo for use as a Dental Clinic
- Renovation of facility at Centre de Santé de Missessin for use as the HOPE Center

H.O.P.E. Center —Hospital Out-Patient Extension

The HOPE Center is a non-medical facility that supports the hospital onboard the *Africa Mercy*. Its aim is to free up precious bed space in the hospital ward on the ship, enabling more life-changing surgeries to take place. Our patients and caregivers usually come from outlying areas and stay with us after their surgery until no further medical intervention is required. The HOPE Center provides housing for patients and caregivers in a secure location near the ship. After surgery, it offers a safe and clean environment that promotes effective recovery, while maintaining easy access to the ship for follow-up care. It provides a warm, welcoming atmosphere where patients can feel relaxed and at home.

Goals

- To optimize the capacity of hospital surgical outputs by improving patient care in and out of the ward.
- To increase medical infrastructure by providing a renovated building for use after the ship leaves port.

Nutritional Agriculture Course —Food for Life

Good nutrition is essential to good health. The Mercy Ships Nutritional Agriculture Course trained agriculturalists in Madagascar. The course included both classroom and hands-on instruction, as well as training in food transformation. After 21 weeks of training, the new trainers returned home to set up their own agriculture training program. As the knowledge spreads, food supplies will increase, diets will improve, and people will be healthier!

Goals

- To increase farming capacity and provide hands-on training for agriculture workers at a local orphanage

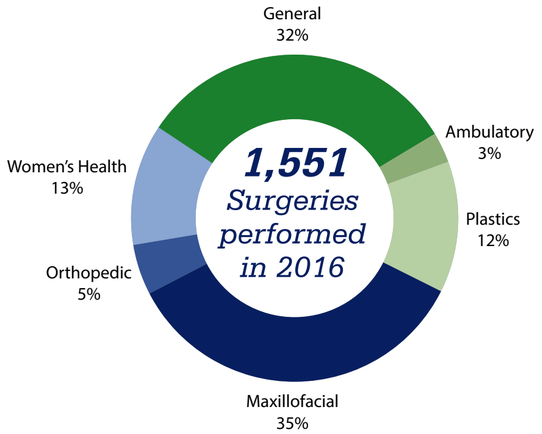
Project Results

34 Trained in nutritional agriculture in Benin (Madagascar)

5 Orphanage workers and community farmers

HEALING

At Mercy Ships, **healing** often involves surgical intervention. But the healing process begins even sooner. It starts that very day we meet a new patient, when they are screened for treatment. **Healing, both inside and outside, begins with that first touch and smile of welcome.**



General Surgical Project

General Surgeries address conditions such as hernias, thyroid goiters, and soft tissue tumors.

Goals

- To improve the quality of life by surgically addressing pediatric congenital conditions, as well as adult environmentally-and-occupationally-acquired conditions
- To build local healthcare capacity

Project Results

494 General surgeries - primarily goiters, hernia repairs, and lipomas

5 Surgeons mentored in general surgery

Reconstructive Plastic Surgical Project

In Africa, many people still use open fires for cooking on a daily basis. These open flames are often a source of accidental burns. In nations where adequate healthcare is not readily available or affordable, burns often go untreated, resulting in severe skin and muscle contractures. Reconstructive Plastic Surgery addresses these needs through surgery, skin grafts, and physical therapy.

Goals

- To improve the quality of life of patients suffering from severe burns and other plastic reconstructive needs through life-changing surgeries, with the aim to restore function
- To build local healthcare capacity

Project Results

182 Plastic reconstructive surgeries

2,885 Hand, occupational, or physical therapy sessions for plastic reconstructive patients

6 Plastics nurses mentored

2 Surgeons mentored in plastic reconstructive surgery

Maxillofacial Surgical Project

Oral and maxillofacial surgery focus on three main areas:

- Children with congenital abnormalities, such as cleft lip and palate or an encephalocele (when the lining of the brain protrudes from a baby's skull)
- Facial deformities caused by a bacterial infection called noma
- Tumors of the head and neck, normally benign and very large

Goals

- To improve the quality of life of patients suffering from maxillofacial deformities through life-saving and life-changing surgeries
- To build local healthcare capacity

Project Results

538 Maxillofacial Surgeries (including 156 cleft lip and palate surgeries)

13 Maxillofacial nurses mentored

6 Surgeons mentored in the maxillofacial surgery

Ambulatory Surgical Project — *New in 2016*

Throughout previous field services, surgical assessment teams witnessed a significant number of patients with small tumors and minor surgical needs that do not warrant surgery under general anesthesia. However, since patients do not have access to or are unable to afford minor surgeries, some of these conditions may progress to life-threatening conditions.

Ambulatory surgeries took place one day per week onboard the *Africa Mercy*, using surgeons already serving on the vessel. Patients underwent their procedure under local anesthetic in the operating room. Afterward, patients returned to the Day Case Unit before being discharged on the same day. Follow-up care took place at Mercy Ships Outpatient Services.

Goals

- To improve the quality of life by addressing minor conditions under local anesthetic through ambulatory surgeries

Project Results

47 Ambulatory surgeries

Orthopedic Surgical Project and Ponseti Method Project

Due to time constraints of the ship's schedule, the focus is on pediatrics because the malleability of children's bones makes recovery much quicker.

The Ponseti Method is the "universal standard" in correcting clubfoot. It is a primarily non-surgical process, involving manipulating and regular casting to slowly correct clubfoot. It typically requires weekly cast changes for approximately 4 to 6 weeks. Along with the casting process, a simple, small surgical procedure called a tenotomy is required to cut the Achilles tendon. It is performed with a local anesthetic and does not require stitches. Afterward, the patient is put back in a cast for three weeks for the tendon to heal in an ideal position. To maintain the correction, patients typically wear foot braces for 3 to 4½ years. Mercy Ships collaborates with local clinics and providers to ensure long-term care, support, and the provision of braces.

Goals

- To improve the quality of life of patients suffering from:
  - orthopedic deformities
  - neglected orthopedic trauma
- To improve the quality of life for children with clubfoot
- To train local doctors, brace-makers, and healthcare workers in Ponseti Method skills
- To build local healthcare capacity

Projects Results

79 Orthopedic surgeries

1,250 Physical therapy sessions

23 Patients treated for clubfoot with the Ponseti Method

7 Ward healthcare workers mentored in the Ponseti Method

1 Surgeon mentored in the Ponseti Method

Dental Care and Treatment

Dental projects in Madagascar addressed acute dental needs, provided preventative and restorative treatments, and provided basic oral health education at the dental clinic and in primary schools.

Goals

- To reduce the incidence of dental disease by:
  - providing preventative and restorative treatments such as restorations, extractions and cleaning
  - providing basic oral instruction to patients and caregivers waiting at dental clinics, and to students and teachers in primary schools
- To build healthcare capacity

Project Results

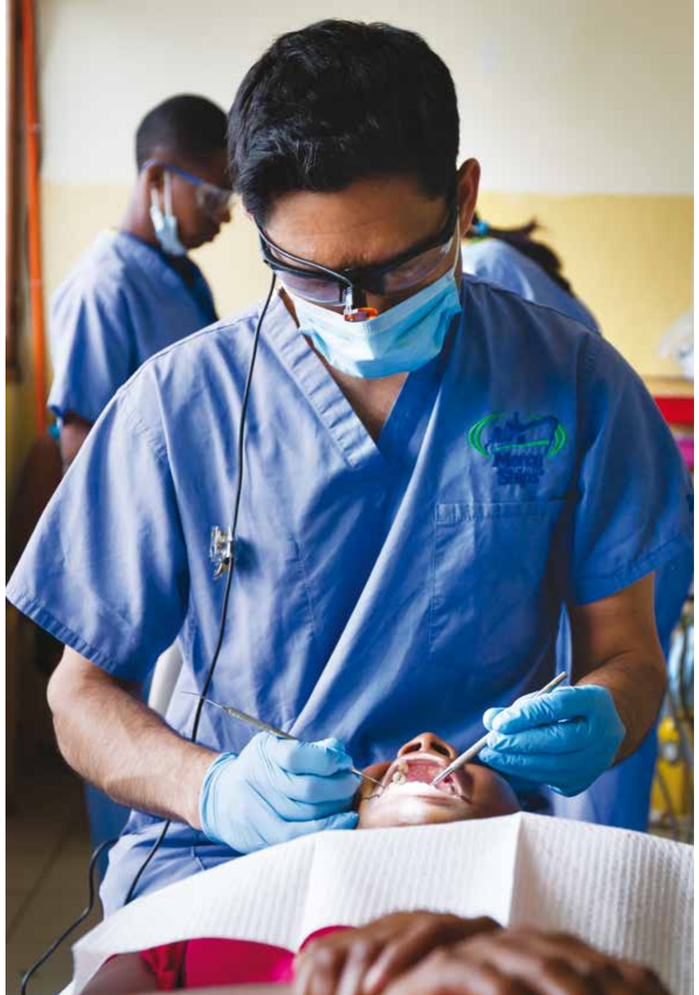
22,466 Dental procedures

11,755 Instructed in basic oral health

9,350 Unique dental patients seen

11 Day-crew trained to serve in various roles in clinic

3 Dentists mentored in Benin



Obsteteric Fistula Surgery

Physical injury … emotional trauma … isolation. These are the results of obstetric fistula, a condition caused by obstructed labor. Often the baby is stillborn, the woman becomes incontinent, and many times she is unable to have more children. The good news is that Mercy Ships provides free surgery that restores the lives and self-esteem of these women.

Estimates show that Madagascar has approximately 2,000 new fistula cases every year. With little medical care available across the nation, the number of women affected by this shaming condition increases at an alarming rate. This need greatly influenced our operating room schedule for Madagascar 2015/2016, during which we scheduled Women's Health surgeries for 31 weeks.

A very special Dress Ceremony celebrates successful obstetric fistula surgery and recovery, and each woman is given a colorful new dress to signify her restored life and renewed hope.

Goals

- To improve the quality of life for patients suffering:
  - obstetric fistula
  - prolapse
  - other gynecological conditions
- To build healthcare capacity

Project Results

211 Corrective surgeries (199 were obstetric fistula repairs)

16 Ward nurses trained

4 Surgeons mentored

A Handsome Boy Named David

"Did you swallow a tennis ball?" the kids in the neighborhood asked David. But he didn't respond. "I don't know why … I just didn't want to insult back," he explained with a gentle smile.

When David was five, a small mass began growing and hurting on the right side of his neck. His parents tried various treatments, but none worked. By the time David was 10, his tumor had grown dramatically, and the the family went to the local hospital for help. "The doctors told us surgery would cost $300,000 CFA (around $508 USD), but we had no money to pay for him to have surgery," they explained.

So, for the next two years, David tried to avoid some of the shame of the public eye. "He spent most of his time at home," his mother Diane said.

But then she heard about Mercy Ships. "I was near the sea and saw the ship entering the port." From there, she set out on a mission to get help for her son. Diane and David waited in long lines for a chance to be seen by someone from Mercy Ships. Their persistence paid off, and David was approved for free surgery onboard the *Africa Mercy*!

Soon after surgery, David's bandages were changed by caring nurses, who handed him a mirror. For the first time in eight years, David got to see his boyish face without the tennis ball … and was amazed. "When I looked in the mirror, I saw that I was more handsome!" he exclaimed.

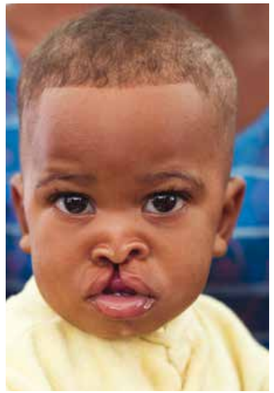
David was excited to finally be back at home with his family. His brothers and sister eagerly asked, "Where is the tumor that you had on your neck?"

And he had the perfect answer, "It's gone."

"When I looked in the mirror, I saw that I was more handsome!"

—David

Israel's First Victory



"My name is Simone, and this is the story of my youngest child, Israel …

After thirty hours of labor and a last-minute C-section, my first son was abruptly brought into the world. I was shocked. My baby boy's mouth was torn open at the top. I took him in my arms, cooing to him, and finally giving him the name we had planned on: 'Israel, the victorious one.'

My husband and I began to pray and search for a solution. But after months of carrying Israel to different hospitals, we came up empty and exhausted. I did not stop praying, though.

Then one day, my husband heard some good news – a hospital ship had arrived to serve our people. I turned to look at Israel and nodded as a spark of hope ignited in my chest … I was determined to try again.

I wasted no time in going to the screening center. The hours stretched out in front of us as we waited in the long line for several days. But when I looked at Israel, I took courage – we had named him 'victory' for a reason, and I felt my faith being renewed.

I was in suspense, and I prayed silently, 'Oh, please, let this be a yes.' Then [the nurse] smiled at me, and I knew that Israel, my son, would indeed receive surgery onboard the *Africa Mercy*.

Onboard the hospital ship, we all prayed together before surgery. I did not stop my prayers the entire time Israel was being operated on. When he was returned safely back to my arms three hours later, I kept on staring at his mouth – no longer torn, but whole.

My son has found his first victory, and he is now a handsome boy!"

"I want to sincerely thank you. Keep helping people in God's name … I will give thanks to the Lord for you."

—Simone, Israel's mother

Fifalina: Pint-Sized Courage

When tiny nine-year-old Fifalina arrived at the Mercy Ships admissions tent, her legs were slowly folding up beneath her. They could barely hold her small frame erect any longer.

Fifalina's legs were normal at birth. However, when she started to walk as a baby, her legs began to curve and twist, making it very difficult to walk. Her mother had to carry her to school, and she couldn't play with the other children. Her parents scraped together enough money to visit a local doctor, but there was nothing he could do. Desperate, they consulted a traditional healer who only massaged Fifalina's legs. Nothing helped.

Then Fifalina's parents heard about Mercy Ships and brought her to a patient screening in hopes of finding healing for their daughter. To their joy, Fifalina received an appointment for surgery.

Mercy Ships consultant Dr. Frank Hayden performed a series of complex orthopedic surgeries, correcting Fifalina's twisted legs by rotating her bones through more than 200 degrees. Now, several pins hold her knees and hips in proper alignment.

After months of physical therapy with our volunteer professionals, Fifalina bravely relearned to walk. Now, she can even balance on one leg, stand on tiptoes - and play with her friends at school.

Serafine's Answered Prayer

When she was 20 years old, Serafine developed a small lump on her neck. With no access to modern healthcare, there was nothing she could do. For more than 34 years Serafine's goiter grew, reaching an enormous size.

Now Serafine is 54 years old. She and her husband raised eight children in their one-room thatched house, and they toil together growing corn and rice. It's hard physical work. Twice a day, Serafine collects water from the river and carries it home – uphill – on her head.

As her goiter grew over the years, the essential tasks of daily life in rural Madagascar became increasingly difficult. People called her *The Woman with the Big Neck*. Her children and grandchildren were ashamed. "People kept their distance," shared Serafine. "Some people say maybe I stole something and got a curse! But I didn't do such things."

So Serafine struggled on with the physical demands of life and endured the ridicule that grew with her goiter. "Maybe I'll have this until my death," she thought. "Prayer was my last hope, asking help from God."

Eventually, one of her children heard about goiter surgeries performed without cost on the *Africa Mercy*. When word reached Serafine, she said, "I was so happy! It's going to be done in the name of Jesus! The answer of my prayer was amazing to me."

After decades of discomfort, she was finally free. Immediately after waking from her surgery, Serafine reached up to touch her neck. Her hands didn't settle where they used to. The enormous growth was finally gone!

"The answer of my prayer was amazing to me."

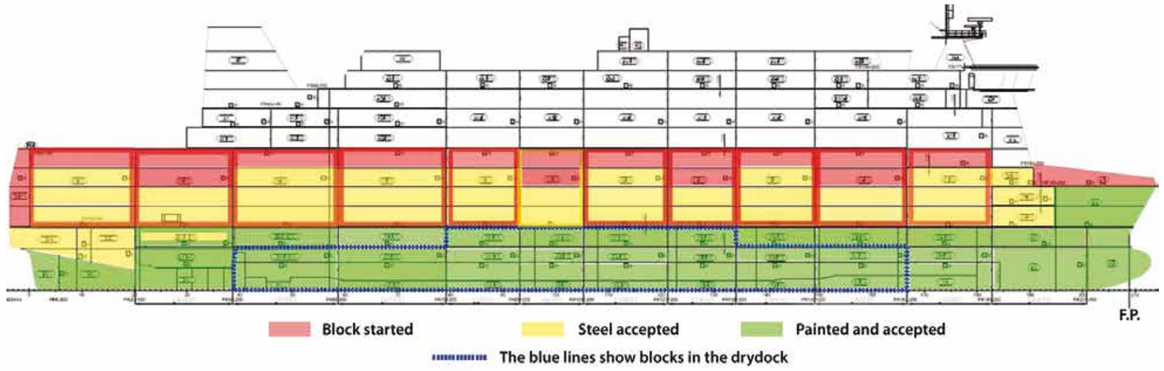
—Serafine

A Second Hospital Ship

We will soon launch a second hospital ship which will double our capacity to serve a continent.

The new ship will contain six operating rooms, an ICU, clinical lab, radiology and pharmacy services, as well as 199 hospital beds. This ship will have increased hospital space making it better suited to training healthcare professionals and building capacity of the host nations we serve.

2016 saw encouraging progress on the construction of the new ship as big steel building blocks were assembled. 60% of the total steel for the ship has been cut. The shell of the ship is constructed and assembled block by block. So far, 81 blocks have been accepted, 60 have been painted, and there will be 267 blocks in total. A diagram of the updated block progress is shown below.



HEART

Following the 2,000-year-old model of Jesus is the **heart** of who we are. Jesus is the center of all we do onboard our hospital ship … and at our offices around the world.

Following Jesus is reflected in our core values:

- Love God
- Love and serve others.
- Be people of integrity.
- Aim for excellence in all we say and do.

> "… act justly … love mercy and … walk humbly with your God."
>
> —Micah 6:8

Palliative Care

Some who seek medical help from Mercy Ships are not eligible candidates for surgery because of inoperable and often terminal conditions. They are often rejected by their communities because local cultures view these conditions as a curse. The Palliative Care Team reaches out to patients and their families, providing in-home visits to encourage them, provision of pain relief medications, instruction for caregivers, dressings for wound care, and counseling for patients and caregivers.

Goals

- To show the love of God by giving practical care and support to individuals and families suffering from terminal illness.

Project Results

523 Home Visits

134 Family trained in palliative care and/or wound care

38 Palliative care patients

Mercy Ministries

Mercy Ministries provided the crew with additional service opportunities during their off-duty hours, primarily evenings and weekends. All of these site visits were done in partnership with local organizations, including orphanages, a children's home, a home for the elderly, a school for the deaf, a school for the handicapped, a prison, and the HOPE Center. In addition, the Jesus film was shown in local languages in partnership with local church leaders.

Goals

- To demonstrate God's love, care and concern for those we come to serve through listening, praying, counseling, teaching, spending time, playing, interacting – and, in particular, sharing using the *Simply the Story* method.

Project Results

6,209 People reached

267 Sites visited

18 National partners

Hospital Chaplaincy

The Hospital Chaplaincy Team facilitates the following for patients onboard the *Africa Mercy*, at the HOPE Center, and at the Obstetric Fistula Clinic:

- Counseling sessions for patients and their caregivers to address spiritual, emotional, psychological, and social issues.
- Spiritually enriching opportunities including weekly ward church services, worship and meditation time.
- Mind-stimulating activities such as play therapy, arts and crafts activities.

Goals

- To strengthen the ability of Mercy Ships to affect whole-person care, focusing on patients' spiritual, social, psychological, emotional and physical needs.

Project Results

3,914	One-on-one counseling sessions for patients and caregivers
738	Bibles in Malagasy or French provided at request of patients
216	One-on-one HIV counseling sessions
20	Day-Crew trained to serve in the ship hospital, the HOPE Center, and the Obstetric Fistula Clinic

"Being here has taught me what love is really about — serving others and humility. It's why we are here: to love other people and put them before us."

Michel Pullen | Physical Therapist

Consolidated and Combined Statements of Financial Position

For the year ended December 31, 2016, with comparative totals for December 31, 2015

Assets	2016 Total	2015 Total
Cash and cash equivalents	$ 55,276,785	$ 41,954,996
Cash held for others-ship bank	878,072	945,465
Certificate of Deposit	12,180,443	12,063,441
Accounts receivable–net	929,945	829,795
Pledges receivable–net	24,993,070	27,886,663
Inventory	3,138,498	3,307,691
Other assets and surrender value of life insurance	189,596	183,602
Prepaid expenses and advances	546,835	199,024
Property and equipment–net	84,747,667	73,118,986
Total Assets	$ 182,880,911	$ 160,489,663
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 4,530,423	$ 7,490,051
Ship bank payable	984,454	1,067,120
Deferred revenue	59,129	85,406
Notes payable	1,832,373	3,026,122
Capital lease obligation	1,510,548	1,507,024
Total liabilities	8,916,927	13,175,723
Net assets		
Unrestricted	99,610,243	82,890,546
Temporarily restricted	73,566,741	63,841,394
Permanently restricted	787,000	582,000
Total net assets	173,963,984	147,313,940
Total Liabilities and Net Assets	$ 182,880,911	$ 160,489,663

Consolidated and Combined Statements of Activities

For the year ended December 31, 2016, with comparative totals for December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
Support And Revenue					
Contributions	$ 40,954,669	$ 24,692,413	$ 205,000	$ 65,852,082	$ 64,072,806
Contributions for staff support	4,446,365	-	-	4,446,365	4,905,489
Gift-in-kind contributions	3,858,697	-	-	3,858,697	2,575,111
Contributed services	16,944,661	-	-	16,944,661	17,542,814
Fee revenue	1,739,159	-	-	1,739,159	1,846,192
Sales and other revenue	2,104,540	9,141	-	2,113,681	2,008,637
Gain (Loss) from translation adjustments	(1,156,509)	-	-	(1,156,509)	82,493
Gain (Loss) on sale of property and equipment	68,625	-	-	68,625	(6,879)
Total Support and Revenue	68,960,207	24,701,554	205,000	93,866,761	93,044,663
Net Assets Released					
Purpose restrictions	14,976,207	(14,976,207)	-	-	-
Expenses					
Program services					
Ship and field operations	51,804,877	-	-	51,804,877	50,287,474
Supporting activities:					
General and administrative	5,298,657	-	-	5,298,657	5,151,427
Fundraising	11,641,655	-	-	11,641,655	11,519,070
Total supporting activities	16,940,312	-	-	16,940,312	16,670,497
Total expenses	68,745,189	-	-	68,745,189	66,957,971
Change in Net Assets Before Change in Cumulative Translation Adjustments	15,191,225	9,725,347	205,000	25,121,572	26,086,692
Cumulative Translation Adjustments	1,528,472	-	-	1,528,472	(1,870,426)
Change in Net Assets	16,719,697	9,725,347	205,000	26,650,044	24,216,266
Net Assets, Beginning of Year	82,890,546	63,841,394	582,000	147,313,940	123,097,674
Net Assets, End of Year	$ 99,610,243	$ 73,566,741	$ 787,000	$ 173,963,984	$ 147,313,940

Consolidated and Combined Statements of Cash Flows

For the year ended December 31, 2016, with comparative totals for December 31, 2015

Financial Accountability

Mercy Ships is a member of the Evangelical council for Financial Accountability (ECFA) which provides accreditation to Christian nonprofit organizations that faithfully demonstrate compliance with established standards for financial accountability, fund-raising, and board governance.

Mercy Ships is regularly evaluated by Charity Navigator, a charity watchdog organization which examines the financial health, as well as accountability and transparency of a charity's performance.

A complete audit report was conducted by Capin Crouse, LLP, of Grapvine, Texas. The financial statements shown in this annual report are an incomplete presentation. Our complete financial statements and audit report are available upon request.

ECFA MEMBER

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BBB ACCREDITED CHARITY bbb.org/charity

Cash Flows From Operating Activities	2016 Total	2015 Total
Change in net assets	$ 26,650,044	$ 24,216,266
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	3,613,911	3,546,603
(Gain) loss on sale of property and equipment	(62,624)	868
(Gain) from translation adjustments	93,965	(129,555)
Contributions restricted for long-term purposes	(22,369,539)	(15,235,558)
Change in operating assets and liabilities:		
Accounts receivable–net	(100,150)	10,997
Pledges receivable–net	2,893,593	(9,547,036)
Inventory	169,193	511,076
Other assets and surrender value of life insurance	(5,994)	(19,174)
Prepaid expenses and advances	(347,811)	25,947
Accounts payable and accrued expenses	(3,142,203)	2,894,076
Ship bank payable	(82,666)	217,240
Deferred revenue	(26,277)	(622,508)
Net cash Provided by Operating Activities	7,283,442	5,869,242
Cash Flows From Investing Activities:		
Proceeds from sale of property and equipment	67,961	4,829
Purchases of certificates of deposit	(117,002)	(12,063,441)
Purchases of property and equipment	(15,168,275)	(14,487,766)
Net Cash Used by Investing Activities	(15,217,316)	(26,546,378)
Cash Flows From Financing Activities:		
Contributions restricted for long-term purposes	22,369,539	15,235,558
Proceeds from notes payable	-	567,548
Payments on notes payable	(1,138,435)	(1,303,024)
Payments on capital lease obligations	(42,834)	(63,847)
Net Cash Used by Financing Activities	21,188,270	14,436,235
Change in Cash Equivalents	13,254,396	(6,240,901)
Cash and Cash Equivalents and Ship Bank, Beginning of Year	42,900,461	49,141,362
Cash and Cash Equivalents and Ship Bank, End of Year	$ 56,154,857	$ 42,900,461
Supplemental Disclosure:		
Cash paid for interest (none capitalized)	$ 150,829	$ 159,872
Property and equipment capitalized, not yet paid for	$ 182,575	$ 476,512

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* Executive Committee Member

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