



NEIGHBORHOOD MINISTRIES

1918 Van Buren Street • Phoenix, AZ 85009 • 602-252-5225 • www.nmaz.org

Dear Friends:

February 2008

BUILDING A CYCLE OF HOPE ... CONTINUING FOR THE NEXT 25 YEARS!

Looking Back over 2007:

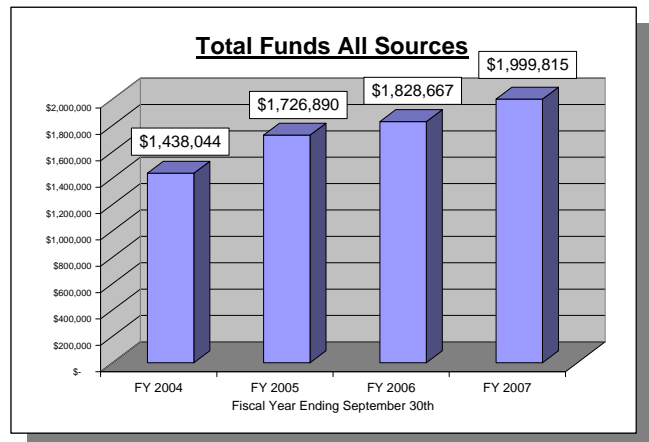
This past year marked Neighborhood Ministries, Inc. 25th year. We have all been reminded of God's relentless faithful pursuit for this community, and the many opportunities that lie ahead in our next season. We have begun a season which will require significant focus on the important continuing growth and operation of our ministry while at the same time investing in the capital developments associated with the Isaiah 58 Campaign.

2007 Highlights . . .

- Our second financial audit by the CPA firm of Henry and Horne LLP was completed with a clear certification of all our financial records and procedures.
- The Relentless Pursuit, a book detailing the 25 year History of Neighborhood Ministries was published. Copies are available through our office.
- "Mi Nana's Tamales" steamed full speed ahead: Over 5,000 tamales were sold, a 620 meal banquet was successfully catered, eight members of the community are learning the food business, and one of them is a manager in training.
- Our core programs, Kids Life, Junior & Senior High, Summer Kids Club and Camps continue to reach over 700 youth weekly.
- Our church at the Neighborhood Center is a place where whole families can connect and grow.
- Jeremiah Project completed three years of helping youth and young adults prepare for and achieve employment. Momentum is building: 45 of 70 youth worked sometime during 2007, 16 of the 45 were in full time employment, 6 are approaching their one year retention mark, 150 have been referred for employment through jobs development.
- 24 out of 36 summer interns this past summer were from our own community, continuing our pursuit of the development of indigenous leadership.
- High school graduations were the highest they have ever been. 15 in 2007 up over 12 in 2006. In addition 3 have gone on to college compared to 2 in 2006. This would not be possible without faithful mentors. Our Education Department tracks 87 mentors, 25% have been with their mentee for 3 years or more.

New developments . . .

- 30 foot field lights and a basket ball court were constructed in association with the Barrio Workshop development. Funds are in to complete the workshop. We are looking forward to an open house in April 2008.
- Since the Isaiah 58 Campaign began \$624,378 has been given. In addition over \$1 million has been pledged but not yet given. Our prayerful goal is to raise over \$2 million dollars toward the campaign in 2008.
- The Wayne and Kit Danley Scholarship Fund was initiated to assist post high school education / training.



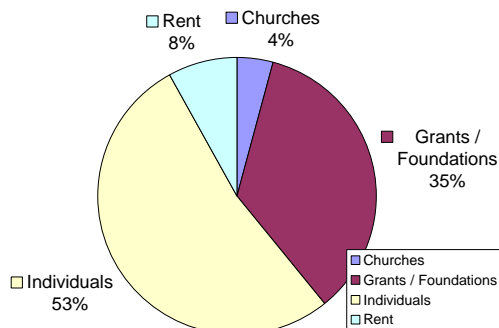
The heart of it all . . .

A recent comment from a 2007 Moms Place graduate portrays the hope and heart of the change God is bringing with each year. She sings her 3 and 1 year old sons to sleep each night with the song, "My God is so big." With a look of joy she will tell you her 3 year old son's nickname for church is, "my God is so big."

Financial summaries for year end September 30, 2007.

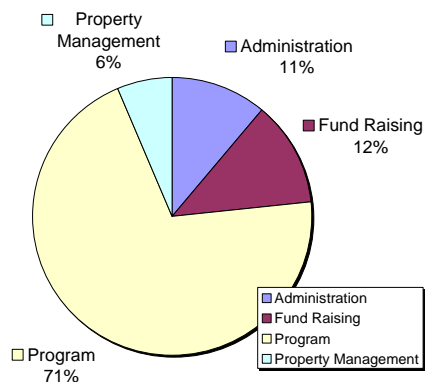
- Total funds from all sources were \$1,999,815.
- 53% of the funds came through individuals.
- Grants / Foundations grew to 35% of the funds, \$701,209. This represents almost 70% increase over last year's amount of \$415,402.
- General administrative and fundraising costs accounted for 23% of our financial expenses. In 2006 these costs accounted for 22% of our financial expenses. This additional investment was required to ramp up the Isaiah 58 Campaign.
- Total expenses of \$2,104,979 include \$136,483 in non-cash depreciation expense.

Source of Funds FY 2007



Source of Funds	FY 2007 \$s	% of total
Churches	\$ 81,873	4%
Grants / Foundations	\$ 701,209	35%
Individuals	\$ 1,054,646	53%
Rent	\$ 160,894	8%
Other	\$ 1,193	0%
Total	\$ 1,999,815	100%

Use of Funds FY 2007

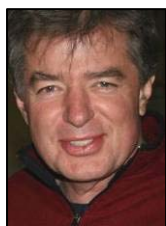


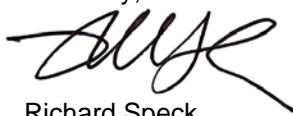
Use of Funds	FY 2007 \$s	% of total
Administration	\$ 234,803	11%
Fund Raising	\$ 259,038	12%
Program	\$ 1,475,254	71%
Property Management	\$ 135,884	6%
Total	\$ 2,104,979	100%

Thank you for your continued prayers, sacrifice of time, gifts in kind, and financial giving.

As we all look forward to the challenges ahead our hearts cry out as well,

“My God is **so** big,
so strong and **so** mighty,
there **is nothing** my God can not do!”



Sincerely,

Richard Speck
Executive Director



NM NEWS & INFORMATION

March 10, 2008
April 2008
April 2008

NM's 4th Annual Golf Tournament (Summer Camps)
Parent Volunteers' Spring Store (Furniture)
Barrio Workshop Open House

If you would like more information about our finances or programs, please don't hesitate to call me at the office, (602) 252-5225, or email me directly, richard.speck@nmaz.net.

If you would like to donate to the Isaiah 58 Campaign or purchase our book, *The Relentless Pursuit*, please visit our website, www.nmaz.org, or call the office, (602) 252-5225.