

## Schedule of Functional Expenses (Condensed)

Year Ended September 30, 2011

	Program Services		Supporting Services		Total Expenses
	Total	General & Administrative	Promotion & Development	Total	
Direct payments and assistance to ministries	\$ 8,587,495	\$ —	\$ —	\$ —	\$ 8,587,495
Salaries and labor	1,311,197	446,319	411,408	857,727	2,168,924
Payroll taxes	71,996	27,898	25,330	53,228	125,224
Benefits	166,938	75,237	45,804	121,041	287,979
Travel and entertainment	669,529	52,332	123,774	176,106	845,635
Informational materials	1,630	53,133	16,970	70,103	71,733
Printing and publications	15,822	—	45,480	45,480	61,302
Conference and education	18,425	3,614	975	4,589	23,014
Promotion and advertising	40	323	54,190	54,513	54,553
Computer services	220,157	91,145	28,295	119,440	339,597
Telephone	39,828	14,848	4,261	19,109	58,937
Postage	157,874	118,965	26,071	145,036	302,910
Supplies and materials	140,639	20,837	29,293	50,130	190,769
Building rent and maintenance	85,194	39,028	45,805	84,833	170,027
Depreciation and amortization	72,125	128,118	26,858	154,976	227,101
Insurance	3,880	10,823	1,227	12,050	15,930
Professional and other fees	256,606	26,805	222,391	249,196	505,802
Legal	7,969	6,944	—	6,944	14,913
Finance and accounting	7,152	162,230	—	162,230	169,382
Bank fees	1,406	180,727	138	180,865	182,271
Other	1,054	8,964	—	8,964	10,018
	11,836,956	1,468,290	1,108,270	2,576,560	14,413,516
Less Bethesda subsidy	—	(249,315)	(188,185)	(437,500)	(437,500)
	<u>\$ 11,836,956</u>	<u>\$ 1,218,975</u>	<u>\$ 920,085</u>	<u>\$ 2,139,060</u>	<u>\$ 13,976,016</u>

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A higher standard.  
A higher purpose.

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Dan Vagle  
Secretary

Lyle Arent  
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Vice President

Don Morgan  
Vice President

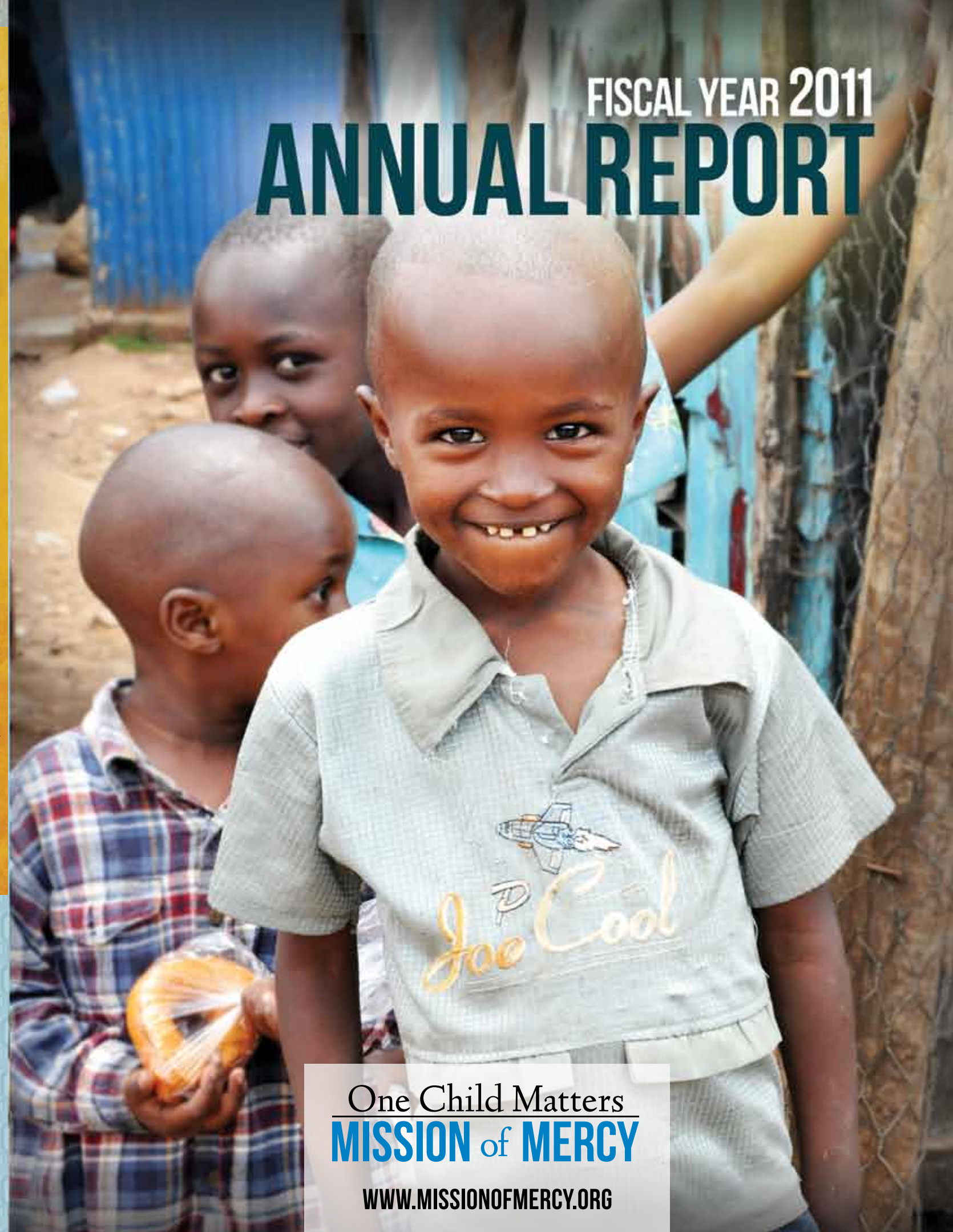
Dale Turner  
Vice President

Mark Pluimer  
Director

### Leadership Council

Don and Janet Beard  
Lyle and Glenna Arent  
Don and Marcia Christensen  
Richard and Terri Grogan  
Nathan and Willi Merrill  
Don and Jane Morgan  
Mark and Dee Pluimer  
Dana and Sherri Rasic  
Dale and Janet Turner  
Dan and LaVonne Vagle

# FISCAL YEAR 2011 ANNUAL REPORT



### Who are the children your donations help?

## MEET FILO.

Over four years ago, a Mission of Mercy center opened in her city of Nkobe. A courageous and faithful little girl, Filo came to all the center's activities, including the preschool program. Proper preparation is crucial in Mozambique, where only 44% of children finish primary school.

Filo has faced her share of challenges. Since she was young, her father traveled to find work and rarely earned enough to send anything home. Her mother sold fruits and vegetables on a table in front of their house until she was recently hospitalized with tuberculosis, leaving Filo to care for her younger siblings.

In the face of this instability, the influence of the center is evident in Filo's life. She continues to rank at the head of the class in school, and she and her sister attend Mission of Mercy's partner church. At only 10 years old, her faith is squarely in Christ. "I am steadfast in the Lord," she says, "because neither disease nor tribulations, nor hunger – nothing can separate me from the love of Jesus Christ."

This is the power of your donations and sponsorship. Children like Filo can find a refuge and safe place not just in the center, but in Jesus Christ. And even in the face of trials, they have hope.

One Child Matters  
**MISSION of MERCY**

[WWW.MISSIONOFMERCY.ORG](http://WWW.MISSIONOFMERCY.ORG)



# DEAR FRIENDS IN CHRIST,

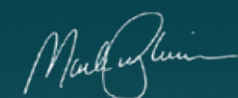
I am continually encouraged by the support of our partners. Through letters we have received, we are aware of the deep sacrifices many are making to continue their personal ministry to their sponsored children despite many personal challenges. This only confirms that we need to be good stewards of what God entrusts to us through you.

At year end, we are serving over 42,500 children. Our Children's Crisis Fund continues to help us meet the medical needs of children, as well as enable us to help sponsor families who have encountered difficulty through natural disasters. In addition, we launched the country of Zimbabwe with almost 1,000 children. But what excites me most is the level of involvement with church partnerships and by those who serve by going and doing. Here's an example of the impact of those special relationships:

1. A church in Springfield, Missouri, partnered with us in Haiti. Their involvement has resulted in almost 1,000 child sponsorships. Today we serve almost 1,600 children in Haiti.
2. A church in Jacksonville, Florida, helped us launch Zimbabwe in December. Their commitment resulted in over 750 sponsorships of children there.
3. Medical Mercy volunteers went on three medical trips, serving over 3,200 children, and trained 10 additional healthcare workers in our projects.
4. Mission teams from partner churches and radio stations, as well as through our volunteer network, sent 263 people on 17 teams to 7 countries.

Not only are the children impacted by these serving individuals and churches, but each trip participant comes back with a new perspective on life. Check out our web site, and download our app for iPhone, iPad, or Android, to watch for your opportunities to serve in 2012 – and beyond. Thank you for helping us make a difference in the life of children around the world.

Because One Child Matters,



Mark Pluimer  
President

## Statements of Financial Position

September 30, 2011

(With Summarized Financial Information for September 30, 2010)

Assets	2011	2010
Cash and cash equivalents	\$ 1,487,156	\$ 896,183
Receivables		
Related parties	88,731	—
Other	140,553	89,315
Investments	1,171,687	1,227,804
Furniture, equipment and software, net	851,935	1,069,371
Other assets	57,861	89,510
<b>Total assets</b>	<b>\$ 3,797,923</b>	<b>\$ 3,372,183</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable		
Related parties	\$ —	\$ 4,265
Other	101,786	203,417
Accrued liabilities	193,255	165,476
<b>Total liabilities</b>	<b>295,041</b>	<b>373,158</b>
<b>Net Assets</b>		
Unrestricted	1,767,151	1,445,809
Temporarily restricted	1,720,056	1,537,541
Permanently restricted	15,675	15,675
<b>Total net assets</b>	<b>3,502,882</b>	<b>2,999,025</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,797,923</b>	<b>\$ 3,372,183</b>

Note: This report is a summary of the financial activities for the fiscal year 2011. Please visit [www.missionofmercy.org/financial](http://www.missionofmercy.org/financial) to see the full auditor's report, or call to request a printed copy.

## Statements of Activities

Year Ended September 30, 2011

(With Summarized Financial Information for Year Ended September 30, 2010)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2011 Total	2010 Total
<b>Revenues, Gains and Other Support</b>					
Contributions					
General	\$ 2,807,906	\$ 11,652,415	\$ —	\$ 14,460,321	\$ 13,409,863
Bethesda Ministries	1,288	5,868	—	7,156	6,121
Interest and dividends	47,331	—	—	47,331	7,252
Realized and unrealized gains (losses) on investments, net	(36,528)	—	—	(36,528)	36,660
Other revenue	1,593	—	—	1,593	290
Satisfaction of program restrictions	11,475,768	(11,475,768)	—	—	—
<b>Total revenues, gains and other support</b>	<b>14,297,358</b>	<b>182,515</b>	<b>—</b>	<b>14,479,873</b>	<b>13,460,186</b>
<b>Expenses</b>					
Program services					
Child ministries	10,615,862	—	—	10,615,862	9,796,665
Humanitarian and relief	104,124	—	—	104,124	367,175
Medical Mercy	382,564	—	—	382,564	338,371
Higher education and vocational training	157,585	—	—	157,585	214,670
Teaching/advocacy ministries	220,362	—	—	220,362	254,109
Mission trips	356,459	—	—	356,459	—
<b>Total program services</b>	<b>11,836,956</b>	<b>—</b>	<b>—</b>	<b>11,836,956</b>	<b>10,970,990</b>
Supporting services					
General and administrative	1,468,290	—	—	1,468,290	1,378,770
Promotion and development	1,108,270	—	—	1,108,270	1,187,345
Less supporting services subsidized by Bethesda Ministries	(437,500)	—	—	(437,500)	(510,000)
<b>Total supporting services</b>	<b>2,139,060</b>	<b>—</b>	<b>—</b>	<b>2,139,060</b>	<b>2,056,115</b>
<b>Total expenses</b>	<b>13,976,016</b>	<b>—</b>	<b>—</b>	<b>13,976,016</b>	<b>13,027,105</b>
<b>Change in Net Assets</b>	<b>321,342</b>	<b>182,515</b>	<b>—</b>	<b>503,857</b>	<b>433,081</b>
<b>Net Assets, Beginning of Year</b>	<b>1,445,809</b>	<b>1,537,541</b>	<b>15,675</b>	<b>2,999,025</b>	<b>2,565,944</b>
<b>Net Assets, End of Year</b>	<b>\$ 1,767,151</b>	<b>\$ 1,720,056</b>	<b>\$ 15,675</b>	<b>\$ 3,502,882</b>	<b>\$ 2,999,025</b>

