

Mission of Mercy
 Schedule of Functional Expenses (Condensed)
 Year Ended September 30, 2009

| | Program Services | | Supporting Services | | Total Expenses |
|-------------------------------|----------------------|--------------------------|-------------------------|---------------------|----------------------|
| | Total | General & Administrative | Promotion & Development | Total | |
| Direct payments to ministries | \$ 8,287,330 | \$ — | \$ — | \$ — | \$ 8,287,330 |
| Salaries and labor | 1,549,253 | 421,815 | 412,353 | 834,168 | 2,383,421 |
| Payroll taxes | 110,953 | 34,889 | 37,646 | 72,535 | 183,488 |
| Benefits | 178,783 | 66,582 | 62,573 | 129,155 | 307,938 |
| Travel and entertainment | 250,695 | 30,008 | 95,375 | 125,383 | 376,078 |
| Informational materials | 4,679 | 58,511 | 37,588 | 96,099 | 100,778 |
| Printing and publications | 496 | — | 85,427 | 85,427 | 85,923 |
| Special events | — | — | 14,725 | 14,725 | 14,725 |
| Conference and education | 18,857 | 2,393 | 8,701 | 11,094 | 29,951 |
| Promotion and advertising | — | 430 | 121,386 | 121,816 | 121,816 |
| Computer services | 211,095 | 85,351 | 11,228 | 96,579 | 307,674 |
| Telephone | 40,732 | 13,702 | 9,317 | 23,019 | 63,751 |
| Postage | 115,658 | 121,584 | 48,988 | 170,572 | 286,230 |
| Supplies and materials | 104,074 | 23,461 | 34,692 | 58,153 | 162,227 |
| Building rent and maintenance | 89,406 | 37,779 | 40,276 | 78,055 | 167,461 |
| Depreciation and amortization | 54,943 | 135,973 | 19,455 | 155,428 | 210,371 |
| Insurance | 497 | 11,699 | — | 11,699 | 12,196 |
| Professional and other fees | 279,288 | 13,825 | 158,408 | 172,233 | 451,521 |
| Legal | 15,597 | 14,031 | — | 14,031 | 29,628 |
| Finance and accounting | — | 136,866 | — | 136,866 | 136,866 |
| Bank fees | 1,142 | 132,487 | — | 132,487 | 133,629 |
| Other | 200 | 6,720 | — | 6,720 | 6,920 |
| | <u>11,313,678</u> | <u>1,348,106</u> | <u>1,198,138</u> | <u>2,546,244</u> | <u>13,859,922</u> |
| Less Bethesda subsidy | — | (437,250) | (387,750) | (825,000) | (825,000) |
| | <u>\$ 11,313,678</u> | <u>\$ 910,856</u> | <u>\$ 810,388</u> | <u>\$ 1,721,244</u> | <u>\$ 13,034,922</u> |



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- Dale and Janet Turner
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MISSION OF MERCY

ANNUAL REPORT

FISCAL YEAR 2009



SPONSORSHIP WORKS



There are many ways that sponsorship impacts the life of a child: their health, educational support, social and emotional well-being, and spiritual development to name a few. It is our hope that children will experience the love of Christ through their involvement in our child sponsorship programs and will be better equipped to deal with the harsh realities in which they live.

This is certainly true for Rashid Aziz, a young boy who attends the Hope Child Development Center in New Delhi, India. In the early summer of 2009, Rashid was kidnapped and taken to Mumbai, nearly 1,000 miles away from his home. His family frantically searched for him in New Delhi, but was not able to trace him. Miraculously, Rashid was able to escape his captors in November and took refuge in a Christian orphanage.

As Rashid came from a Muslim family, seeking safety with a Christian organization would not normally have been his first thought. However, because of the unconditional love and support he received at the Mission of Mercy child development center in New Delhi, he knew where he could turn for help in his most desperate time of need. After Rashid shared his story, the staff of the orphanage was able to reunite him with his family. He is now back at the center, relishing a life where he is shown the unconditional love of our heavenly Father.



MISSION OF MERCY

One Child Matters

missionofmercy.org

Dear Friends in Christ,

One Child Matters. Mission of Mercy is adopting this as our new slogan. It serves as a reminder of the significance of every child we serve around the globe—God has a plan and a purpose for each one. As a father and grandfather, I know how it feels to hold and care for a child through the good times and the difficult times. Yet the love of God is even greater, and the Bible says, “for the kingdom of heaven belongs to such as these.” (Matthew 19:14, NIV). I am so touched by the people who support our ministry to children. Most will never have the opportunity, as I have, to personally see the hope in the eyes of these children, yet they continue to invest in their lives. We are truly grateful.

Mission of Mercy, like most ministries, was impacted by the economy this past year. Giving to capital and operational projects was down. However, sponsorship giving remained steady. Together we made a difference as our fiscal year ended on September 30, 2009:

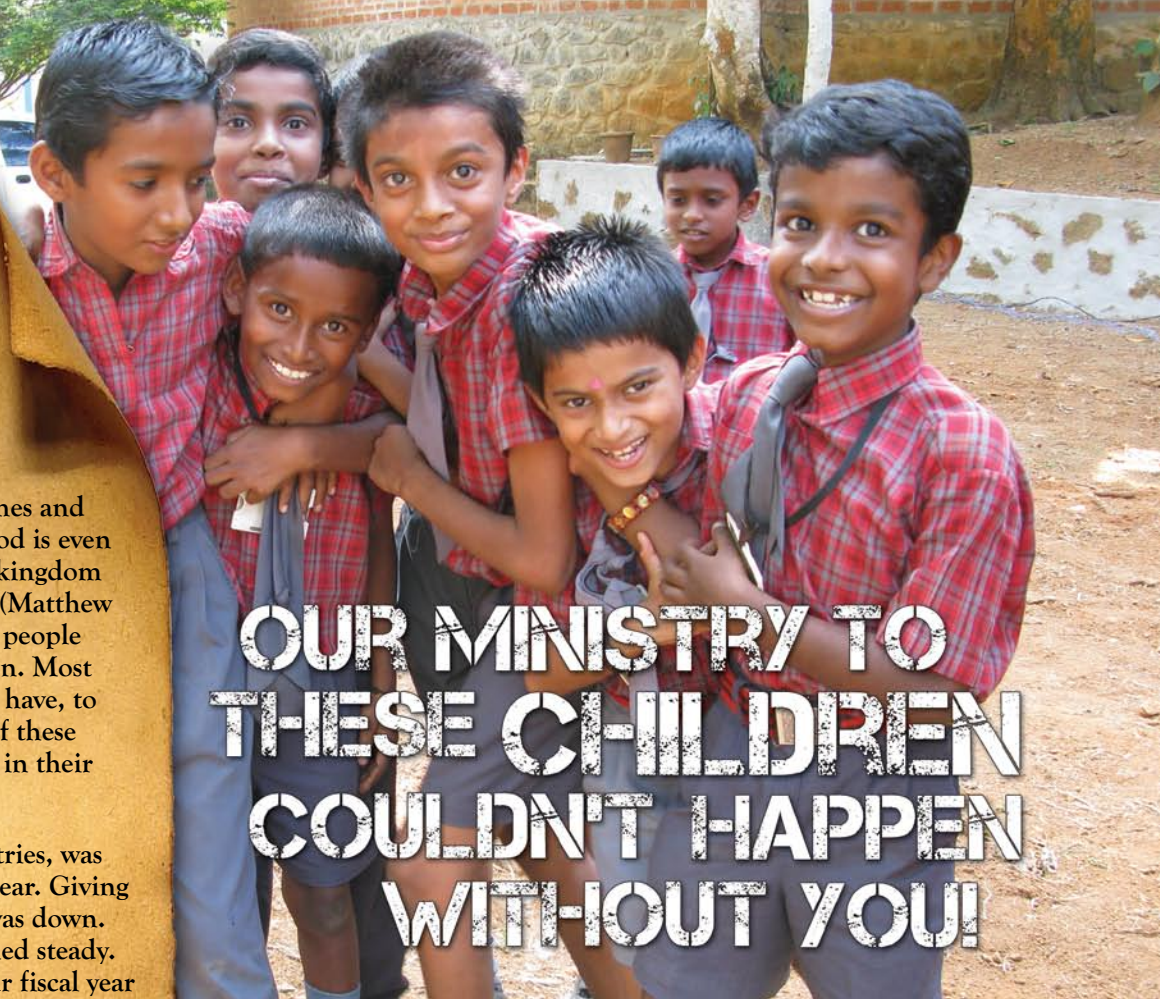
- We had over 41,500 registered children in our programs.
- With assistance from Convoy of Hope, our Children’s Crisis Fund was able to provide over 540,000 meals for sponsored children and their families in Kenya who have been impacted by famine.
- Our continued focus on efficiency has resulted in 86.8% of expenses going to ministry purposes.

The heart of our ministry is to model the love of Christ to children who desperately need hope. Given the opportunity, many of these children become productive members of their community - teachers, nurses, pastors who contribute to the next generation.

While we face many challenges in the year ahead, we are strengthened by the knowledge that you are standing with us! Thank you.

Because One Child Matters,

Mark Pluimer
Mark Pluimer
President



**OUR MINISTRY TO
THESE CHILDREN
COULDN'T HAPPEN
WITHOUT YOU!**

Statements of Financial Position

September 30, 2009

(With Summarized Financial Information for September 30, 2008)

| | 2009 | 2008 |
|---|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,467,493 | \$ 559,179 |
| Receivables | | |
| Related parties | — | 39,656 |
| Other | 46,315 | 109,395 |
| Investments | 220,784 | 1,924,415 |
| Furniture and equipment, net | 1,144,496 | 1,206,642 |
| Other assets | 104,893 | 111,268 |
| Total assets | \$ 2,983,981 | \$ 3,950,555 |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Accounts payable | | |
| Related parties | \$ 46,781 | \$ — |
| Other | 138,305 | 231,383 |
| Accrued liabilities | 232,951 | 248,302 |
| Total liabilities | 418,037 | 479,685 |
| Net Assets | | |
| Unrestricted | 1,318,483 | 1,322,461 |
| Temporarily restricted | 1,231,786 | 2,132,734 |
| Permanently restricted | 15,675 | 15,675 |
| Total net assets | 2,565,944 | 3,470,870 |
| Total liabilities and net assets | \$ 2,983,981 | \$ 3,950,555 |

NOTE: This report is a summary of the financial activities for fiscal year 2009. Please visit 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, 2009

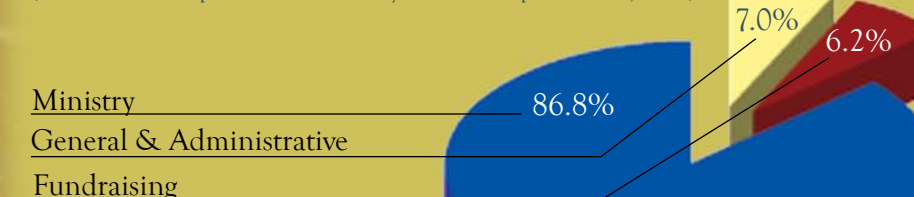
(With Summarized Financial Information for the Year Ended September 30, 2008)

| | Unrestricted | Temporarily Restricted | Permanently Restricted | 2009 Total | 2008 Total |
|--|---------------------|------------------------|------------------------|---------------------|---------------------|
| Revenues, Gains and Other Support | | | | | |
| Contributions | | | | | |
| General | \$ 2,412,787 | \$ 9,884,480 | \$ — | \$ 12,297,267 | \$ 14,011,693 |
| Bethesda Ministries | 6,928 | 55,410 | — | 62,338 | 116,829 |
| Interest and dividends | 9,633 | — | — | 9,633 | 27,107 |
| Realized and unrealized losses on investments, net | (231,829) | — | — | (231,829) | (113,964) |
| Other revenue | (7,413) | — | — | (7,413) | 26,430 |
| Satisfaction of program restrictions | 10,840,838 | (10,840,838) | — | — | — |
| Total revenues, gains and other support | 13,030,944 | (900,948) | — | 12,129,996 | 14,068,095 |
| Expenses | | | | | |
| Program services | | | | | |
| Child ministries | 9,827,202 | — | — | 9,827,202 | 11,119,988 |
| Higher education and vocational training | 834,515 | — | — | 834,515 | 601,830 |
| Medical Mercy | 184,588 | — | — | 184,588 | 380,904 |
| Humanitarian and relief | 35,734 | — | — | 35,734 | 90,643 |
| Sponsor/donor ministries | 431,639 | — | — | 431,639 | 462,545 |
| Total program services | 11,313,678 | — | — | 11,313,678 | 12,655,910 |
| Supporting services | | | | | |
| General and administrative | 1,348,106 | — | — | 1,348,106 | 1,667,530 |
| Promotion and development | 1,198,138 | — | — | 1,198,138 | 1,269,526 |
| Less supporting services subsidized by Bethesda Ministries | (825,000) | — | — | (825,000) | (732,577) |
| Total supporting services | 1,721,244 | — | — | 1,721,244 | 2,204,479 |
| Total expenses | 13,034,922 | — | — | 13,034,922 | 14,860,389 |
| Change in Net Assets | (3,978) | (900,948) | — | (904,926) | (792,294) |
| Net Assets, Beginning of Year | 1,322,461 | 2,132,734 | 15,675 | 3,470,870 | 4,263,164 |
| Net Assets, End of Year | \$ 1,318,483 | \$ 1,231,786 | \$ 15,675 | \$ 2,565,944 | \$ 3,470,870 |



How your 2009 gifts were used:

(Based on total expenses for the fiscal year ended September 30, 2009)



MISSION OF MERCY
(A Division of Bethesda Ministries)