Dear Friend of Mercy Corps,

Thank you for your support in 2012. Your compassion and commitment are making life better for people who live in the world’s toughest places.

I am often asked how we are able to confront daunting global issues to make a better life possible for the people we serve. We have a talented team, most of whom are from the countries where they work. We have 34 years of practical know-how, learned on the ground and backed by the technical skills of our specialists in agriculture, engineering, economics and public health. We listen closely to understand the needs of each community. Then we partner with them to design and apply breakthrough solutions that achieve lasting benefits.

This is the work you make possible. By joining with thousands of other Mercy Corps supporters, you are saving and changing lives in 42 countries and providing vital assistance to communities in crisis around the world. On behalf of the millions of people whose lives today are more secure, productive and just — because of your action — you have my sincere gratitude.

Neal Keny-Guyer, Chief Executive Officer
When natural disaster strikes without warning, when conflict drives families from their homes, there’s no time to waste. Mercy Corps delivers lifesaving aid to help hard-hit communities survive, recover and rebuild.

READ THE LATEST STORIES:
mercycorps.org/emergency-response
SYRIA
Among the refugees fleeing violence in Syria were tens of thousands of children. In the Jordan camps where they took shelter, we built safe places for kids to play. We delivered books and school supplies so they could continue their education. We provided water to 400,000 refugees and their host families. We also brought our psychosocial program, developed by experts, to help young Syrian refugees in Lebanon heal from the trauma. We used art, sports and games to provide emotional support while teaching cooperation, self-expression, empathy and leadership to young people and their families.

D. R. CONGO
Soon after rebels captured eastern Congo’s largest city, Goma, banks and stores shut down. The result: food shortages. We distributed emergency rations of flour, oil and fortified grains to 11,000 urban families that were displaced by the fighting. Our team also rerouted food to camps on the outskirts of the city, where families fleeing the conflict took shelter. We provided temporary shelter for 3,000 orphans. And we helped meet urgent needs for clean water and sanitation facilities in camps where the risk of cholera is high.

Opposite page: Yemen – Cassandra Nelson/Mercy Corps
FIGHTING HUNGER

Too many people around the world go to bed hungry and wake up not knowing when — or whether — they will eat. Malnourished children are vulnerable to lifelong physical and mental challenges. In dozens of countries, Mercy Corps provides emergency supplies to help people survive immediate hunger crises and works with communities to grow more food.

READ THE LATEST STORIES:
mercycorps.org/agriculture-food
NIGER
As drought and hunger ravaged Niger, Mercy Corps screened children for malnutrition and provided nutrient-rich food to help them regain their strength. We provided emergency cash to enable mothers and fathers to buy food. And we paid laborers to dig water storage trenches. Workers earned much-needed income to purchase essential supplies, keeping local merchants in business, while the trenches will allow communities to capture the next rainfall for their livestock and crops.

MALI
Chronic drought and violence caused food shortages and a severe hunger crisis for 300,000 displaced people in Mali. We helped vulnerable families obtain essential foods like rice and cooking oil to survive the immediate crisis. We also helped pastoralists keep cows, goats and camels — their most precious assets — healthy.
In the chaos of a disaster or conflict, daily trade is disrupted and hardworking people cannot provide for their families. Mercy Corps helps restore normal commerce by providing financing, catastrophe insurance, training, equipment and technical support so that people can start and expand businesses, purchase tools, improve productivity, protect resources and reopen markets.

READ THE LATEST STORIES: mercycorps.org/economic-opportunity
HAITI
Hurricane Sandy damaged or destroyed 20,000 homes — Haiti’s largest disaster since the massive 2010 earthquake. Mercy Corps and our partners provided insurance payouts to help 12,000 women entrepreneurs who lost their homes or merchandise rebuild their lives and livelihoods.

INDONESIA
Child malnutrition is rampant in the urban slums of Indonesia, where most families don’t have kitchens and the only option is poor-quality prepared food. Mercy Corps designed child-friendly food carts that serve healthy menus and then trained entrepreneurs to start and run these sustainable small businesses.
Where conditions are the worst, conventional answers aren’t enough. Mercy Corps believes the toughest places demand the boldest ideas. That’s why we strive to design breakthrough solutions that advance the skills of local people and will continue to work without outside support.

READ THE LATEST STORIES: mercycorps.org/innovations
ETHIOPIA
Farmers work hard to boost their crop yields for food, income and seed. But sometimes their efforts are futile because surplus grain rots before it can be eaten, sold or planted. Mercy Corps worked with area businesses to develop and distribute a low-cost, locally manufactured grain storage bag that protects the harvest from mold and vermin. Profits remain in the community, and growers can now count on their entire harvest being usable.

UGANDA
Where electricity is unavailable, many people resort to dirty and dangerous kerosene lamps. Mercy Corps connected existing solar companies to new customers in remote rural areas. Now families can use clean solar-powered lanterns, greatly lowering their household fuel expenses and the risk of burns and fires — while bringing new business opportunities to local entrepreneurs.
Mercy Corps Consolidated U.S. Operations: Condensed Summary of Support, Revenue and Expenses (in U.S. dollars) for the year ending June 30, 2012

**Financial Statement**
You can find our complete financial statement at mercycorps.org/financials

### Support and Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Support and Revenue</td>
<td>172,201,908</td>
<td>—</td>
<td>172,201,908</td>
</tr>
<tr>
<td>Private Support and Revenue</td>
<td>54,650,021</td>
<td>8,016,270</td>
<td>62,666,291</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>33,544,383</td>
<td>60,218</td>
<td>33,604,601</td>
</tr>
<tr>
<td>Released from Restriction</td>
<td>16,684,031</td>
<td>(16,684,031)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total Support and Revenue</strong></td>
<td><strong>277,080,343</strong></td>
<td>(8,607,543)</td>
<td><strong>268,472,800</strong></td>
</tr>
</tbody>
</table>

### Expenditures

**Program Services**

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humanitarian Assistance - Relief</td>
<td>45,029,058</td>
<td>—</td>
<td>45,029,058</td>
</tr>
<tr>
<td>Humanitarian Assistance - Recovery</td>
<td>36,873,517</td>
<td>—</td>
<td>36,873,517</td>
</tr>
<tr>
<td>Livelihood/Economic Development</td>
<td>83,937,028</td>
<td>—</td>
<td>83,937,028</td>
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<tr>
<td>Civil Society</td>
<td>44,672,365</td>
<td>—</td>
<td>44,672,365</td>
</tr>
<tr>
<td>Health</td>
<td>22,229,720</td>
<td>—</td>
<td>22,229,720</td>
</tr>
<tr>
<td><strong>Subtotal: Program Services</strong></td>
<td><strong>232,741,688</strong></td>
<td>—</td>
<td><strong>232,741,688</strong></td>
</tr>
</tbody>
</table>

**Support Services**

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>General and Administration</td>
<td>30,357,153</td>
<td>—</td>
<td>30,357,153</td>
</tr>
<tr>
<td>Resource Development</td>
<td>11,179,247</td>
<td>—</td>
<td>11,179,247</td>
</tr>
<tr>
<td><strong>Subtotal: Support Services</strong></td>
<td><strong>41,536,400</strong></td>
<td>—</td>
<td><strong>41,536,400</strong></td>
</tr>
</tbody>
</table>

**Total Expenditures**

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>274,278,088</strong></td>
<td>—</td>
<td><strong>274,278,088</strong></td>
</tr>
<tr>
<td>Non-Operating Gain</td>
<td>1,764,464</td>
<td>—</td>
<td>1,764,464</td>
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<tr>
<td><strong>Change in Net Assets</strong></td>
<td>4,566,719</td>
<td>(8,607,543)</td>
<td>(4,040,824)</td>
</tr>
</tbody>
</table>

### Condensed Statement of Financial Position

**JUNE 30, 2012**

<table>
<thead>
<tr>
<th>Description</th>
<th>U.S.</th>
<th>GLOBAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Assets</strong></td>
<td>227,271,854</td>
<td>241,466,910</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>144,862,046</td>
<td>154,671,879</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>57,500,027</td>
<td>61,052,535</td>
</tr>
<tr>
<td>Temporarily Restricted</td>
<td>24,889,781</td>
<td>25,722,496</td>
</tr>
<tr>
<td>Permanently Restricted</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>82,409,808</td>
<td>86,795,031</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Net Assets</strong></td>
<td>227,271,854</td>
<td>241,466,910</td>
</tr>
</tbody>
</table>
**Global Financial Summary**

Mercy Corps U.S. and Global Partners: Support, Revenue and Expenses (in U.S. dollars) for the year ending June 30, 2012

<table>
<thead>
<tr>
<th></th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support and Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mercy Corps U.S.</td>
<td>253,240,586</td>
<td>8,076,488</td>
<td>261,317,074</td>
</tr>
<tr>
<td>Mercy Corps U.S. Material Aid</td>
<td>7,155,726</td>
<td>–</td>
<td>7,155,726</td>
</tr>
<tr>
<td>Released from Restriction</td>
<td>16,292,294</td>
<td>(16,292,294)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total Support and Revenue</strong></td>
<td>279,994,723</td>
<td>32,015,708</td>
<td>312,010,431</td>
</tr>
</tbody>
</table>

**EXPENDITURES**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mercy Corps Scotland</td>
<td>2,143,400</td>
<td>41,036,394</td>
<td>43,179,794</td>
</tr>
<tr>
<td>Mercy Corps U.S.</td>
<td>232,741,688</td>
<td>–</td>
<td>232,741,688</td>
</tr>
<tr>
<td><strong>Total Program Services</strong></td>
<td>234,885,088</td>
<td>41,036,394</td>
<td>275,921,482</td>
</tr>
</tbody>
</table>

**SUPPORT SERVICES**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General and Administration</td>
<td>30,562,471</td>
<td>–</td>
<td>30,562,471</td>
</tr>
<tr>
<td>Resource Development</td>
<td>11,496,368</td>
<td>148,918</td>
<td>11,645,286</td>
</tr>
<tr>
<td><strong>Total Support Services</strong></td>
<td>42,058,839</td>
<td>148,918</td>
<td>42,207,757</td>
</tr>
</tbody>
</table>

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>276,943,927</td>
<td>41,185,312</td>
<td>318,129,239</td>
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</tbody>
</table>

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Operating Gain (Loss)</td>
<td>3,214,862</td>
<td>(37,613)</td>
<td>3,177,249</td>
</tr>
<tr>
<td><strong>Net</strong></td>
<td>6,265,658</td>
<td>(9,207,217)</td>
<td>(2,941,559)*</td>
</tr>
</tbody>
</table>

*Mercy Corps did not incur a loss. This number reflects current-year expenses on revenue received in a prior year.*
Efficient and Accountable
Over the last five years, we have used 88 percent of our resources for programs that help people in need around the world.

Charity Navigator
Mercy Corps received four out of four stars from Charity Navigator, the premier American charity evaluator, for our responsible stewardship of donor funds.

Better Business Bureau

Using Your Gifts Wisely
- Humanitarian programs: 88%
- Fundraising and administration: 12%

How You Can Change Lives
Your support makes a life-changing difference to families in need. Please call us at 888.842.0842 or visit mercycorps.org to make a financial contribution.

Our Mission
Mercy Corps exists to alleviate suffering, poverty and oppression by helping people build secure, productive and just communities.
CONTACT US

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