

2013 ANNUAL REPORT

Saving and improving lives in
the world's toughest places



MERCY CORPS is a leading global humanitarian agency saving and improving lives in the world's toughest places. Poverty. Conflict. Disaster. In more than 40 countries, we partner with local people to put bold ideas into action, help them overcome adversity and build stronger communities. *Now, and for the future.*

This page (clockwise from upper left): Uganda - Jenny Bussey Vaughan/Mercy Corps; Myanmar - Benny Manser/Mercy Corps; Philippines - Miguel Samper for Mercy Corps

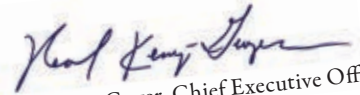


Dear Friend of Mercy Corps,

Thank you for your support in 2013. Your compassion and commitment are reaching people who wake up each day to challenges most of us cannot imagine. In 2013 they woke up to brutal civil war in Syria. To a ferocious typhoon in the Philippines. And to the daily struggle for food in Ethiopia. You'll find all these stories in our annual report.

In more than 40 countries, Mercy Corps is helping people survive disasters and emergencies, get back on their feet – and move forward stronger than before. To each crisis, our teams bring their unique combination of innovative thinking, hands-on experience and technical knowledge. They listen carefully to the grassroots know-how of local people, then join forces with struggling communities to improve their lives in concrete, sustainable ways. Every day we pledge our greatest efforts to help people in the world's toughest places overcome obstacles and adapt to the rapid changes all around them.

You are our essential partner in this work. We could not do it without you. On behalf of every person you are helping, thank you for being the friend they can depend on – the friend who brings new hope into their lives.


Neal Keny-Guyer, Chief Executive Officer

RELIEF

IN EMERGENCIES, WE SAVE LIVES

We're helping families survive Syria's savage civil war, which has caused a humanitarian crisis. Families have watched their relatives and friends killed and their houses destroyed. Vicious fighting has driven seven million people to abandon homes, schools and jobs in search of safety. These traumatized survivors desperately need assistance. Most refugees don't have heat, sanitation or cooking facilities. There is not enough food or water. Few children go to school and most parents can't find work. Host communities, whose scarce resources are strained to the limit, are struggling with the added burden of new arrivals, whose needs are leading to new tensions.

 mercycorps.org

Jordan - Sumaya Agha for Mercy Corps



Ibrahim begins to heal. For 18 months, Ibrahim watched bombs and gunfights destroy his beloved neighborhood. The raging violence forced his family to leave Syria. Today, this eight-year-old is slowly recovering – drawing, playing and making new friends in Mercy Corps' center for child survivors.

THANKS TO YOU

Our supporters have been deeply touched by the anguish of families caught in the chaos.

Your generosity allows Mercy Corps to help them live each day – and envision a more hopeful future.

Mercy Corps is **helping two million war-affected Syrian people improve their daily lives today:**

- Making shelters fit for use.
- Providing mattresses and warm winter clothes.
- Building facilities to meet growing water needs.

We're also **helping refugees lay the foundation for a return to normal life one day:**

- Helping to resolve conflicts between refugees and host communities.
- Treating malnutrition and preventing hunger.
- Helping traumatized children heal through games, sports, art and storytelling with trained facilitators.

SAVING AND IMPROVING LIVES 

RECOVERY

AFTER DISASTERS, WE PUT HEALING ON THE FAST TRACK

In the Philippines, we're helping families rebuild after Typhoon Haiyan.

One of the strongest storms in recorded history smashed into the Philippines in November. Many survivors lost everything, including their children, spouses, parents, livelihoods and what few possessions they had. Typhoon Haiyan killed thousands of people, left a massive trail of devastation and upended the lives of 14 million citizens. Impoverished Filipinos – more than 40 percent of the population – were especially vulnerable because they lacked protection from the typhoon's fury and the resources to carry on after it passed, leaving flattened communities in its wake.

Francine conquers her fears. “The storm was very scary,” says ten-year-old Francine. “Now I hate the wind and the rain. I get scared a lot when there are dark clouds in the sky.” Working through her traumatic memories with trained counselors, Francine is gradually overcoming her fears.

Philippines - Cassandra Nelson/Mercy Corps



THANKS TO YOU

Mercy Corps supporters have stepped up with **compassion for typhoon survivors. Your generosity has allowed us to quickly meet their immediate needs – and start them on the fast track to recovery.**

Immediately after the typhoon, Mercy Corps **rushed aid to the survivors:**

- We brought food, water, blankets and soap to survivors stranded in remote areas where the need was greatest.

We also began to **help communities move forward:**

- We delivered tools and building materials to help people construct safer temporary shelters.
- Working with our partner, we set up dedicated centers where children play games and sports and get counseling to deal with their terrifying memories of the storm.
- We are using our experience with mobile financial services to securely transfer much-needed cash through cell phones so people can purchase the goods they need to rebuild their lives, return to work and support their families.

RESILIENCE

YESTERDAY, A CRISIS – TODAY, NEW STRENGTH

We're helping families never go hungry again. When the worst drought in generations struck the Horn of Africa in the summer of 2011, Ethiopian herders were hit hard. These people are constantly on the move in search of water and grass for their camels, goats, sheep and donkeys. They depend on the animals for milk, meat, labor and income. When the land dried up, livestock – and people – began to go hungry. Eventually, the animals died of starvation – and children grew weak from malnutrition.

Hawa gets the food she needs. When orphaned baby Hawa stopped eating, her aunt brought her to Mercy Corps' mobile health clinic. Hawa was limp with hunger and was soon diagnosed with the most critical stage of malnutrition. Now, after treatment, she has the chance to grow up healthy and strong.

Ethiopia - Andrea Long/Mercy Corps



THANKS TO YOU

The suffering of Ethiopian children roused Mercy Corps supporters to action. Thanks to your generosity, we brought emergency food and medical care to the most vulnerable people in drought-ravaged regions.

Mercy Corps mobile health teams traveled to remote areas to **treat the immediate hunger crisis:**

- We delivered emergency food and medical care to malnourished babies, older children and new mothers.

We are also helping the herders of the Horn of Africa become **more resilient and self-sustaining:**

- We are building wells, vaccinating livestock and teaching families about nutrition.
- We are training villagers as community health volunteers and teaching herders how to better manage water supplies and improve the productivity of their livestock.
- For young people in search of a different livelihood, we're providing technical and literacy training, so they're equipped to try a new trade.

OUR MISSION

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

Guatemala - David Evans/Mercy Corps



Mercy Corps is Saving and Improving the Lives of Millions of People

Together, thanks to your commitment and support, we are helping people in the world's toughest places survive emergencies, overcome hardship and build a better life for themselves and their children.



Growing more **food**



Fighting **malnutrition**



Educating **girls and women**



Improving **sanitation and hygiene**



Supplying **clean water**



Launching **young entrepreneurs**



Protecting **children**



Training **health workers**



Accessing **financial services**



Reducing **disaster vulnerability**

Learn more at mercy Corps.org

SAVING AND IMPROVING LIVES





FINANCIAL STATEMENT SUMMARY

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

Audited U.S. Financial Summary

Mercy Corps Consolidated U.S. Operations: Condensed Summary of Support, Revenue and Expenses (in thousands of U.S. dollars) for the year ending June 30, 2013.

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
Support and Revenue			
Public Support and Revenue	179,966	–	179,966
Private Support and Revenue	52,096	5,966	58,062
Other Revenue	29,293	–	29,293
Released from Restriction	10,642	(10,642)	–
Total Support and Revenue	271,997	(4,676)	267,321
EXPENDITURES			
Program Services			
Humanitarian Assistance - Relief	62,074	–	62,074
Humanitarian Assistance - Recovery	16,313	–	16,313
Livelihood/Economic Development	83,952	–	83,952
Civil Society	43,900	–	43,900
Health	25,619	–	25,619
Subtotal: Program Services	231,858	–	231,858
Support Services			
General and Administration	28,730	–	28,730
Resource Development	11,485	–	11,485
Subtotal: Support Services	40,215	–	40,215

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
Total Expenditures	272,073	–	272,073
Non-Operating (Loss)	(353)	–	(353)
Change in Net Assets	(429)	(4,676)*	(5,105)

Condensed Statement of Financial Position

JUNE 30, 2013	U.S.	GLOBAL
Total Assets	243,837	269,778
Total Liabilities	166,532	187,150
Net Assets		
Unrestricted	57,071	62,065
Temporarily Restricted	20,214	20,543
Permanently Restricted	20	20
Total Net Assets	77,305	82,628
Total Liabilities and Net Assets	243,837	269,778

Global Financial Summary

Mercy Corps U.S. and Global Partners: Support, Revenue and Expenses (in thousands of U.S. dollars) for the year ending June 30, 2013.

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
Support and Revenue			
Mercy Corps Scotland	3,476	44,725	48,201
Mercy Corps U.S.	250,256	5,966	256,222
Mercy Corps U.S. Material Aid	11,099	–	11,099
Released from Restriction	10,424	(10,424)	–
Total Support and Revenue	275,255	40,267	315,522
EXPENDITURES			
Program Services			
Mercy Corps Scotland	2,177	45,405	47,582
Mercy Corps U.S.	231,858	–	231,858
Total Program Services	234,035	45,405	279,440
SUPPORT SERVICES			
General and Administration	28,953	–	28,953
Resource Development	11,774	39	11,813
Total Support Services	40,727	39	40,766
Total Expenditures	274,762	45,444	320,206
Non-Operating (Loss)	519	(4)	515
Net	1,012	(5,181)*	(4,169)

*Mercy Corps did not incur a loss. This number reflects current-year expenses on revenue received in a prior year.

BOARD OF DIRECTORS

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Jock Encombe
David Mahoney

Mark Gordon
Henry Vigil

He Daofeng
Melissa Waggener

Lucy Lee Helm
Zorkin

Gisel Kordestani

Ned Lamont

WORLDWIDE PROGRAMS

Afghanistan • Central African Republic • China • Colombia • D.R. Congo • Egypt • Ethiopia • Georgia • Guatemala • Haiti
India • Indonesia • Iraq • Japan • Jordan • Kenya • Kosovo • Kyrgyzstan • Lebanon • Liberia • Libya • Mali • Mongolia
Myanmar • Nepal • Niger • Nigeria • North Korea (DPRK) • Pakistan • Philippines • Somalia • South Sudan • Sudan • Syria
Tajikistan • Timor-Leste • Tunisia • Uganda • United States • West Bank and Gaza • Yemen • Zimbabwe

USING YOUR GIFTS WISELY

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

Mercy Corps meets all 20 of the Better Business Bureau Wise Giving Alliance standards for charity accountability.

HOW YOU CAN SAVE AND IMPROVE 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.



■ = Humanitarian programs: 88%
■ = Fundraising and administration: 12%



bbb.org/charity





CONTACT US

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