

2009 Consolidated Financial Statements
and Supplemental Schedule for Samaritan's Purse

(with Independent Auditors' Report thereon)

2009 Independent Auditors' Report

To the Board of Directors, Samaritan's Purse

We have audited the accompanying consolidated statement of financial position of Samaritan's Purse (the "Ministry") as of December 31, 2009, and the related statements of activities and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Ministry's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the Ministry's 2008 consolidated financial statements and, in our report dated March 12, 2009, we expressed an unqualified opinion on those consolidated financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Samaritan's Purse as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental schedule is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

March 10, 2010



Dixon Hughes PLLC

Consolidated Statement of Financial Position

December 31, 2009 (with comparative totals for 2008)

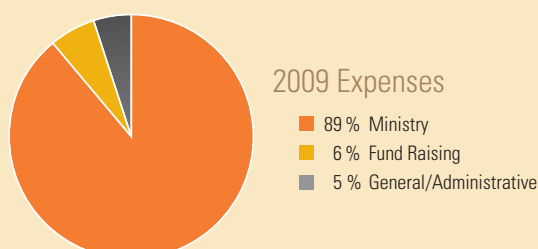
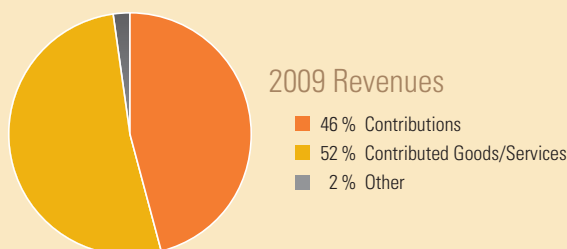
	2009	2008
Assets		
Current assets:		
Cash and cash equivalents:		
Available for ministries	\$ 10,042,686	\$ 11,793,623
Designated by governing board	3,827,407	3,378,566
Held for donor-restricted ministry purposes	53,820,429	50,973,143
Investments:		
Available for ministries	31,869,682	43,842,911
Planned giving program	6,014,091	5,708,899
Grants receivable	451,362	761,942
Assets held by field operations	5,157,004	4,497,856
Other current assets	3,810,266	3,605,780
Inventory – ministry equipment and supplies	11,014,599	11,298,826
Total current assets	<u>126,007,526</u>	<u>135,861,546</u>
Noncurrent assets:		
Investments:		
Planned giving program	15,832,038	12,820,863
Other noncurrent assets	728,991	595,183
Property and equipment owned by us and used in our present ministries, at cost less accumulated depreciation	<u>61,839,635</u>	<u>53,829,673</u>
Total noncurrent assets	<u>78,400,664</u>	<u>67,245,719</u>
Total assets	<u><u>\$ 204,408,190</u></u>	<u><u>\$ 203,107,265</u></u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable – suppliers	\$ 7,965,631	\$ 8,986,764
Accrued expenses	372,832	312,876
Funds held on behalf of affiliates	1,030,373	730,219
Current portion of note payable	-	18,107
Current portion of planned giving program obligations	6,014,091	5,708,899
Total current liabilities	<u>15,382,927</u>	<u>15,756,865</u>
Noncurrent Liabilities:		
Planned giving program obligations	<u>10,789,691</u>	<u>10,072,866</u>
Total noncurrent liabilities	<u>10,789,691</u>	<u>10,072,866</u>
Total liabilities	<u>26,172,618</u>	<u>25,829,731</u>
Net assets:		
Unrestricted:		
Designated by governing board	3,827,407	3,378,566
Represented by property and equipment	61,839,635	53,829,673
General	47,385,351	57,571,912
Total unrestricted	<u>113,052,393</u>	<u>114,780,151</u>
Temporarily-restricted	<u>65,183,179</u>	<u>62,497,383</u>
Total net assets	<u>178,235,572</u>	<u>177,277,534</u>
Total liabilities and net assets	<u><u>\$ 204,408,190</u></u>	<u><u>\$ 203,107,265</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Activities

For the Year Ended December 31, 2009 (with comparative totals for 2008)

	2009			2008
	Unrestricted	Temporarily-Restricted	Total	Total
Support and revenue:				
Contributions	\$ 58,581,737	\$ 89,621,718	\$ 148,203,455	\$ 150,387,431
Contributed goods and services	10,201,800	157,318,680	167,520,480	159,290,070
Investment income	1,955,456	—	1,955,456	2,208,039
Change in value of annuities and trusts	824,269	122,737	947,006	(2,116,194)
Other income	1,950,770	1,497	1,952,267	3,486,835
Total support and revenue	73,514,032	247,064,632	320,578,664	313,256,181
Reclassifications:				
Assessment against restricted contributions	5,874,473	(5,874,473)	—	—
Satisfaction of program and property restrictions	238,504,363	(238,504,363)	—	—
Total reclassifications	244,378,836	(244,378,836)	—	—
Expenses:				
Ministry expenses:				
Emergency relief	14,414,868	—	14,414,868	17,237,341
Community development ministries	24,096,283	—	24,096,283	18,965,549
Medical assistance	22,360,243	—	22,360,243	20,574,024
Children's ministry-Operation Christmas Child	175,813,003	—	175,813,003	161,464,918
Children's ministry-other	4,409,561	—	4,409,561	4,805,007
Missions, missionary and personnel assistance	412,022	—	412,022	475,621
Christian education	24,693,156	—	24,693,156	26,428,592
International HIV/AIDS ministry	4,714,971	—	4,714,971	5,071,030
Miscellaneous projects	1,136,181	—	1,136,181	1,216,326
Related organizations	2,830,360	—	2,830,360	91,134
Other ministry services	9,521,038	—	9,521,038	12,392,507
Total ministry expenses	284,401,686	—	284,401,686	268,722,049
Supporting activities:				
Fund raising	19,897,670	—	19,897,670	18,715,157
General and administrative	15,321,270	—	15,321,270	15,531,929
Total expenses	319,620,626	—	319,620,626	302,969,135
Change in net assets	(1,727,758)	2,685,796	958,038	10,287,046
Net assets at beginning of year	114,780,151	62,497,383	177,277,534	166,990,488
Net assets at end of year	\$ 113,052,393	\$ 65,183,179	\$ 178,235,572	\$ 177,277,534



The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2009 (with comparative totals for 2008)

	2009	2008
Cash flows from operating activities:		
Change in net assets	\$ 958,038	\$ 10,287,046
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,873,192	5,851,190
Gain on disposition of property	(125,928)	(1,790,780)
(Gain) loss on sale of mutual funds investments	(262,860)	156,430
Property and equipment contributions received	(199,724)	(157,518)
Contributions of other assets received and held for sale	(229,010)	(331,160)
Adjustment of annuity obligations	1,137,695	929,868
Impairment of assets held for sale	147,739	155,868
Unrealized (gain) loss on investments	(1,348,072)	2,187,906
(Increase) decrease in cash surrender value of life insurance	(49,631)	78,226
Net change in:		
Grants receivable	310,580	14,046
Assets held by field operations	(659,148)	359,787
Other assets	(122,295)	(601,670)
Inventory	284,227	(6,452,428)
Accounts payable – suppliers	(1,021,133)	137,133
Accrued expenses	59,956	(93,017)
Net cash provided by operating activities	<u>5,753,626</u>	<u>10,730,927</u>
Cash flows from investing activities:		
Proceeds from sale of property and equipment	180,547	2,063,063
Proceeds from sale of investments	44,506,838	27,991,194
Purchase of investments	(32,308,148)	(41,728,650)
Increase in planned giving program assets	(1,930,896)	(633,325)
Purchase of other assets	-	(285,000)
Issuance of note receivable	(100,000)	-
Collections on note receivable	14,903	14,038
Capital expenditures	(14,738,049)	(15,363,339)
Net cash used by investing activities	<u>(4,374,805)</u>	<u>(27,942,019)</u>
Cash flows from financing activities:		
Payment of notes payable	(18,107)	(18,107)
Increase in funds held on behalf of affiliates	300,154	35,750
Proceeds from planned giving program contracts	1,370,874	1,228,635
Payments of planned giving program obligations	(1,486,552)	(1,363,765)
Net cash provided (used) by financing activities	<u>166,369</u>	<u>(117,487)</u>
Net increase (decrease) in cash and cash equivalents	1,545,190	(17,328,579)
Cash and cash equivalents – beginning of year	<u>66,145,332</u>	<u>83,473,911</u>
Cash and cash equivalents – end of year	<u>\$ 67,690,522</u>	<u>\$ 66,145,332</u>

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

December 31, 2009 (with comparative totals for 2008)

1 Description of Organization and Summary of Significant Accounting Policies

ORGANIZATION – Samaritan's Purse (the "Ministry") is incorporated as a nonprofit organization under the laws of North Carolina. The Ministry is a nondenominational evangelical Christian organization providing spiritual and physical aid to hurting people around the world. Since 1970, the Ministry has helped meet needs of people who are victims of war, poverty, natural disasters, disease, and famine with the purpose of sharing God's love through His Son, Jesus Christ. The Ministry serves the church worldwide to promote the Gospel of the Lord Jesus Christ.

BASIS OF PRESENTATION – Financial statement presentation follows United States Generally Accepted Accounting Principles pertaining to *Financial Statements of Not-for-Profit Organizations*. Under *Financial Statements of Not-for-Profit Organizations*, the Ministry is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily-restricted net assets, and permanently-restricted net assets.

PRINCIPLES OF CONSOLIDATION – The consolidated financial statements include the accounts of the Ministry and its interrelated organizations, Samaritan's Purse (Kenya) and Samaritan's Purse (Sri Lanka). The accounts of Emmanuel Group, a wholly-owned title holding corporation formed in 2004 under Section 501(c)(2) of the Internal Revenue Code, are also included in the consolidated financial statements. Emmanuel Group has no operations or activities other than holding title. All interorganization transactions and account balances are eliminated upon consolidation.

USE OF ESTIMATES – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS – Cash and cash equivalents include investments in highly-liquid debt instruments with an original maturity of three months or less when purchased. The Board approved an investment policy for the operating fund that maintains adequate cash flow with preservation of principal and liquidity as the primary investment objective with maximization of earnings as a secondary objective.

INVESTMENTS – Investments in equity securities with readily-determinable fair values and all debt securities are measured at fair value. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the change in unrestricted net assets.

Investment income is recorded net of investment expenses. For the years ended December 31, 2009 and 2008, investment expenses were \$60,532 and \$71,690, respectively.

Realized gains or losses on investments are determined by comparison of specific cost of acquisition to proceeds at the time of disposal. Unrealized gains or losses are calculated by comparing cost to market values at the statement of financial position date.

PLANNED GIVING PROGRAM – The Ministry has a fully-funded program whereby donors may contribute through gift annuities and charitable remainder trusts. Assets equal to the present value of payment liabilities, plus an additional reserve, are held in segregated trust accounts by a bank or brokerage firm and are managed by professional investment advisors. The Ministry complies with state laws regulating gift annuities and trusts.

The Ministry records planned gift assets at their fair value. Liabilities are recorded at the present value of projected payments, usually for beneficiaries' lives using a 6% discount rate, the Annuity 2000 mortality table and other actuarial assumptions. Changes in value of annuities and trusts are recorded in the statement of activities. The charitable present value of annuities and trusts is recorded as contribution revenue at the time the agreement is executed. Values of trust agreements in which the Ministry's remainder interest is revocable are recorded as a liability until that interest becomes irrevocable, at which time the contribution revenue is recorded.

The Ministry is also named as a beneficiary in trusts and wills not managed by the Ministry, the values of which are unknown and are not included in the consolidated statement of financial position.

FAIR VALUE MEASUREMENTS – Accounting standards have been issued to define fair value, establish a framework for measuring fair value within generally accepted accounting principles and expand disclosures about fair value measurements. These standards were effective and implemented for the Ministry's financial assets and liabilities for the year ended December 31, 2008. The Financial Accounting Standards Board approved a one-year deferral of the adoption of these standards as they related to non-financial assets and liabilities measured at fair value on a nonrecurring basis. As a result, the Ministry adopted the standards for non-financial assets and liabilities for the year ending December 31, 2009. The adoption of these standards in 2009 and 2008 had no material impact on financial condition, change in net assets, or cash flows of the Ministry, but resulted in certain additional disclosures reflected in Note 5.

ASSETS HELD BY FIELD OPERATIONS – Assets held by field operations represent cash forwarded to project field sites for use in carrying out ministry activities.

OTHER ASSETS – Other assets consists primarily of receivables, prepaid expenses, and deposits which are carried at cost at the date of acquisition as well as gifts of property held for liquidation and cash surrender value of life insurance which are carried at fair value. Changes in fair value are reported in other income in the consolidated statement of activities.

The Ministry has contracted with a captive insurance company to obtain coverage for workers compensation, general liability, property, and automobile liability insurance. The Ministry owns a non-controlling share of the common stock of the captive insurance company and is accounting for this asset under the cost method of investment accounting. The cost of this asset in the amount of \$285,000 as of December 31, 2009 and 2008 is included as other noncurrent assets in the consolidated statement of financial position.

INVENTORY – Inventory is stated at the lower of fair value as of the date of the donation or at market value as of the date of the consolidated statement of financial position.

PROPERTY AND EQUIPMENT – Land is stated at cost. All other property and equipment are stated at cost less accumulated depreciation. Depreciation over the following estimated useful lives of property and equipment is computed using the straight-line method:

Buildings	30 years
Furniture, fixtures, and equipment	4-10 years
Ministry and missionary aircraft	10 years

Ministry and missionary aircraft represents aircraft stationed throughout the world that are used by the Ministry and other organizations in their ministries.

DONATED PROPERTY – Donated property is recorded at fair value at the date of donation.

NET ASSETS DESIGNATED BY GOVERNING BOARD – The Board of Directors designates an amount equivalent to 10 percent of the cost basis of the Ministry’s buildings to replace and repair buildings owned by the Ministry. The amounts designated as of December 31, 2009 and 2008 were \$3,827,407 and \$3,378,566, respectively.

CONTRIBUTED SERVICES – A substantial number of volunteers have contributed services to assist the Ministry in its work. Services are determined based on hours of service donated at average fair value of comparable services and reported both as revenue and expense in the period performed. The value of contributed services recorded by the Ministry amounted to approximately \$10,000,000 and \$8,200,000 for the years ended December 31, 2009 and 2008, respectively. Additional volunteers donated services estimated to be valued at \$3,000,000 in 2009 and \$2,300,000 in 2008, which are not reflected in the consolidated financial statements as the services did not require specialized skills as specified by United States Generally Accepted Accounting Principles pertaining to *Accounting for Contributions Received and Contributions Made*. Approximately \$1,900,000 of the 2009 amount and \$1,300,000 of the 2008 amount not reflected in the consolidated financial statements were related to the collection of shoe boxes for Operation Christmas Child.

CONTRIBUTED GOODS – The Ministry receives donations of medical equipment, supplies and other materials for use in its programs. Such gifts are recorded at their estimated fair value at the date of donation. Based upon the quantities donated, some gifts were valued using the estimated wholesale value of gifts received considering their condition and utility for use. Gifts of approximately \$157,600,000 and \$151,100,000 were received for the years ended December 31, 2009 and 2008, respectively. These donations include the receipt of individual shoe box gifts through the Operation Christmas Child project. This project collected approximately 5,200,000 and 4,900,000 shoe box gifts from individuals for the years ended December 31, 2009 and 2008, respectively. The estimated value per shoe box gift was \$27.75 for 2009 and \$27.95 for 2008. They are held in inventory and expensed as used by the Ministry.

Gifts-in-kind distributed through the Ministry amounted to approximately \$157,600,000 and \$144,500,000 for the years ended December 31, 2009 and 2008, respectively.

The Ministry liquidates contributed securities upon receipt. The amounts, therefore, are included on the consolidated statement of cash flows as an operating activity.

FUNCTIONAL CLASSIFICATION OF EXPENSES – United States Generally Accepted Accounting Principles pertaining to *Financial Statements of Not-for-Profit Organizations* require reporting of expenses by their functional classification in major classes such as ministry, fund raising and general and administrative.

Ministry expenses consist of activities that result in food, medicine, clothing, shelter, other relief supplies and Operation Christmas Child shoe box gifts being distributed to beneficiaries and all Christian evangelical activities such as sharing the Gospel through the distribution of Bibles or literature, training pastors, Christian education, intercessory prayer, religious services, lifestyle evangelism, or other activities that fulfill the purpose or mission for which the Ministry exists.

These services are the major purpose for, and the major output of, the Ministry. Ministry expenses are in furtherance of our stated purpose as presented in our Articles of Incorporation, Bylaws, and representations to government authorities.

Fund raising expenses involve informing potential donors and facilitating contributions of money, securities, materials, facilities, other assets, or time. Fund raising activities include publicizing and conducting fund raising campaigns, maintaining donor mailing lists, conducting special fund raising events, preparing and distributing fund raising manuals and other materials, and conducting other activities involved with soliciting contributions from individuals, foundations, government agencies, and others.

General and administrative expenses are those that are not identifiable with a single ministry or fund raising activity, but are indispensable to the conduct of those activities and to the Ministry’s existence. They include oversight, business management, general record keeping, budgeting, and financing activities.

ALLOCATION OF JOINT COSTS – In 2009, the Ministry conducted activities that included requests for contributions, as well as ministry and general and administrative components. Those activities included print communications, broadcasting, and ministry operations. The costs of conducting those activities included a total of \$52,536,953 and \$51,454,566 of joint costs for 2009 and 2008, respectively. These joint costs are not specifically attributable to particular components of the activities and were allocated as follows:

	2009	2008
Ministry	\$ 28,381,879	\$ 25,762,170
Fund raising	17,603,649	18,552,213
General and administrative	6,551,425	7,140,183
Total	<u>\$ 52,536,953</u>	<u>\$ 51,454,566</u>

INCOME TAXES – The Ministry is exempt from federal income taxes, and contributions to the Ministry are deductible as charitable contributions under Internal Revenue Code Section 170. The Internal Revenue Service has issued a determination letter to the Ministry stating that it qualifies for tax-exempt status under Internal Revenue Code Section 501(c)(3). The Internal Revenue Service has also issued a ruling stating that the Ministry will not be treated as a private foundation within the meaning of Internal Revenue Code Sections 509(a)(1), 509(a)(2), and 509(a)(3).

The Ministry accounts for uncertain tax positions by recording a liability for any tax position taken that is beneficial to the Ministry, including any related interest and penalties, when it is more likely than not the position taken by management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of December 31, 2009 and, accordingly, no liability has been accrued.

ASSESSMENT – The Board of Directors has established a policy that all donor-restricted contributions for a specific project may be assessed up to 10 percent to be used for administering the gift if needed.

UNRESTRICTED AND RESTRICTED SUPPORT AND REVENUE – Contributions received are recorded as unrestricted or temporarily-restricted, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily-restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily-restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as satisfaction of program and property restrictions.

The Ministry has no permanently-restricted net assets.

SUBSEQUENT EVENTS – Subsequent events have been evaluated through March 10, 2010, which is the date the consolidated financial statements were available to be issued.

COMPARATIVE DATA – Comparative data for the prior year has been presented in the accompanying consolidated financial statements to help provide an understanding of changes in the Ministry's consolidated financial position and activities.

RECLASSIFICATIONS – Certain reclassifications have been made to the 2008 amounts to conform to the 2009 consolidated financial statement presentation.

2 Property and Equipment

A summary of property and equipment and related accumulated depreciation at December 31 follows:

	2009	2008
Equipment, furniture and fixtures	\$ 21,389,433	\$ 19,015,484
Ministry and missionary aircraft	38,315,522	31,199,918
Land	3,506,425	3,203,188
Buildings	38,632,126	24,017,137
Total	101,843,506	77,435,727
Less accumulated depreciation	40,003,871	33,732,635
	61,839,635	43,703,092
Construction in progress	-	10,126,581
Property and equipment, net	\$ 61,839,635	\$ 53,829,673

The Ministry places assets in various countries at any given time to be used for support of missions, medical assistance, and emergency relief. These assets are subject to the laws of the governments in the countries in which they reside. Aircraft, equipment, and other assets costing \$12,728,885 in 2009 and \$8,399,997 in 2008 have been placed in various foreign countries.

3 Investments

Investments are composed of the following:

	2009	2008
Cash	\$ 477,721	\$ 273,138
Money market	839,085	1,566,853
Certificates of deposit	1,000,000	-
United States Treasury notes	-	13,083,871
Equities	6,130,535	7,911,192
Bonds	45,153,470	39,537,619
Real estate	115,000	-
Total	\$ 53,715,811	\$ 62,372,673

Investment income (exclusive of annuities and trusts) consists of:

	2009	2008
Interest and dividends	\$ 1,729,995	\$ 2,646,374
Net realized gains (losses)	407,611	(27,307)
Net unrealized gains (losses)	(182,150)	(411,028)
Total	\$ 1,955,456	\$ 2,208,039

4 Planned Giving Program

The assets and liabilities of the planned giving program are as follows:

	2009	2008
Assets:		
Gift annuities	\$ 16,347,174	\$ 13,310,845
Irrevocable trusts	977,564	872,963
Revocable trusts	4,521,391	4,345,954
Total	\$ 21,846,129	\$ 18,529,762
Liabilities:		
Gift annuities	\$ 11,652,978	\$ 10,788,263
Irrevocable trusts	629,413	647,548
Revocable trusts	4,521,391	4,345,954
Total	\$ 16,803,782	\$ 15,781,765

The change in value of annuities and trusts presented on the consolidated statement of activities consists of:

	2009	2008
Interest and dividends	\$ 810,917	\$ 844,637
Net realized gains (losses) on investments	(144,751)	(129,123)
Net unrealized gains (losses) on investments	1,530,222	(1,776,878)
Actuarial adjustments	348,857	433,897
Administrative fees	(111,687)	(124,962)
Payments to income beneficiaries	(1,486,552)	(1,363,765)
Total	\$ 947,006	\$ (2,116,194)

5 Fair Value Measurements

The carrying amount of cash and cash equivalents and accounts receivable approximates fair value because of the short-term maturities of those instruments. The fair values of investments are based on market prices obtained from various financial institutions.

The carrying amount of accounts payable and accrued expenses approximates fair value because of the short-term maturities of those instruments.

The Ministry adopted the provisions of *Fair Value Measurements* for its financial assets and liabilities measured at fair value in 2008 and adopted the provisions for non-financial assets and liabilities in 2009. Although having adopted *Fair Value Measurements* has had no material impact on financial condition, change in net assets or cash flows, the Ministry is now required to provide additional disclosures. *Fair Value Measurements* clarifies that fair value is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Ministry utilizes market data or assumptions that market participants would use in pricing the asset or liability. *Fair Value Measurements* establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

Level 1: Financial and non-financial assets and liabilities with unadjusted, quoted prices listed on active market exchanges.

Level 2: Financial and non-financial assets and liabilities valued using inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Financial and non-financial assets and liabilities that are not actively traded on a market exchange and require using significant unobservable inputs in determining fair value.

Prices for commercial paper and investment securities are readily available in the active markets in which those securities are traded, and the resulting fair values are categorized as Level 1.

The following table sets forth by level within the fair value hierarchy the Ministry's assets and liabilities accounted for at fair value on a recurring basis as of December 31, 2009. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Ministry's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

Measured at Fair Value on a Recurring Basis

Description	Fair Value Measurements at December 31, 2009 Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:			
Trading securities:			
Equities	\$ 671,563	\$ —	\$ —
Bonds	29,952,639	—	—
Planned giving assets:			
Money market	839,085	—	—
Equities	5,458,972	—	—
Bonds	15,200,831	—	—
Real estate	—	115,000	—
Donated equity securities and other financial instruments included in other assets	132,115	—	54,027
Total	<u>\$ 52,255,205</u>	<u>\$ 115,000</u>	<u>\$ 54,027</u>

Cash and cash equivalents and certificates of deposit are not defined within the levels as prescribed in *Fair Value Measurements*. Accordingly, \$477,721 of cash and cash equivalents and \$1,000,000 in certificates of deposit as of December 31, 2009 are not included in the table above.

The determination of fair value above incorporates various factors. These factors include not only the credit standing of the counterparties involved and the impact of credit enhancements, but also the impact of the Ministry's nonperformance risk on its liabilities.

6 Temporarily-Restricted Net Assets

Temporarily-restricted net assets are available for the following purposes as of December 31:

	2009	2008
Africa projects	\$ 8,393,621	\$ 5,962,499
Agriculture projects	3,287,531	2,694,085
Asia projects	2,394,542	3,643,652
Bibles and Christian literature	328,897	160,480
Central and South America projects	380,430	200,238
Children's projects –		
Operation Christmas Child	17,386,599	15,763,664
Children's projects – other	2,682,823	3,232,443
Church construction projects	2,210,066	342,869
Clean water projects	1,721,517	1,252,259
Development projects	547,201	493,573
Eastern Europe relief	125,218	207,795
Emergency relief	2,778,782	2,503,022
Housing construction projects	292,771	214,675
Medical missionaries' expenses to foreign field	1,893,981	1,427,794
Medical projects	3,163,029	4,896,118
Middle East projects	291,510	659,522
Missionary aid	477,624	416,836
Tsunami relief	-	201,579
U.S.A. – disaster relief	2,038,594	2,358,528
U.S.A. – Gulf region		
hurricane relief	2,996,172	3,845,645
U.S.A. – nonemergency relief	132,131	92,137
Other	645,541	629,144
Inventory:		
Operation Christmas Child materials	5,816,935	5,796,253
Medical equipment and supplies	4,780,106	3,529,861
Other equipment and supplies	417,558	1,972,712
Total	\$ 65,183,179	\$ 62,497,383

7 Related-Party Transactions

The Chief Executive Officer, President, and Chairman of the Ministry serves as Chief Executive Officer, President, and Vice Chairman of Billy Graham Evangelistic Association. Billy Graham Evangelistic Association is controlled by an independent Board of Directors, though the two ministries share certain board members. To gain efficiencies over administrative services supporting their individual ministries, Billy Graham Evangelistic Association and the Ministry entered into a shared services agreement to provide a meaningful structure for regulating and overseeing the shared services and expenses. In accordance with the provisions of the agreement, the Ministry reimbursed the sum of \$851,262 in 2009 and \$809,148 in 2008 to Billy Graham Evangelistic Association and Billy Graham Evangelistic Association reimbursed the sum of \$1,633,086 in 2009 and \$1,368,859 in 2008 to the Ministry. Billy Graham Evangelistic Association received and forwarded contributions totaling \$316,705 in 2009 and \$141,300 in 2008 to the Ministry designated for support of their ministry activities. The Ministry received

and forwarded contributions totaling \$112,851 in 2009 and \$172,651 in 2008 to Billy Graham Evangelistic Association for support of their ministry activities. Amounts receivable from Billy Graham Evangelistic Association at December 31, 2009 and 2008 were \$203,874 and \$517,063, respectively, and are included in other current assets on the consolidated statement of financial position. Amounts payable to Billy Graham Evangelistic Association at December 31, 2009 and 2008 were \$95,207 and \$75,458, respectively, and are included in accounts payable-suppliers on the consolidated statement of financial position.

The Ministry has entered into agreements with Billy Graham Evangelistic Association on joint ministry projects to more effectively spread the Gospel. The Ministry provided cash grants totaling \$3,630,045 in 2009 and in-kind contributions valued at \$209,477 in 2009 and \$300,255 in 2008 to Billy Graham Evangelistic Association in support of various projects. Billy Graham Evangelistic Association issued cash grants to the Ministry of \$215,014 in 2008 and in-kind contributions valued at \$186,874 in 2009. In addition, the Ministry and Billy Graham Evangelistic Association participated in a multi-year joint ministry project in Southeast Asia. The Ministry incurred \$595,433 in 2008 in expenses related to the project, of which \$84,972 in 2008 was paid directly to Billy Graham Evangelistic Association to reimburse expenses incurred on behalf of the Ministry. The Ministry and Billy Graham Evangelistic Association participated in a joint project in Africa for which the Ministry incurred expenses of \$148,233 in 2009 and \$218,196 in 2008. Following is 2009 un-audited summary financial information for Billy Graham Evangelistic Association: total assets - \$325,928,651; total liabilities - \$77,178,553; total net assets - \$248,750,098; total revenues - \$95,636,237; and total expenses - \$93,410,399.

The Ministry maintains Affiliated Ministry and Trademark License Agreements with the following unconsolidated organizations: Samaritan's Purse-Australia, The Samaritan's Purse-Canada, Samaritan's Purse-Netherlands, Samaritan's Purse International-United Kingdom, Samaritan's Purse-Ireland, and Gifts of Hope-Germany. The Agreements outline how the affiliate organizations coordinate program activities and the terms and conditions of their use of the Ministry's registered name and trademarks. The Ministry paid these affiliated organizations \$986,861 in 2009 and \$960,164 in 2008 for employment cost reimbursement and support of various projects. These affiliated organizations reimbursed the Ministry \$188,542 in 2009 and \$100,236 in 2008 for ministry support and materials. Amounts receivable from these affiliates at December 31, 2009 and 2008 were \$111,104 and \$123,226, respectively, and are included in other current assets on the consolidated statement of financial position. Amounts payable to these affiliates at December 31, 2009 and 2008 were \$65,178 and \$70,253, respectively, and are included in accounts payable-suppliers on the consolidated statement of financial position. Funds held by the Ministry as an agent of these affiliates at December 31, 2009 and 2008 were \$1,030,373 and \$730,219, respectively, and are included in funds held on behalf of affiliates on the consolidated statement of financial position.

One board member of the Ministry is also a board member of Mafraq Sanatorium Association. The Ministry donated \$566,785 in 2009 and \$278,396 in 2008 to Mafraq Sanatorium Association, of which \$62,165 and \$185,396, respectively, was donor-restricted. The Ministry paid for some ministry and administrative expenditures which amounted to \$129,522 in 2009 and \$114,141 in 2008.

8 Retirement Plan

The Ministry has a defined contribution retirement and salary reduction plan that covers eligible employees as determined by the Plan agreement. Employer contributions are five percent of each participant's salary with a matching provision which provides a \$1 employer contribution to each \$1 employee contribution up to three percent of each participant's salary. Retirement expense was \$1,875,295 in 2009 and \$1,616,797 in 2008. The assets of the Plan are held in an employee benefit trust and are not included in the accompanying consolidated financial statements.

9 Concentrations of Credit Risk

The Ministry has deposits in various banks in excess of the amounts covered by federal depository insurance. Management believes that credit risk related to these deposits is minimal.

10 Self-Insurance Program

The Ministry maintains a self-insurance program for hospitalization and medical coverage for its employees. The Ministry limits its losses through the use of stop-loss policies from reinsurers. Specific individual losses for claims are limited to \$50,000 per year. The Ministry's aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees. At December 31, 2009 and 2008, the estimated liability for these claims approximated \$265,000 and \$232,000 respectively, and is included in accrued expenses.

Schedule of Functional Expenses Information

For the Year Ended December 31, 2009 (with comparative totals for 2008)

	2009				2008
	Ministry expenses	Fund raising	General and administrative	Total	Total
Grants and allocations-cash	\$ 10,200,173	\$ —	\$ —	\$ 10,200,173	\$ 9,228,361
Grants and allocations-non cash	157,602,907	—	—	157,602,907	144,494,581
Direct project costs	34,156,732	—	—	34,156,732	36,152,589
Salaries and wages	28,403,365	5,750,195	6,953,142	41,106,702	38,211,310
Retirement	1,030,186	372,628	472,481	1,875,295	1,616,797
Other employee benefits	5,075,636	1,099,366	1,454,752	7,629,754	5,932,810
Payroll taxes	1,428,427	410,524	482,917	2,321,868	2,219,914
Accounting fees	—	—	172,086	172,086	210,021
Legal fees	—	—	146,723	146,723	73,057
Other professional fees	1,272,876	248,098	345,583	1,866,557	1,898,480
Supplies	2,519,180	146,433	872,565	3,538,178	4,113,148
Telecommunications	1,610,529	407,281	365,760	2,383,570	2,328,835
Postage and shipping	2,405,731	3,011,517	117,236	5,534,484	6,441,158
Rental expense	1,449,266	156,945	12,603	1,618,814	1,367,065
Printing and publications	2,822,924	4,422,676	369,675	7,615,275	8,476,256
Travel	14,385,739	1,097,892	615,853	16,099,484	16,647,993
Conferences, conventions, meetings	443,147	121,784	2,574	567,505	833,571
Depreciation	4,124,271	1,178,109	1,570,812	6,873,192	5,851,190
Utilities	853,709	83,418	114,305	1,051,432	998,105
Insurance	171,402	68,704	91,606	331,712	216,542
Dues and fees	57,295	6,641	22,583	86,519	124,486
Broadcast	367,904	537,196	—	905,100	1,121,452
Janitorial/grounds/equip. maint.	667,955	82,315	624,901	1,375,171	1,589,156
Bank charges	—	566,684	19,757	586,441	515,988
Continuing education	360,819	14,944	69,982	445,745	547,322
Contracted services	2,737,915	69,964	120,237	2,928,116	2,823,376
Contributed services	9,968,930	—	—	9,968,930	8,162,734
Miscellaneous	284,668	44,356	303,137	632,161	772,838
Total	\$ 284,401,686	\$ 19,897,670	\$ 15,321,270	\$ 319,620,626	\$ 302,969,135