

**BAPTIST MEDICAL AND DENTAL  
MISSION INTERNATIONAL, INC.**  
Hattiesburg, Mississippi

**Audited Financial Statements**  
Years Ended December 31, 2011 and 2010

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### Financial Statements

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## INDEPENDENT AUDITOR'S REPORT


Board of Trustees  
Baptist Medical and Dental  
Mission International, Inc.  
Hattiesburg, Mississippi

We have audited the accompanying statements of financial position of Baptist Medical and Dental Mission International, Inc. (a Not-for-Profit Corporation) (the "Mission") as of December 31, 2011 and 2010 and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Mission's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Mission as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 to the financial statements, the 2010 financial statements have been restated for an error in the application of accounting principles.

  
Hattiesburg, Mississippi  
June 27, 2012

**BAPTIST MEDICAL AND DENTAL MISSION  
INTERNATIONAL, INC.**  
Statements of Financial Position  
December 31, 2011 and 2010

|                                   | <b>2011</b>  | <b>2010</b>  |
|-----------------------------------|--------------|--------------|
| <b>ASSETS</b>                     |              |              |
| Cash and cash equivalents         | \$ 963,847   | \$ 656,637   |
| Certificates of deposit           | 375,544      | 372,767      |
| Pledges receivable, net           | 300,363      | 230,752      |
| Inventories                       | 22,967       | 41,193       |
| Other assets                      | 31,580       | 30,726       |
| Team travel deposits              | 182,000      | 182,000      |
| Property and equipment, net       | 5,646,961    | 5,756,829    |
|                                   | \$ 7,523,262 | \$ 7,270,904 |
| <b>LIABILITIES AND NET ASSETS</b> |              |              |
| Liabilities                       |              |              |
| Accounts payable                  | \$ 124,508   | \$ 108,800   |
| Accrued payroll and withholdings  | 184,054      | 193,385      |
| Net assets (2010 Restated)        |              |              |
| Unrestricted                      | 5,949,545    | 5,895,754    |
| Temporarily restricted            | 1,265,155    | 1,072,965    |
|                                   | 7,214,700    | 6,968,719    |
| Total net assets                  | 7,214,700    | 6,968,719    |
| Total liabilities and net assets  | \$ 7,523,262 | \$ 7,270,904 |

See accompanying notes.

**BAPTIST MEDICAL AND DENTAL MISSION  
INTERNATIONAL, INC.**

Statements of Activities

Years Ended December 31, 2011 and 2010

|  | 2011          |                        |               | 2010          |                        |               |
|--|---------------|------------------------|---------------|---------------|------------------------|---------------|
|  | Unrestricted  | Temporarily Restricted | Total         | Unrestricted  | Temporarily Restricted | Total         |
| Revenues, gains and other support                                    |               |                        |               |               |                        |               |
| Contributions  | \$ 17,638,156 | \$ 1,265,155           | \$ 18,903,311 | \$ 17,359,931 | \$ 1,072,965           | \$ 18,432,896 |
| Interest income  | 2,907         | -                      | 2,907         | 6,862         | -                      | 6,862         |
| Net assets released for satisfaction of program restrictions         | 1,072,965     | (1,072,965)            | -             | 1,152,634     | (1,152,634)            | -             |
| Total revenues, gains and other support                              | 18,714,028    | 192,190                | 18,906,218    | 18,519,427    | (79,669)               | 18,439,758    |
| Expenses   |               |                        |               |               |                        |               |
| Honduras operations  | 12,169,880    | -                      | 12,169,880    | 11,420,738    | -                      | 11,420,738    |
| Nicaragua operations   | 5,775,989     | -                      | 5,775,989     | 6,811,658     | -                      | 6,811,658     |
| Fund raising   | 51,521        | -                      | 51,521        | 34,877        | -                      | 34,877        |
| Management and general   | 662,847       | -                      | 662,847       | 742,193       | -                      | 742,193       |
| Total expenses   | 18,660,237    | -                      | 18,660,237    | 19,009,466    | -                      | 19,009,466    |
| Change in net assets before acquisition                              | 53,791        | 192,190                | 245,981       | (490,039)     | (79,669)               | (569,708)     |
| Contribution received in acquisition of World Baptist Missions, Inc. | -             | -                      | -             | 1,031,102     | -                      | 1,031,102     |
| Change in net assets   | 53,791        | 192,190                | 245,981       | 541,063       | (79,669)               | 461,394       |
| Net assets at beginning of year (2010 Restated)                      | 5,895,754     | 1,072,965              | 6,968,719     | 5,354,691     | 1,152,634              | 6,507,325     |
| Net assets at end of year (2010 Restated)                            | \$ 5,949,545  | \$ 1,265,155           | \$ 7,214,700  | \$ 5,895,754  | \$ 1,072,965           | \$ 6,968,719  |

See accompanying notes.

**BAPTIST MEDICAL AND DENTAL MISSION  
INTERNATIONAL, INC.**

Statements of Functional Expenses  
Years Ended December 31, 2011 and 2010

|                                      | 2011                   |                         |                  |                           |                      | 2010                   |                         |                  |                           |                      |
|--------------------------------------|------------------------|-------------------------|------------------|---------------------------|----------------------|------------------------|-------------------------|------------------|---------------------------|----------------------|
|                                      | Program                |                         | Fundraising      | Management<br>and General | Total                | Program                |                         | Fundraising      | Management<br>and General | Total                |
|                                      | Honduras<br>Operations | Nicaragua<br>Operations |                  |                           |                      | Honduras<br>Operations | Nicaragua<br>Operations |                  |                           |                      |
| Bad debt expense                     | \$ -                   | \$ -                    | \$ -             | \$ 56,770                 | \$ 56,770            | \$ -                   | \$ -                    | \$ -             | \$ 79,406                 | \$ 79,406            |
| Depreciation                         | 295,633                | 115,778                 | -                | 12,743                    | 424,154              | 469,677                | 122,870                 | -                | 16,290                    | 608,837              |
| Evangelistic and ministerial support | 468,456                | 155,487                 | -                | 292                       | 624,235              | 463,515                | 165,441                 | -                | 108                       | 629,064              |
| General supplies                     | 312,681                | 108,453                 | -                | 2,718                     | 423,852              | 308,670                | 87,240                  | -                | 1,892                     | 397,802              |
| Insurance                            | 10,114                 | 48,064                  | -                | 9,869                     | 68,047               | 10,017                 | 35,103                  | -                | 13,075                    | 58,195               |
| Legal and accounting                 | 27,161                 | 13,105                  | -                | 25,390                    | 65,656               | 22,008                 | 945                     | -                | 19,100                    | 42,053               |
| Local doctors and dentists           | 31,355                 | -                       | -                | -                         | 31,355               | 29,660                 | -                       | -                | -                         | 29,660               |
| Medical supplies                     | 3,147,263              | 1,809,643               | -                | -                         | 4,956,906            | 3,229,537              | 2,480,543               | -                | -                         | 5,710,080            |
| Meetings and conferences             | 276                    | 1,955                   | -                | 22,543                    | 24,774               | 913                    | 1,034                   | -                | 27,602                    | 29,549               |
| Miscellaneous                        | 120,010                | 131,822                 | -                | 26,312                    | 278,144              | 158,187                | 121,023                 | -                | 22,447                    | 301,657              |
| Office supplies                      | 71,288                 | 13,142                  | -                | 16,499                    | 100,929              | 56,448                 | 11,286                  | -                | 9,215                     | 76,949               |
| Personal services                    | 5,669,755              | 2,234,251               | 33,670           | 390,883                   | 8,328,559            | 5,243,153              | 2,882,109               | 5,908            | 466,063                   | 8,597,233            |
| Postage and shipping                 | 38,533                 | 16,686                  | 155              | 20,370                    | 75,744               | 16,218                 | 13,593                  | 292              | 24,903                    | 55,006               |
| Printing and publications            | 40,610                 | 504                     | 17,696           | 14,590                    | 73,400               | 30,562                 | 2,114                   | 28,677           | 1,948                     | 63,301               |
| Public relations                     | 12,461                 | 10,122                  | -                | 1,106                     | 23,689               | 8,653                  | 4,911                   | -                | 453                       | 14,017               |
| Rentals                              | 45,569                 | 144,398                 | -                | -                         | 189,967              | 35,291                 | 103,042                 | -                | -                         | 138,333              |
| Repairs and maintenance              | 96,133                 | 23,422                  | -                | 26,237                    | 145,792              | 95,750                 | 26,450                  | -                | 23,526                    | 145,726              |
| Taxes                                | 64,178                 | -                       | -                | 5,677                     | 69,855               | 7,381                  | -                       | -                | 5,675                     | 13,056               |
| Travel                               | 1,236,563              | 810,672                 | -                | 14,363                    | 2,061,598            | 874,818                | 638,588                 | -                | 11,975                    | 1,525,381            |
| Utilities and telephone              | 174,516                | 49,996                  | -                | 16,485                    | 240,997              | 134,011                | 44,896                  | -                | 18,515                    | 197,422              |
| Vehicle expense                      | 307,325                | 88,489                  | -                | -                         | 395,814              | 226,269                | 70,470                  | -                | -                         | 296,739              |
| <b>Total</b>                         | <b>\$ 12,169,880</b>   | <b>\$ 5,775,989</b>     | <b>\$ 51,521</b> | <b>\$ 662,847</b>         | <b>\$ 18,660,237</b> | <b>\$ 11,420,738</b>   | <b>\$ 6,811,658</b>     | <b>\$ 34,877</b> | <b>\$ 742,193</b>         | <b>\$ 19,009,466</b> |

See accompanying notes.

**BAPTIST MEDICAL AND DENTAL MISSION  
INTERNATIONAL, INC.**

Statements of Cash Flows

Years Ended December 31, 2011 and 2010

|   | <b>2011</b> | <b>2010</b>  |
|---|-------------|--------------|
| Cash flows from operating activities  |             |              |
| Change in net assets  | \$ 245,981  | \$ 461,394   |
| Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities |             |              |
| Depreciation  | 424,154     | 608,837      |
| Contribution received in acquisition  | -           | (1,031,102)  |
| Bad debt expense  | 56,770      | 79,406       |
| Changes in assets and liabilities   |             |              |
| Pledges receivable  | (126,381)   | (214,161)    |
| Inventory   | 18,226      | -            |
| Other current assets  | (854)       | 17,766       |
| Accounts payable and accrued expenses   | 6,377       | 14,752       |
| Net cash provided by (used in) operating activities   | 624,273     | (63,108)     |
| Cash flows from investing activities  |             |              |
| Maturities of certificates of deposit   | -           | 152,467      |
| Purchase of certificates of deposit   | (2,777)     | -            |
| Purchase of property and equipment  | (314,286)   | (407,426)    |
| Net cash used in investing activities   | (317,063)   | (254,959)    |
| Net increase (decrease) in cash   | 307,210     | (318,067)    |
| Cash and cash equivalents, beginning of year  | 656,637     | 974,704      |
| Cash and cash equivalents, end of year  | \$ 963,847  | \$ 656,637   |
| Supplemental schedule of non cash investing and financing activities                                |             |              |
| Fair value of assets acquired   | \$ -        | \$ 1,093,102 |
| Fair value of liabilities assumed   | -           | (62,000)     |
| Contribution received in acquisition  | \$ -        | \$ 1,031,102 |

See accompanying notes.

**BAPTIST MEDICAL AND DENTAL MISSION  
INTERNATIONAL, INC.**

Years Ended December 31, 2011 and 2010

**NOTES TO FINANCIAL STATEMENTS**

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**Note 1. Nature of Activities and Significant Accounting Policies**

Nature of Activities

Baptist Medical and Dental Mission International, Inc. (the "Mission") is a non-profit corporation organized under the laws of the State of Mississippi. It has elected tax-exempt status under Internal Revenue Code Section 501(c)(3) and is exempt from both federal and state income taxes. The Mission seeks to provide quality medical and dental care to the impoverished people of the remote villages of third world nations and teach preventative measures to be taken to avoid disease and death. Established on Baptist Christian beliefs, the Mission's primary goal is directed toward the preaching of God's Word and the theological preparation of new preachers through established Bible institutes and churches.

Summary of Significant Accounting Policies

*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 amounts reported in the financial statements and related notes. Actual results could differ from those estimates.

*Cash and Cash Equivalents*

The Mission considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all certificates of deposit and money market funds purchased with an original maturity of three months or less, to be cash equivalents.

*Inventories*

Donated inventories are recorded at fair market value as of the date of the gift. All other inventories purchased by the Mission are recorded at cost. Inventories as of December 31, 2011 are stated at the lower of cost (first-in, first-out method) or market.

*Team Travel Deposits*

Team travel deposits are funds on deposit with the Mission's travel agency to reserve travel for mission teams prior to serving their mission. Deposits are fully refundable upon satisfactory payment and completion of travel.



**BAPTIST MEDICAL AND DENTAL MISSION  
INTERNATIONAL, INC.**

Years Ended December 31, 2011 and 2010

**NOTES TO FINANCIAL STATEMENTS**

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**Note 1. Continued**

*Property and Equipment*

Donated physical property and equipment are recorded at fair market value as of the date of the gift. All other property and equipment purchased by the Mission are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of these assets. The useful lives are estimated as follows for these assets:

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|   |               |
|---|---------------|
| Office building                           | 20 – 40 years |
| Equipment, furniture and fixtures         | 5 – 7 years   |
| Automobiles                               | 5 years       |
| Mission compound and improvements         | 10 years      |
| Bible institute compound and improvements | 10 years      |
| Churches                                  | 20 years      |

The Mission incurs maintenance costs on its property and equipment. Maintenance costs that extend the life of the asset, materially add to its value or adapt the asset to a new or different use, are capitalized in property and equipment and are depreciated over their estimated useful lives. All other repair and maintenance costs are expensed as incurred.

*Asset Impairments*

In accordance with Accounting Standards Codification ("ASC") Topic 360, *Property, Plant and Equipment*, the Mission periodically evaluates whether current facts or circumstances indicate that the carrying amount of its depreciable assets to be held and used may not be recoverable. If such circumstances are determined to exist, an estimate of undiscounted future cash flows produced by the long-lived asset or the appropriate grouping of assets is compared to the carrying value to determine whether impairment exists. If an asset is determined to be impaired, the loss is measured based on the difference between the assets fair value and its carrying value. An estimate of the asset's fair value is based on quoted market prices in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including a discounted value of estimated future cash flows. The Mission reports an asset to be disposed of at the lower of its carrying value or its estimated net realizable value.

*Severance and Termination Liability*

Labor laws for Honduras and Nicaragua require severance amounts to be paid by employers upon termination of employees without cause. Additionally, management's interpretation of the labor laws provide that although these amounts are payable at termination or certain other events, the employee becomes entitled to these amounts upon achieving certain employment criteria such as years of service milestones.

**BAPTIST MEDICAL AND DENTAL MISSION  
INTERNATIONAL, INC.**

Years Ended December 31, 2011 and 2010

**NOTES TO FINANCIAL STATEMENTS**

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**Note 1. Continued**

Management of the Mission evaluated the expected ultimate obligation to pay severance to certain full-time employees and recorded a severance and termination liability of \$174,238 and \$185,696 at December 31, 2011 and 2010, respectively. This liability is included in accrued payroll and withholdings in the accompanying statements of financial position and related expenses are recognized in the accompanying statements of activities and functional expenses.

*Net Assets*

The Mission presents its net assets in the categories of unrestricted net assets and temporary restricted net assets, pursuant ASC Topic 958, *Not-for-Profit Entities*. Temporary restricted net assets are assets that are restricted for a particular purpose, as specified by grantors or contributors external to the Mission. Unrestricted net assets are net assets that do not meet the definition of temporary restricted net assets.

*Contributions*

Contributions are reported as restricted support if they are received with donor stipulations that limit the use of the contribution. When a donor's stipulated time restriction expires or the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from satisfaction of program restrictions. Donor restricted contributions, whose restrictions are met in the same reporting period, are reported as unrestricted contributions.

*Contributed Services and Supplies*

The Mission receives a significant amount of contributed services and medical supplies from volunteer teams that carry out its mission. The voluntary services that are recognized consist of services performed by individuals with specialized skills such as doctors, dentists, ophthalmologists, nurses, medical technicians, engineers and construction workers. These amounts are recorded at their estimated market value in the Mission's statement of activities as contributions and related expense.

*Income Taxes*

The Mission has elected tax-exempt status under Internal Revenue Code Section 501(c)(3) and is exempt from both federal and state income taxes. The Mission had no significant uncertain tax positions at the date of adoption or at December 31, 2011 and 2010. Tax periods for all fiscal years after 2007 remain open to examination by the federal and state taxing jurisdictions to which the Mission is subject.

**BAPTIST MEDICAL AND DENTAL MISSION  
INTERNATIONAL, INC.**

Years Ended December 31, 2011 and 2010

**NOTES TO FINANCIAL STATEMENTS**

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**Note 2. Restatement of Net Assets**

During 2011, management of the Mission determined that certain net assets previously reported as temporarily restricted were actually unrestricted as a result of the Mission satisfying the particular purpose specified by the grantors or contributors. Accordingly, the 2010 financial statements, which were issued and dated June 7, 2011, have been restated to properly reflect the classification of these net assets. This restatement had no impact on the previously reported total net assets of the Mission. The following summarizes the impact of the restatement.

|                        | <u>December 31, 2010</u> |                           | <u>January 1, 2010</u> |                           |
|------------------------|--------------------------|---------------------------|------------------------|---------------------------|
|                        | Unrestricted             | Temporarily<br>Restricted | Unrestricted           | Temporarily<br>Restricted |
| As previously reported | \$ 4,904,183             | \$ 2,064,536              | \$ 4,662,909           | \$ 1,844,416              |
| Reclassification       | 991,571                  | (991,571)                 | 691,782                | (691,782)                 |
| As restated            | <u>\$ 5,895,754</u>      | <u>\$ 1,072,965</u>       | <u>\$ 5,354,691</u>    | <u>\$ 1,152,634</u>       |

**Note 3. Acquisition**

Effective January 1, 2010, the Mission acquired all assets and assumed all liabilities of another mission organization, World Baptist Missions, Inc. ("WBM"). The Acquisition has been accounted for under ASC Subtopic 958-805, *Not-for-profit Business Combinations*. WBM's operations included both ministry and hospital services in Honduras. This acquisition resulted in an inherent contribution received, since there was no transfer of consideration to WBM, noncontrolling interest or stages in the acquisition. Management evaluated the estimated fair market value of the assets acquired and the liabilities assumed, which were the amounts recognized. Values of these assets and liabilities as of January 1, 2010, were \$1,093,102 and \$62,000, respectively, and consisted of property and equipment of \$1,651,909, inventories of \$41,193 and \$62,000 of liabilities.

**Note 4. Pledges Receivable**

All pledges receivable are unconditional promises to give a set amount in the future as determined by the contributor.

**BAPTIST MEDICAL AND DENTAL MISSION  
INTERNATIONAL, INC.**

Years Ended December 31, 2011 and 2010

**NOTES TO FINANCIAL STATEMENTS**

**Note 4. Continued**

The amounts of pledges receivable as of December 31, 2011 and 2010 were as follows:

|                                      | <b>2011</b>       | <b>2010</b>       |
|--------------------------------------|-------------------|-------------------|
| Pledges receivable                   | \$ 494,517        | \$ 421,584        |
| Less                                 |                   |                   |
| Discount for the time value of money | (2,784)           | (2,707)           |
| Allowance for uncollectible pledges  | (191,370)         | (188,125)         |
| Pledges receivable, net              | <u>\$ 300,363</u> | <u>\$ 230,752</u> |

Future maturities of pledges as of December 31, 2011 and 2010 are as follows:

|                       | <b>2011</b>       | <b>2010</b>       |
|-----------------------|-------------------|-------------------|
| Within one year       | \$ 466,159        | \$ 380,108        |
| In one to three years | 28,358            | 41,476            |
|                       | <u>\$ 494,517</u> | <u>\$ 421,584</u> |

Pledges receivable were discounted at 4.25 percent at December 31, 2011 and 2010.

**Note 5. Property and Equipment**

The following is a summary of property and equipment by major classes and locations at December 31, 2011 and 2010:

|  | <b>2011</b>       |                     |                     |                     |
|--|-------------------|---------------------|---------------------|---------------------|
|  | <b>USA</b>        | <b>Honduras</b>     | <b>Nicaragua</b>    | <b>Total</b>        |
| Land                                     | \$ 90,000         | \$ 248,639          | \$ 221,005          | \$ 559,644          |
| Churches                                 | -                 | 1,322,804           | 852,910             | 2,175,714           |
| Office equipment, furniture and fixtures | 260,783           | 20,064              | 11,373              | 292,220             |
| Automobiles                              | -                 | 752,847             | 225,762             | 978,609             |
| Mission compounds                        | -                 | 1,105,269           | 942,595             | 2,047,864           |
| Bible Institute                          | -                 | 342,073             | -                   | 342,073             |
| Good Shepherd Christian Home             | -                 | 964,932             | -                   | 964,932             |
| Guaimaca Hospital and ministries         | -                 | 1,213,313           | -                   | 1,213,313           |
| Buildings                                | 284,964           | -                   | 250,000             | 534,964             |
| Construction in progress                 | -                 | 51,026              | 22,663              | 73,689              |
| Total property and equipment             | 635,747           | 6,020,967           | 2,526,308           | 9,183,022           |
| Less accumulated depreciation            | 322,584           | 2,383,876           | 829,601             | 3,536,061           |
| Property and equipment, net              | <u>\$ 313,163</u> | <u>\$ 3,637,091</u> | <u>\$ 1,696,707</u> | <u>\$ 5,646,961</u> |

**BAPTIST MEDICAL AND DENTAL MISSION  
INTERNATIONAL, INC.**

Years Ended December 31, 2011 and 2010

**NOTES TO FINANCIAL STATEMENTS**

**Note 5. Continued**

|  | <b>2010</b> |                 |                  |              |
|--|-------------|-----------------|------------------|--------------|
|  | <b>USA</b>  | <b>Honduras</b> | <b>Nicaragua</b> | <b>Total</b> |
| Land                                     | \$ 90,000   | \$ 248,999      | \$ 221,005       | \$ 560,004   |
| Churches                                 | -           | 1,257,359       | 845,209          | 2,102,568    |
| Office equipment, furniture and fixtures | 260,784     | 20,064          | 11,373           | 292,221      |
| Automobiles                              | -           | 733,082         | 198,262          | 931,344      |
| Mission compounds                        | -           | 1,093,270       | 933,569          | 2,026,839    |
| Bible Institute                          | -           | 204,923         | -                | 204,923      |
| Good Shepherd Christian Home             | -           | 964,932         | -                | 964,932      |
| Guaimaca Hospital and ministries         | -           | 1,051,909       | -                | 1,051,909    |
| Buildings                                | 284,964     | -               | 250,000          | 534,964      |
| Construction in progress                 | -           | 193,332         | 18,239           | 211,572      |
| Total property and equipment             | 635,748     | 5,767,870       | 2,477,657        | 8,881,276    |
| Less accumulated depreciation            | 309,841     | 2,100,782       | 713,823          | 3,124,447    |
| Property and equipment, net              | \$ 325,907  | \$ 3,667,088    | \$ 1,763,834     | \$ 5,756,829 |

Depreciation expense was \$424,154 and \$608,837 during the years ended December 31, 2011 and 2010, respectively.

**Note 6. Temporarily Restricted Net Assets**

Temporarily restricted net assets as of December 31, 2011 and 2010 were available for the following purposes:

|                 | <b>2011</b>         | <b>(Restated)<br/>2010</b> |
|-----------------|---------------------|----------------------------|
| Administrative  | \$ 33,223           | \$ 31,905                  |
| Missionaries    | 575,000             | 477,727                    |
| Bible Institute | 6,084               | 45,578                     |
| Teams           | 293,949             | 239,560                    |
| Orphanages      | 258,694             | 260,862                    |
| Hospital        | 92,259              | 15,602                     |
| Food banks      | 5,946               | 1,731                      |
|                 | <u>\$ 1,265,155</u> | <u>\$ 1,072,965</u>        |

**BAPTIST MEDICAL AND DENTAL MISSION  
INTERNATIONAL, INC.**

Years Ended December 31, 2011 and 2010

**NOTES TO FINANCIAL STATEMENTS**

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**Note 6. Continued**

Donor restricted contributions, whose restrictions are met in the same reporting period, are reported as unrestricted contributions. Contributions recognized during the years ended December 31, 2011 and 2010 were as follows:

|   | <b>2011</b>          | <b>(Restated)<br/>2010</b> |
|---|----------------------|----------------------------|
| Voluntary medical services                        | \$ 4,376,862         | \$ 4,553,989               |
| Voluntary dental services                         | 769,360              | 896,920                    |
| Other specialized voluntary services              | 1,015,710            | 938,940                    |
| Contributed medical supplies                      | 4,179,360            | 5,062,104                  |
| Contributed eyeglasses                            | 219,200              | 251,760                    |
| Contributed Bibles                                | 100,589              | 94,085                     |
| Contributed labor                                 | 19,200               | 25,600                     |
| Contributed property                              | 34,000               | -                          |
| Restricted cash contributions                     | <u>6,443,151</u>     | <u>5,071,816</u>           |
| Restricted contributions reported as unrestricted | 17,157,432           | 16,895,214                 |
| Unrestricted cash contributions and pledges       | <u>480,724</u>       | <u>464,717</u>             |
| Total unrestricted contributions                  | 17,638,156           | 17,359,931                 |
| Temporarily restricted contributions              | <u>1,265,155</u>     | <u>1,072,965</u>           |
| Total contributions                               | <u>\$ 18,903,311</u> | <u>\$ 18,432,896</u>       |

**Note 7. Concentration of Credit Risk**

The Mission holds cash in foreign banks throughout the year, which are not covered by depositors insurance.

**Note 8. Benefit Plan**

The Mission has a defined contribution benefit plan (the "Plan") for employees who meet the eligibility requirements set forth in the Plan. The Plan is a simple IRA set up for each employee and covers full-time employees who have completed one year of service. Employees may defer up to \$10,000 of their compensation. The Mission is not required to make contributions to the Plan and any contributions are at the discretion of the Board. The Board elected to contribute three percent of compensation in 2011 and 2010. The Mission's contributions to the Plan were \$11,644 and \$20,407 in 2011 and 2010, respectively.

**BAPTIST MEDICAL AND DENTAL MISSION  
INTERNATIONAL, INC.**

Years Ended December 31, 2011 and 2010

**NOTES TO FINANCIAL STATEMENTS**

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**Note 9. Subsequent Events**

The Mission has evaluated events through June 27, 2012, which is the date the financial statements were available to be issued, for events requiring recognition or disclosure in the financial statements for the year ended December 31, 2011.