Fiscal Year 2012-13 was another year of growth and development for the Mentors International family. I am grateful to you, our supporters, for the incredible service you have rendered to poor entrepreneurs in the developing countries we serve. You are in reality partnering with these families to enable them to feed and educate their children. You have given them hope.

As I personally witnessed this year the amazing difference you have made in the lives of these hardworking people, I want to do more to help our friends in the Philippines and Latin America. Together we have impacted 237,672 lives this past year, with an overall default rate of just 2 percent! Besides the 22,341 entrepreneurs and their families that were served, these entrepreneurs hired another 15,000 workers and helped their families! Almost $4.4 million dollars was loaned out and repaid this fiscal year, giving Mentors the opportunity to continue to help. But there are so many families still waiting for their turn.

Your service to these entrepreneurs lifts everyone around them—their children, their relatives, their neighbors, and their communities. These are the Mentors values! It is a feeling of peace and dignity that comes from being able to finally bootstrap themselves out of grinding poverty.

My deepest gratitude for your continued support!

Mark L. Petersen
CEO | Mentors International
MISSION STATEMENT

Our duel mission is:
To mentor those in developing countries to achieve self-reliance by providing training, character development, and financial services.

To enable those with means and desire to make a lasting difference in the world.

ABOUT MENTORS INTERNATIONAL

Mentors International (Mentors) is a 501(c)(3) non-profit microfinance organization that helps the impoverished in developing countries achieve self-sufficiency.

We end poverty in developing countries around the world.

Mentors has established seven partner foundations, one in each of the largest cities of the Philippines (Manila, Cebu and Davao), and one in Guatemala, Peru, El Salvador and Honduras. Each foundation has its own local board of directors and indigenous staff, but is a legal subsidiary of Mentors International and is supervised by the U.S. management team. Mentors also provides start-up support, training, operational funding and loan capital for its partner foundations.

Our vision is:
To mentor all those who aspire to rise out of poverty by achieving self-reliance.

We help the poor help themselves.

With Mentors’ guiding principle of “a hand up, not a handout,” the donor-recipient relationship is transformed. Mentors requires full repayment of loans, based on individuals’ ability to pay, and provides clients with the tools of knowledge necessary to become self-sufficient.
## 2012-2013 HIGHLIGHTS

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Description</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,102,702</td>
<td>Individuals Impacted by Mentors International Since 1990</td>
<td></td>
</tr>
<tr>
<td>14,924</td>
<td>Jobs Created From 7/1/2012-6/30/2013</td>
<td></td>
</tr>
<tr>
<td>2.06%</td>
<td>Default Rate</td>
<td></td>
</tr>
<tr>
<td>237,672</td>
<td>Total Individuals Impacted From 7/1/2012-6/30/2013</td>
<td></td>
</tr>
<tr>
<td>20,872</td>
<td>Number of Loans Distributed From 7/1/2012-6/30/2013</td>
<td></td>
</tr>
<tr>
<td>87%</td>
<td>Of Mentors International’s Clients Are Female</td>
<td></td>
</tr>
<tr>
<td>22,341</td>
<td>Total Active Clients From 7/1/2012-6/30/2013</td>
<td></td>
</tr>
<tr>
<td>$4,378,224</td>
<td>In Small Loans Distributed From 7/1/2012-6/30/2013</td>
<td></td>
</tr>
<tr>
<td>$136</td>
<td>Average First Loan</td>
<td></td>
</tr>
</tbody>
</table>
2012-2013 HIGHLIGHTS

2012-2013 EXPENSE OUTFLOW

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>$946,360</td>
</tr>
<tr>
<td>General and Administration</td>
<td>$56,109</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$12,113</td>
</tr>
</tbody>
</table>

2012-2013 SUMMARY OF PERFORMANCE

<table>
<thead>
<tr>
<th></th>
<th>Philippines</th>
<th>Guatemala</th>
<th>Honduras</th>
<th>El Salvador</th>
<th>Peru</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Clients</td>
<td>16,105</td>
<td>4,183</td>
<td>677</td>
<td>624</td>
<td>752</td>
</tr>
<tr>
<td>Average First Loan Size</td>
<td>$111</td>
<td>$314</td>
<td>$293</td>
<td>$348</td>
<td>$155</td>
</tr>
<tr>
<td>Total Outstanding Loan Portfolio</td>
<td>$712,517</td>
<td>$648,016</td>
<td>$104,488</td>
<td>$92,327</td>
<td>$314,776</td>
</tr>
<tr>
<td>Total Amount Distributed</td>
<td>$2,801,652</td>
<td>$623,055</td>
<td>$232,442</td>
<td>$37,257</td>
<td>$683,818</td>
</tr>
</tbody>
</table>
## STATEMENTS OF FINANCIAL POSITION

FOR THE FISCAL YEARS ENDING JUNE 30, 2013 AND 2012

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 191,593</td>
<td>$ -</td>
<td>$ 191,593</td>
<td>$ 160,435</td>
<td>$ -</td>
<td>$ 160,435</td>
</tr>
<tr>
<td>Foreign affiliate fees receivable</td>
<td>58,313</td>
<td>-</td>
<td>58,313</td>
<td>24,893</td>
<td>-</td>
<td>24,893</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>12,284</td>
<td>-</td>
<td>12,284</td>
<td>6,177</td>
<td>-</td>
<td>6,177</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>262,190</td>
<td>-</td>
<td>262,190</td>
<td>191,505</td>
<td>-</td>
<td>191,505</td>
</tr>
<tr>
<td><strong>PROPERTY AND EQUIPMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office furnishings and equipment</td>
<td>24,144</td>
<td>-</td>
<td>24,144</td>
<td>17,854</td>
<td>-</td>
<td>17,854</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>11,426</td>
<td>-</td>
<td>11,426</td>
<td>11,426</td>
<td>-</td>
<td>11,426</td>
</tr>
<tr>
<td>Software</td>
<td>89,345</td>
<td>-</td>
<td>89,345</td>
<td>89,345</td>
<td>-</td>
<td>89,345</td>
</tr>
<tr>
<td>Less: accumulated depreciation and amortization</td>
<td>(117,876)</td>
<td>-</td>
<td>(117,876)</td>
<td>(98,972)</td>
<td>-</td>
<td>(98,972)</td>
</tr>
<tr>
<td><strong>Total Property and Equipment</strong></td>
<td>7,039</td>
<td>-</td>
<td>7,039</td>
<td>19,653</td>
<td>-</td>
<td>19,653</td>
</tr>
<tr>
<td><strong>OTHER ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments, cost</td>
<td>30,299</td>
<td>-</td>
<td>30,299</td>
<td>7,500</td>
<td>-</td>
<td>7,500</td>
</tr>
<tr>
<td>Notes receivable - foreign partner affiliates</td>
<td>1,033,800</td>
<td>-</td>
<td>1,033,800</td>
<td>1,023,800</td>
<td>-</td>
<td>1,023,800</td>
</tr>
<tr>
<td>Other assets</td>
<td>3,385</td>
<td>-</td>
<td>3,385</td>
<td>3,385</td>
<td>-</td>
<td>3,385</td>
</tr>
<tr>
<td><strong>Total Other Assets</strong></td>
<td>1,067,484</td>
<td>-</td>
<td>1,067,484</td>
<td>1,034,685</td>
<td>-</td>
<td>1,034,685</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 1,336,713</td>
<td>$ -</td>
<td>$ 1,336,713</td>
<td>$ 1,245,843</td>
<td>$ -</td>
<td>$ 1,245,843</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ 215,819</td>
<td>$ -</td>
<td>$ 215,819</td>
<td>$ 123,616</td>
<td>$ -</td>
<td>$ 123,616</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>86,303</td>
<td>-</td>
<td>86,303</td>
<td>43,554</td>
<td>-</td>
<td>43,554</td>
</tr>
<tr>
<td>Line-of-credit</td>
<td>75,000</td>
<td>-</td>
<td>75,000</td>
<td>174,881</td>
<td>-</td>
<td>174,881</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>377,122</td>
<td>-</td>
<td>377,122</td>
<td>342,051</td>
<td>-</td>
<td>342,051</td>
</tr>
<tr>
<td><strong>LONG-TERM LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes payable</td>
<td>1,068,709</td>
<td>-</td>
<td>1,068,709</td>
<td>1,068,709</td>
<td>-</td>
<td>1,068,709</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>1,445,831</td>
<td>$ -</td>
<td>$ 1,445,831</td>
<td>1,410,760</td>
<td>$ -</td>
<td>1,410,760</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(109,118)</td>
<td>-</td>
<td>(109,118)</td>
<td>(164,917)</td>
<td>-</td>
<td>(164,917)</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>(109,118)</td>
<td>-</td>
<td>(109,118)</td>
<td>(164,917)</td>
<td>-</td>
<td>(164,917)</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td>$ 1,336,713</td>
<td>$ -</td>
<td>$ 1,336,713</td>
<td>$ 1,245,843</td>
<td>$ -</td>
<td>$ 1,245,843</td>
</tr>
</tbody>
</table>
## Statements of Activities and Change in Net Assets

### For the Fiscal Years Ending June 30, 2013 and 2012

<table>
<thead>
<tr>
<th></th>
<th>2013 Unrestricted</th>
<th>2013 Temporarily Restricted</th>
<th>2013 Total</th>
<th>2012 Unrestricted</th>
<th>2012 Temporarily Restricted</th>
<th>2012 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues and Support from Operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Support</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$806,243</td>
<td>$1,635</td>
<td>$807,878</td>
<td>$775,851</td>
<td>$5,375</td>
<td>$781,226</td>
</tr>
<tr>
<td>In-kind donations</td>
<td>24,799</td>
<td></td>
<td>24,799</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Special Events</td>
<td>363,689</td>
<td></td>
<td>363,689</td>
<td>308,106</td>
<td>-</td>
<td>308,106</td>
</tr>
<tr>
<td>Less: Direct Costs of Special Events</td>
<td>(204,429)</td>
<td></td>
<td>(204,429)</td>
<td>(129,763)</td>
<td>-</td>
<td>(129,763)</td>
</tr>
<tr>
<td><strong>Total Public Support</strong></td>
<td>$990,302</td>
<td>1,635</td>
<td>$991,937</td>
<td>$954,194</td>
<td>5,375</td>
<td>$959,569</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affiliate Fees, Interest and Other Revenue</td>
<td>78,444</td>
<td></td>
<td>78,444</td>
<td>98,489</td>
<td>-</td>
<td>98,489</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>78,444</td>
<td></td>
<td>78,444</td>
<td>98,489</td>
<td>-</td>
<td>98,489</td>
</tr>
<tr>
<td>Temporarily Restricted Funds Released from Restriction</td>
<td>1,635</td>
<td></td>
<td>(1,635)</td>
<td>-</td>
<td>5,375</td>
<td>(5,375)</td>
</tr>
<tr>
<td><strong>Total Revenues and Support from Operations</strong></td>
<td>$1,070,381</td>
<td></td>
<td>1,070,381</td>
<td>$1,058,058</td>
<td>-</td>
<td>1,058,058</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Services</td>
<td>946,360</td>
<td></td>
<td>946,360</td>
<td>2,057,800</td>
<td>-</td>
<td>2,057,800</td>
</tr>
<tr>
<td>Supporting Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising costs</td>
<td>12,113</td>
<td></td>
<td>12,113</td>
<td>25,706</td>
<td>-</td>
<td>25,706</td>
</tr>
<tr>
<td>General and administrative</td>
<td>56,109</td>
<td></td>
<td>56,109</td>
<td>113,861</td>
<td>-</td>
<td>113,861</td>
</tr>
<tr>
<td>Total Supporting Service</td>
<td>68,222</td>
<td></td>
<td>68,222</td>
<td>139,567</td>
<td>-</td>
<td>139,567</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$1,014,582</td>
<td></td>
<td>1,014,582</td>
<td>$2,197,367</td>
<td>-</td>
<td>2,197,367</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>55,799</td>
<td></td>
<td>55,799</td>
<td>(1,139,309)</td>
<td>-</td>
<td>(1,139,309)</td>
</tr>
<tr>
<td>Net Assets at the beginning of the year</td>
<td>(164,917)</td>
<td></td>
<td>(164,917)</td>
<td>974,392</td>
<td>-</td>
<td>974,392</td>
</tr>
<tr>
<td><strong>Net Assets at the End of the Year</strong></td>
<td>$ (109,118)</td>
<td></td>
<td>$ (109,118)</td>
<td>$ (164,917)</td>
<td>-</td>
<td>$ (164,917)</td>
</tr>
</tbody>
</table>
Mentors International’s success comes down to one thing, the individuals that we help. One by one the individuals we assist are lifting themselves out of poverty and in the process are eradicating hunger, increasing their children’s educational opportunities and providing homes for their families. These are people in extreme poverty that have tried desperately to get out, but haven’t been able to for one reason or another. They want to provide an honest living for their family and often, because of circumstances beyond their control, they haven’t been able to break the cycle of poverty.

All of our applicants have an important story to tell. It all begins with a small micro-loan and mentoring from trained Mentors’ personnel to ensure their successful business growth. Through our business mentoring program offered in neighborhood settings, eager entrepreneurs learn accountability, discipline and other skills that improve their businesses and in turn their lives. They become successful entrepreneurs, but most importantly they become heroes. Heroes to their family and to themselves, they have beaten the odds and lifted themselves with dignity out of the cycle of poverty that engulfs so many in developing countries. We would like to share a few stories of some of the individuals that we have been able to help (through the generous support of donors) end poverty through self-reliance.
Born in the Philippines, Virginia became responsible for her five siblings at the age of 18 when her father suddenly died. Despite the day-to-day challenge of providing basic needs for her siblings on a small coconut farm, she secured a stable home for her little family.

When she married, the small plot of land they had became a battleground as conflict arose between the government and a rebel Muslim group. When the conflict finally settled, the Dumanhog family farm was devastated with no harvest or income. She began selling fish locally as well as raising hogs, trying to ensure the basic needs of her family. However, with little capital, her business ventures were severely limited.

Then Virginia found Mentors Philippines. With the training she was given along with her first loan, Virginia expanded her businesses and tripled her income. She saved enough to send her children to school.

Thanks to Mentors, Virginia is enjoying life with the people she loves and the dreams she never abandoned.

---

Tania Herrera Llashag was born in 1978 in Barranca, Peru. At age 16, her family sent her to work in the province of Ayacucho with a family friend. She learned a lot by working in the restaurant business. During this time she met her husband, Luis Hurtado Enrique Flores.

After having their first child, she wanted to find a way to contribute to the family income. She decided to place a table near their front door with some of her own produce for sale and was successful in making a small profit.

Soon after, she learned of Mentors Peru and was able to secure a small loan to buy more items. That was two years ago. Now, Tania has more than tripled her original business. She has high hopes for the future and said, “I have a strong desire to grow my business and I know I can because of the help and training of Mentors Peru.”

---

Martin and Josefa Hernandez met and were married in Huehuetenango, Guatemala. Together, they are raising a large family of nine children, seven of which are girls. It is the custom in Guatemala that girls do not receive an education and instead prepare to be married. Martin and Josefa, however, felt strongly that all of their children, including their girls, go to school. This was an expensive decision for an already poor family. Martin and his wife started planting potatoes with the hope of supporting this goal. They struggled through planting and harvest for the first year.

Then they became involved with Mentors International. Martin and Josefa received instruction on how to better farm their produce, and received a loan to acquire more land, seed, and equipment. Their potato farm that started with just four rows has more than quadrupled in size. Even more important, all of their children are attending school.

Martin says that he is so grateful for all the opportunities that have opened up for him since their family started with Mentors International. By giving his children an education, he knows they will truly be free of the cycle of poverty.
EXECUTIVE COMMITTEE

Chair      Kent Petersen       CEO, Legacy LLC | Utah
Past Chair Ralph Christensen  Retired Executive, Hallmark Cards | Utah
Vice Chair Shane Argyle       Entrepreneur | Utah
Treasurer  Don Patterson      CFO, Innovative Coatings Inc. | Arizona
Secretary  Marcia Bean        Consultant | Washington

MEMBERS

Bruce B. Bingham | Partner
Hamilton Partners | Utah
Bill Bireley | President
The Bireley Foundation | Utah
Ken Bischoff | Retired Insurance Executive and Former County Commissioner | Utah
Kary Burns | CEO
Wasatch Life Sciences | Utah
Danny Gunnell | President/CEO
Liberty Pioneer Energy Source | Utah
Ron Gunnell The Paradigm Group | Utah
David Jensen | Founder and CEO
Aviacode Inc | Utah

Norman O. King | Principal
Cornerstone Property Services | Arizona
Laman Milner | Senior Vice President
Aviacode Inc. | Utah
Scott R. Petersen | Managing Director
Rollins Center for Entrepreneurship and Technology | Utah
Drew Smith | Venture Capitalist
Missouri
Menlo F. Smith | Chair
Sunmark Capital Corp | Missouri
Laurie Swim | Chair
GFC Foundation | Utah
MENTORS LEADERSHIP

MENTORS INTERNATIONAL STAFF

SALT LAKE CITY HEADQUARTERS

Mark Petersen
President and CEO

Adriano Oliveira
Director of International Operations

David Stump
Director of Finance & Admin
Christopher Kirkland

Director of Development

Susan Gray
Director of Marketing Communications

Nathan McClellan
Manager of International Operations

Theresa Nielson
Office Manager

MENTORS PHILIPPINES

Novie A. Tesoro
Officer In Charge
Mentors Philippines | Luzon

Rowena Dolorfino
Deputy Executive Director
Mentors Philippines | Visayas

Jonas Damiles
Officer In Charge
Mentors Philippines | Mindanao

MENTORS LATIN AMERICA

Daniel Rodriguez
Executive Director
Mentors Guatemala and El Salvador

Otoniel Manly
Officer in Charge
Mentors Honduras

Alex Arangoitia
Executive Director
Mentors Peru