

Mercy USA

2009 Annual Report



A Publication of Mercy - USA for Aid and Development, Inc.



2009 Annual Report

Mercy-USA Helping Women and Children in Somalia with US Government Grant



A nurse examining a patient at an MCH clinic.



A child in Somalia washing his hands outside of a sanitary latrine built by Mercy-USA.

From September 2007 to September 2009, under a United States Agency for International Development (USAID) \$1.1 million grant, Mercy-USA for Aid and Development provided health, nutrition, fresh water and sanitation assistance to approximately 185,000 vulnerable persons in eight districts in south-central Somalia. Beneficiaries included 30,000 children under five, over 4,300 pregnant women and nursing mothers, as well as over 20,000 internally displaced persons.

The grant allowed us to open seven Mother/Child Health Clinics. It also supported eleven feeding centers for moderately and severely malnourished children. Additionally, Mercy-USA constructed fourteen new water wells and rehabilitated fourteen others.

The seven Maternal and Child Health (MCH) centers were in the districts of Buloburte, Jalalaqsi and Beletweyne in the Hiraan Region and in the districts of Jowhar, Aadan Yaabale and Mirtaqwa in the Middle Shabelle Region. These MCH centers served 5,600 pregnant and lactating women and 28,200 children in these isolated communities. Medical services included prevention and treatment of malaria, diarrhea and other infectious diseases, immunization, pre-natal and post-natal care, as well as health education. The education activities focused on best practices at the household level to prevent common illnesses and infections.

The seven Outpatient Therapeutic Feeding Program (OTP) centers and four Supplemental Feeding Program (SFP) centers were in the districts of Buloburte, Jalalaqsi and Beletweyne in the Hiraan Region, Jowhar District in Middle Shabelle and in the district of Jilib in the Middle Juba Region respectively. These OTP and SFP centers served 29,400 children and 4,320 pregnant and lactating women in these isolated communities. The services that were provided included emergency and therapeutic feeding for moderately and severely malnourished children, de-worming, provision of vitamins, immunization and nutrition education activities. To promote improved feeding practices,

Mercy-USA carried out food demonstration exercises to train mothers on the preparation of balanced meals using locally available food.

Twenty-eight newly constructed and rehabilitated wells are providing safe drinking water to communities with over 46,000 persons and an estimated 365,000 livestock in the districts of Jowhar, Aadan Yaabale and Mahadaay in the Middle Shabelle Region and in Ceel Bur District in the Galgaduud Region. Additionally, Mercy-USA provided hygiene education to communities and helped them to dig garbage disposal pits and arrange cleanup campaigns in areas around the newly constructed or rehabilitated water points. Communities were also assisted to form water and sanitation committees to supervise all hygiene-related matters.

The United Nations Children's Fund (UNICEF) provided the medicines, vaccines, vitamins, specialized food for malnourished children, and other medical and nutritional supplies free of charge.

Somalia has one of the highest child and maternal mortality rates in the world. One in eight children dies before reaching the age of five and 1,600 women die for every 100,000 live births. Various UNICEF studies report that other social indicators for children are among the worst in the world: one in three children is chronically malnourished, hardly a third of families have access to clean drinking water, just 30 per cent of children go to school and on average people only live to the age of 47.

Improving the Academic Performance and Nutrition of Children in Gaza

From March to July 2009, Mercy-USA for Aid and Development partnered with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to provide daily school lunches/snacks to approximately 18,900 children attending 22 elementary and preparatory schools in Gaza.



Children in Gaza receiving school lunch.

This project, which provided about 1,315,220 meals to these children, helped to improve their overall nutritional status, as well as their academic performance. The food items used to make the daily snacks were purchased locally, helping to create and sustain jobs and benefit the devastated economy.

During February and March 2009, Mercy-USA helped to fund the emergency food aid distribution carried out by UNRWA. During this period, food packages containing flour, rice, sugar, milk, canned meat and sunflower oil were provided to families living in poverty. Mercy-USA's support allowed over 2,160 families in need (about 10,800 persons) to receive 10,379 liters of sunflower oil for cooking.



A girl in Gaza enjoying her school lunch provided by Mercy-USA.

Mercy-USA Receives US Government Grant to Help Women and Children in Kenya



A child suffering from malnutrition in Kajiado District, Kenya.

In August 2009, Mercy-USA for Aid and Development received a new grant from the United States Agency for International Development (USAID) to provide life-saving assistance to malnourished children in Kenya.

Mercy-USA and the Kenyan Ministry of Health - with the support of USAID, as well as earlier grants from the United Nations Children's Fund (UNICEF) and the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) – has set up fifteen sites in the Kajiado District of Kenya to treat malnourished children under five years of age, as well as pregnant women and nursing mothers. Over a one-year period, Mercy-USA expects to treat and consul approximately 2,000 children and 4,500 women.



Umar al-Qadi (center), Mercy-USA President and CEO, and Fathudin Mohamed (right), Mercy-USA East Africa Program Director, being updated on the nutrition program at a clinic in Kajiado, Kenya.



Mercy-USA nutrition workers in Kenya checking the height of a young girl.

This life-saving nutrition program is being implemented in primarily pastoral (livestock herding) communities affected by a prolonged drought. As of December 31, 2009, about 1,554 children under the age of five suffering from moderate acute malnutrition (MAM) and 581 suffering from severe acute malnutrition (SAM) have been admitted into the selective feeding program. Ninety-eight pregnant women and nursing mothers have also been admitted into the program.

The children with SAM are given ready to use therapeutic foods like Plumpy'Nut weekly, while those with MAM are given UNIMIX biweekly. Both are specialized food for malnourished children.

According to UNICEF, the number of acutely malnourished children under the age of five in Kenya increased by an estimated 168 percent from January to September 2009, with approximately 281,000 children classified as acutely malnourished.

Relief for Earthquake Survivors in Indonesia



Mercy-USA distributing food packages and family kits to earthquake survivors near Padang, Indonesia.

During October and November 2009, Mercy-USA for Aid and Development's office in Indonesia distributed food packages and family kits to 1,000 families severely affected by two earthquakes near Padang on the island of Sumatra. In addition, 347 of these families received temporary shelters.

Each food package contained: 22 pounds of rice, 20

packages of noodles, 4.4 lb. of sugar, 2 liters of cooking oil, 2 cans of sardines, 2 cans of condensed milk, 1 pack of biscuits and 5 packs of tea. Each family kit included: a 25-liter plastic bucket, a frying pan, one pot, 6 plates, 12 spoons, 6 plastic cups, one towel, one blanket, clothing, 4.4 lb. of detergent, bath soap, 2 toothbrushes, toothpaste and feminine hygiene pads.



Children standing in front of a temporary shelter built by Mercy-USA for earthquake survivors in Western Sumatra.

See below tables for more information on the assistance provided to earthquake-affected families.

DISTRIBUTION OF FOOD PACKAGES AND FAMILY KITS TO WEST SUMATRA EARTHQUAKE SURVIVORS

District	Sub-District	Village name	No. of Beneficiaries (Families)
Pariaman	Potamuan	Tandikek	150
Padang	Lubuk Kilangan	Bandar Buat	100
Padang	Koto Tengah	Sungai Bangek	75
Padang	Padang Utara	Air Tawar Barat	75
Agam	Lubuk Basung	Anak Air Dadok	50
Agam	Tanjung Raya	Tanjung Sani	50
Pariaman	Koto Tinggi	Balak Ayi	30
Pariaman	Lubuk Alung	Punggung Kasiek	100
Pariaman	Pariaman Selatan	Kuranji	25
Pariaman	Batang Anai	Buayan	60
Pariaman	Tobo Gadang	Sintuk	145
Pariaman	Potamuan	Tandikek	100
Pariaman	Sungai Asam	Sicincin	40
TOTAL			1,000

DISTRIBUTION OF TEMPORARY SHELTERS

District	Sub-District	Village	No. of Temporary Shelter Beneficiaries (Families)
Pariaman	Koto Tinggi	Balak Ayi	100
Pariaman	Batang Anai	Buayan / Pasar Usang	100
Pariaman	Tobo Gadang	Sintuk	97
Pariaman	Potamuan	Tandikek	50
			347

Rebuilding a Boys' High School in Pakistan Destroyed by the October 2005 Earthquake



Students at the Government Boys High School (GBHS) in Shamdhara, Pakistan entering their new classroom.

From May 2009 to July 2010, Mercy-USA for Aid and Development and our local partner Humanity Hope (HH) built a new high school for 500 boys in the village of Shamdhara in Khyber Pakhtunkhwa Province (KPK), formerly the Northwest Frontier Province (NWFP), of Pakistan. Since the original high school was destroyed in the devastating October 2005 earthquake, the boys have been studying in tents set up on the site. The new campus consists of two buildings with 5 classrooms each, a third with an examination hall, library and laboratory and a fourth with administrative offices. All structures are earthquake resistant.

The project utilized local construction firms and employed skilled and unskilled residents in the area, which helped to create and sustain jobs and benefit the weak local economy.

From September 2007 to September 2008, Mercy-USA and HH built a similar high school campus for girls. This new school has an enrollment of over 400 girls from Shamdhara and several surrounding villages.

In October 2005, a 7.6-magnitude earthquake struck the northern part of Pakistan destroying villages and towns, killing over 75,000 people, and leaving several million persons homeless.



Boys in class at the newly built GBHS in Shamdhara.

Fresh Water for Somalia's Children and Their Families

From October 2008 to February 2010, Mercy-USA for Aid and Development dug, repaired and rehabbed 87 wells in Somalia. Thirty wells were dug and rehabbed in the Middle Shabelle



Women in Somalia receiving fresh water for their families from a newly dug well.

region, 21 more were dug/repaired in the Hiraan region, 8 wells were rehabbed and dug in Middle Juba, 8 wells in the Galgadud region, and 20 wells in the Mudug region.

These 87 vital water sources are now providing safe drinking water to communities with populations totaling approximately 174,000 persons, as well as to over 230,000 livestock. Many of the beneficiaries are pastoralists or agro-pastoralists and thus depend on raising and herding livestock to make their living and indeed for their very survival.



Families in Somalia filling a drum with safe drinking water from a well dug by Mercy-USA.

Access to safe water, a critical factor in health and child survival, is a major problem in much of the world and especially in Somalia. The United Nations estimates that only about one-third of families in Somalia have access to clean drinking water.

Health Care for Mothers, Children and Displaced Persons in Somalia

During 2009, Mercy-USA for Aid and Development operated four Mother and Child Health Clinics (MCHs) that, from January to December 2009, received approximately 43,000 visits from women and children seeking treatment, including about 23,500 visits from children under the age of five. These MCHs also provided approximately 8,100 immunizations to children (including about 6,550 to children under the age of one) and more than 2,060 to women, including expectant mothers. Mercy-USA's MCHs have provided over 12,200 vitamin A, iron and folic acid tablets to women and children, as well as providing approximately 6,600 OB/GYN services to women in their communities.

Medical services provided include prevention and treatment of malaria, diarrhea and other infectious diseases, immunization, pre-natal and post-natal care, as well as health education. Health education activities focus on training and promoting awareness of best practices at the household level to prevent common illnesses and infections. USAID and UNICEF are supporting these clinics.

The four MCHs were located in Middle Shabelle (in the town of Gambole/Shimbirore; operational since 2007) and in Hiraan (in the towns of Bo'o and Halgan, both operational since 2007, and in the town of Jalalaqsi; operational since April 2009).



A child being examined at an MCH clinic in Somalia.

to the 400 IDP families that resided temporarily in the Nucman camp located in Mogadishu.

From January to June 2009, Mercy-USA for Aid and Development's Health Post in the Nucman camp for internally displaced persons (IDPs) treated approximately 5,020 IDPs (including about 1,930 children). In 2008, Mercy-USA established this health post, which provided immunization, pre-natal and post-natal care, and other health services

Vocational Training for Orphans and Other Vulnerable Palestinian Refugee Youth

Since August 2009, Mercy-USA for Aid and Development, in partnership with the Women's Program Center in the Nahr Al-Bared Palestinian Refugee Camp near Tripoli, Lebanon, has been providing vocational training to orphans and other vulnerable youth. Over 150 students have successfully completed or are enrolled in these courses that range in length from three to six months.

Courses include basic computer software, computer maintenance, hair cutting and English language training. Mercy-USA has also provided the women's center with an overhead projector, a copy machine and supplies specific for the vocational training courses.

Additionally, Mercy-USA is supporting the summer and holiday activities carried out by the Nahr Al-Bared Women's Center. These activities for younger children include field trips, handicraft/art classes and holiday parties. Over 1,000 children have participated in these various activities.

From April 2008 to March 2009, Mercy-USA supported similar vocational training courses provided by the Community Development Center in another Palestinian refugee camp (Al-Beddawi) near Tripoli.



A hair cutting class in Al-Beddawi Palestinian refugee camp in northern Lebanon.



A computer software course funded by Mercy-USA at the Women's Program Center in the Nahr Al-Bared Palestinian refugee camp in Lebanon.

Helping Orphans in Indonesia and Albania to Support Themselves



Orphans in Albania learning how to use basic computer software.

Mercy-USA for Aid and Development is carrying out three-month training courses for orphans in Tirana, Albania and Aceh Province, Indonesia. The orphans are studying English or commonly used office computer software (Word, Excel, PowerPoint and internet skills). The objective of these courses is to provide the orphans with knowledge that will assist them in achieving their academic goals and in finding employment.

In Indonesia, the training courses began in November 2007. As of December 2009, about 150 orphans in Indonesia have successfully completed these courses.

Since January 2009, Mercy-USA has been providing computer office software and English language training courses to orphans and other vulnerable youth in Albania. Trainees are also receiving education in important life skills and

character-building combined with awareness of the danger of slipping into crime (drugs, prostitution, theft, etc.). Topics under character-building include the value of work versus waiting for handouts from others, respect for self and others, confidence, the value of helping others, honesty and integrity.

The orphans are also being provided with a nutritious meal/snack during each class. As of December 2009, approximately 120 orphans in Albania have successfully completed these courses.

Both the Indonesia and Albania programs are being undertaken in cooperation with local orphanages and municipalities.



Orphans in Aceh, Indonesia studying English.

Safe Water for Children and Their Families in Kenya

From September 2009 to February 2010, Mercy-USA for Aid and Development dug five boreholes to provide safe drinking water to about 4,000 persons in the greater Mombasa, Kenya area. Located in five communities in the districts of Kisauni and Mombasa Island, these safe-water sources include four electric pump-powered boreholes with water storage tanks and individual faucets in semi-urban areas, and one manually operated borehole in a remote village.

Children near Mombasa, Kenya collecting fresh water for their families from a borehole dug by Mercy-USA.



Helping Cyclone Survivors in Bangladesh to Rebuild

From March to June 2009, Mercy-USA for Aid and Development, through our local partner Assistance for Humanitarian Development (AHD), helped 620 families (approximately 3,855 persons) severely affected by Cyclone Sidr to rebuild their lives. This project, which was implemented in eight villages in the Districts of Barguna and Pirojpur, involved the construction of 40 new homes, the digging of 52 water wells and the building of 60 sanitary latrines.



Children in Bangladesh collecting fresh water for their families from a Mercy-USA tube well.

During 2008, Mercy-USA, in partnership with AHD, helped 951 families (approximate 5,746 persons) severely affected by Cyclone Sidr to rebuild their lives. This project involved the construction of 41 new homes, the digging of 77 water wells and the building of 140 sanitary latrines.



A cyclone-affected family standing in front of their new home.

In November 2007, Cyclone Sidr struck Bangladesh with winds in excess of 150 miles per hour and a 16-foot tidal surge. This devastating storm, the worst to strike Bangladesh since 1991, killed about 3,500 people and left approximately three million others homeless.

Helping Displaced Persons in Somalia



Mercy-USA distributing USAID-funded household kits to displaced families in Somalia.

In February and March 2009, Mercy-USA for Aid and Development, with funding from the US Agency for International Development (USAID), provided household kits to 2,500 internally displaced families (about 15,000 persons) residing in 20 villages in Bala'd District north of Mogadishu. Each kit contained 3 blankets, 1 plastic sheet, 2 sleeping mats, 1 kitchen set (1 cooking pan, 2 plates & 1 plastic washing basin), 18 bars of soap and two 20-liter jerry cans.

During 2008, Mercy-USA, with funding from CARE International and USAID, provided household kits to 3,000 displaced families (over 18,000 persons) sheltered in twelve villages in Bala'd District.

Months of clashes in Mogadishu and other areas have displaced hundreds of thousands, according to the United Nations, worsening the humanitarian crisis that has ravaged the country for almost two decades.

Promoting a Healthy Environment in Kenya

On June 5, 2009, Mercy-USA for Aid and Development helped high school students in Eastleigh, a suburb of Nairobi, to carry out a cleanup campaign in their neighborhood. This activity corresponded with World Environment Day, an annual event used by the United Nations to stimulate worldwide awareness of environmental issues and to enhance public action. The Eastleigh cleanup also involved the city council, local schools, government agencies, the UN Environment Programme (UNEP) and the local media.

Participants were divided into two groups, each responsible for one road in the neighborhood. The two groups then met at a local high school, St. Teresa Secondary School, where they joined forces to remove garbage from an area adjacent to the school that local residents had been using as an unofficial dump site. After removing the trash with the help of bulldozers and trucks arranged by the local Councilor for Eastleigh North Mr. Abdi Fatah, the high schoolers planted a garden to beautify the site and discourage future dumping.

The students of Eastleigh High School and St. Teresa Secondary School then competed in a friendly soccer match, which was hard fought but finally won by the Eastleigh boys in stoppage time. The event was well received by the local community and many expressed their desire to continue cleaning their neighborhood and enhancing the local environment.



High schoolers and other community members in the Eastleigh Suburb of Nairobi cleaning up their neighborhood on World Environment Day, June 5, 2009.

Controlling Tuberculosis and HIV/AIDS in Somalia



A nurse testing a child for tuberculosis at Mercy-USA's TB center in Mogadishu, Somalia.

During 2009, Mercy-USA for Aid and Development continued carrying out its well-recognized tuberculosis (TB) treatment and prevention program in Somalia. This program consists of specialized treatment centers with public education and community outreach.

Opened in 1994, Mercy-USA's center in Mogadishu was the first specialized TB treatment facility to begin operation in Somalia after the outbreak of civil war in 1990. M-USA's second center opened in the northeastern city of Bossaso in 1995, and the third began in 2005 in the northern city of Las Anod. Mercy-USA's fourth center opened in the northern city of Buhodle on the border with Ethiopia in 2008. The four centers are supported by a sub-grant from the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM).

These four centers, which have a cure rate of about 85%, treated approximately 1,300 TB patients in 2009. M-USA utilizes the most effective TB treatment strategy, the Directly Observed Treatment Short-course (DOTS) method. In addition to treatment, our centers educate their local communities about TB prevention.

Since 2007, M-USA's TB centers are also providing HIV/AIDS and STI testing, treatment and counseling. In 2009, approximately 2,750 persons were tested, treated and counseled at Mercy-USA's centers. This project is being supported by UNICEF and GFATM.

Additionally, through an agreement with the United Nations World Food Programme (WFP), M-USA's Bossaso and Mogadishu Centers are providing food for TB patients and their families. Since 1994, the World Health Organization (WHO) has been supplying M-USA with all TB medicines free-of-charge.

Helping School Children in Kenya

Since January 2007, Mercy-USA for Aid and Development, in partnership with the local community, has been providing daily breakfast and lunch to over 500 pre-school, kindergarten and primary school children in two schools in the Kariobangi slum area of Nairobi, Kenya. The objectives of this program are to improve the children's nutrition and to increase attendance, reduce dropout rates and improve overall academic performance, especially among girls.

Below is specific information on the participating schools:

Watoto Weto School

This school focuses on orphans, whose parents died from HIV/AIDS. It has a total student population of approximately 230 children.

Kariobangi Day Nursery School (KDNS)

This school was established as an initiative by the community self-help group. Currently, it has a student population of approximately 280 children, ranging from three to six years of age. The daycare allows the parents to work and thus support their families.

During 2008, Mercy-USA provided the children at KDNS with 250 new chairs, repainted 60 other chairs and 70 tables and installed new playground equipment. The children now have a slide, seesaw and five new swings, as well as a repainted climbing frame. In 2007, KDNS and Watoto Weto received new kitchen utensils and serving containers; Mercy-USA also repaired damaged kitchen counters.

For many of these children, the two meals provided by Mercy-USA are the only ones that they consistently eat daily.



A graduation ceremony for children at the Kariobangi Day Nursery School.

Saving Malnourished Children in Somalia

Mercy-USA for Aid and Development, with the support of USAID, UNICEF, WFP and our generous individual private donors, is saving malnourished children in southern and central Somalia.

In 2009, Mercy-USA operated eight supplemental and therapeutic feeding centers in the Middle Shabelle and Hiraan regions. These centers identified and treated malnourished children, distributed food and provided vitamin A.

From January 2007 to December 2009, Mercy-USA's feeding centers examined and treated about 44,100 malnourished children. These children and their families were also supplied with take-home food rations provided by UNICEF and WFP.

In addition, M-USA's nutrition workers educated pregnant women and nursing mothers about proper nutrition through demonstration exercises that focused on the preparation of well-balanced meals using locally available nutritious foods.



A malnourished child in Somalia awaiting examination and treatment at a Mercy-USA nutrition center.

Pediatric and Obstetric Care for Vulnerable Lebanese Villagers

Since May 2008, Mercy-USA for Aid and Development has been supporting enhanced pediatric and obstetric care for vulnerable women and children in the village of Kfar Chouba in south Lebanon. Mercy-USA is providing the local clinic with a pediatrician and an obstetrician, as well as needed medicines.

During 2008, Mercy-USA provided the Kfar Chouba clinic with an ultrasound examination machine and related peripherals, an examination chair for women, a delivery chair, a Doppler pulse monitor for checking fetal heartbeats, and other obstetric and gynecological equipment.

In December 2008 and January 2009, Mercy-USA repaired the clinic's roof, which had been leaking. The repair involved pouring a new 1,415 square-foot layer of cement and then covering this cement with a new layer of asphalt as insulation.

Agriculture Education Center in Bosnia



A displaced person in Bosnia receiving vegetable seedlings from Mercy-USA.

Since 2007, Mercy-USA for Aid and Development has been operating an Agriculture Education Center (AEC) in the Brcko District of Bosnia. This AEC is being carried out in cooperation with Brcko district authorities, who donated approximately one acre of farmland, and the Agriculture Institute of Sarajevo, which is providing technical assistance.

The AEC project, funded by a US Department of Agriculture (USDA) grant and the generous support of Mercy-USA's private donors, includes a 10,900 square-foot greenhouse and serves as a theoretical and practical training center for farmers in and around the Brcko District and students from the local agriculture school.

The AEC also distributes a portion of the seedlings grown in the greenhouse to vulnerable families. In 2009, Mercy-USA's AEC distributed over 18,200 tomato, cucumber, eggplant and melon seedlings to 795 internally displaced families (about 2,650 persons) living in the greater Tuzla area. The vegetables and fruit produced from the seedlings helped these vulnerable families to feed themselves.

Seasonal Food Aid and Clothing Provided Around the World

During 2009, Mercy-USA for Aid and Development provided meat, rice, pasta, beans, cooking oil, flour, other food items and clothing to approximately 45,000 vulnerable persons. These distributions took place in Albania, Bangladesh, Bosnia, India, Indonesia, Kenya, Lebanon, Somalia, the United States, as well as to Palestinian refugees in Lebanon.

Mercy-USA distributed the above food items and clothing to orphans, the elderly, displaced individuals, refugees, persons with disabilities and those living in poverty. Food was provided as hot meals and food packages during the Muslim fasting month of Ramadan, while the clothing was distributed as gifts during Eid ul-Fitr, the holiday that marks the end of the fast. Fresh qurbani meat was distributed during the Muslim holiday of Eid ul-Adha.



Children and families from around the world receiving seasonal food packages from Mercy-USA.

Computer Software, English Language and Job Search Training in Bosnia

Since 1998, Mercy-USA for Aid and Development has been providing computer software training to individuals in towns throughout the Tuzla Canton. Three-month training courses are given in the leading basic office software, Windows, Microsoft Word and Excel.

At the end of each training session, students are tested, and if they have mastered the required skills, they receive a certificate. As of December 2009, over 1,500 persons have graduated from this program.

In 2004, Mercy-USA initiated a series of intensive English language courses in Srebrenik Municipality in northeastern Bosnia. As of December 2009, over 650 persons have successfully completed these courses.



Mohamed Ahmed (in the back standing on the left), Mercy-USA Director of International Programs, visiting a computer software class near Tuzla, Bosnia.

Graduates of Mercy-USA's computer and English courses are also offered job search skills training. They are instructed on proper techniques for developing a resume, how to find job openings and interview skills.



Alan C. Young & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

7310 Woodward Ave, Suite 740
Detroit, MI 48202

(313) 873-7500 (Tel.)
(313) 873-7502 (Fax)
www.alanyoung.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Mercy-USA for Aid & Development, Inc.
Plymouth, Michigan

We have audited the accompanying statements of financial position of Mercy-USA for Aid & Development, Inc. (a nonprofit organization) as of December 31, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 Mercy-USA for Aid & Development, Inc. as of December 31, 2009 and 2008 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The data contained in the supplemental information, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2010 on our consideration of the Mercy-USA for Aid & Development, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Alan C. Young, Assoc.

July 9, 2010

Audit Letter from Certified Public Accountants

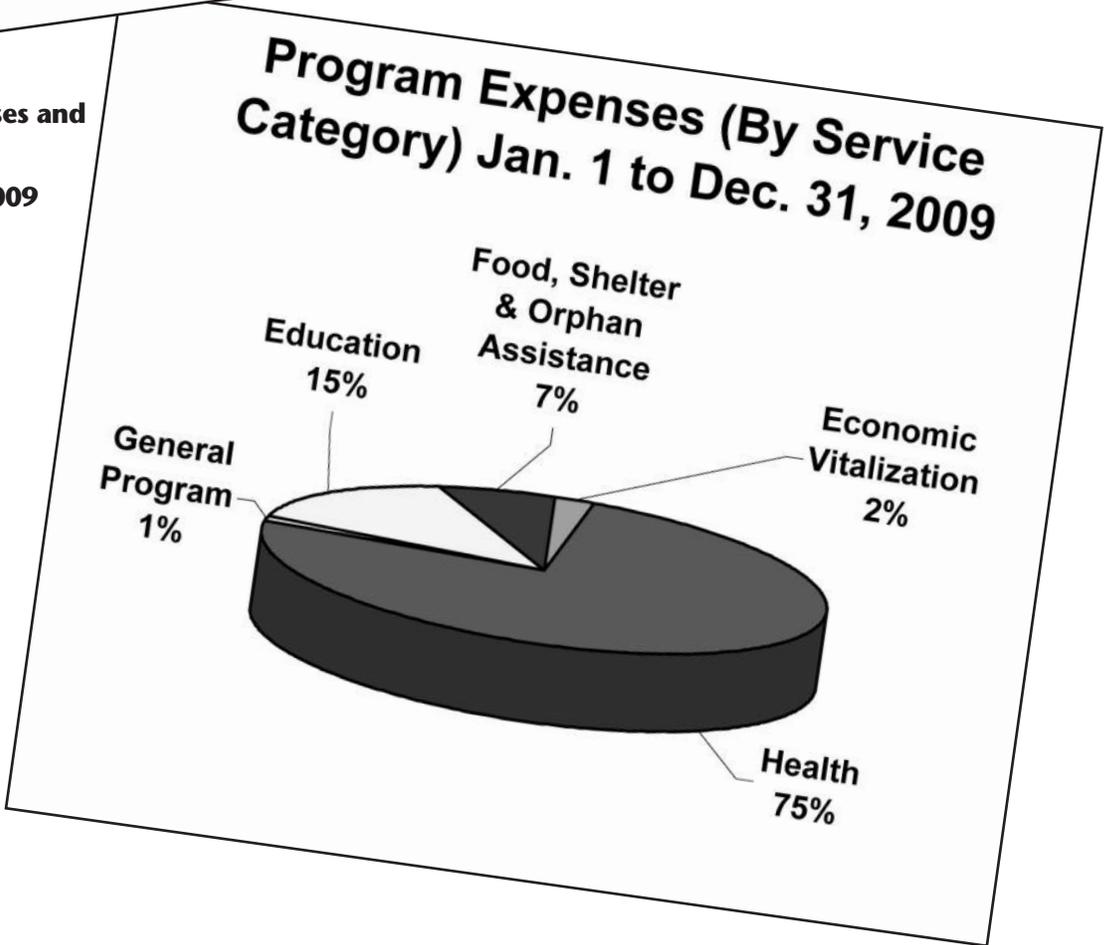
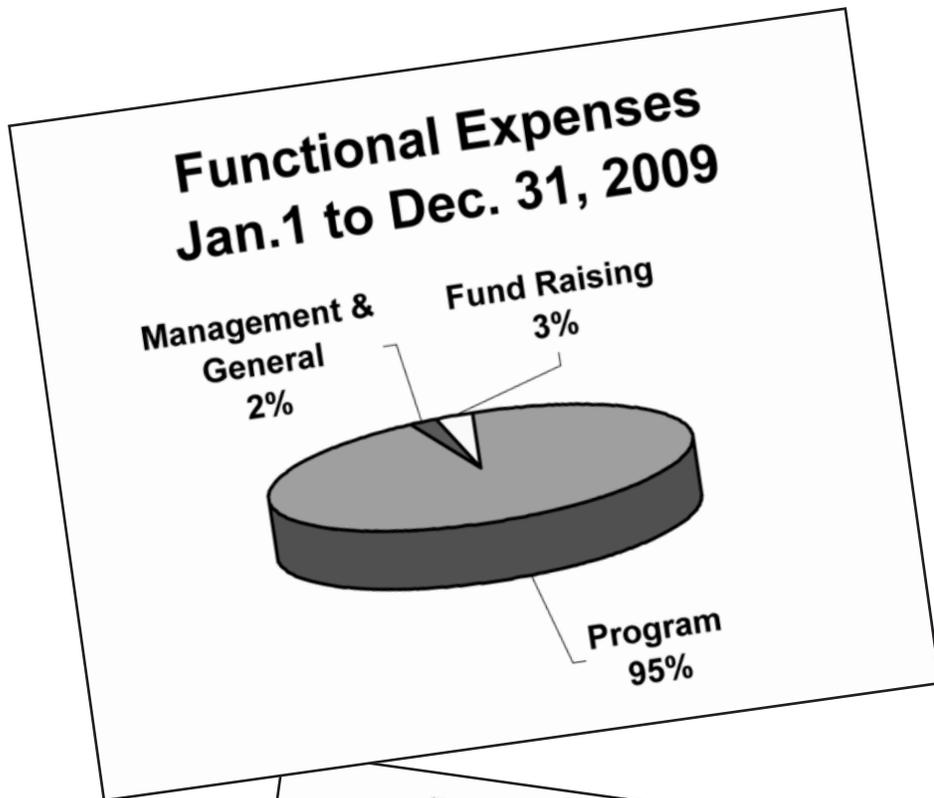
**Year Ended
December 31, 2009**

Mercy-USA for Aid & Development, Inc.

**Statements of Financial Position
December 31, 2009 and 2008**

	USA OPERATIONS	OVERSEAS OPERATIONS	TOTAL 2009	TOTAL 2008
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 3,525,902	\$ 137,428	\$ 3,663,330	\$ 3,014,273
Donated Assets Held for Sale	488	-	488	3,276
Pledges & Accounts Receivable	5,590	104,250	109,840	271,081
Notes Receivable - Micro-lending/SED	-	-	7,139	4,000
Prepaid Insurance & Expenses	7,139	-	-	5,998
Total Current Assets	<u>3,539,119</u>	<u>241,678</u>	<u>3,780,797</u>	<u>3,298,606</u>
Fixed Assets:				
Vehicles, Furniture & Equipment	42,541	134,028	176,569	192,764
Less: Accumulated Depreciation	(41,875)	(92,805)	(134,280)	(146,078)
Total Fixed Assets	<u>866</u>	<u>41,223</u>	<u>42,289</u>	<u>46,686</u>
Other Assets:				
Security Deposits	5,600	-	5,600	5,600
Total Other Assets	<u>5,600</u>	<u>-</u>	<u>5,600</u>	<u>5,600</u>
Total Assets	<u>\$ 3,545,585</u>	<u>\$ 283,101</u>	<u>\$ 3,828,686</u>	<u>\$ 3,350,892</u>
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts Payable	\$ 75,204	\$ 146,570	\$ 221,774	\$ 168,588
Deferred Revenue	-	104,019	104,019	21,109
Accrued Payroll & Taxes	4,562	4,955	9,517	15,453
Total Current Liabilities	<u>79,766</u>	<u>255,544</u>	<u>335,310</u>	<u>205,150</u>
Net Assets:				
Unrestricted	2,534,117	17,557	2,551,674	2,458,239
Temporarily Restricted	931,702	10,000	941,702	887,503
Total Net Assets	<u>3,465,819</u>	<u>27,557</u>	<u>3,493,376</u>	<u>3,145,742</u>
Total Liabilities and Net Assets	<u>\$ 3,545,585</u>	<u>\$ 283,101</u>	<u>\$ 3,828,686</u>	<u>\$ 3,350,892</u>

**Statement of
Financial Position
December 31, 2009**



Graphs of Functional Expenses and Program Service Expenses
Year Ended December 31, 2009

Mercy-USA for Aid & Development, Inc.

Statements of Activities
Years Ended December 31, 2009 and 2008

	USA OPERATIONS		OVERSEAS OPERATIONS		TOTAL 2009		TOTAL 2008	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
SUPPORT AND REVENUE								
Contributions From Public	\$ 332,469	\$ 2,106,765	\$ -	\$ -	\$ 332,469	\$ 2,106,765	\$ 325,960	\$ 1,614,414
US Governmental Grants	-	-	-	687,517	-	687,517	-	571,307
US Agency for International Development (USAID)	-	-	-	203,194	-	203,194	-	79,789
United Nation (UN) Grants	-	-	-	417,328	-	417,328	-	206,568
Global Fund to Fight AIDS, Tuberculosis & Malaria (GFATM) Grants	-	-	-	38,378	-	38,378	-	89,827
NGO/Foundation Grants	-	-	-	2,335,196	-	2,335,196	-	2,006,612
Contribution In-Kind - UN agencies	34,603	-	111	-	34,714	-	53,591	-
Dividend Income	-	-	128	-	128	-	1,716	-
Gain/Loss on Foreign Currency Fluctuation	-	-	-	-	-	-	3,255	-
Gain (Loss) on Disposal of Equipment	-	-	-	-	-	-	720	-
Sales	-	-	600	-	600	-	9,692	-
Program Fees	83,096	(1,737,275)	(83,096)	1,737,275	-	-	-	-
Transfer-In/(Out)	-	-	-	-	-	-	-	-
Net Assets Released From Restrictions:	16,146	(16,146)	5,518,035	(5,518,035)	5,534,181	(5,534,181)	4,520,991	(4,520,991)
Satisfaction of Service Restrictions	16,146	(16,146)	5,518,035	(5,518,035)	5,534,181	(5,534,181)	4,520,991	(4,520,991)
Total Support and Revenue	\$ 466,314	\$ 353,344	\$ 5,435,778	\$ (99,145)	\$ 5,902,090	\$ 254,199	\$ 4,915,925	\$ 50,516
EXPENSES								
Program Services:	16,146	-	354,047	-	370,193	-	525,623	-
Food, Shelter and Orphan Assistance	-	-	120,660	-	120,660	-	235,317	-
Economic Vitalization	-	-	4,136,407	-	4,136,407	-	3,341,171	-
Health	-	-	843,359	-	843,359	-	388,642	-
Education	-	-	63,562	-	63,562	-	32,238	-
General	16,146	-	5,518,035	-	5,534,181	-	4,520,991	-
Total Program Services	16,146	-	5,518,035	-	5,534,181	-	4,520,991	-
Supporting Services:	117,086	-	-	-	117,086	-	264,247	-
Management and General	157,408	-	-	-	157,408	-	120,177	-
Fund Raising	274,474	-	-	-	274,474	-	384,424	-
Total Supporting Expenses	290,620	-	5,518,035	-	5,808,655	-	4,905,415	-
Total Expenses	175,094	353,344	(82,259)	(99,145)	93,435	254,199	10,510	50,516
Change in Net Assets	175,094	353,344	(82,259)	(99,145)	93,435	254,199	10,510	50,516
Net Assets - Beginning of Year	2,358,423	578,358	99,816	109,145	2,468,239	887,503	2,447,729	636,987
Net Assets - End of Year	\$ 2,534,117	\$ 931,702	\$ 17,557	\$ 10,000	\$ 2,561,674	\$ 941,702	\$ 2,458,239	\$ 687,503

Statement of Activities
Year Ended December 31, 2009

2009 Financial Audit

Mercy-USA for Aid & Development, Inc.

Statements of Functional Expenses Years Ended December 31, 2009 and 2008

Expenditures	Food, Shelter & Orphan Assistance	Health	Economic Vitalization	Education	General Program	Total Program Services	Management & General	Fund Raising	Total Expenditures	2008 Total Expenditures
Grants										
Salaries & Wages	\$ 92,950	\$ -	\$ -	\$ 499,903	\$ -	\$ 591,913	\$ -	\$ -	\$ 591,913	\$ 291,907
Employer Benefits	32,857	657,802	56,593	112,241	9,879	868,872	58,377	23,323	950,972	815,548
Advertising & Promotion	-	24,108	3,807	-	904	42,043	10,119	-	61,192	50,040
Transportation Expenses	-	-	-	-	-	-	-	-	-	64,385
Commercial Insurance	3,825	225,990	2,093	6,820	2,853	241,991	802	77,174	242,553	153,285
Conference, Meeting & Seminars	-	-	-	-	-	-	-	-	-	50,000
Consultants & Other Professional Services	-	-	-	-	-	-	-	-	-	17,174
Dues, Subscriptions, Fees, etc.	5,100	14,400	2,289	-	-	-	1,148	-	242,553	64,385
Legal	-	-	-	28,020	-	-	-	-	1,148	50,000
Accounting	-	3,878	-	-	-	49,800	48	4,995	1,148	2,211
Occupancy & Warehousing	-	18,581	-	-	6,520	10,300	2,309	400	5,013	1,218
Postage & Shipping, etc.	839	52,966	1,949	-	580	10,300	-	-	50,206	39,303
Printing & Copying	3,499	791	-	12,775	4,544	18,081	4,012	-	10,390	3,599
Program Materials	152	2,906	-	6,197	1,088	11,385	18,039	5,200	23,093	4,563
Telephone	214,041	2,850,580	33,118	40,854	6	3,751	4,498	10,830	94,142	24,288
Travel	418	29,250	22	3,116	4,057	3,136,543	2,497	13,858	27,001	29,082
Bank Charges/Currency Adjustment	8,316	38,244	3,820	38,388	2,229	37,763	1,824	-	3,138,543	12,334
Office Supplies and Equipment	993	28,517	108	7,921	7,022	90,098	1,198	200	39,687	7,868,868
Payroll Taxes	560	292	392	1,728	1,968	41,850	133	21,759	81,494	122,750
Realized/Unrealized Loss on Investments	-	-	-	-	-	-	-	-	94,432	67,152
Loss on Disposal of Assets	-	-	-	-	-	-	-	-	42,338	41,839
Indirect cost	-	-	-	-	-	282	-	-	3,797	6,737
Depreciation	7,063	145,983	11,704	80,702	8,983	8,883	-	-	3,899	121,991
Total	\$ 370,183	\$ 4,136,457	\$ 120,880	\$ 843,359	\$ 83,562	\$ 5,534,181	\$ 117,069	\$ 187,408	\$ 5,808,656	\$ 4,005,415

Statement of Functional Expenses Year Ended December 31, 2009

Mercy-USA for Aid & Development, Inc.

Statements of Cash Flows Years Ended December 31, 2009 and 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES	\$ 347,634	\$ 61,026
Change in Net Assets		
Adjustments to reconcile Change in Net Asset to Cash Provided by Operations:		
(Gain)/Loss on Disposal of Assets	8,883	(3,255)
Depreciation	17,253	22,299
Realized (Gain)/Loss from Investments	-	121,691
Change in:		
Proceeds/(Payments) from Notes Receivable	4,000	6,380
Prepaid Expenses	(1,143)	(372)
Pledges and Accounts Receivable	161,221	8,425
Accounts Payable	53,185	44,793
Deferred Revenue	82,911	21,109
Accrued Payroll Taxes	(5,936)	15,453
Net Cash Provided by Operating Activities	668,008	297,549
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	3,276	347,593
Purchase of Investments	(488)	-
Purchase of Equipment	(23,439)	(21,600)
Proceeds from Disposal of Assets	1,700	5,811
Net Cash Provided by (Used in) Investing Activities	(18,951)	331,804
Increase/(Decrease) in Cash	649,057	629,353
Cash and Cash Equivalents - Beginning of Year	3,014,273	2,384,920
Cash and Cash Equivalents - End of Year	\$ 3,663,330	\$ 3,014,273

Statement of Cash Flows Year Ended December 31, 2009

Notes To The Financial Statements – Year Ended December 31, 2009

Mercy-USA for Aid & Development, Inc.

Notes to Financial Statements
Years Ended December 31, 2009 and 2008

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activity

Mercy-USA for Aid & Development, Inc. is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It was incorporated in the State of Michigan on September 23, 1988. The organization is also licensed by the States of Michigan, Illinois, New Jersey and California to solicit public funds. Mercy-USA is involved in the relief and development for individuals and communities providing economic vitalization, health care, food and shelter and education mainly in Kenya, Somalia, Bosnia, Indonesia, Lebanon and Albania and also in the United States and other countries around the world with the help of the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), United States Agency for International Development (USAID), United Nations Food and Agriculture Organization (FAO), United Nations Children Fund (UNICEF) and other United Nations grants as well as through public contributions.

Basis of Accounting

The financial statements of Mercy-USA for Aid & Development, Inc. have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The financial statements include the amounts of the Organization and its various overseas locations. All significant inter-branch transactions and accounts are eliminated.

Translation of Currencies

Financial statements in currencies other than United State dollars are revalued for accounting as per FAS 52, Foreign Currency Translation. The adjustments for currency exchange rates are included in the net income for those transactions that impact cash flow and are excluded for those that do not.

Financial Statement Presentation

Mercy USA for Aid & Development follows the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements for Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding the financial position and activities according to three classes of net assets, unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

To ensure proper usage of restricted and unrestricted assets, the Organization maintains its accounting according to fund accounting principles. The assets, liabilities and net assets are classified in accordance with specified restrictions and objectives. The Organization's funds are described below and are placed in the following categories:

Mercy-USA for Aid & Development, Inc.

Notes to Financial Statements (Continued)
Years Ended December 31, 2009 and 2008

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted Fund:

Unrestricted net assets are those currently available for use of the Organization Board, and the resources invested in fixed assets. These assets are accounted for internally in the general operating fund.

Temporarily Restricted Fund:

Temporarily restricted net assets are those assets received with donor stipulations that limit the use of the donated assets. When stipulated time restrictions expire or purpose restrictions are accomplished, these net assets are reclassified as unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Contributions

In accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made", contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions.

Under SFAS No. 116, certain restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the donor restrictions.

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor.

Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in subsequent years are reported at the present value of their net realized value, using risk-free interest rates applicable to the years in which the promises are to be received.

Income Taxes

On January 1, 2009, the Organization adopted the FASB Accounting Standards Codification Topic, *Accounting for Uncertainty in Income Taxes*, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods.

Notes To The Financial Statements – Year Ended December 31, 2009

Mercy-USA for Aid & Development, Inc.

Notes to Financial Statements (Continued)
Years Ended December 31, 2009 and 2008

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The Organization's federal tax returns for the prior three years remain subject to examination by the Internal Revenue Service. Management determined the adoption of the new standard did not have a material impact on the consolidated financial statements.

Fair Value Measurements

The Organization uses fair value measurements in the preparation of its financial statements, which utilize various inputs, including those that can be readily observable, corroborated, or are generally unobservable. The Organization utilizes market-based data and valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Additionally, the Organization applies assumptions that market participants would use in pricing an asset or liability, including assumptions about risk.

SFAS No. 157 establishes a framework for measuring fair value, which includes a hierarchy based on the quality of inputs used to measure fair value, and provides specific disclosure requirements based on the hierarchy. SFAS No. 157 requires the categorization of financial assets and liabilities, based on the inputs to valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The various levels of the SFAS No. 157 fair value hierarchy are described as follows:

- Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted market prices for identical assets and liabilities in an active market that the Organization has the ability to access.
- Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable for substantially the full term of the asset or liability.
- Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

SFAS No. 157 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized

Grants

Grant support is recognized as revenue when expenditures are incurred for the specific purpose established under the grant agencies.

Mercy-USA for Aid & Development, Inc.

Notes to Financial Statements (Continued)
Years Ended December 31, 2009 and 2008

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a program basis in the statement of activities. Costs are allocated between fund raising, management and general and the appropriate program based on evaluations of the related benefits. Management and general expenses include those expenses of the directly identifiable with any other specific function but provide the overall support and direction of the Organization.

Cash and Cash Equivalents

Cash includes cash on hand and cash in checking and savings accounts. For financial statement purposes, Mercy-USA for Aid & Development, Inc. considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents. Cash equivalents are carried at cost, which approximates market value.

Fixed Assets

Fixed assets are stated at cost or, at fair market value when received as contributions. Depreciation is recorded on a straight-line basis over the estimated useful life of the assets.

Temporarily Restricted Net Assets

Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows:

Purpose restriction accomplished:

	2009	2008
Albania Programs		
Bosnia Programs	\$ 119,675	\$ 135,332
Indonesia Programs	158,518	185,789
Lebanon Programs	203,482	117,174
Somalia & Kenya Programs	122,968	144,451
Pakistan Earthquake Programs	4,189,035	3,523,877
Gaza Programs	118,257	220,603
Yemen Programs	527,028	-
Bangladesh Programs	-	85,146
United States Programs	62,764	78,421
India Programs	16,146	13,574
	16,308	16,624
Total Restrictions Released	\$ 5,534,181	\$ 4,520,991

Temporarily restricted net assets are available for specific programs and have a balance of \$941,702 at December 31, 2009.

Mercy-USA for Aid & Development, Inc.

Notes to Financial Statements (Continued)
Years Ended December 31, 2009 and 2008

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, 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 these estimates.

2) CASH

The total cash held by the Organization at December 31, 2009, includes \$137,427 in monies that are not covered by insurance provided by the Federal Deposit Insurance Corporation.

3) PROGRAM AND SUPPORTING SERVICES

Mercy-USA for Aid & Development, Inc.'s program and supporting services are as follows:

Program Services

Economic Vitalization

The provision of ways for needy individuals and their communities to sustain themselves and to improve their quality of life; and assistance in reviving the economies of communities devastated by natural and man-made disasters.

Health Services

The improvement of individual and community health through education, immunization, nutrition support, safe water, hygiene, sanitation and other preventive measures. It also includes the operation or funding of clinics, hospitals, and other health care institutions; improvement, rehabilitation and renovation of the existing health care infrastructure; and the provision of medicines, medical supplies and medical equipment to health care facilities.

Food and Shelter

The provision of all types of food and shelter, winterization materials, and necessary household and personal items.

Orphan Assistance

The orphan assistance includes specific projects or other assistance for orphans around the world.

Mercy-USA for Aid & Development, Inc.

Notes to Financial Statements (Continued)
Years Ended December 31, 2009 and 2008

3) PROGRAM AND SUPPORTING SERVICES (Continued)

Education

The improvement of attendance and academic performance, especially among girls, through daily school lunch programs. It also includes construction of school buildings, as well as repairs and renovations to existing schools. Additionally, the provision of vocational and technical training especially to orphans and other vulnerable children and youth.

General Program

General program includes all ancillary program services needed to maintain and enhance the specific program sectors.

Management and General

Includes the services necessary to maintain an adequate working environment, provide proper administrative support for the Organization's programs, and manage the financial and budgeting responsibilities of the Organization.

Fundraising

Provides the structure necessary to encourage and secure support from individuals and organizations.

4) PLEDGES AND ACCOUNTS RECEIVABLE

Accounts Receivable - Overseas Operations

Accounts receivable – Overseas operations consist of Somalia grant funding receivable from the United Nations Children's Fund (UNICEF), United Nations World Food Program (WFP) and United Nations Development Program (UNDP).

Mercy-USA for Aid & Development, Inc.

Notes to Financial Statements (Continued)
Years Ended December 31, 2009 and 2008

5) **FIXED ASSETS**

Fixed assets are comprised of the following:

	USA Operations	Overseas Operations	Total 2009	Total 2008
Automobiles	\$ 17,301	\$ 58,129	\$ 75,430	\$ 74,545
Office Equipment	16,142	55,350	71,492	88,147
Office Furniture	2,620	6,347	8,967	12,997
Audio Visual Equipment	6,028	5,030	11,058	11,116
Others	450	9,172	9,622	5,959
	<u>42,541</u>	<u>134,028</u>	<u>176,569</u>	<u>192,764</u>
Less: Accumulated Depreciation	(41,675)	(92,605)	(134,280)	(146,078)
Total	<u>\$ 866</u>	<u>\$ 41,423</u>	<u>\$ 42,289</u>	<u>\$ 46,686</u>

6) **PENSION PLAN**

The Organization started a 401(k) pension plan from January 1, 2000 for all employees who have attained the age of 20 ½ years. Employees may join the plan on the January 1 or July 1 that coincides with or follows the date of employment after the completion of one year of service. The employer provides a 50% match on eligible employee contributions to the plan up to a maximum allowable by the plan. The Organization contributed \$9,009 and \$8,362 in the years 2009 and 2008 respectively to the plan.

7) **RELATED PARTY**

The Organization partners with Mercy-USA for Aid & Development, (Canada) towards providing relief and development activities. For the year ended December 31, 2009 the Organization, collected \$46,899 on behalf of Mercy-USA for Aid & Development, (Canada) and received \$77,800 from Mercy-USA for Aid & Development, (Canada).

8) **SUBSEQUENT EVENTS**

The Organization has evaluated events through, the date that the accompanying financial statements were available to be issued.

Supplemental Statement of Revenues and Program Expenses

Year Ended December 31, 2009

Mercy-USA for Aid & Development, Inc.

Supplemental Statements of Revenue and Program Expenses
Years Ended December 31, 2009
(With Comparative Totals for 2008)

REVENUES	ALBAMA	LEBANON*	BOSNIA	INDONESIA	SOMALIA & KENYA	INDIA	PAKISTAN EARTHQUAKE	BANGLADESH	Gaza	USA	NOT DESIGNATED	TOTAL	TOTAL 2008
Contributions from Public:													
General	\$ 59,015	\$ 10,328	\$ 125,488	\$ 83,755	\$ 125,130	\$ 685	\$ 38,878	\$ 8,020	\$ 734,307	\$ -	\$ 214,189	\$ 1,409,811	\$ 940,182
Food Aid	21,000	39,000	21,090	33,000	35,000	8,717	-	13,000	-	-	-	185,867	187,085
Orphan Fund	24,189	-	529	-	2,370	-	-	-	-	-	-	27,079	15,034
Zakat	30,000	50,000	10,000	50,000	350,000	10,000	50,000	-	-	-	-	816,678	788,993
US Government Grants	-	-	-	-	-	-	-	-	-	14,950	-	-	-
US Agency for International Development (USAID)	-	-	-	-	-	-	-	-	-	-	-	-	-
United Nations (UN) Grants	-	-	-	-	987,517	-	-	-	-	-	-	-	-
Global Fund to Fight AIDS, Tuberculosis & Malaria (GFATM) Grants	-	-	-	5,963	197,531	-	-	-	-	-	-	130,678	887,517
NGO/Foundations Grants	-	-	-	-	417,328	-	-	-	-	-	-	-	203,184
Gifts in Kind - UN Agencies	-	-	-	-	38,378	-	-	-	-	-	-	-	417,328
Dividend Income	-	-	-	-	2,335,198	-	-	-	-	-	-	-	38,378
Gain/Loss on Foreign Currency Fluctuation	-	-	-	-	15	-	-	-	-	-	-	-	2,335,198
Gain/Loss on Disposal of Equipment	126	-	-	97	-	-	-	-	-	-	-	-	34,715
Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Program Fees	-	-	-	-	-	-	-	-	-	-	34,803	-	126
Total Revenues	\$ 154,830	\$ 99,328	\$ 157,008	\$ 182,615	\$ 4,188,467	\$ 19,402	\$ 88,878	\$ 51,029	\$ 834,307	\$ 14,950	\$ 385,478	\$ 6,156,289	\$ 4,966,441
EXPENDITURES													
Program Services:													
Food, Shelter & Orphan Assistance	\$ 25,071	\$ 49,241	\$ 23,962	\$ 124,230	\$ 35,871	\$ 16,308	\$ -	\$ 62,764	\$ 20,000	\$ 16,148	\$ -	\$ 370,193	\$ 525,623
Economic Vitalization	12,777	-	101,798	6,087	-	-	-	-	-	-	-	-	235,317
Health	-	16,876	-	-	4,119,528	-	-	-	-	-	-	-	120,680
Education	74,841	53,812	13,672	80,830	15,113	-	118,257	-	-	-	-	-	4,136,407
General	6,988	6,036	19,488	12,529	18,523	-	-	-	507,028	-	-	-	3,941,171
Total Program Services	\$ 119,676	\$ 122,968	\$ 158,518	\$ 203,482	\$ 4,189,035	\$ 16,308	\$ 118,257	\$ 62,764	\$ 527,028	\$ 16,148	\$ -	\$ 5,534,181	\$ 4,520,991

* Includes Palestinian refugees in Lebanon.

Mercy-USA for Aid & Development, Inc.

Indirect Cost Allocation
Year Ended December 31, 2009

Expenditures	Total Cost	Allowable Indirect	Unallowable Indirect	Fund Raising Cost	Program Cost	Excluded Program Cost*	Total Direct Cost
	\$ 591,913	\$ -	\$ -	\$ -	\$ 591,913	\$ -	\$ 591,913
Grants	950,672	58,377	-	23,323	868,972	-	892,295
Salaries & Wages	61,162	19,119	-	-	42,043	-	42,043
Employee Benefits	77,174	-	-	77,174	-	-	77,174
Advertising & Promotion	242,553	602	-	-	241,951	-	241,951
Transportation Expenses	1,146	1,146	-	-	-	-	-
Commercial Insurance	5,013	48	-	4,965	49,806	-	50,206
Conference, Meetings & Seminars	50,206	-	-	-	10,396	-	10,396
Consultants & Other Professional Services	2,306	2,306	-	-	19,081	-	19,081
Dues, Subscription, Fees etc.	10,396	-	-	-	73,103	-	78,103
Legal	23,093	4,012	-	5,000	11,585	-	22,515
Accounting	94,142	16,039	-	10,930	3,751	-	17,409
Occupancy & Warehousing	27,001	4,488	-	13,658	3,138,543	2,335,198	803,345
Postage & Shipping	19,906	2,497	-	-	37,763	-	37,763
Printing & Copying	3,138,543	-	-	-	90,096	-	90,296
Program Materials	39,587	1,824	-	200	42,541	-	41,850
Telephone	91,494	1,198	-	21,758	41,850	-	292
Travel	64,432	133	-	-	292	-	-
Bank Charges/Currency Adjustment	42,339	489	-	-	8,883	-	8,883
Office Supplies & Equipment	3,999	3,707	-	-	245,442	-	245,442
Payroll Taxes	-	-	-	-	16,170	-	16,170
Realized/Unrealized Loss on investments	8,883	-	-	-	5,534,181	2,335,198	3,356,391
Loss on Disposal of Assets	245,442	-	-	-	-	-	(245,442)
Indirect Cost	17,253	1,083	-	157,408	-	-	-
Depreciation	5,808,655	117,066	-	-	-	-	-
Total	5,808,655	245,442	-	157,408	5,534,181	2,335,198	3,110,949
Reclassify Overhead Charged to Program Costs	\$ 5,808,655	\$ 362,508	\$ -	\$ 157,408	\$ 5,534,181	\$ 2,335,198	\$ 3,110,949
Total							
Base = Total Direct Cost	\$ 362,508						
Pool Cost	3,110,949						
Base Cost	11.65%						
Indirect Rate							

* Excluded program costs include in-kind program material expenses and administrative costs included in the indirect cost.

Indirect Cost Allocation Schedule
Year Ended December 31, 2009

Board of Directors

Ms. Iman Elkadi, *Chairperson*
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Mr. Naushad Virji, *Treasurer*

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Dr. Hoda Badr, *Member*
Mr. Melvin Bilal, *Member*

- *All members of the Board of Directors serve as volunteers.*

Mr. Umar al-Qadi, *President & CEO*
Mr. Anas Alhaidar, *CFO*

Independent Financial Auditors
Alan C. Young & Associates, P.C.
Certified Public Accountants

MERCY-USA FOR AID AND DEVELOPMENT

44450 Pinetree Drive, Suite 201 • Plymouth, MI 48170-3869
Telephone 734-454-0011 • 1-800-55-MERCY (1-800-556-3729)
Facsimile 734-454-0303
e-mail mercycusa@mercycusa.org • <http://www.mercycusa.org>

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- *Special Consultative Status with United Nations*
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Mercy-USA for Aid and Development (M-USA) is a nonprofit relief and development organization dedicated to alleviating human suffering and supporting individuals and their communities in their efforts to become more self-sufficient. Incorporated in 1988, M-USA's projects focus on improving health and promoting economic and educational growth around the world.

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 Expiration Date _____ Sec. Code _____
 Signature _____

B) Banking Information (For Banks in the US Only)

Please include a voided check to avoid any delays due to inaccurate data.

- Checking Account Savings Account

Bank Route (ABA) No. (9 digits) _____
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 Starting with the ____/____/20____
 Signature _____
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 44450 Pinetree Drive, Suite 201, Plymouth, MI 48170-3869

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 Fiesta RPO P.O. Box 56102, 102 Hwy. #8, Stoney Creek, ON L8G 5C9
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Telephone 734-454-0011 1-800-55-MERCY (1-800-556-3729)

Facsimile 734-454-0303
 e-mail mercyyusa@mercyyusa.org <http://www.mercyyusa.org>