

# 2019

## ANNUAL REPORT

*Helping People Help Themselves Since 1988.*



**Mercy-USA**<sup>®</sup>

Mercy-USA for Aid and Development



**“Service to others is the rent you pay for your room here on earth.”** – Muhammad Ali

Dear Friends and Supporters,  
Greetings and peace be upon you.

As the legendary boxer and activist Muhammad Ali stated above, it is in service to others that we earn our place here on earth. Service to humanity is the reason that Mercy-USA for Aid and Development exists and the motivating force behind so much of the generous support that we receive.

During 2019 with this support from our individual and institutional donors, Mercy-USA provided over one million vulnerable persons around the world with life-sustaining relief and opportunity-creating educational and economic development services.

Our staff and those of our partners around the world are frontline heroes who provided life-saving health and nutrition services in countries like Kenya, Lebanon, Somalia and Syria, as well as desperately needed food aid to persons displaced by armed conflict in Yemen and Syria and to Rohingya refugees in Bangladesh. They helped visually-impaired children in Gaza to have a quality education equivalent to their sited peers, and reassured families in Somalia and Pakistan that it is safe to send their daughters to school.

Our field staff are from the communities we serve and work closely with them to fulfill their aspirations for a better tomorrow. We deeply appreciate the partnership of our donors on this journey of service to humanity.

Yours in service,  
*Umar al-Qadi*  
Umar al-Qadi  
President and CEO

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**"We know that a peaceful world cannot long exist, one-third rich and two-thirds hungry."** –President Jimmy Carter

Mercy-USA for Aid and Development supporters and institutional partners have been making it possible to feed more than 250,000 people each month. Families in Syria, Yemen and Bangladesh (Rohingya refugees) living in the most desperate conditions were able to rely on a monthly food basket during 2019. Families around the world were also given seasonal food aid during Ramadan and for Eid Al Adha.





## Syria

At the end of 2019, the United States Agency for International Development (USAID) reported that 9 million Syrians required emergency food assistance to meet their basic food needs, including 6.5 million people facing life-threatening food insecurity. According to United Nations reports, approximately 65% of Syrian households reported resorting to negative coping mechanisms—including restricting food consumption and purchasing food on credit—to meet food needs.

Mercy-USA for Aid and Development has been providing monthly food aid in northern Syria since 2013. We started with a thousand food baskets in Aleppo and 8 years later, our food aid program has grown exponentially. In 2019, through generous grants and in partnership with the World Food Program (WFP), UN Office for the Coordination of Humanitarian Affairs (UNOCHA) and the International Organization for Migration (IOM), Mercy-USA distributed approximately a quarter of a million food baskets monthly in Syria. Many tell us our food baskets are all that they have to survive each month.



## Yemen

At the end of 2019, due to the ongoing conflict in Yemen it was estimated that more than 20 million people were food insecure and 10 million people were acutely food insecure.

In partnership with the Turkish Red Crescent, Mercy-USA delivered monthly food baskets to families in Yemen during 2019. Distributions took place in Marib, Aden, Hadramawt and Taiz. These distributions helped locals in need as well as internally displaced persons from other areas.

## Rohingya Refugees

During 2019, Mercy-USA continued to offer food aid to Rohingya refugee families living in Bangladesh through our partnership with the Turkish Red Crescent. Families received monthly food baskets as well as special seasonal food distributions during Ramadan and in observance of Eid Al Adha.



## Not all heroes wear capes.

Mercy-USA heroes wear white coats, khaki field vests or even a simple cap as they work to offer healthcare to families. Our heroes are there to offer medical care often during the most frightening time of a patient's life. A mother struggling to give birth safely is helped. Children dying from malnutrition are saved. Tuberculosis sufferers

are given a new life with treatment and cure. Children are vaccinated against childhood illnesses like polio and the measles. In most of the settings for our clinics, our heroes are the only healthcare professionals their patients have access to and the relationship is one of great trust and human concern.





## Somalia



For more than 25 years, Mercy-USA has been providing life-saving healthcare to people in Somalia. Mothers and their children have especially benefited from our health and nutrition clinics that dot the map across Somalia.

Many of our clinics offer birthing services with physicians and professional staff who save countless lives of mothers and babies. We give mothers prenatal, and postnatal care while caring for baby at the same time with an equal level of medical expertise. Vaccinations, nutrition support and well-baby

checks are available at our Mother and Child Health centers. Our nutrition support programs screen and offer therapeutic feeding for pregnant mothers and children.

In 2019, with support from the US Agency for International Development's Office of Foreign Disaster Assistance (USAID/OFDA) and the United Nations Children's Fund (UNICEF), Mercy-USA operated over 100 Mother and Child Health clinics, community health and nutrition clinics and outreach sites in towns and rural under-served regions of the country. Pharmacy dispensaries are in many of these clinics. According to The World Health Organization, just 42% of Somalia's tuberculosis cases are diagnosed and of that percentage, 27% of the positive cases end in death. Mercy-USA worked hard in 2019 to fight these dismal statistics with a generous grant from The Global Fund to Fight AIDS, Tuberculosis and Malaria. We operated 14 TB clinics that also offered testing for HIV/AIDS and offered free treatment.

## Superhero Story

Abshiro, a 30-year-old mom from a rural part of Somalia visited her nearby Mercy-USA mother and child health center with a non-productive labor where she was evaluated by our trained staff who determined Abshiro needed more than routine medical interventions. She was quickly transported by ambulance 52 miles to the Mercy-USA Hobyo Referral Health Center. After hours of unsuccessful labor induction, our doctor determined Abshiro needed an emergency C-section, but there was no blood stocked in her type. Mr. Abdirahman, a Mercy-USA clinical officer, volunteered to donate blood if he was a match, and he was. Abshiro gave birth to a very healthy baby girl. She was released after a few days and was counseled on surgery aftercare for herself as well as information on breastfeeding for her newborn.



## Kenya

In 2019, with the generous support of USAID, Mercy-USA operated nutrition clinics to treat children with moderate acute malnutrition and severe acute malnutrition. We conducted outreach activities to monitor the health and growth of patients, offering counseling and support to mothers in three sub-counties of Kenya.





## Lebanon

Syrian refugees and their Lebanese host families struggle daily with poverty and often lack awareness of the importance of childhood immunizations. This results in a great number of children not being vaccinated against measles, mumps and rubella plus other preventable diseases such as polio. When a measles outbreak threatened to become an epidemic in 2019, the Lebanon Ministry of Health and UNICEF reached out to Mercy-USA for help with an emergency vaccination project. When it became clear families would not seek out the free vaccinations at our mobile medical unit, our community health teams set out on foot and went door to door checking with families on their children's vaccinations. In addition to receiving free vaccinations if needed, each family was helped to understand the importance of keeping children immunized on schedule and about the accessibility of Lebanon's immunization program. Our medical staff were local to the region and were able to reach out to parents on this subject without the stigma of being "outsiders". They were able to help parents understand how easy and important it is to keep their children safe from these deadly diseases.



## Syria

Mercy-USA is covering the healthcare needs of thousands of internally displaced Syrians through our Kelly health care center in Idlib province, Syria. The clinic provides life-saving interventions for those most vulnerable. It's now considered one of the most crucial facilities in northwest Syria in an area overcrowded with internally displaced families. The facility provides birthing services and pre- and post-natal care, as well as treatment for diarrhea, respiratory tract infections and skin conditions for boys and girls under five. Adults are treated for chronic conditions including hypertension, asthma, cardiac ailments, skin diseases, and have access to psychosocial support. Additionally, pregnant and lactating women plus children are screened and treated for malnutrition. The facility also features a pharmacy and an advanced diagnostic lab.



In addition to the stationary clinic, we operate mobile medical teams to provide healthcare for all and nutrition support for children, pregnant and lactating women in the camps for internally displaced persons.



**“It is easier to build strong children than to repair broken men.”**

– Frederick Douglas

Over 500 visually impaired children in the Gaza Strip were able to receive quality education and skills in pre-school and elementary school grades at the Rehabilitation Center for the Visually Impaired (RCVI) in Gaza. The school is operated by the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) and Mercy-USA supports staff salaries, regular vision assessment for students, assistive devices including eyeglasses and magnifiers, and also recreational activities.

One of the most important initiatives at this school is the integration program. The goal is to integrate the children into mainstream schools by grade 4, allowing the students to become fully engaged members of the community. UNRWA teachers are being taught how to accommodate the visually impaired students and are able to facilitate their learning on par with their other sighted students. By fully integrating the children into mainstream schools in Gaza, they not only gain the same educational opportunities as their sighted peers, the greater community learns to value them as equals in the society.





can be just as successful as their better resourced peers if given half a chance. In an effort to encourage attendance and scholarship, among Roma students in Albania, Mercy-USA has an innovative program to encourage families to prioritize education for their children and

keep them out of the workplace. Families are given a monthly food basket in exchange for making sure their children have good attendance at school. Essay contests and other activities designed to encourage academic and cultural pride are also supported by this program.

## Bosnia

In addition to our Bosnia Agricultural Education Center featured on page 30, we support education programs for younger students. As in the USA, schools require students to bring supplies with them on the first day of school. We provided first graders at schools in under-served neighborhoods with school supplies and backpacks that fill the children with excitement for their first day of school.



Mercy-USA supported special

needs students at the PI Institute for Education of Persons with Difficulties in Physical and Bodily Development in Tuzla, Bosnia by providing some much needed specialized equipment for the school. Mobility and lifting equipment, and other equipment for daily living needs of students were provided.

We also delivered fresh fruit weekly to the school to improve the diet of the students as well as first aid kits to the school and hygiene kits to students on a quarterly basis.



## Albania

Our goal in Albania is focused on sustainable development and we believe that should start with children and their education. Mercy-USA has been stocking public school libraries since 2011. Where shelves were woefully bare, we have stocked literature and research titles to encourage reading and literacy. Because public schools do not offer adequate instruction if a student aspires to higher education, his or her family pays for after school tutoring sessions for English as a Second Language and for computer skills. This extracurricular instruction is provided free for needy students by Mercy-USA with the intention of leveling the playing field for kids who





## Detroit

Mercy-USA staff and volunteers assembled over 550 backpacks and teacher supply kits that were distributed at two Detroit public schools and a family homeless shelter in 2019.

A principal at one of the schools told us it wasn't uncommon for children to arrive without any supplies and our program saved the children from embarrassment and the feeling of not having enough. "Thanks to this project, all our students are guaranteed to start the year off strong."

This community project is popular with our local supporters. It's never difficult to garner dozens of volunteers eager to connect with their neighbors who may not be as fortunate.



## Pakistan

During 2019, Mercy-USA for Aid and Development, in partnership with The Citizens Foundation, broke ground on a secondary school in Sindh province of Pakistan. The school, which was completed in 2020, is in a high density community for whom the next nearest secondary school is approximately 9 miles away. In addition to classrooms, the school has a computer lab and two science labs. Mercy-USA is proud to partner with TCF on this very important project to support quality education for boys and girls.





With the support of Educate a Child (EAC) and the government of Somalia, Mercy-USA operated a comprehensive education project in some of the poorest parts of Somalia for thousands of students.

In addition to supporting teacher training, salaries and specialized curriculum for late returning students to the classroom, this project aimed to close Somalia's gender gap in education. Due to poverty combined with traditional cultural norms, Somali families often prioritize their sons' education. Additionally, a shortage of female teachers, inadequate classroom size and lack of private bathroom facilities for young women has contributed greatly to the school gender gap between boys and girls in Somalia.

Mercy-USA provided new classrooms, bathroom facilities and clean water wells, as well as new teacher training to rural schools. Girls of menstruating age received a feminine hygiene package that included undergarments and supplies to keep them comfortable and able to attend school every day of the month. We formed local community committees that focused on identifying out-of-school children and helped their families to overcome whatever obstacles they faced in not sending their children, especially girls, to school.



## SOMALIA

The Mercy-USA Youth Friendly Center in Mogadishu offers free vocational training to young people.



The practical training we offer enables the students to become self-sufficient. Training in computer skills courses, tailoring, cosmetology classes and handicrafts are skills that are in

demand in the marketplace. The Center also offers entrepreneurship classes to teach how to start and maintain a small business, identifying market trends in Somalia, record keeping and fiscal responsibility.

Beyond vocational training, the Center offers health and wellness counseling covering topics such as early child marriages, drug and substance abuse, information and guidance on seeking treatment for sexually transmitted diseases, female genital mutilation prevention and support for survivors of gender based violence.



**"No one leaves home unless home is the mouth of a shark."**

-Warsan Shire





## Syria

At the end of December, 2019, more than 6.4 million Syrians had been displaced from their homes at least once. Families who fled their homes and land were left destitute and homeless. Mercy-USA, in cooperation with UNOCHA and IOM, supplied tents, floor mats, sleeping mattresses, household and hygiene supplies and more to help these families find a small semblance of a normal existence while they determined their next steps toward rebuilding a life for their children.



Winters are cold and very damp in northern Syria. Snowfall and driving rain are normal conditions during this season. It's unbearable for families living in tent camps and uninsulated makeshift dwellings. Without help, families burn trash, plastic or rubber inside unventilated and inadequate shelters in an attempt to stay warm. This results in respiratory illnesses and worse, especially among children. During 2019, as hundreds of thousands were fleeing toward the border with Turkey, children were literally freezing to death.



For the fifth year in a row, Mercy-USA with a grant from UNOCHA and with the generous support of private donors provided approximately 2,400 stoves and 4,300 metric tons of eco-friendly, high efficiency olive pit fuel.

The stoves, made of cast iron, are ventilated and safer to use inside tents than kerosene stoves. The olive pit bio-fuel burns hotter and longer than wood and is environmentally friendly since it is manufactured from olive oil production waste that would otherwise end up in a landfill. Most importantly, families were able to keep warm enough to survive the winter months.

## Detroit

After the holiday giving season in December, Detroit homeless shelters find donations dry up by the end of January just when Michigan winters are harshest. Mercy-USA brought warm blankets, socks, gloves, hats, hygiene products as well as diapers to three homeless shelters in Detroit in February with our Urban Warmth Project.



**“The best form of charity is giving someone water (to drink)”** –Prophet Muhammad  
(peace be upon him)



## Water is Life

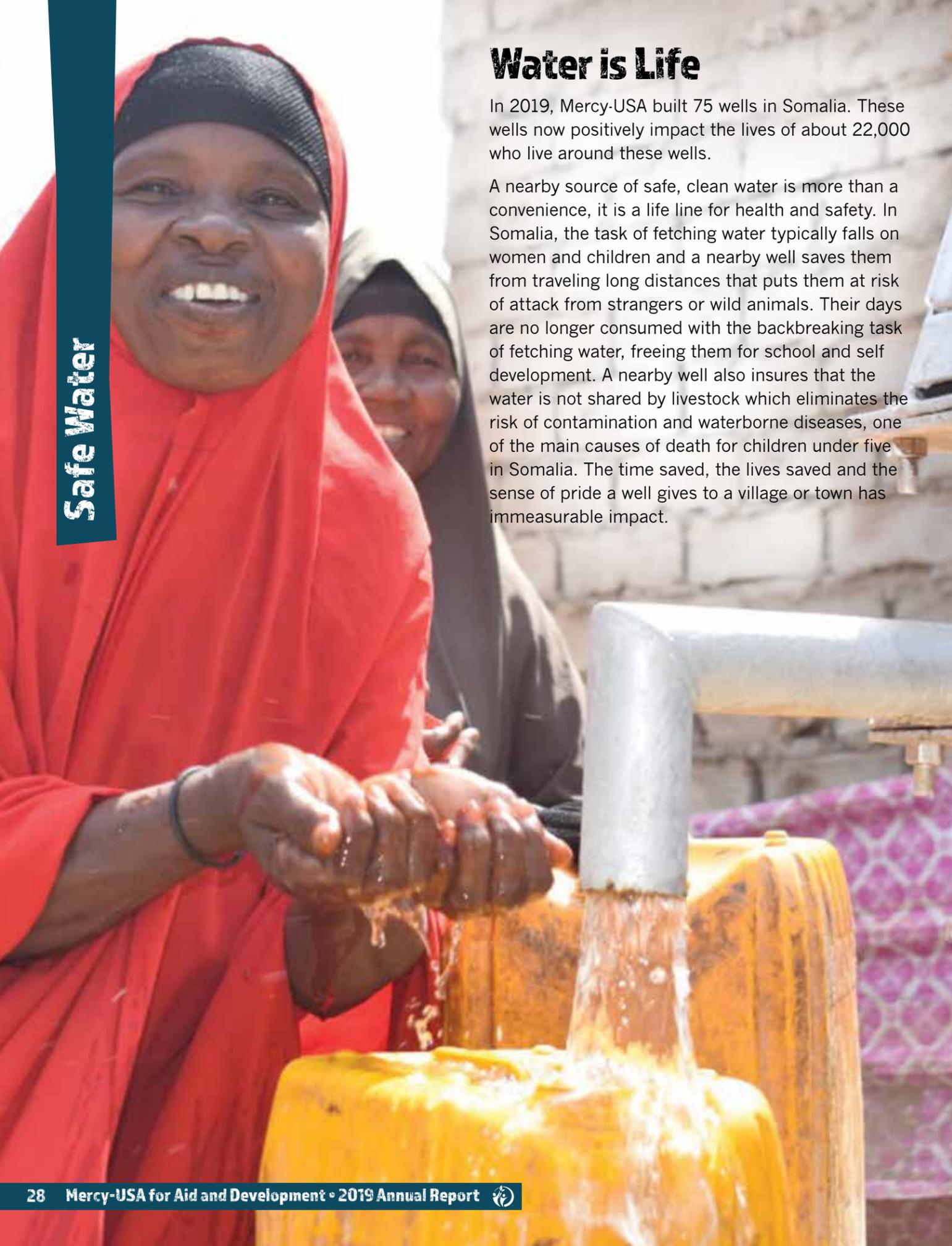
In 2019, Mercy-USA built 75 wells in Somalia. These wells now positively impact the lives of about 22,000 who live around these wells.

A nearby source of safe, clean water is more than a convenience, it is a life line for health and safety. In Somalia, the task of fetching water typically falls on women and children and a nearby well saves them from traveling long distances that puts them at risk of attack from strangers or wild animals. Their days are no longer consumed with the backbreaking task of fetching water, freeing them for school and self development. A nearby well also insures that the water is not shared by livestock which eliminates the risk of contamination and waterborne diseases, one of the main causes of death for children under five in Somalia. The time saved, the lives saved and the sense of pride a well gives to a village or town has immeasurable impact.



## Clean Water Wells Built to Last for Generations

Mercy-USA engineering teams assess a community's need for a well, including whether water can be reached, then each well is hand built by experienced well builders. Upon completion, community members are trained on how to properly maintain the well so that it continues to provide clean water for years into the future.



**It is in the Agricultural Sector that the battle for long-term economic development will be won or lost.** –Gunnar Myrdal

In addition to healthcare and education, Mercy-USA supports families with sustainable development through agriculture.

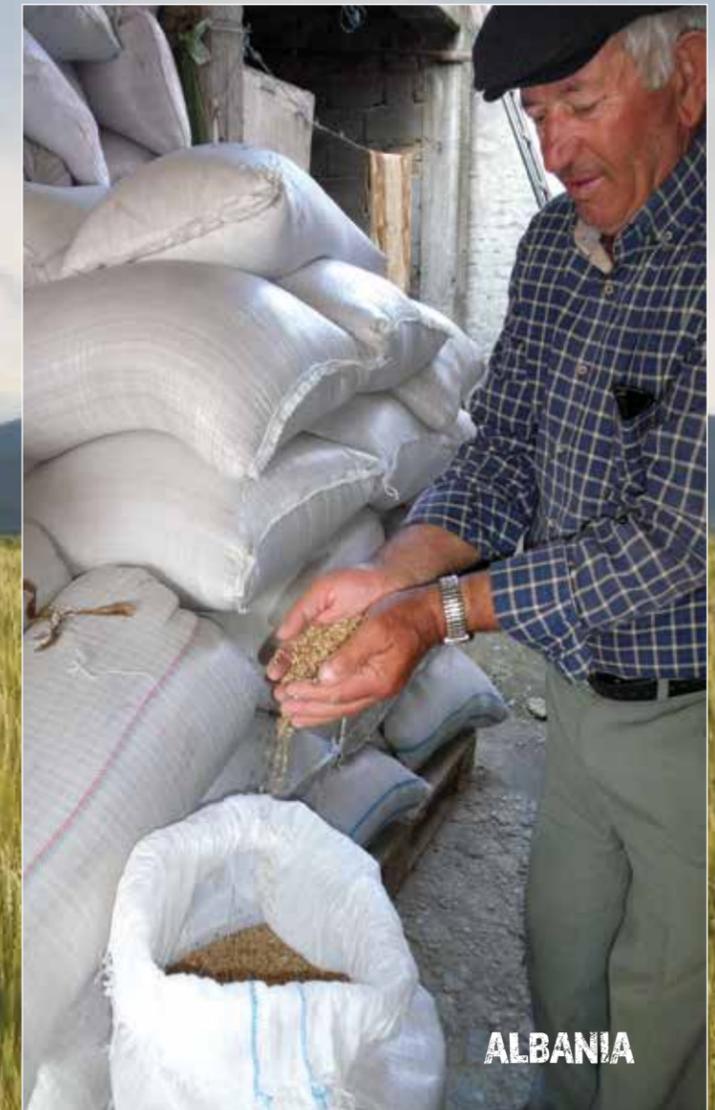
**Kenya** With generous support from USAID/OFDA, small farmers in Kenya were given technical support, inputs and equipment to farm their land more efficiently as well as support their livestock. Mercy-USA helped these farmers to plant fast growing Sudan grass on their land which provided excellent fodder for their livestock. These were the same animals that they struggled to raise given the ever-increasing climate extremes of flood and drought.

**Bosnia** Mercy-USA's Agricultural Education Center, which includes a 10,900 square-foot greenhouse, serves as a teaching center for future agronomists from the local university as well as a seedling center for small farmers. The AEC also

gives vegetable seedlings to seniors who have been permanently displaced from Srebrenica for backyard kitchen gardens to help sustain their meager incomes.

**Indonesia** Mercy-USA supports poor farmers in Indonesia with a traditional heifer program. Farmers receive a heifer that they care for and breed for two years before passing it on to another farmer. The calves that are born are the farmer's to keep or sell.

**Albania** We provide small wheat farmers in Albania with technical advice and support resulting in increased yields year over year. Since 2009, a major mill, Miell Tirana purchases the wheat yield at market rates and also donates a portion of the flour to the families who benefit from our skills education project.



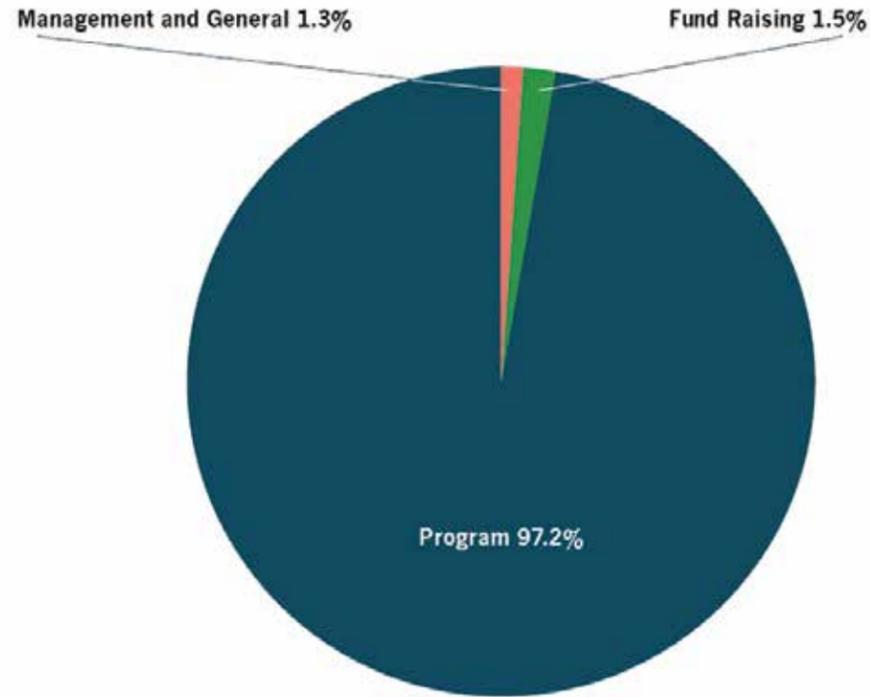


## 12 Countries

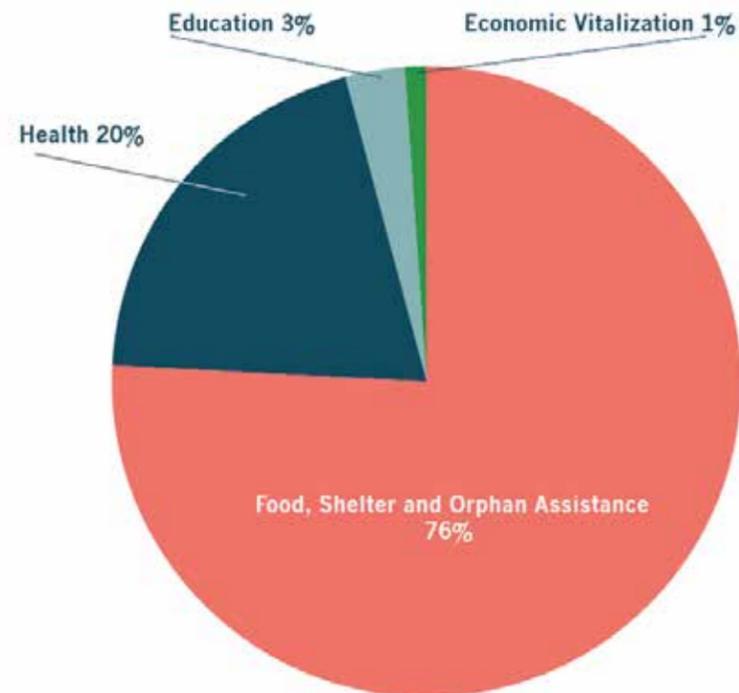
Each year, Mercy-USA provides seasonal food aid for needy families around the world and the USA in observance of Ramadan, Eid Al Fitr and Eid Al Adha. In 2019, we provided food to families in 12 countries. Over the years, we have served hundreds of thousands of needy people during these special times.



**Functional Expenses  
Jan. 1 to Dec. 31, 2019**



**Program Expenses (By Service Category)  
Jan. 1 to Dec. 31, 2019**



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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Mercy-USA for Aid and Development, Inc. (a nonprofit organization) (the Organization) and its overseas operations, which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, the related consolidated statements of activities, and cash flows for the years then ended, functional expenses for the year ended December 31, 2019 and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report  
(Continued)

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards, and other supplemental information as identified in the table of contents are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2020 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control over financial reporting and compliance.

*Alan L. Young, Assoc.*

Detroit, Michigan  
September 30, 2020

**MERCY-USA FOR AID AND DEVELOPMENT, INC.**

Consolidated Statements of Financial Position  
December 31, 2019 and 2018

	2019	2018
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents (Note 2)	\$ 3,239,268	\$ 3,556,687
Pledges & Accounts Receivable (Note 5)	2,061,260	953,537
Advance to Subcontractor	3,362	-
Notes Receivable - Micro-lending/SED (Note 1)	4,000	6,000
Prepaid Insurance & Expenses	83,486	13,012
<b>Total Current Assets</b>	<b>5,391,376</b>	<b>4,529,236</b>
<b>Fixed Assets (Note 6)</b>		
Building, Vehicles, Furniture & Equipment	1,592,517	1,473,879
Less: Accumulated Depreciation	(627,262)	(513,800)
<b>Total Fixed Assets</b>	<b>965,255</b>	<b>960,079</b>
<b>Other Assets</b>		
Security Deposits	12,871	9,169
<b>Total Other Assets</b>	<b>12,871</b>	<b>9,169</b>
<b>Total Assets</b>	<b>\$ 6,369,502</b>	<b>\$ 5,498,484</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 1,503,921	\$ 702,143
Deferred Revenue (Note 1)	596,260	453,906
Tenant Security Deposit	7,110	5,610
Payroll Liabilities	24,126	-
Accrued Payroll & Taxes	36,943	4,768
Advance Rent	5,700	4,200
<b>Total Current Liabilities</b>	<b>2,174,060</b>	<b>1,170,627</b>
<b>Net Assets</b>		
Without Donor Restrictions	3,041,009	3,021,813
With Donor Restrictions (Note 9)	1,154,433	1,306,044
<b>Total Net Assets</b>	<b>4,195,442</b>	<b>4,327,857</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,369,502</b>	<b>\$ 5,498,484</b>

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

**MERCY-USA FOR AID AND DEVELOPMENT, INC.**
**Consolidated Statements of Activities  
Years Ended December 31, 2019 and 2018**

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Contributions From Public	\$ 912,119	\$ 3,733,521	\$ 4,645,640	\$ 875,388	\$ 3,821,015	\$ 4,696,403
US Agency for International Development (USAID)	-	2,967,621	2,967,621	-	4,547,106	4,547,106
NGO Grants	-	1,231,106	1,231,106	-	197,617	197,617
United Nation (UN) Grants	-	6,247,954	6,247,954	-	3,738,333	3,738,333
Global Fund to Fight AIDS, Tuberculosis & Malaria (GFATM) Grants	-	352,197	352,197	-	322,583	322,583
Contribution In-Kind - UN agencies (Note 4)	-	14,001,626	14,001,626	-	5,772,680	5,772,680
Rental Income	82,070	-	82,070	81,153	-	81,153
Dividend Income	19,876	-	19,876	13,298	-	13,298
Gain/Loss on Foreign Currency Fluctuation	61,344	-	61,344	85,790	-	85,790
Events Ticket Sale	1,500	-	1,500	9,171	-	9,171
<b>Net Assets Released From Restrictions:</b>						
Satisfaction of Service Restrictions (Note 9)	28,685,636	(28,685,636)	-	18,638,170	(18,638,170)	-
<b>Total Support and Revenue</b>	<b>29,762,545</b>	<b>(151,611)</b>	<b>29,610,934</b>	<b>19,702,970</b>	<b>(238,836)</b>	<b>19,464,134</b>
<b>EXPENSES</b>						
<b>Program Services:</b>						
Food, Shelter and Orphan Assistance	22,196,935	-	22,196,935	12,556,265	-	12,556,265
Health	5,702,612	-	5,702,612	5,940,023	-	5,940,023
Economic Vitalization	251,033	-	251,033	244,345	-	244,345
Education	850,860	-	850,860	573,649	-	573,649
<b>Total Program Services</b>	<b>29,001,440</b>	<b>-</b>	<b>29,001,440</b>	<b>19,314,282</b>	<b>-</b>	<b>19,314,282</b>
<b>Supporting Services:</b>						
Management and General	480,057	-	480,057	269,706	-	269,706
Fund Raising	261,852	-	261,852	295,230	-	295,230
<b>Total Supporting Expenses</b>	<b>741,909</b>	<b>-</b>	<b>741,909</b>	<b>564,936</b>	<b>-</b>	<b>564,936</b>
<b>Total Expenses</b>	<b>29,743,349</b>	<b>-</b>	<b>29,743,349</b>	<b>19,879,218</b>	<b>-</b>	<b>19,879,218</b>
Change In Net Assets	19,196	(151,611)	(132,415)	(176,248)	(238,836)	(415,084)
Net Assets - Beginning of Year	3,021,813	1,306,044	4,327,857	3,198,061	1,544,880	4,742,941
<b>Net Assets - End of Year</b>	<b>\$ 3,041,009</b>	<b>\$ 1,154,433</b>	<b>\$ 4,195,442</b>	<b>\$ 3,021,813</b>	<b>\$ 1,306,044</b>	<b>\$ 4,327,857</b>

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

4

**MERCY-USA FOR AID AND DEVELOPMENT, INC.**
**Consolidated Statements of Cash Flows  
Years Ended December 31, 2019 and 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (132,415)	\$ (415,084)
Adjustments to Reconcile Change in Net Asset to Cash Used in Operations:		
Depreciation	116,162	99,931
Uncollectible Accounts Receivable	12,614	-
<b>Change in:</b>		
Prepaid Insurance and Expenses	(70,474)	2,088
Pledges and Grants Receivable	(1,120,337)	75,381
Notes Receivable - Micro-lending/SED	2,000	12,857
Other Assets	(7,064)	250
Accounts Payable	801,778	(98,242)
Deferred Revenue	142,354	276,593
Accrued Payroll and Taxes	56,301	1,247
Tenant Security Deposits	1,500	(1,283)
Advance Rent	1,500	2,690
<b>Net Cash Used in Operating Activities</b>	<b>(196,081)</b>	<b>(43,572)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(121,338)	(31,583)
<b>Net Cash Used in Investing Activities</b>	<b>(121,338)</b>	<b>(31,583)</b>
Net Decrease in Cash	(317,419)	(75,155)
Cash and Cash Equivalents - Beginning of Year	3,556,687	3,631,842
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 3,239,268</b>	<b>\$ 3,556,687</b>

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

## MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Financial Statements  
December 31, 2019 and 2018

### 1) NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Activity

Mercy-USA for Aid & Development, Inc. (the Organization) 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 Somalia, Syria, Kenya, Bosnia, Indonesia, Lebanon and Albania and also in the United States and other countries around the world with the help of the United States Agency for International Development (USAID), Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), United Nations Children Fund (UNICEF), World Food Program (WFP), United Nations Office for Coordination of Humanitarian Affairs (OCHA) 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. Consolidated branches include:

- Albania
- Bosnia
- Indonesia
- Kenya, Somalia
- Lebanon
- Turkey

A new branch was being set up in Canada during the year. There was no operational activity in Canada during the year.

#### Translation of Currencies

Financial statements in currencies other than United States dollars are revalued for accounting as per FASB Accounting Standards Codification Topic 830, *Foreign Currency Matters*. 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.

#### Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

## MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Financial Statements (Continued)  
December 31, 2019 and 2018

### 1) NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of Presentation (Continued)

Net Assets Without Donor Restriction—Net assets that are not subject to or are no longer subject to donor imposed stipulations.

Net Assets With Donor Restriction—Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

#### Financial Instruments

The carrying value of cash and cash equivalents, restricted cash, accounts receivable, pledges receivable, accounts payable and accrued liabilities, are stated at carrying cost at December 31, 2019 and 2018, which approximates fair value due to the relatively short maturity of these instruments.

#### Income Taxes

The Organization is organized as a nonprofit corporation and is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Organization follows the guidance of ASC-740-10, Accounting for Uncertainty in Income Taxes. The Organization recognizes the tax (benefit) expense from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities. The Organization had no uncertain tax positions at December 31, 2019 or 2018. The Organization files an exempt organization return with the Internal Revenue Service (IRS). The Organization had no taxable unrelated business income for the years ended December 31, 2019 and 2018. Accordingly, a provision for income taxes has not been established in the accompanying financial statements. The Organization's federal tax returns for the prior three years remain subject to examination by the Internal Revenue Service.

#### 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 that are not directly identifiable with any other specific function but provide the overall support and direction of the Organization.

## MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Financial Statements (Continued)  
December 31, 2019 and 2018

### 1) NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Cash and Cash Equivalents

Cash includes cash on hand and cash in checking and savings accounts. For financial statement purposes, The Organization 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 if purchased 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. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized. Assets with an individual cost over \$1,000 and a useful life in excess of one year are capitalized.

#### Advertising

The Organization expenses advertising costs as incurred. Advertising expense was \$155,566 and \$143,010 for the years ending December 31, 2019 and 2018, respectively.

#### 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.

#### Revenue Recognition

Funds provided under grant or contract, which are not considered contributions, are deemed to be earned and reported as revenue when the Organization has either incurred expenditures or completed the deliverables in compliance with the specific terms and conditions of the grant or contract. Grants or contract funds received for which no corresponding expenditures or performance has yet been made are accounted for as deferred revenue. Deferred revenue was \$596,260 and \$453,906 for the years ending December 31, 2019 and 2018, respectively. Expenditures and performance made in advance of funds received are recorded as grants or accounts receivables.

Commodities are received and reported at fair value and recognized as revenue as the commodities are distributed for program purposes.

Contributions, including unconditional promises to give, are recognized initially at fair value as revenue in the period received at net realizable value.

## MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Financial Statements (Continued)  
December 31, 2019 and 2018

### 1) NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Grants

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

#### Microfinance Loans Receivable

Microfinance loans receivable are recorded in the consolidated statements of financial position at their unpaid principal balances net of allowance for loan losses. Interest income is accrued based on the outstanding principal amount and contractual terms of each individual loan. A loan is considered impaired when, based on current information, it is probable that the organization will not receive all amounts due in accordance with the contractual terms of the underlying loan agreement. When an impairment loss has been incurred, the amount of the loss is measured as the difference between the carrying amount of the loan receivable and the present value of the estimated future cash flows, including amounts recoverable from guarantees and collateral discounted at the loan receivable's original effective interest rate. All loan receivable losses are recognized in the consolidated statements of activities. When a loan is uncollectible, it is written off against the related reserve for loan impairment. Loan balances are written off when management determines that the loans are uncollectible and when all necessary steps to collect the loan are exhausted. The balance outstanding as of December 31, 2019, and 2018, were \$4,000 and \$6,000, respectively. There was no allowance for uncollectible against these loans.

Microfinance loans receivable were concentrated in the following country as of December 31:

	<u>2019</u>	<u>2018</u>
Bosnia	\$ 4,000	\$ 6,000

#### Reclassification

Certain reclassifications have been made to the 2018 consolidated financial statements to conform to the 2019 presentation.

#### Prepaid Expenses

Prepaid expenses primarily represent cash payments made in advance of when the related expenditures are recognized for financial statement purposes.

## MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Financial Statements (Continued)  
December 31, 2019 and 2018

### 1) NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Accounting Pronouncement Adopted in Fiscal Year 2018

During the year ended December 31, 2018, the Organization adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14—*Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). This Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 10).

In November 2016, the Financial Accounting Standards Board (FASB) published Accounting Standards Update (ASU) No. 2016-18, to add or clarify the *Guidance on the Classification and Presentation of Restricted Cash in the Statement of Cash Flows*. The standard requires that change in all cash when reconciling the beginning and ending cash balances shown on the statement of cash flows. The standard does not change the definitions of restricted cash or restricted cash equivalents. Previous U.S. GAAP allowed changes in restricted cash to be shown as investing activities. The adoption of ASU No. 2016-09 did not have a material impact on the financial statements.

#### Accounting Pronouncement Adopted in Fiscal Year 2019

On January 1, 2019, the Organization adopted a new accounting standard for Financial Instruments (ASU 2016-01) which requires equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. Upon adoption, equity securities previously classified as available for sale will be presented separately on the balance sheet as Equity securities. The amount of unrealized gain/(loss), net of tax, related to these securities will be reclassified from accumulated other comprehensive to retained earnings. The investment that the Organization had as of December 31, 2018 did not include any available for sale investments. Accordingly, no adjustment to beginning retained earnings was necessary.

In June 2018, FASB issued ASU 2018-08, to improve the scope and accounting guidance for contributions received and contributions made. The standard should be used to assist entities in 1) evaluating whether transactions should be accounted for as contributions or as other exchange guidance subject to other guidance. The implementation of this standard did not have a material impact on the Organization's financial statements. Accordingly, no adjustments were necessary.

## MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Financial Statements (Continued)  
December 31, 2019 and 2018

### 2) CASH AND CASH EQUIVALENTS

The total cash held by the organization in the bank accounts (excluding outstanding checks and deposit in transit) total \$3,550,611 and \$4,014,726 of which \$2,932,910 and \$3,306,283 is not insured through federal depository insurance in fiscal years 2019 and 2018, respectively.

### 3) PROGRAM AND SUPPORTING SERVICES

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

#### **Program Services**

##### 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.

##### 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.

##### 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.

##### 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.

##### 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.

## MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Financial Statements (Continued)  
December 31, 2019 and 2018

### 4) CONTRIBUTIONS IN-KIND

These consist of food, medicines and medical supplies etc. provided by UNICEF and World Food Program for distribution to needy people. The amounts recognized in the statement of activities are based on fair value of the goods received at the time of donation. The Organization received \$14,001,626 and \$5,772,680 in fiscal years 2019 and 2018, respectively.

### 5) PLEDGES AND GRANTS RECEIVABLE

Accounts receivable consist of Somalia/Kenya grant funding receivable from the USAID and the United Nations Grant agencies. Details of Accounts Receivable as of December 31, 2019 and 2018 are as follows:

	2019	2018
Grants Receivable	\$ 2,034,134	\$ 914,644
Pledges Receivable	27,126	38,451
Others	-	442
	<u>\$ 2,061,260</u>	<u>\$ 953,537</u>

### 6) FIXED ASSETS

Fixed assets are comprised of the following:

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
<b>Fixed Assets</b>				
Building	\$ 1,071,903	\$ 48,500	\$ -	\$ 1,120,403
Office Equipment	153,553	42,131	(2,700)	192,984
Office Furniture	10,024	1,443	-	11,467
Audio Visual Equipment	7,225	-	-	7,225
Automobiles	218,311	25,494	-	243,805
Others	12,863	3,770	-	16,633
<b>TOTAL</b>	1,473,879	121,338	(2,700)	1,592,517
Less Accumulated Depreciation	(513,800)	(116,162)	2,700	(627,262)
<b>Net Fixed Assets</b>	<u>\$ 960,079</u>	<u>\$ 5,176</u>	<u>\$ -</u>	<u>\$ 965,255</u>

## MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Financial Statements (Continued)  
December 31, 2019 and 2018

### 6) FIXED ASSETS (Continued)

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
<b>Fixed Assets</b>				
Building	\$ 1,071,903	\$ -	\$ -	\$ 1,071,903
Office Equipment	125,748	31,583	(3,778)	153,553
Office Furniture	10,024	-	-	10,024
Audio Visual Equipment	7,225	-	-	7,225
Automobiles	218,311	-	-	218,311
Others	13,168	-	(305)	12,863
<b>TOTAL</b>	1,446,379	31,583	(4,083)	1,473,879
Less Accumulated Depreciation	(417,952)	(99,931)	4,083	(513,800)
<b>Net Fixed Assets</b>	<u>\$ 1,028,427</u>	<u>\$ (68,348)</u>	<u>\$ -</u>	<u>\$ 960,079</u>

Depreciation expense was \$116,162 and \$99,931 for the year ended December 31, 2019 and 2018, respectively.

### 7) PENSION PLAN

The Organization started a 401(k)-pension plan on January 1, 2000 for all employees in the headquarters in the USA, who have attained the age of 20 ½ years. Employees may join the plan on 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 100% match on eligible employee contributions to the plan up to a maximum allowable by the plan. This was increased from 50% match in the previous years. The Organization contributed \$54,017 and \$45,506 in fiscal years 2019 and 2018, respectively, to the plan.

### 8) RELATED PARTY TRANSACTIONS

The Organization partners with Mercy-USA for Aid & Development, (Canada) towards providing relief and development activities. For the years ended December 31, 2019 and 2018 the Organization collected \$25,930 and \$26,661 respectively, on behalf of Mercy-USA for Aid & Development, (Canada) and received \$57,425 and \$77,064, respectively, from Mercy-USA for Aid & Development, (Canada). As at December 31, 2019 and 2018, an amount of \$195 and \$335, respectively, was payable to Mercy-USA for Aid and Development, (Canada) and no amount was receivable from them.

**MERCY-USA FOR AID AND DEVELOPMENT, INC.**

Notes to Financial Statements (Continued)  
December 31, 2019 and 2018

**9) DONOR RESTRICTED NET ASSETS**

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

Purpose restriction accomplished:

	<u>2019</u>	<u>2018</u>
Albania Programs	\$ 143,165	\$ 117,600
Bosnia Programs	147,954	97,824
Indonesia Programs	118,711	298,045
Lebanon Programs	311,500	196,867
Somalia & Kenya Programs	14,312,211	14,205,799
Syria Programs	12,914,218	3,291,283
Gaza Programs	162,268	136,715
Rohingya Refugees Program	182,831	165,315
United States Programs	158,277	41,679
Pakistan	56,547	43,651
Yemen	163,492	28,801
India Programs	14,462	14,591
<b>Total Restrictions Released</b>	<u>\$ 28,685,636</u>	<u>\$ 18,638,170</u>

The details of the donor restricted net assets are as below:

	<u>2019</u>	<u>2018</u>
Albania	\$ -	\$ 2,054
Lebanon	-	3,351
Bosnia	-	2,030
Somalia and Kenya	-	117,473
Indonesia	2,399	4,602
Gaza	373,069	449,395
India	-	57
Rohingya Refugees	262,283	336,351
USA	58,408	-
Yemen	131,562	9,047
Pakistan	326,712	381,684
<b>Total</b>	<u>\$ 1,154,433</u>	<u>\$ 1,306,044</u>

**MERCY-USA FOR AID AND DEVELOPMENT, INC.**

Notes to Financial Statements (Continued)  
December 31, 2019 and 2018

**10) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization's working capital and cash flows have variations during the year attributable to the timing of grants and contribution receipts. Monthly cash outflows vary each year based on the specific requirements of the events and programs that year.

The following reflects the Organization's financial assets as of the balance sheet date, reduced by the amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions.

	<u>2019</u>	<u>2018</u>
Current Assets, at Year End	\$ 5,391,376	\$ 4,529,236
Less:		
Prepaid Insurance Expenses	(83,486)	(13,012)
Assets with Donor Restrictions	<u>(1,154,433)</u>	<u>(1,306,044)</u>
Financial assets available within one year to meet needs for general expenditures within one year	<u>\$ 4,153,457</u>	<u>\$ 3,210,180</u>

**11) CONTINGENCY**

The Organization is the recipient of several grants. The expenditures for each program are subject to audit by appropriate agencies. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any to be immaterial.

**12) NEW ACCOUNTING PRONOUNCEMENTS**

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers, in May 2014. The objectives of this ASU are to improve upon revenue recognition requirements by providing a single comprehensive model to determine the measurement of revenue and timing of recognition. The core principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This ASU also requires expanded qualitative and quantitative disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

FASB extended the effective date to the year ending December 31, 2020.

## MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Financial Statements (Continued)  
December 31, 2019 and 2018

### 12) NEW ACCOUNTING PRONOUNCEMENTS (Continued)

In February 2016, the FASB issued ASU No. 2016-02, Leases. The standard amends the existing lease accounting guidance and requires lessees to recognize a lease liability and a right-of-use asset for all leases on their balance sheets. Lessees of operating leases will continue to recognize lease expense in a manner like current accounting. For lessors, accounting for leases under the new guidance is substantially the same as in prior periods but eliminates current real estate-specific provisions and changes the treatment of initial direct costs. The standard will become effective for the Organization on January 1, 2022.

The Organization is currently evaluating the effect that the updated standard will have on the consolidated financial statements and related disclosures.

### 13) SUBSEQUENT EVENTS

The Organization has evaluated events through September 30, 2020, the date that the accompanying financial statements were available to be issued. No significant subsequent event was noted that required adjustment or disclosure in the financial statements.

### COVID 19

In early March 2020, the COVID-19 virus was declared a global pandemic, and it unfortunately continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, could be severely impacted for months or more, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

## MERCY-USA FOR AID AND DEVELOPMENT, INC.

Statement of Consolidated Functional Expenses  
Year Ended December 31, 2019  
(With Combined Comparative Totals for 2018)

Expenditures	Food, Shelter & Orphan Assistance	Health	Economic Vitalization	Education	Total Program Services	Management & General	Fund Raising	Total Expenditures	2018 Total Expenditures
Grants	\$ 342,315	\$ 20,145	\$ 64,998	\$ 193,512	\$ 620,970	\$ -	\$ -	\$ 620,970	\$ 460,460
Salaries & Wages	3,556,439	2,321,369	77,278	108,081	6,063,167	151,015	28,823	6,243,005	4,802,357
Employee Benefits	76,462	250,208	22,335	11,095	360,100	83,967	-	444,067	426,779
Advertising & Promotion	-	-	-	-	-	930	154,636	155,566	143,010
Transportation Expenses	594,920	538,958	4,648	14,989	1,153,515	1,825	-	1,155,340	986,166
Commercial Insurance	14,920	21,173	-	-	36,093	3,220	-	39,313	11,194
Conference, Meeting & Seminars	910	165	-	-	1,075	6,022	9,150	16,247	21,572
Consultants & Other Professional Services	44,363	4,770	2,410	12,311	63,854	2,140	15,050	81,044	163,575
Dues, Subscriptions, Fees, etc.	373	8,084	-	-	8,457	13,587	-	22,044	13,175
Legal	24,620	3,816	84	-	28,520	1,032	-	29,552	9,503
Accounting	5,150	28,260	-	-	33,410	12,600	-	46,010	38,617
Occupancy & Warehousing	140,894	174,149	10,152	31,024	356,219	23,610	3,309	383,138	324,052
Postage & Shipping, etc.	1,291	4,780	744	283	7,098	13,877	44	21,019	20,045
Printing & Copying	8,803	2,966	178	428	12,375	11,924	5,509	29,808	20,283
Program Materials	16,727,861	1,254,883	24,605	414,569	18,421,918	-	-	18,421,918	10,516,773
Telephone	45,571	51,618	1,753	1,054	99,996	3,831	-	103,827	93,164
Travel	199,584	229,839	16,019	25,116	470,558	26,689	-	497,247	456,705
Bank Charges/Currency Adjustment	61,914	117,729	8,667	13,896	202,206	4,666	45,190	252,062	226,022
Office Supplies and Equipment	56,679	86,101	1,233	2,026	146,039	25,377	141	171,557	211,802
Payroll Taxes	43,286	656	-	5,448	49,390	16,455	-	65,845	13,541
Uncollectible Accounts Receivables	-	-	-	-	-	12,614	-	12,614	-
Indirect cost	228,406	559,175	12,850	14,563	814,994	-	-	814,994	820,492
Depreciation	22,174	23,768	3,079	2,465	51,486	64,676	-	116,162	99,931
<b>Total</b>	<b>\$ 22,196,935</b>	<b>\$ 5,702,612</b>	<b>\$ 251,033</b>	<b>\$ 850,860</b>	<b>\$ 29,001,440</b>	<b>\$ 480,057</b>	<b>\$ 261,852</b>	<b>\$ 29,743,349</b>	<b>\$ 19,879,218</b>

## MERCY-USA FOR AID AND DEVELOPMENT, INC.

Supplemental Statement of Revenues and Program Expenses  
Year Ended December 31, 2019  
(With Combined Comparative Totals for 2018)

	ALBANIA	LEBANON <sup>1</sup>	BOSNIA	INDONESIA	SOMALIA & KENYA	SYRIA	GAZA	INDIA	ROHINGYA REFUGEES	USA	PAKISTAN	YEMEN	NOT DESIGNATED	TOTAL	TOTAL 2018
<b>REVENUES</b>															
Contributions from Public:															
General	\$ 16,769	\$ 67,964	\$ 12,924	\$ 43,908	\$ 304,164	\$ 538,737	\$ 85,942	\$ -	\$ 108,763	\$ 216,685	\$ 1,575	\$ 271,007	\$ 912,119	\$ 2,580,557	\$ 2,638,964
Food Aid	14,000	33,334	14,000	19,000	86,000	158,055	-	12,240	-	-	-	15,000	-	351,629	338,943
Orphan Fund	4,045	-	4,000	1,600	-	-	-	-	-	-	-	-	-	9,645	38,177
Education	6,297	-	7,500	2,000	-	-	-	-	-	-	-	-	-	15,797	20,181
Zakat	100,000	183,000	107,500	50,000	360,000	885,347	-	2,165	-	-	-	-	-	1,688,012	1,660,138
US Government Grants															
US Agency for International Development (USAID)	-	-	-	-	2,967,621	-	-	-	-	-	-	-	-	2,967,621	4,547,106
NGO Grants	-	-	-	-	1,231,106	-	-	-	-	-	-	-	-	1,231,106	197,617
United Nations (UN) Grants	-	23,851	-	-	4,061,919	2,162,184	-	-	-	-	-	-	-	6,247,954	3,738,333
Global Fund to Fight AIDS, Tuberculosis & Malaria (GFATM) Grants	-	-	-	-	352,197	-	-	-	-	-	-	-	-	352,197	322,583
Gifts In Kind - UN Agencies	-	-	-	-	4,831,731	9,169,895	-	-	-	-	-	-	-	14,001,626	5,772,680
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	82,070	82,070	81,153
Dividend Income	-	-	-	-	-	-	-	-	-	-	-	-	19,876	19,876	13,298
Gain/Loss on Foreign Currency Fluctuation	-	-	-	-	-	-	-	-	-	-	-	-	61,344	61,344	85,790
Gain/Loss on Sale of Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Events Ticket Sale	-	-	-	-	-	-	-	-	-	-	-	-	1,500	1,500	9,171
<b>Total Revenues</b>	<b>\$ 141,111</b>	<b>\$ 308,149</b>	<b>\$ 145,924</b>	<b>\$ 116,508</b>	<b>\$ 14,194,738</b>	<b>\$ 12,914,218</b>	<b>\$ 85,942</b>	<b>\$ 14,405</b>	<b>\$ 108,763</b>	<b>\$ 216,685</b>	<b>\$ 1,575</b>	<b>\$ 286,007</b>	<b>\$ 1,076,909</b>	<b>\$ 29,610,934</b>	<b>\$ 19,464,134</b>
<b>EXPENDITURES</b>															
<b>Program Services:</b>															
Food, Shelter & Orphan Assistance	\$ 28,660	\$ 247,995	\$ 22,056	\$ 50,078	\$ 8,783,133	\$ 12,623,083	\$ -	\$ 15,057	\$ 182,831	\$ 67,882	\$ 12,668	\$ 163,492	\$ -	\$ 22,196,935	\$ 12,556,265
Economic Vitalization	10,417	9,289	97,452	68,256	-	-	-	-	-	65,619	-	-	-	251,033	244,345
Health	-	43,980	-	-	5,188,060	450,427	-	-	-	20,145	-	-	-	5,702,612	5,940,023
Education	104,478	15,436	31,631	377	488,160	-	162,268	-	-	4,631	43,879	-	-	850,860	573,649
<b>Total Program Services</b>	<b>\$ 143,555</b>	<b>\$ 316,700</b>	<b>\$ 151,139</b>	<b>\$ 118,711</b>	<b>\$ 14,459,353</b>	<b>\$ 13,073,510</b>	<b>\$ 162,268</b>	<b>\$ 15,057</b>	<b>\$ 182,831</b>	<b>\$ 158,277</b>	<b>\$ 56,547</b>	<b>\$ 163,492</b>	<b>\$ -</b>	<b>\$ 29,001,440</b>	<b>\$ 19,314,282</b>

<sup>1</sup> Includes Palestinian refugees in Lebanon.

**MERCY-USA FOR AID AND DEVELOPMENT, INC.**

**Indirect Cost Allocation  
Year Ended December 31, 2019**

Expenditures	Total Cost	Allowable Indirect	Unallowable Indirect	Fund Raising Cost	Program Cost	Excluded Program Cost*	Total Direct Cost
Grants	\$ 620,970	\$ -	\$ -	\$ -	\$ 620,970	\$ -	\$ 620,970
Salaries & Wages	6,243,005	151,015	-	28,823	6,063,167	-	6,091,990
Employee Benefits	444,067	83,967	-	-	360,100	-	360,100
Advertising & Promotion	155,566	930	-	154,636	-	-	154,636
Transportation Expenses	1,155,340	1,825	-	-	1,153,515	-	1,153,515
Commercial Insurance	39,313	3,220	-	-	36,093	-	36,093
Conference, Meetings & Seminars	16,247	6,022	-	9,150	1,075	-	10,225
Consultants & Other Professional Services	81,044	2,140	-	15,050	63,854	-	78,904
Dues, Subscription, Fees etc.	22,044	13,587	-	-	8,457	-	8,457
Legal	29,552	1,032	-	-	28,520	-	28,520
Accounting	46,010	12,600	-	-	33,410	-	33,410
Occupancy & Warehousing	383,138	23,610	-	3,309	356,219	-	359,528
Postage & Shipping	21,019	13,877	-	44	7,098	-	7,142
Printing & Copying	29,808	11,924	-	5,509	12,375	-	17,884
Program Materials	18,421,918	-	-	-	18,421,918	14,001,626	4,420,292
Telephone	103,827	3,831	-	-	99,996	-	99,996
Travel	497,247	26,689	-	-	470,558	-	470,558
Bank Charges/Currency Adjustment	252,062	4,666	-	45,190	202,206	-	247,396
Office Supplies & Equipment	171,557	25,377	-	141	146,039	-	146,180
Payroll Taxes	65,845	16,455	-	-	49,390	-	49,390
Uncollectible Accounts Receivables	12,614	-	12,614	-	-	-	-
Indirect Cost	814,994	-	-	-	814,994	-	814,994
Depreciation	116,162	64,676	-	-	51,486	-	51,486
<b>Total</b>	<b>29,743,349</b>	<b>467,443</b>	<b>12,614</b>	<b>261,852</b>	<b>29,001,440</b>	<b>14,001,626</b>	<b>15,261,666</b>
Reclassify Overhead Charged to Program Costs	-	814,994	-	-	-	-	(814,994)
<b>Total</b>	<b>\$ 29,743,349</b>	<b>\$ 1,282,437</b>	<b>\$ 12,614</b>	<b>\$ 261,852</b>	<b>\$ 29,001,440</b>	<b>\$ 14,001,626</b>	<b>\$ 14,446,672</b>

Base = Total Direct Cost

Pool Cost \$ 1,282,437

Base Cost \$ 14,446,672

Indirect Rate 8.88%

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



## Mercy-USA for Aid and Development

44450 Pinetree Drive, Suite 201 • Plymouth, Michigan 48170-3869  
Telephone: 734-454-0011 • 1-800-55-MERCY (1-800-556-3729)  
FAX: 734-454-0303  
e-mail: info@mercyusa.org • website: mercyusa.org

## Other Mercy-USA Offices

Tirana, Albania      Nairobi, Kenya      Antakya, Turkey  
Tuzla, Bosnia      Tripoli, Lebanon  
Medan, Indonesia      Mogadishu, Somalia

## About Mercy-USA

Mercy-USA for Aid and Development 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, Mercy-USA's projects focus on improving health, nutrition and access to safe water, as well as promoting economic and educational growth around the world.

- Registered with the United States Agency for International Development (USAID)
- Special Consultative Status with the United Nations
- Member of InterAction

## Join Mercy-USA in Our Work in "Helping People Help Themselves"™

In addition to your one-time charitable donation, there are easy ways to donate that will benefit people in need around the world. Consider joining Mercy-USA in this vital effort with a sustaining gift:

### Automatic Giving Program

A gift of your choice can be automatically deducted monthly from your bank or major credit card account. Please clip the form on page 55 and mail it along with a voided check.

### Employee Matching Program

Encourage your employer to match your donation.

### Stocks

Mercy-USA accepts stocks as a charitable contribution.

### Make a Bequest

Remember Mercy-USA's mission in your will and make a bequest to benefit some of the world's most vulnerable people whom we serve.

### Be an Advocate for Mercy-USA's Mission

Volunteer in your community to promote Mercy-USA's work. Call us for details on how you can get involved.

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### Vice-Chairperson

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Mr. Anas Alhaidar, CFO

# Contribution/Pledge Form

*We cannot process your donation without your personal information!*



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City \_\_\_\_\_ State/Province \_\_\_\_\_ Zip/Postal Code \_\_\_\_\_ Country \_\_\_\_\_

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- One Time Donation \$** \_\_\_\_\_
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- Check**
- Credit Card** (Fill out Credit Card Section)
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- Pledge \$** \_\_\_\_\_

I give my permission to Mercy-USA/Mercy-USA (Canada) to withdraw from my Credit Card or Bank Account the amount I have indicated above. I also understand that I may change or end a monthly donation agreement at any time with a written notice.

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