MERCY-USA FOR AID AND DEVELOPMENT, INC.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

AND

SINGLE AUDIT REPORT

DECEMBER 31, 2020

Contents

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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, 2020 and 2019, the related consolidated statements of activities, and cash flows for the years then ended, functional expenses for the year ended December 31, 2020 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.

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, 2020 and 2019, 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 October 22, 2021 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 C. Young & Asso.

Detroit, Michigan
October 22, 2021

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Consolidated Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
ASSETS		
Current Assets		
Cash and Cash Equivalents (Note 2)	$ 4,971,885	$ 3,239,268
Pledges & Grants Receivable (Note 5)	1,723,052	2,061,260
Advance to Subcontractor	-	3,362
Notes Receivable - Micro-lending/SED (Note 1)	-	4,000
Prepaid Insurance and Expenses	18,938	83,486
Total Current Assets	6,713,875	5,391,376
Fixed Assets (Note 6)		
Building, Vehicles, Furniture & Equipment	1,605,969	1,592,517
Less: Accumulated Depreciation	(735,544)	(627,262)
Total Fixed Assets	870,425	965,255
Other Assets		
Security Deposits	12,871	12,871
Total Other Assets	12,871	12,871
Total Assets	$ 7,597,171	$ 6,369,502
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	$ 1,269,088	$ 1,503,921
Refundable Advances (Note 1)	1,132,801	596,260
Tenant Security Deposit	7,110	7,110
Payroll Liabilities	28,257	24,126
Accrued Payroll & Taxes	24,377	36,943
Advance Rent	-	5,700
Total Current Liabilities	2,461,633	2,174,060
Net Assets		
Without Donor Restrictions	3,602,607	3,041,009
With Donor Restrictions (Note 9)	1,532,931	1,154,433
Total Net Assets	5,135,538	4,195,442
Total Liabilities and Net Assets	$ 7,597,171	$ 6,369,502

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, 2020 and 2019

	2020			2019		
SUPPORT AND REVENUE	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Contributions From Public	$ 1,199,322	$ 4,098,952	$ 5,298,274	$ 912,119	$ 3,733,521	$ 4,645,640
US Agency for International Development (USAID)	-	1,450,826	1,450,826	-	2,967,621	2,967,621
NGO Grants	-	723,386	723,386	-	1,231,106	1,231,106
United Nation (UN) Grants	-	12,431,207	12,431,207	-	6,247,954	6,247,954
Global Fund to Fight AIDS, Tuberculosis & Malaria (GFATM) Grants	-	369,060	369,060	-	352,197	352,197
Contribution In-Kind - UN agencies (Note 4)	-	30,985,212	30,985,212	-	14,001,626	14,001,626
Rental Income	89,080	-	89,080	82,070	-	82,070
Dividend Income	11,840	-	11,840	19,876	-	19,876
Gain/Loss on Foreign Currency Fluctuation	114,809	-	114,809	61,344	-	61,344
Events Ticket Sale	-	-	-	1,500	-	1,500
Net Assets Released From Restrictions:						
Satisfaction of Service Restrictions (Note 9)	49,680,145	(49,680,145)	-	28,685,636	(28,685,636)	-
Total Support and Revenue	51,095,196	378,498	51,473,694	29,762,545	(151,611)	29,610,934
EXPENSES						
Program Services:						
Food, Shelter and Orphan Assistance	44,963,797	-	44,963,797	22,196,935	-	22,196,935
Health	4,041,327	-	4,041,327	5,702,612	-	5,702,612
Economic Vitalization	246,830	-	246,830	251,033	-	251,033
Education	428,191	-	428,191	850,860	-	850,860
Total Program Services	49,680,145	-	49,680,145	29,001,440	-	29,001,440
Supporting Services:						
Management and General	528,487	-	528,487	480,057	-	480,057
Fund Raising	324,966	-	324,966	261,852	-	261,852
Total Supporting Expenses	853,453	-	853,453	741,909	-	741,909
Total Expenses	50,533,598	-	50,533,598	29,743,349	-	29,743,349
Change In Net Assets	561,598	378,498	940,096	19,196	(151,611)	(132,415)
Net Assets - Beginning of Year	3,041,009	1,154,433	4,195,442	3,021,813	1,306,044	4,327,857
Net Assets - End of Year	$ 3,602,607	$ 1,532,931	$ 5,135,538	$ 3,041,009	$ 1,154,433	$ 4,195,442

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

Consolidated Statements of Cash Flows
Years Ended December 31, 2020 and 2019

CASH FLOWS FROM OPERATING ACTIVITIES	2020	2019
Change in Net Assets	$ 940,096	$ (132,415)
Adjustments to Reconcile Change in Net Asset to Cash Provided by (Used in) Operations:		
Depreciation	116,517	116,162
Uncollectible Accounts Receivable	3,902	12,614
Change in:		
Prepaid Insurance and Expenses	64,548	(70,474)
Pledges and Grants Receivable	334,306	(1,120,337)
Notes Receivable - Micro-lending/SED	4,000	2,000
Other Assets	3,362	(7,064)
Accounts Payable	(234,833)	801,778
Refundable Advances	536,541	142,354
Accrued Payroll and Taxes	(8,435)	56,301
Tenant Security Deposits	-	1,500
Advance Rent	(5,700)	1,500
Net Cash Provided by (Used in) Operating Activities	1,754,304	(196,081)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(21,687)	(121,338)
Net Cash Used in Investing Activities	(21,687)	(121,338)
Net Increase (Decrease) in Cash	1,732,617	(317,419)
Cash and Cash Equivalents - Beginning of Year	3,239,268	3,556,687
Cash and Cash Equivalents - End of Year	$ 4,971,885	$ 3,239,268

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

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Statement of Consolidated Functional Expenses
Year Ended December 31, 2020
(With Combined Comparative Totals for 2019)

Expenditures	Food, Shelter & Orphan Assistance	Health	Economic Vitalization	Education	Total Program Services	Management & General	Fundraising	Total Expenditures	2019 Total Expenditures
Grants	$ 245,625	$ -	$ 6,666	$ 293,015	$ 545,306	$ -	$ -	$ 545,306	$ 620,970
Salaries & Wages	5,280,280	1,983,024	83,069	61,037	7,407,410	210,827	4,266	7,622,503	6,243,005
Employee Benefits	62,562	127,826	22,436	-	212,824	94,526	-	307,350	444,067
Advertising & Promotion	-	-	-	-	-	643	188,757	189,400	155,566
Transportation Expenses	1,365,130	301,365	4,052	1,338	1,671,885	1,513	-	1,673,398	1,155,340
Commercial Insurance	5,900	36,351	-	-	42,251	2,228	-	44,479	39,313
Conference, Meeting & Seminars	1,600	1,127	357	-	3,084	-	-	3,084	16,247
Consultants & Other Professional Services	5,556	-	8,721	8,968	23,245	1,244	39,100	63,589	81,044
Dues, Subscriptions, Fees, etc.	664	9,480	650	-	10,794	21,910	5,000	37,704	22,044
Legal	289	-	466	-	755	2,007	-	2,762	29,552
Accounting	23,712	11,959	-	-	35,671	9,215	-	44,886	46,010
Occupancy & Warehousing	180,697	126,050	11,785	10,756	329,288	21,909	550	351,747	383,138
Postage & Shipping, etc.	874	97	536	282	1,789	19,538	3,583	24,910	21,019
Printing & Copying	10,370	12,680	1,527	33	24,610	12,336	6,479	43,425	29,808
Program Materials	36,867,441	826,707	61,734	22,199	37,778,081	-	-	37,778,081	18,421,918
Telephone	50,516	13,224	1,541	1,105	66,386	5,773	-	72,159	103,827
Travel	109,170	29,475	12,445	-	151,090	8,075	-	159,165	497,247
Bank Charges/Currency Adjustment	87,081	106,679	7,344	2,822	203,926	5,273	77,231	286,430	252,062
Office Supplies and Equipment	83,798	81,697	7,498	635	173,628	26,592	-	200,220	171,557
Payroll Taxes	94,486	602	-	5,088	100,176	18,239	-	118,415	65,845
Uncollectible Accounts Receivables	-	-	-	-	-	3,902	-	3,902	12,614
Indirect cost	463,964	348,830	12,924	18,448	844,166	-	-	844,166	814,994
Depreciation	24,082	24,154	3,079	2,465	53,780	62,737	-	116,517	116,162
Total	$ 44,963,797	$ 4,041,327	$ 246,830	$ 428,191	$ 49,680,145	$ 528,487	$ 324,966	$ 50,533,598	$ 29,743,349

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

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 set up in Canada during the previous 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 Matter*s. 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 restrictions and net assets with donor restrictions.

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

Basis of Presentation (Continued)

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. From time to time, the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. The Organization did not have board designated net assets as of December 31, 2020, or 2019, respectively.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources was restricted has been fulfilled, or both.

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, 2020 and 2019, 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, 2020 or 2019. 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, 2020 and 2019. 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.

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 $3,000 and a useful life in excess of one year are capitalized.

Advertising

The Organization expenses advertising costs as incurred. Advertising expense was $189,400 and $155,566 for the years ending December 31, 2020 and 2019, 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

Contributions - Contribution revenue is accounted for under FASB Accounting Standards Update ("ASU") 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). Contributions, including unconditional promises to give, are recognized in the period received. Contributions received are considered to be available for use unless specifically restricted by the donor. Amounts received that are designated for a future period or are restricted by the donor for specific purposes are reported as contributions with donor restrictions. These contributions also increase net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Contributions are reported at fair value, which is net of estimated uncollectible amounts. The Organization uses the allowance method to determine uncollectible, unconditional pledges receivable. The allowance is based on experience as well as management's analysis of specific pledges made, including such factors as prior collection history, type of contribution, and nature of fundraising activity.

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

Revenue Recognition (Continued)

Conditional promises to give, including those received under multi-year grant agreements are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. A promise is considered conditional only if the donor has stipulated one or more barriers that must be overcome before the Organization is entitled to the assets transferred or promised, and there also exists a right of return to the donor of any assets transferred or a right of release of the donor's obligation to honor the promise.

Grant Revenue - Under ASU 2018-08, these arrangements constitute contributions since the customer does not receive commensurate value for the consideration received by the Organization; rather, the purpose of an arrangement is for the benefit of the general public. Therefore, Organization management concluded that the agreements are conditional due to rights of return/ release and barriers to entitlement to funds. Revenue is recognized when the condition is satisfied. Because the nature of conditions is either based on incurring qualifying expenses or satisfying a milestone or other deliverable, the pattern of revenue recognition remained consistent with previous years. Under ASU 2018-08, a refundable advance is recorded when the Organization receives assets (i.e., cash) in advance of the satisfaction of the conditions within these arrangements.

Contributed Services - Contributed services are recognized as revenue if the services received create or enhance nonfinancial assets, require specialized skills provided by individuals possessing those skills and typically need to be purchased if not provided by donation. Contributed services are recorded at the fair market value of the services provided. There were no contributed services for the years ended December 31, 2020, and 2019.

Refundable Advances - On December 31, 2020, and 2019, the Organization had refundable advances on grants and contracts for sponsored projects of $1,132,801 and $596,260, respectively. These balances are recognized as liabilities and will be recognized as revenue as the projects progress and conditions are met, generally as expenses are incurred.

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

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 in 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, 2020, and 2019, were $0 and $4,000, respectively. There was no allowance for uncollectible against these loans.

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

	2020	2019
Bosnia	$ -	$ 4,000

Prepaid Expenses

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

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 financials statements. Accordingly, no adjustments were necessary.

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

Accounting Pronouncement Adopted in Fiscal Year 2020

For the year ended December 31, 2020, the Organization adopted Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes the prior revenue recognition requirements in Topic 605, Revenue Recognition. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The Organization adopted Accounting Standards Codification (ASC) 606 effective January 1, 2020, using the modified retrospective transition method. The adoption of ASU No. 2014-09 did not have a material impact on the financial statements.

2) CASH AND CASH EQUIVALENTS

The total cash held by the organization in the bank accounts (excluding outstanding checks and deposit in transit) total $4,595,533 and $3,550,611 of which $3,903,021 and $2,932,910 is not insured through federal depository insurance in fiscal years 2020 and 2019, 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.

3) PROGRAM AND SUPPORTING SERVICES (Continued)

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.

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 statements of activities are based on fair value of the goods received at the time of donation. The Organization received $30,985,212 and $14,001,626 in fiscal years 2020 and 2019, respectively.

5) PLEDGES AND GRANTS RECEIVABLE

Accounts receivable consist of Somalia, Kenya and Syria grant funding receivable from the USAID and the United Nations Grant agencies. Details of Accounts Receivable as of December 31, 2020 and 2019 are as follows:

	2020	2019
Grants Receivable	$ 1,614,317	$ 2,034,134
Pledges Receivable	108,735	27,126
	$ 1,723,052	$ 2,061,260

6) FIXED ASSETS

Fixed assets are comprised of the following:

Fixed Assets	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
Building	$ 1,120,403	$ 1,450	$ -	$ 1,121,853
Office Equipment	192,984	5,237	(510)	197,711
Office Furniture	11,467	-	-	11,467
Audio Visual Equipment	7,225	-	-	7,225
Automobiles	243,805	15,000	-	258,805
Others	16,633	-	(7,725)	8,908
TOTAL	1,592,517	21,687	(8,235)	1,605,969
Less Accumulated Depreciation	(627,262)	(116,517)	8,235	(735,544)
Net Fixed Assets	$ 965,255	$ (94,830)	$ -	$ 870,425

Fixed Assets	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
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
TOTAL	1,473,879	121,338	(2,700)	1,592,517
Less Accumulated Depreciation	(513,800)	(116,162)	2,700	(627,262)
Net Fixed Assets	$ 960,079	$ 5,176	$ -	$ 965,255

Depreciation expense was $116,517 and $116,162 for the year ended December 31, 2020 and 2019, 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 $58,335 and $54,017 in fiscal years 2020 and 2019, 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, 2020 and 2019 the Organization collected $29,575 and $25,930 respectively, on behalf of Mercy-USA for Aid & Development, (Canada) and received $59,068 and $57,425, respectively, from Mercy-USA for Aid & Development, (Canada). As at December 31, 2020 and 2019, an amount of $2,219 and $195, respectively, was payable to Mercy-USA for Aid and Development, (Canada) and no amount was receivable from them.

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:

	2020	2019
Albania Programs	$ 118,333	$ 143,165
Bosnia Programs	113,907	147,954
Indonesia Programs	186,230	118,711
Lebanon Programs	332,878	311,500
Somalia & Kenya Programs	13,733,789	14,312,211
Syria Programs	34,652,452	12,914,218
United States Programs	55,928	158,277
Gaza Programs	159,666	162,268
Rohingya Refugees Program	-	182,831
Pakistan	172,325	56,547
Yemen	154,637	163,492
India Programs	-	14,462
Total Restrictions Released	$ 49,680,145	$ 28,685,636

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

	2020	2019
Albania	$ 696	$ -
Bosnia	1,146	-
Indonesia	2,408	2,399
Lebanon	30,209	-
Somalia and Kenya	6,269	-
Syria	315,835	-
USA	34,780	58,408
Gaza	302,673	373,069
Rohingya Refugees	279,775	262,283
Pakistan	188,871	326,712
Yemen	367,592	131,562
Other	2,677	-
Total	$ 1,532,931	$ 1,154,433

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.

	2020	2019
Current Assets, at Year End	$ 6,713,875	$ 5,391,376
Less:		
Prepaid Insurance Expenses	(18,938)	(83,486)
Assets with Donor Restrictions	(1,532,931)	(1,154,433)
Financial assets available within one year to meet needs for general expenditures within one year	$ 5,162,006	$ 4,153,457

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

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, Leases, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending December 31, 2022, and will be applied using a modified retrospective transition method to either the beginning of the earliest period presented or the beginning of the year of adoption. The effect of applying the new lease guidance on the consolidated financial statements has not yet been determined but is expected to significantly increase long-term assets and lease liabilities upon adoption. The effects on the results of operations are not expected to be significant, as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

13) SUBSEQUENT EVENTS

The Organization has evaluated events through October 22, 2021, 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 except as noted below.

In early March 2020, the COVID-19 virus was declared a global pandemic, and it unfortunately continues to impact business operations. 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.

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

Federal/Pass Through Grantor Program Title	Federal CFDA Number	Grant Identifying Number	Award Amount	Provided to Subrecipients	Total Federal Expenditures
U.S. Agency for International Development (USAID)					
Emergency Food Security Program in Syria	98.001	72DFFP20GR00044	$ 4,048,914	$ -	$ 1,450,826
Total Federal Financial Assistance			$ 4,048,914	$ -	$ 1,450,826

See Notes to Schedule of Expenditures of Federal Awards.

1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs of Mercy-USA for Aid & Development, Inc. (the Organization) for the year ended December 31, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

3) EXPENDITURE REPORTS

Management has reconciled the expenditures reported in the Schedule of Expenditures of Federal Awards to those amounts reported in the annual or final cost reports.

4) INDIRECT COST RATE

The Organization has elected not to use the percent deminimis indirect cost rate allowed under the Uniform Guidance.

5) SUBSEQUENT EVENTS

All subsequent events related to the major programs were evaluated through October 22, 2021, the date the accompanying reports were available to be issued. No significant event was noted that required adjustment or disclosure in the accompanying reports.

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

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the 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, the financial statements of Mercy-USA for Aid & Development, Inc. (the Organization), which comprise the consolidated statements of financial position as of December 31, 2020 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 22, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's consolidated financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alan C. Young & Asso.

Detroit, Michigan
October 22, 2021

Alan C. Young & Associates, P.C.
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited Mercy-USA for Aid & Development, Inc.'s (the Organization) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2020. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Alan C. Young & Asso.

Detroit, Michigan
October 22, 2021

SECTION 1 – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued:	Unmodified	
Internal Control over Financial Reporting:		
• Material Weakness(es) Identified?	______ Yes	__X__ No
• Significant Deficiency(ies) Identified	______ Yes	__X__ None Reported
• Noncompliance Material to Financial Statements Noted?	______ Yes	__X__ No

Federal Awards

Internal Control over Major Program(s):		
• Material Weakness(es) Identified?	______ Yes	__X__ No
• Significant Deficiency(ies) Identified	______ Yes	__X__ None Reported
Type of auditor's report issued on compliance for major program(s):	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)	______ Yes	__X__ No

Identification of Major Program(s):

CFDA Number(s)	Name of Federal Program or Cluster
98.001	U.S. Agency for International Development (USAID) Emergency Food Security Program in Syria

Dollar Threshold used to Distinguish Between Type A and Type B programs: $750,000

Auditee Qualified as Low-Risk Auditee?	__X__ Yes	______ No

SECTION II – FINANCIAL STATEMENT AUDIT FINDINGS

No Financial Audit Findings.

SECTION III – FEDERAL PROGRAM AUDIT FINDINGS

No Federal Program Audit Findings.

SECTION II - FINANCIAL STATEMENT AUDIT FINDINGS

None

SECTION III - FEDERAL PROGRAM AUDIT FINDINGS

None

OTHER SUPPLEMENTAL INFORMATION

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Supplemental Statement of Revenues and Program Expenses
Year Ended December 31, 2020
(With Combined Comparative Totals for 2019)

	ALBANIA	BOSNIA	INDONESIA	LEBANON[1]	SOMALIA & KENYA	SYRIA	USA	GAZA	ROHINGYA REFUGEES	PAKISTAN	YEMEN	OTHER	NOT DESIGNATED	TOTAL	TOTAL 2019
REVENUES															
Contributions from Public:															
General	$ 18,790	$ 24,753	$ 24,139	$ 168,070	$ 296,318	$ 729,923	$ 17,425	$ 89,270	$ 17,492	$ 13,484	$ 318,207	$ 2,677	$ 1,114,429	$ 2,834,977	$ 2,580,557
Food Aid	14,000	14,000	15,500	28,160	101,000	75,290	14,875	-	-	21,000	72,460	-	84,893	441,178	351,629
Orphan Fund	10,000	11,300	600	-	657	-	-	-	-	-	-	-	-	22,557	9,645
Education	6,239	-	-	-	-	-	-	-	-	-	-	-	-	6,239	15,797
Zakat	70,000	65,000	146,000	-	966,470	700,000	-	-	-	-	-	-	-	1,947,470	1,688,012
COVID-19	-	-	-	-	45,853	-	-	-	-	-	-	-	-	45,853	-
US Government Grants															
US Agency for International Development (USAID)	-	-	-	-	-	1,450,826	-	-	-	-	-	-	-	1,450,826	2,967,621
NGO Grants	-	-	-	-	723,386	-	-	-	-	-	-	-	-	723,386	1,231,106
United Nations (UN) Grants	-	-	-	166,857	5,604,131	6,660,219	-	-	-	-	-	-	-	12,431,207	6,247,954
Global Fund to Fight AIDS, Tuberculosis & Malaria (GFATM) Grants	-	-	-	-	369,060	-	-	-	-	-	-	-	-	369,060	352,197
Contributions In-Kind - UN Agencies	-	-	-	-	5,633,183	25,352,029	-	-	-	-	-	-	-	30,985,212	14,001,626
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	89,080	89,080	82,070
Dividend Income	-	-	-	-	-	-	-	-	-	-	-	-	11,840	11,840	19,876
Gain/Loss on Foreign Currency Fluctuation	-	-	-	-	-	-	-	-	-	-	-	-	114,809	114,809	61,344
Events Ticket Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500
Total Revenues	$ 119,029	$ 115,053	$ 186,239	$ 363,087	$ 13,740,058	$ 34,968,287	$ 32,300	$ 89,270	$ 17,492	$ 34,484	$ 390,667	$ 2,677	$ 1,415,051	$ 51,473,694	$ 29,610,934
EXPENDITURES															
Program Services:															
Food, Shelter & Orphan Assistance	$ 22,550	$ 22,685	$ 27,088	$ 61,826	$ 11,123,113	$ 33,480,691	$ 49,262	$ -	$ -	$ 21,945	$ 154,637	$ -	$ -	$ 44,963,797	$ 22,196,935
Economic Vitalization	9,032	60,560	159,142	11,430	-	-	6,666	-	-	-	-	-	-	246,830	251,033
Health	-	-	-	258,890	2,610,676	1,171,761	-	-	-	-	-	-	-	4,041,327	5,702,612
Education	86,751	30,662	-	732	-	-	-	159,666	-	150,380	-	-	-	428,191	850,860
Total Program Services	$ 118,333	$ 113,907	$ 186,230	$ 332,878	$ 13,733,789	$ 34,652,452	$ 55,928	$ 159,666	$ -	$ 172,325	$ 154,637	$ -	$ -	$ 49,680,145	$ 29,001,440

[1] Includes Palestinian refugees in Lebanon.

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Indirect Cost Allocation
Year Ended December 31, 2020

Expenditures	Total Cost	Allowable Indirect	Unallowable Indirect	Fundraising Cost	Program Cost	Excluded Program Cost*	Total Direct Cost
Grants	$ 545,306	$ -	$ -	$ -	$ 545,306	$ -	$ 545,306
Salaries & Wages	7,622,503	210,827	-	4,266	7,407,410	-	7,411,676
Employee Benefits	307,350	94,526	-	-	212,824	-	212,824
Advertising & Promotion	189,400	643	-	188,757	-	-	188,757
Transportation Expenses	1,673,398	1,513	-	-	1,671,885	-	1,671,885
Commercial Insurance	44,479	2,228	-	-	42,251	-	42,251
Conference, Meetings & Seminars	3,084	-	-	-	3,084	-	3,084
Consultants & Other Professional Services	63,589	1,244	-	39,100	23,245	-	62,345
Dues, Subscription, Fees etc.	37,704	21,910	-	5,000	10,794	-	15,794
Legal	2,762	2,007	-	-	755	-	755
Accounting	44,886	9,215	-	-	35,671	-	35,671
Occupancy & Warehousing	351,747	21,909	-	550	329,288	-	329,838
Postage & Shipping	24,910	19,538	-	3,583	1,789	-	5,372
Printing & Copying	43,425	12,336	-	6,479	24,610	-	31,089
Program Materials	37,778,081	-	-	-	37,778,081	30,985,212	6,792,869
Telephone	72,159	5,773	-	-	66,386	-	66,386
Travel	159,165	8,075	-	-	151,090	-	151,090
Bank Charges/Currency Adjustment	286,430	5,273	-	77,231	203,926	-	281,157
Office Supplies & Equipment	200,220	26,592	-	-	173,628	-	173,628
Payroll Taxes	118,415	18,239	-	-	100,176	-	100,176
Uncollectible Accounts Receivables	3,902	-	3,902	-	-	-	-
Indirect Cost	844,166	-	-	-	844,166	-	844,166
Depreciation	116,517	62,737	-	-	53,780	-	53,780
Total	50,533,598	524,585	3,902	324,966	49,680,145	30,985,212	19,019,899
Reclassify Overhead Charged to Program Costs	-	844,166	-	-	-	-	(844,166)
Total	$ 50,533,598	$ 1,368,751	$ 3,902	$ 324,966	$ 49,680,145	$ 30,985,212	$ 18,175,733

Base = Total Direct Cost	
Pool Cost	$ 1,368,751
Base Cost	$ 18,175,733
Indirect Rate	7.53%

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