

2023

ANNUAL REPORT



Mercy-USA

Mercy-USA for Aid and Development



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Mercy-USA®

Mercy-USA for Aid and Development

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Food Security for Some of the Worst Hit Countries

When natural disasters, the onslaught of conflict, or other emergencies occur, Mercy-USA responds to urgent needs. More often than not, the first need in emergency contexts is food aid. In 2023, we provided emergency food aid to families in Turkey and Syria after the major earthquakes and we responded with emergency food aid in Somalia in response to severe drought. All during 2023, we providing monthly food aid in Syria and Yemen.



Mercy-USA provided emergency food packages and hot meals to families in the Turkey/Syria earthquakes affected region. Despite being directly affected by the devastation caused by the quakes, our staff rallied and immediately began the procurement and distribution of emergency food packages for families hardest hit by the disaster. We continued to provide daily hot meals to families who had been made homeless in Turkey.



In 2023, Mercy-USA distributed monthly food baskets to families in northern Syria and in Yemen. Both countries have been devastated by war and conflict leaving tens of thousands destitute and hungry. Monthly food baskets that contained nutritious staple foods were the one thing these families were able to count on during extremely uncertain times in both countries. Our food baskets were designed to provide optimal nutrition to large families who, before inclusion in our program, were faced with impossible choices. Faced with feeding their children or finding ways to keep them warm and dry in the winter, or sheltered during the searing heat of summer caused terrible emotional hardship.



Mercy-USA provided life-saving emergency food distributions to those affected by the drought in several parts of Somalia during 2023. Widowed Sirad, a 64-year-old grandmother of 13 grandchildren fled from her village after all of the family's cattle was lost to the severe drought conditions in Somalia. Sirad's family benefited from the food basket distribution. She said, "Life became so difficult once we lost all of our 50 cows and 25 goats. Our big family regularly goes without food." As she listed all the contents of her food basket she said, "This is our first time being helped by a humanitarian agency and our lives have improved since we have enough food to eat and have milk for young ones. I thank the people who donated their money to light our fire and make our stomachs full."

Nutrition Support for Mothers and Their Children

After emergency situations clear the crisis stage, it's vital to ensure everyone has proper nutrition to rebuild society. This is especially crucial for the children under five and pregnant and nursing mothers. The first line of defense is identifying the problem before it becomes irreversible. In 2023, Mercy-USA focused on this issue in Somalia, Syria and Lebanon.



Seven-month-old orphan, Mocow was brought to Mercy-USA Mother and Child Health and Nutrition Center in Somalia by his elder sister Hamida. Because he lost his mother at birth, he had not been breastfed causing him to be underweight and sick. Mercy-USA nutrition staff screened Mocow and found him to be suffering from severe acute malnutrition, dehydration and fever. The baby was treated successfully over the course of a few weeks. His sister Hamida said, "When I first brought him here was unable to even drink milk, but soon his health began to improve when he was given the therapeutic nutrition supplement. I'm extremely grateful for the free nutrition care provided to my younger brother, who had never had the chance to visit a clinic before."

With the generous support of UNICEF, Mercy-USA provided free nutrition services to the crisis-affected populations living in Somalia.



In Syria, during a field nutrition screening, Mercy USA team of nutritionists and health workers discovered a family with triplets. Two of them had severe acute malnutrition and one had moderate acute malnutrition. Their mother, just 17 years old and living in a difficult situation, had struggled to breastfeed all three babies. As a result she and her husband resorted to baby formula that soon became unaffordable. At only four months, the babies were fed only cooked rice resulting in severe malnutrition. When the babies' malnutrition was detected by the Mercy-USA Rapid Response team the children were immediately treated with nutritional supplements. The family was also counseled on best feeding practices. The children recovered completely and when last seen all three were walking and reaching the appropriate developmental milestones.



As in Syria, children under five were screened and treated for malnutrition in Lebanon. Community health workers identified vulnerable children under five and pregnant and lactating mothers in 19 localities throughout Lebanon. Thanks to the support of the United Nations Office for the Coordination of Humanitarian Affairs, this program that served the Syrian refugee population as well as poor Lebanese families improved the health and nutrition of thousands.



Saving & Improving Lives with Healthcare Interventions

Access to free healthcare is a lifeline for those who live in regions ravaged by war, conflict or natural disasters. Mercy-USA has urgent care, preventative care and other interventions in Gaza, Somalia, Syria and in Lebanon where our mobile medical unit in Lebanon served the healthcare needs Syrian refugee and Lebanese families were not able to access affordable care otherwise.



Before the invasion of Gaza in October, 2023, Mercy-USA supported an important education project operated by the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) to offer blind or visually impaired children early intervention and subsequent integration into mainstream schools. This special school provided material and technical support to the children to access learning. Support included eyeglasses to improve their impaired vision if appropriate. Sadly, after the invasion, this school was among all other UNRWA schools designated as shelters for families as a refuge from the violence all around them. We also supported diabetes screening and mammograms for the general population through a grant to UNRWA until the war there made the program impossible.



Pregnant, Sahra Ali Osman, a 20 year old mother of three children visited the Mercy-USA Mother and Child Health Center in Bundaweyn, Somalia in 2023 while in labor. She was examined by one of our midwives and was helped through her birthing experience where she gave birth to a healthy baby girl.

Before giving birth, Sahra had been making regular visits to the Mercy-USA Mother and Child Health Center where she received prenatal care and counseling. After giving birth, she and her baby were given post-natal care including life-saving immunizations for the baby. Sahra said, "My perception of cultural norms has changed. Through my regular visits to the health center and participation in sessions with other pregnant mothers, I gave birth in a hospital for the first time. I also received training on feeding methods as well hygiene practices. I'm leaving the hospital with a cheerful outlook for my daughter's future!"



Mercy-USA provided critical healthcare services to thousands of internally displaced Syrians at our Kelly health care center in Idlib province, Syria. In 2023, it was considered one of the most crucial facilities in northwest Syria in an area overcrowded with internally displaced families.

The facility provided birthing services and pre- and post-natal care, nutrition screening, as well as treatment for diarrhea, respiratory tract infections and skin conditions for children under five. Adults were treated for chronic conditions including access to psychosocial support.

The facility also featured a pharmacy and an advanced diagnostic lab.

Clean Water in Somalia's Climate Crisis Struggle

The effects of climate change continued to negatively impact Somalia with drought and flooding in 2023. Mercy-USA responded by building wells to impact communities with safe, nearby access to clean water. Clean water improves the lives of an entire community, especially young children who are most vulnerable to malnutrition caused by diarrhea from drinking contaminated water. Lastly, safe water improves the quality of life for women and girls, as the chore of fetching water falls on them in this traditional society.



In addition to wells in 2023, Mercy-USA took on the larger project of rehabilitating water berkads or water cisterns that retain rainwater and/or trucked fresh water safely. Traditionally, these tanks were dug to collect rainwater and often were set up to capture runoff from streams into a catch pond so mud and other particulates would settle

before entering the berkad. However, these berkads, (about the size of a large swimming pool), were uncovered, allowing for evaporation in the unrelenting sun and were susceptible to contamination. Just as importantly, the berkads we rebuilt had been uncovered and poorly built resulting in the deaths of five children who had gone to fetch water in one year alone.

The four berkads we rebuilt now serve the clean water needs of over 10,000 people. In the case of extreme drought, these communities can request water trucking and will be prioritized by the government and non-government agencies since the water delivered will remain clean and safe for the duration.





Providing a Place to Call Home

In northwest Syria there were at least 2 million displaced persons living in tents that were meant to be temporary shelters. In 2023, Mercy-USA installed **XX** semi-permanent homes for families who had been surviving in tent encampments. These new “neighborhoods” of shelter homes include a water tower, and lights for security.



Essentially made homeless due to the war, Abo Mohamed had previously been a successful businessman dealing with livestock and managing an olive grove. He was proud to provide everything his family of seven needed, but in 2019, they had to flee their home to a safer location. They lost everything as they sought a safer haven. They arrived in a tent encampment in northwest Syria, safer from military action, Abo Mohamed had no livelihood nor assets left from his previous life.

In 2023, the family struggled in an old tent that his wife was continuously mending. “Last winter was a misery, we spent the months cold and the tent was almost always soaking wet. We’d hope for sunny weather so that the mattress and blankets would dry out”, he said.



The family moved into their shelter, and safe from flooding, mud and cold in the winter and hot, dusty summer winds and insects and snakes. “The children are protected from the elements and my wife is happy to have a home that she can keep clean.”

Mercy-USA has been providing technical advice and assistance to sustenance farmers in Albania for many years. The help these farmers receive have helped them increase their yields and grow their capacity. These farmers, in turn teach the same valuable information to other farmers in the area, lifting their greater farming community.





Education

Any community's hope for a better future depends on the education of its youth. Mercy-USA supported education projects in many countries including the USA. In Albania, (at left) our Read to Succeed project has been stocking public school libraries for a dozen years. The project provides literature and reference titles that have been missing in the country's struggling public schools.



Before the war in Gaza in 2023, Mercy-USA supported blind and visually impaired children in an important education project operated by the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) to offer blind or visually impaired children early intervention and subsequent integration into mainstream schools. This special school provided material and technical support to the children to access learning.

In 2023, Mercy-USA is providing the funds to rehabilitate critical infrastructure of the school facility. Sadly, since the war began, and the facility has been used to shelter families, it's unclear if the building will be intact in the future.



In 2023, Mercy-USA sponsoring an after-school mentoring project in the Detroit area that served the needs of newly arrived Afghan refugee youth. The children were helped with their homework by American teen mentors providing the students a safe connection with an older peer. The kids were also provided a healthy snack and lots of love and support as they learned to navigate a new life, a new language and climate!



Children whose parents struggle to give their children the requisite school supplies on their very first day beginning their education journey were gifted everything needed. Backpacks loaded with all that the kindergarten children were required to bring on their first day of school were distributed with lots of smiles and relief for parents.



In Albania, getting accepted into college or finding a good job after high school requires English and computer skills. Unfortunately, the public schools do not provide comprehensive instruction that is adequate for mastery in these areas. This is a roadblock for students of limited means who can't afford private tutoring after school. Mercy-USA provided this after school instruction by qualified teachers to kids who are at risk or orphaned.



Ready When Disaster Strikes

Preparation for unexpected events, especially natural disasters are a challenge for any community, especially for those in the society who were already struggling with everyday needs before the crisis occurred. This is where Mercy-USA staff on the ground really shine with a quick response when help is most needed.



In February, 2023, two earthquakes struck southern Turkey as well as across the nearby northern Syria. Mercy-USA has had coordination offices in Antakya, Turkey, the epicenter of the major earthquake since 2012. Most of our staff lived in the city and unfortunately, 3 of our own staff members and their families were killed in the quake. Traumatized and even injured, our staff members mobilized to help those who were left without access to safe shelter. We distributed emergency food packages and fresh water in the first days after the quake. We continued daily hot meals for months beyond to mostly Syrian refugees who were stranded without support. Our 600 people strong Syria team across the border in Idlib province did much of the same for the thousands impacted by the destruction wrought by the quakes. At the time, there was only one border crossing into the region and it remained closed for an extended period of time. Thankfully, Mercy-USA had food stores in Syria and we were able to provide immediate food aid to those who had lost their homes in the earthquake.



In March of 2023, thousands of Rohingya refugees in Cox's Bazar experienced a destructive fire that raged through two camps where most homes were flimsily constructed bamboo structures. These homes burnt up like matchsticks leaving thousands homeless. Mercy-USA immediately mobilized and provide ready-to-eat hot meals and other survival items to offer fast help to those affected families.



Again in Bangladesh, five months after the fire that affected thousands of Rohingya refugees, the monsoon rains swept through Cox's Bazar causing major mudslides that buried homes built tightly along the steep hillsides. Our team again immediately mobilized and provided hot meals and an emergency relief kit to each affected household.



Seasonal Food Distributions

Mercy-USA provided seasonal food aid for needy families around the world and the USA in observance of Ramadan, Eid Al Fitr and Eid Al Adha. In 2023, we provided food to families in 10 countries in all.

Since our founding, Mercy-USA has served hundreds of thousands of needy people each year for these special observances.

Winter in Michigan is Brutal...Helping Those Most at Risk

In the Fall of 2023, with many local partners, Mercy-USA organized seven packaging events that resulted in the assembly of 1,000 hygiene packages, over 150 feminine hygiene packages, and 300 winter warmth package, including \$50 gift cards for purchasing coats.



In addition to the kits provided by Mercy-USA, twelve donation boxes were strategically placed across Southeast Michigan, with seven in places of worship, three in educational institutions, and two in local businesses. The response from donors was overwhelming, providing a wide range of brand-new personal care and winter warmth items. From hygiene products to essential clothing items and everyday use items, the diverse donations from these boxes helped us meet the varying needs of beneficiaries.

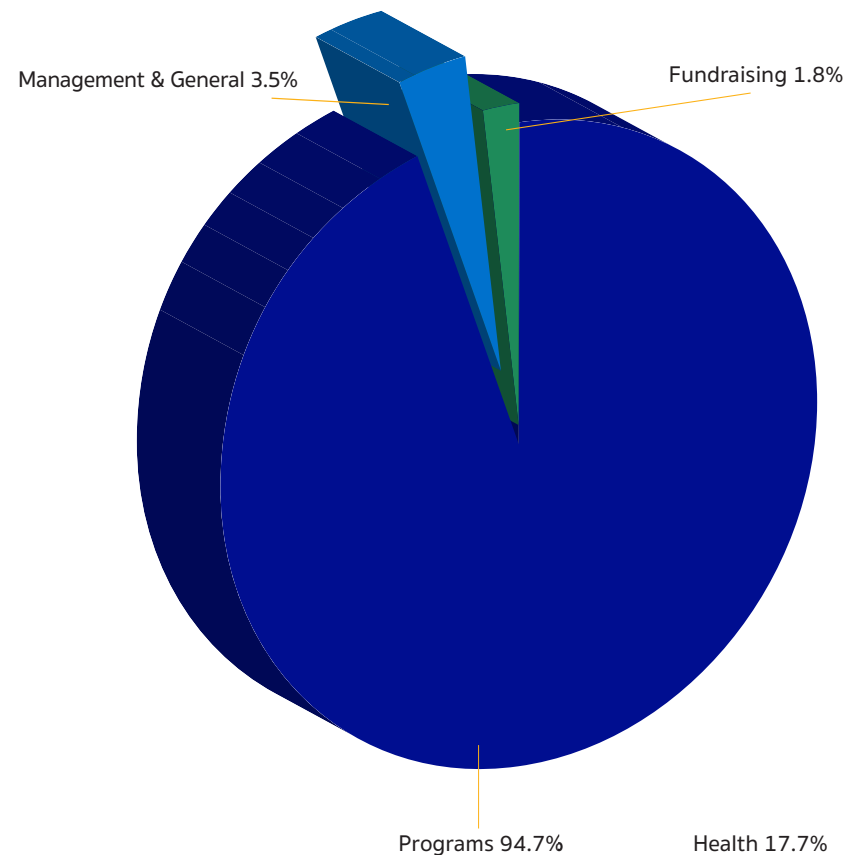
The items collected from these donation boxes were distributed based on established needs to eleven shelters and transitional homes across Washtenaw County and Wayne County. This targeted approach ensured that the support reached those who needed it the most, bringing warmth and comfort during the winter months.



The generosity of donors not only provided essential items but also conveyed a message of hope and solidarity to those facing housing insecurity. Contributions made a tangible difference in the lives of individuals and families in the Detroit community, one package at a time.

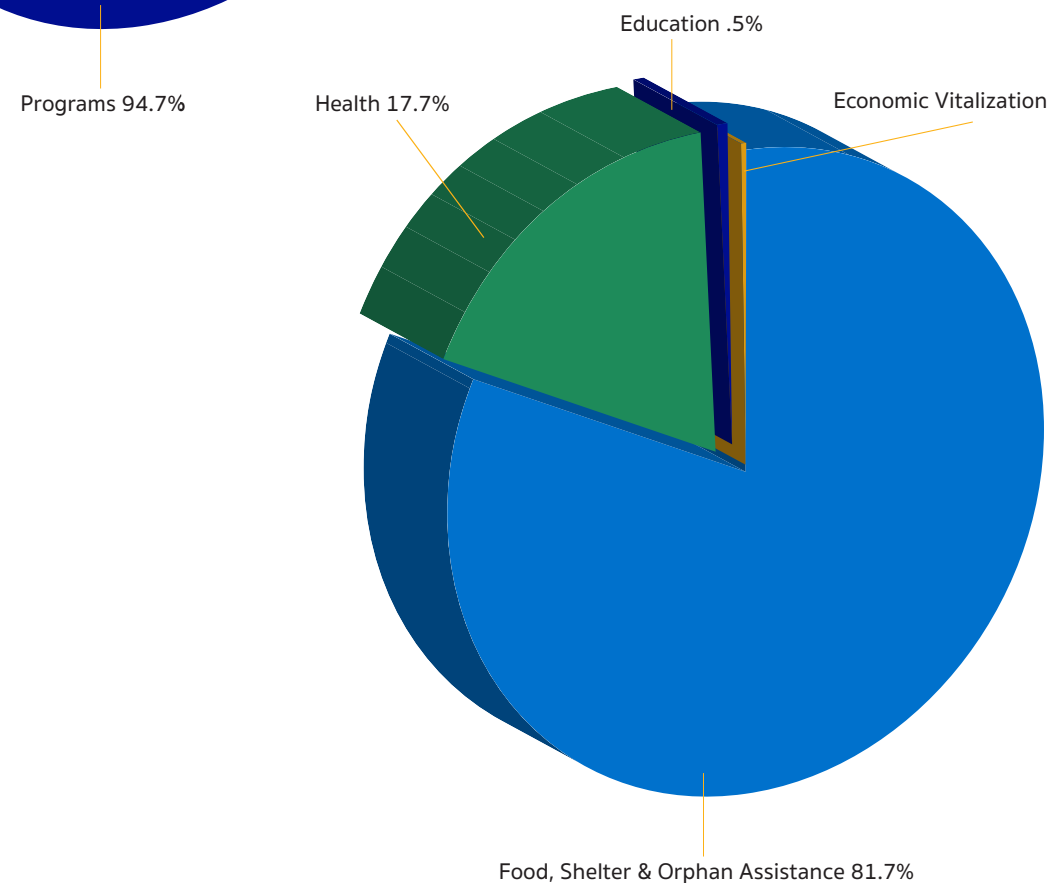
Functional Expenses

January 1 to December 31, 2023



Program Expenses

January 1 to December 31, 2023



Alan C. Young & Associates, P.C.

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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 Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Mercy-USA for Aid and Development, Inc (a nonprofit organization) (the Organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Independent Auditor's Report
(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Independent Auditor's Report
(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and other supplemental information as identified in the table of contents are fairly stated, in all material respects, in relation to the 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 20, 2024, 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 solely 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 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 Organization's internal control over financial reporting and compliance.



Detroit, Michigan
September 20, 2024

MERCY-USA FOR AID AND DEVELOPMENT, INC.**Consolidated Statements of Financial Position
December 31, 2023 and 2022**

	2023	2022
ASSETS		
Current Assets		
Cash and Cash Equivalents (Note 2)	\$ 5,702,995	\$ 7,640,293
Investments (Note 4)	10,130	10,588
Pledges & Grants Receivable, net (Note 6)	1,126,397	2,097,129
Advance to Subcontractor	11,951	-
Prepaid Insurance & Expenses	32,474	15,825
Total Current Assets	6,883,947	9,763,835
Fixed Assets (Note 7)		
Building, Vehicles, Furniture & Equipment	1,653,942	1,656,051
Less: Accumulated Depreciation	(986,494)	(925,736)
Total Fixed Assets	667,448	730,315
Other Assets		
Security Deposits	12,371	15,371
Total Other Assets	12,371	15,371
Total Assets	\$ 7,563,766	\$ 10,509,521
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 3,165,760	\$ 2,070,788
Refundable Advances (Note 1)	648,187	1,790,727
Tenant Security Deposit	8,325	8,325
Payroll Liabilities	12,921	21,689
Accrued Payroll & Taxes	1,893	2,721
Total Current Liabilities	3,837,086	3,894,250
Net Assets		
Without Donor Restrictions	1,618,010	4,659,653
With Donor Restrictions (Note 10)	2,108,670	1,955,618
Total Net Assets	3,726,680	6,615,271
Total Liabilities and Net Assets	\$ 7,563,766	\$ 10,509,521

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, 2023 and 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions From Public	\$ 1,392,859	\$ 6,837,856	\$ 8,230,715	\$ 1,391,222	\$ 5,503,039	\$ 6,894,261
US Agency for International Development (USAID)	-	6,475,630	6,475,630	-	9,688,714	9,688,714
United Nation (UN) Grants	-	19,310,870	19,310,870	-	16,208,495	16,208,495
Global Fund to Fight AIDS, Tuberculosis & Malaria (GFATM) Grants	-	335,550	335,550	-	306,022	306,022
Contribution In-Kind - UN agencies	-	19,342,151	19,342,151	-	32,817,080	32,817,080
Rental Income	95,700	-	95,700	90,500	-	90,500
Dividend Income	52,765	-	52,765	19,998	-	19,998
Gain/Loss on Foreign Currency Fluctuation	203,295	-	203,295	430,103	-	430,103
Realized Gain/Loss	7,050	-	7,050	-	-	-
Gain/Loss on Sale of Equipment	14,097	-	14,097	-	-	-
Net Assets Released From Restrictions:						
Satisfaction of Service Restrictions (Note 10)	52,149,005	(52,149,005)	-	64,516,914	(64,516,914)	-
Total Support and Revenue	53,914,771	153,052	54,067,823	66,448,737	6,436	66,455,173
EXPENSES						
Program Services:						
Food, Shelter and Orphan Assistance	44,053,572	-	44,053,572	60,019,691	-	60,019,691
Health	9,564,300	-	9,564,300	4,291,070	-	4,291,070
Economic Vitalization	30,491	-	30,491	140,740	-	140,740
Education	280,777	-	280,777	208,051	-	208,051
Total Program Services	53,929,140	-	53,929,140	64,659,552	-	64,659,552
Supporting Services:						
Management and General	1,980,933	-	1,980,933	533,513	-	533,513
Fundraising	1,046,341	-	1,046,341	858,379	-	858,379
Total Supporting Expenses	3,027,274	-	3,027,274	1,391,892	-	1,391,892
Total Expenses	56,956,414	-	56,956,414	66,051,444	-	66,051,444
Change In Net Assets	(3,041,643)	153,052	(2,888,591)	397,293	6,436	403,729
Net Assets - Beginning of Year	4,659,653	1,955,618	6,615,271	4,262,360	1,949,182	6,211,542
Net Assets - End of Year	\$ 1,618,010	\$ 2,108,670	\$ 3,726,680	\$ 4,659,653	\$ 1,955,618	\$ 6,615,271

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

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (2,888,591)	\$ 403,729
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operations:		
Depreciation	95,612	112,077
Uncollectible Accounts Receivable	1,390,594	63,271
Unrealized Loss on Investments	86	9,359
Change in:		
Prepaid Insurance and Expenses	(16,649)	1,582
Pledges and Grants Receivable	(419,862)	(1,000,421)
Advance to Subcontractors	(11,951)	-
Accounts Payable	1,094,972	744,010
Refundable Advances	(1,142,540)	(878,459)
Security Deposits	3,000	9,000
Accrued Payroll and Taxes	(9,596)	13,657
Tenant Security Deposits	-	875
Advance Rent	-	(5,750)
Net Cash Provided by (Used in) Operating Activities	<u>(1,904,925)</u>	<u>(527,070)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(54,066)	(19,947)
Proceeds from Sale of Investments	54,438	-
Purchase of Fixed Assets	(32,745)	(74,532)
Net Cash Provided by (Used in) Investing Activities	<u>(32,373)</u>	<u>(94,479)</u>
Change in Cash and Cash Equivalents	(1,937,298)	(621,549)
Cash and Cash Equivalents - Beginning of Year	<u>7,640,293</u>	<u>8,261,842</u>
Cash and Cash Equivalents - End of Year	<u>\$ 5,702,995</u>	<u>\$ 7,640,293</u>

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

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements
December 31, 2023 and 2022

1) NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESNature 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, and New Jersey 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 consolidated 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 consolidated 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
- Canada

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 consolidated 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.

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements (Continued)
December 31, 2023 and 2022

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, 2023, or 2022, 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, 2023 and 2022, 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, 2023 or 2022. 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, 2023 and 2022. 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 Consolidated Financial Statements (Continued)
December 31, 2023 and 2022

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 \$5,000 and a useful life in excess of one year are capitalized.

Advertising

The Organization expenses advertising costs as incurred. Advertising expense was \$629,195 and \$538,279 for the years ending December 31, 2023 and 2022, 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. The total allowance for uncollectible grant receivables at December 31, 2023 and 2022 was \$1,390,594 and \$0, respectively.

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements (Continued)
December 31, 2023 and 2022

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, 2023, and 2022.

Refundable Advances - On December 31, 2023, and 2022, the Organization had refundable advances on grants and contracts for sponsored projects of \$648,187 and \$1,790,727, 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.

Prepaid Expenses

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

Fair Value Measurements

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

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements (Continued)
December 31, 2023 and 2022

1) **NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

Fair Value Measurements (Continued)

ASC 820 establishes a framework for measuring fair value, which includes a hierarchy based on the quality of inputs used to measure fair value, and provides specific disclosure requirements based on the hierarchy. ASC 820 requires the categorization of financial assets and liabilities, based on the inputs to valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The various levels of the ASC 820 fair value hierarchy are described as follows:

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

ASC 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement falls is categorized.

Following is the description of the valuation methodologies used for assets measured at fair value:

Equities: These investments are common stocks. These are listed on the stock exchange and are valued at their quoted market prices held at year end.

Accounting Pronouncement Adopted in Fiscal Year 2023

During June 2016, FASB issued AS No. 2016-13, *Measurement of Credit Losses on Financial Instruments*. ASU No. 2016-13 requires financial assets measured at amortized cost to be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost basis. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. FASB has issued subsequent standards to clarify and correct errors in or improve this guidance. ASU No. 2016-13 (as amended) is effective for annual periods and interim periods within those annual periods beginning after December 15, 2023 (2023). The standard is required to be applied using the modified retrospective approach with a cumulative effect adjustment to net assets if any, upon adoption. There was no impact on the Organization's financial statements during the year ended December 31, 2023 and 2022.

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements (Continued)
December 31, 2023 and 2022

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

Accounting Pronouncement Adopted in Fiscal Year 2022

The Organization adopted the Financial Accounting Standards Board (FASB) ASU No. 2016-02, Leases. The effects on the results of operations are not considered to be significant, as recognition and measurement of expenses and cash flows for leases are substantially the same under the new standard.

2) CASH AND CASH EQUIVALENTS

The total cash held by the Organization in the bank accounts (excluding outstanding checks and deposit in transit) totaled \$5,662,792 and \$7,493,195 of which \$5,036,495 and \$6,743,195 is not insured through federal depository insurance in fiscal years 2023 and 2022, 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.

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements (Continued)
December 31, 2023 and 2022

3) PROGRAM AND SUPPORTING SERVICES (Continued)

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) INVESTMENTS

Investments consist of mutual funds and equities and are carried at fair value at December 31, 2023 and 2022. The investments are considered Level 1.

	Fair Value Measurements			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	
Cash and Cash Equivalents	\$ 119	\$ -	\$ -	\$ 119
Equity	10,011	-	-	10,011
Total	\$ 10,130	\$ -	\$ -	\$ 10,130

	Fair Value Measurements			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	
Cash and Cash Equivalents	\$ 118	\$ -	\$ -	\$ 118
Equity	10,470	-	-	10,470
Total	\$ 10,588	\$ -	\$ -	\$ 10,588

5) 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 \$19,342,151 and \$32,817,080 in fiscal years 2023 and 2022, respectively.

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements (Continued)
December 31, 2023 and 2022

6) PLEDGES AND GRANTS RECEIVABLE

Accounts receivable consist of Somalia, Lebanon and Syria grant funding receivable from the United Nations Grant agencies. Details of Accounts Receivable as of December 31, 2023 and 2022 are as follows:

	2023	2022
Grants Receivable	\$ 2,339,039	\$ 1,997,343
Pledges Receivable	177,952	99,786
	<u>2,516,991</u>	<u>2,097,129</u>
less: Allowance for Uncollectibles	(1,390,594)	-
Pledges and Grants Receivable, net	<u>\$ 1,126,397</u>	<u>\$ 2,097,129</u>

7) FIXED ASSETS

Fixed assets are comprised of the following:

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
Fixed Assets				
Building	\$ 1,121,853	\$ -	\$ -	\$ 1,121,853
Office Equipment	214,653	5,490	(9,675)	210,468
Office Furniture	11,467	-	-	11,467
Audio Visual Equipment	7,225	-	(2,000)	5,225
Automobiles	291,945	27,255	(22,729)	296,471
Others	8,908	-	(450)	8,458
TOTAL	<u>1,656,051</u>	<u>32,745</u>	<u>(34,854)</u>	<u>1,653,942</u>
Less Accumulated Depreciation	(925,736)	(95,612)	34,854	(986,494)
Net Fixed Assets	<u>\$ 730,315</u>	<u>\$ (62,867)</u>	<u>\$ -</u>	<u>\$ 667,448</u>

	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
Fixed Assets				
Building	\$ 1,121,853	\$ -	\$ -	\$ 1,121,853
Office Equipment	198,021	17,132	(500)	214,653
Office Furniture	11,467	-	-	11,467
Audio Visual Equipment	7,225	-	-	7,225
Automobiles	235,889	57,400	(1,344)	291,945
Others	8,908	-	-	8,908
TOTAL	<u>1,583,363</u>	<u>74,532</u>	<u>(1,844)</u>	<u>1,656,051</u>
Less Accumulated Depreciation	(815,503)	(112,077)	1,844	(925,736)
Net Fixed Assets	<u>\$ 767,860</u>	<u>\$ (37,545)</u>	<u>\$ -</u>	<u>\$ 730,315</u>

Depreciation expense was \$95,612 and \$112,077 for the year ended December 31, 2023 and 2022, respectively.

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements (Continued)
December 31, 2023 and 2022

8) 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. The Organization contributed \$110,582 and \$84,158 in fiscal years 2023 and 2022, respectively, to the plan.

9) 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, 2023 and 2022 the Organization collected \$25,921 and \$72,190 respectively, on behalf of Mercy-USA for Aid & Development, (Canada) and received \$104,687 and \$84,495 respectively, from Mercy-USA for Aid & Development, (Canada). As at December 31, 2023 and 2022, an amount of \$3,566 and \$338 respectively, was payable to Mercy-USA for Aid and Development, (Canada) and no amount was receivable from them.

10) 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:

	2023	2022
Albania Programs	\$ 108,904	\$ 103,784
Bosnia Programs	162,017	92,300
Indonesia Programs	2,775	50,114
Lebanon Programs	2,054,403	2,401,670
Somalia & Kenya Programs	16,351,063	13,415,040
Syria Programs	31,957,724	47,700,029
United States Programs	25,609	212,158
Gaza Programs	661,563	67,925
Rohingya Refugees Program	206,124	82,065
Pakistan	26,112	185,402
Yemen	135,947	165,229
Bangladesh	6,508	41,198
Turkey	450,256	-
Total Restrictions Released	<u>\$ 52,149,005</u>	<u>\$ 64,516,914</u>

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements (Continued)
December 31, 2023 and 2022

10) DONOR RESTRICTED NET ASSETS (Continued)

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

	2023	2022
Albania	\$ 13,416	\$ 8,743
Bosnia	13,639	12,541
Lebanon	202,949	69,834
Syria	-	179,791
Gaza	559,936	342,950
Rohingya Refugees	129,801	257,390
Pakistan	365,287	366,874
Yemen	808,649	702,727
Bangladesh	12,316	12,091
Other	2,677	2,677
Total	\$ 2,108,670	\$ 1,955,618

11) 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.

	2023	2022
Current Assets, at Year End	\$ 6,883,947	\$ 9,763,835
Less:		
Prepaid Insurance Expenses	(32,474)	(15,825)
Assets with Donor Restrictions	(2,108,670)	(1,955,618)
Financial assets available within one year to meet needs for general expenditures within one year	\$ 4,742,803	\$ 7,792,392

12) 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.

One of the funding agencies has notified the Organization about an ongoing investigation into allegations of specific improper conduct. The Organization is vigorously contesting these claims of wrongdoing.

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements (Continued)
December 31, 2023 and 2022

13) RENTAL INCOME

Leases prior to January 1, 2022 were accounted for under FASB's Topic 840. The leases were classified as operating leases under Topic 840. Rental income and other lease activity was recognized substantially the same as under Topic 842.

Effective January 1, 2022, the Organization adopted ASU No. 2016-02, *Leases (Topic 842)* and all related amendments. The Organization's accounting for leases resulted in making significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Organization applied assumptions in the evaluation of whether certain tenants are likely to exercise extension or renewal options, determined whether the collectability of lease payments is probable, based on factors such as tenant creditworthiness, economic conditions and the Organization's historical experience with tenants. For any operating leases for which collectability is not deemed probable, the Organization recognizes an adjustment as a reduction to lease revenue and, subsequently, lease revenue is recognized only to the extent lease payments are received. There were no operating leases for which the Organization deemed collectability not probable.

The Organization's rental operations consist primarily of leases of facilities which are classified as operating leases. These leases are typically for terms ranging from 1 day to 5 years.

Rental income is recognized on a straight-line basis over the applicable noncancellable lease term. Straight-line rent receivable represents the difference between rental revenue recognized on a straight-line basis and cash received under the applicable lease provisions. Rental payments and other supplemental income payments received in advance are deferred and recognized in the period in which services are provided.

The table below summarized the Organization's future undiscounted cash flows to be received for years ending December 31:

Years Ending December 31,	Amount
2024	\$ 95,700
2025	96,400
2026	92,900
2027	65,750
Total Lease Payments to be Received	\$ 350,750

14) SUBSEQUENT EVENTS

The Organization has evaluated events through September 20, 2024, 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.

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Supplemental Statement of Revenues and Program Expenses
Year Ended December 31, 2023
(With Combined Comparative Totals for 2022)

	ALBANIA	BOSNIA	INDONESIA	LEBANON¹	SOMALIA & KENYA & ETHIOPIA	SYRIA	USA	GAZA	ROHINGYA REFUGEES	PAKISTAN	Bangladesh	YEMEN	Turkey	NOT DESIGNATED	TOTAL	TOTAL 2022
REVENUES																
Contributions from Public:																
General	\$ 9,077	\$ 18,245	\$ 2,775	\$ 31,750	\$ 292,759	\$ 912,254	\$ 10,609	\$ 878,550	\$ 78,535	\$ 24,525	\$ 6,733	\$ 241,869	\$ -	\$ 1,392,859	\$ 3,900,540	\$ 4,319,899
Food Aid	17,500	17,500	-	87,108	191,496	122,000	15,000	-	-	-	-	-	-	-	450,604	400,369
Orphan Fund	5,000	3,030	-	-	-	-	-	-	-	-	-	-	-	-	8,030	24,250
Education	2,000	12,340	-	-	-	-	-	-	-	-	-	-	-	-	14,340	10,246
Zakat	80,000	112,000	-	400,000	1,300,000	340,001	-	-	-	-	-	-	-	-	2,232,001	2,129,381
COVID-19	-	-	-	-	50	-	-	-	-	-	-	-	-	-	50	1,527
Health and Nutrition	-	-	-	-	4,237	8,000	-	-	-	-	-	-	-	-	10,237	8,589
Earthquake	-	-	-	-	-	1,164,857	-	-	-	-	-	-	450,256	-	1,614,913	-
US Government Grants																
US Agency for International Development (USAID)	-	-	-	-	-	6,475,630	-	-	-	-	-	-	-	-	6,475,630	9,688,714
United Nations (UN) Grants	-	-	-	1,668,660	5,351,280	12,290,930	-	-	-	-	-	-	-	-	19,310,870	16,208,495
Global Fund to Fight AIDS, Tuberculosis & Malaria																
(GFATM) Grants	-	-	-	-	335,550	-	-	-	-	-	-	-	-	-	335,550	306,022
Gifts In Kind - UN Agencies	-	-	-	-	8,875,690	10,466,461	-	-	-	-	-	-	-	-	19,342,151	32,817,080
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	95,700	95,700	90,500
Dividend Income	-	-	-	-	-	-	-	-	-	-	-	-	-	52,765	52,765	19,998
Gain/Loss on Foreign Currency Fluctuation	-	-	-	-	-	-	-	-	-	-	-	-	-	203,295	203,295	430,103
Realized Gain/Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	7,050	7,050	-
Gain/Loss on Sale of Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	14,097	14,097	-
Total Revenues	\$ 113,577	\$ 163,115	\$ 2,775	\$ 2,187,518	\$ 16,351,062	\$ 31,777,933	\$ 25,609	\$ 878,550	\$ 78,535	\$ 24,525	\$ 6,733	\$ 241,869	\$ 450,256	\$ 1,765,766	\$ 54,067,823	\$ 66,455,173
EXPENDITURES																
Program Services:																
Food, Shelter & Orphan Assistance	\$ 23,449	\$ 43,522	\$ 1,543	\$ 572,922	\$ 14,268,014	\$ 28,233,616	\$ 81,560	\$ 3,999	\$ 206,124	\$ 26,112	\$ 6,508	\$ 135,947	\$ 450,256	\$ -	\$ 44,053,572	\$ 60,019,691
Economic Vitalization	3,975	1,543	24,973	-	-	-	-	-	-	-	-	-	-	-	30,491	140,740
Health	-	-	-	1,481,481	2,090,519	5,392,300	-	600,000	-	-	-	-	-	-	9,564,300	4,291,070
Education	81,480	116,952	-	-	-	-	24,781	57,594	-	-	-	-	-	-	290,777	298,051
Total Program Services	\$ 108,904	\$ 162,017	\$ 26,516	\$ 2,054,403	\$ 16,368,533	\$ 33,625,916	\$ 106,341	\$ 661,563	\$ 206,124	\$ 26,112	\$ 6,508	\$ 135,947	\$ 450,256	\$ -	\$ 53,929,140	\$ 64,659,552

¹ Includes Palestinian refugees in Lebanon.

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Indirect Cost Allocation
Year Ended December 31, 2023

Expenditures	Total Cost	Allowable Indirect	Unallowable Indirect	Fund Raising Cost	Program Cost	Excluded Program Cost*	Total Direct Cost
Grants	\$ 806,240	\$ -	\$ -	\$ -	\$ 806,240	\$ -	\$ 806,240
Salaries & Wages	10,407,634	233,098	-	2,527	10,172,009	-	10,174,536
Employee Benefits	698,658	140,179	-	-	558,479	-	558,479
Advertising & Promotion	629,195	-	-	629,195	-	-	629,195
Transportation Expenses	1,740,383	491	-	-	1,739,892	-	1,739,892
Commercial Insurance	7,498	2,225	-	-	5,273	-	5,273
Conference, Meetings & Seminars	12,470	948	-	5,200	6,322	-	11,522
Consultants & Other Professional Services	403,587	-	-	124,568	279,019	-	403,587
Dues, Subscription, Fees etc.	32,050	16,542	-	386	15,122	-	15,508
Legal	41,536	14,260	-	-	27,276	-	27,276
Accounting	50,847	7,801	-	-	43,046	-	43,046
Occupancy & Warehousing	703,899	19,364	-	3,150	681,385	-	684,535
Postage & Shipping	14,962	8,147	-	-	6,815	-	6,815
Printing & Copying	34,796	15,673	-	4,372	14,751	-	19,123
Program Materials	36,531,991	-	-	-	36,531,991	19,342,151	17,189,840
Telephone	62,968	2,565	-	-	60,403	-	60,403
Travel	353,905	20,992	-	18,571	314,342	-	332,913
Bank Charges/Currency Adjustment	632,259	6,746	-	258,372	367,141	-	625,513
Office Supplies & Equipment	272,315	12,213	-	-	260,102	-	260,102
Payroll Taxes	268,465	29,153	-	-	239,312	-	239,312
Uncollectible Accounts Receivable	1,390,594	-	1,390,594	-	-	-	-
Unrealized Gain/Loss	86	-	86	-	-	-	-
Indirect Cost	1,764,464	-	-	-	1,764,464	-	1,764,464
Depreciation	95,612	59,856	-	-	35,756	-	35,756
Total	56,956,414	590,253	1,390,680	1,046,341	53,929,140	19,342,151	35,633,330
Reclassify Overhead Charged to Program Costs	-	1,764,464	-	-	-	-	(1,764,454)
Total	\$ 56,956,414	\$ 2,354,717	\$ 1,390,680	\$ 1,046,341	\$ 53,929,140	\$ 19,342,151	\$ 33,868,876
Base = Total Direct Cost							
Pool Cost	\$ 2,354,717						
Base Cost	\$ 33,868,876						
Indirect Rate	6.95%						

* 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 Mogadishu, Somalia
Tuzla, Bosnia Tripoli, Lebanon Antakya, Turkey

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:

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A gift of your choice can be automatically deducted monthly from your bank or major credit card account. Please clip the form on page 35 and mail it along with a voided check.

Employee Matching Program

Encourage your employer to match your donation.

Stocks and Mutual Funds

Mercy-USA accepts stocks and mutual funds as a charitable contributions.

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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