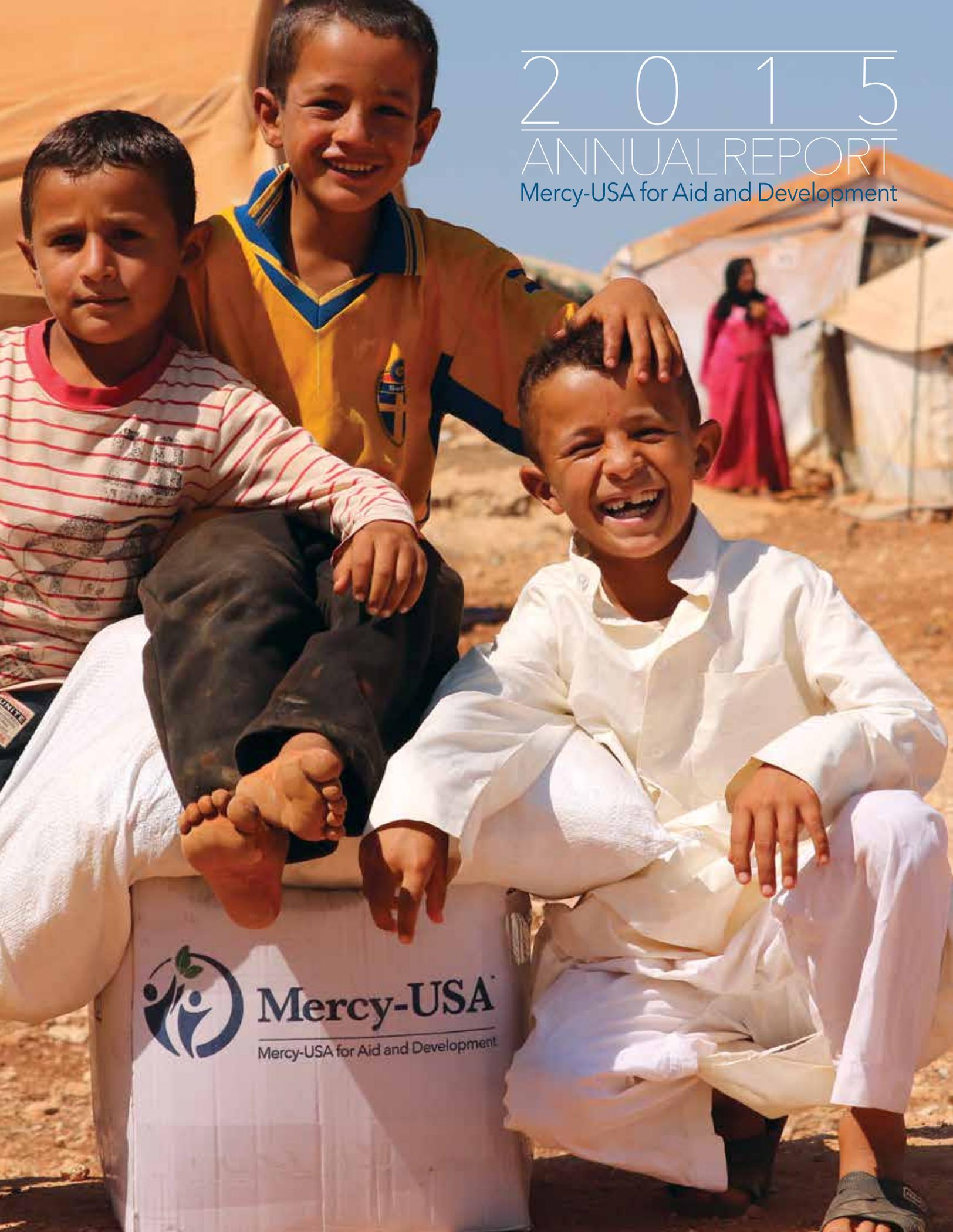


# 2015

## ANNUAL REPORT

Mercy-USA for Aid and Development



**Mercy-USA**

Mercy-USA for Aid and Development



Shindiya Abdi, 60 lives in Nairobi, Kenya. She is a widow surviving on the income she makes selling spices. Mercy-USA brought Shindiya's family a food basket in June.

## Dear Friends & Supporters,

Greetings and peace be upon you.

In 2015, your generosity and support allowed our dedicated and hardworking staff worldwide to make a difference in the lives of over 400,000 vulnerable persons. Whether it's feeding thousands in Syria, treating malnourished children in Somalia and Kenya, offering maternal and pediatric health services to women and children in Syria and Somalia, or providing English language and computer software training to orphans and other at-risk youth in Albania, Bosnia and Indonesia, Mercy-USA for Aid and Development staff continue to be on the front-lines of humanitarian response and empowerment.

Mercy-USA's deeply committed field staff work in some of the most dangerous and difficult environments providing comfort and hope to those we serve. Our staff share and understand the day to day challenges faced by our beneficiaries and work tirelessly to address them in creative and sustainable ways. Last winter, our Syria regional staff recommended that we respond to the need for heating by distributing stoves and an eco-friendly fuel made from the waste by-products of olive oil production. This "Prina" fuel burns hotter than wood providing more warmth and comfort while alleviating ground water contamination by using the olive oil production waste as fuel.

Because our staff members live among those we serve, they often face the same daily dangers that our beneficiaries endure. Last December, we lost Mohammad Ismail who was killed in an airstrike while buying bread at a bakery in Aleppo, Syria. Mohammad is survived by his wife and now one-year son, Hadi.

We are also mourning the loss in February 2016 of Nour Ghamrawi, Mercy-USA's Field Program Assistant in Wadi Khalid, Lebanon, who died in a car accident while returning home from her work with Syrian refugees and Lebanese host families. Nour, whose infectious smile will be missed by all who knew and loved her, is survived by her parents.

We pray for Nour and Mohammad's kind and gentle souls and ask that you continue to remember them and honor their dedication and sacrifice.

Sincerely,

*Umar al-Qadi*

Umar al-Qadi  
President and CEO

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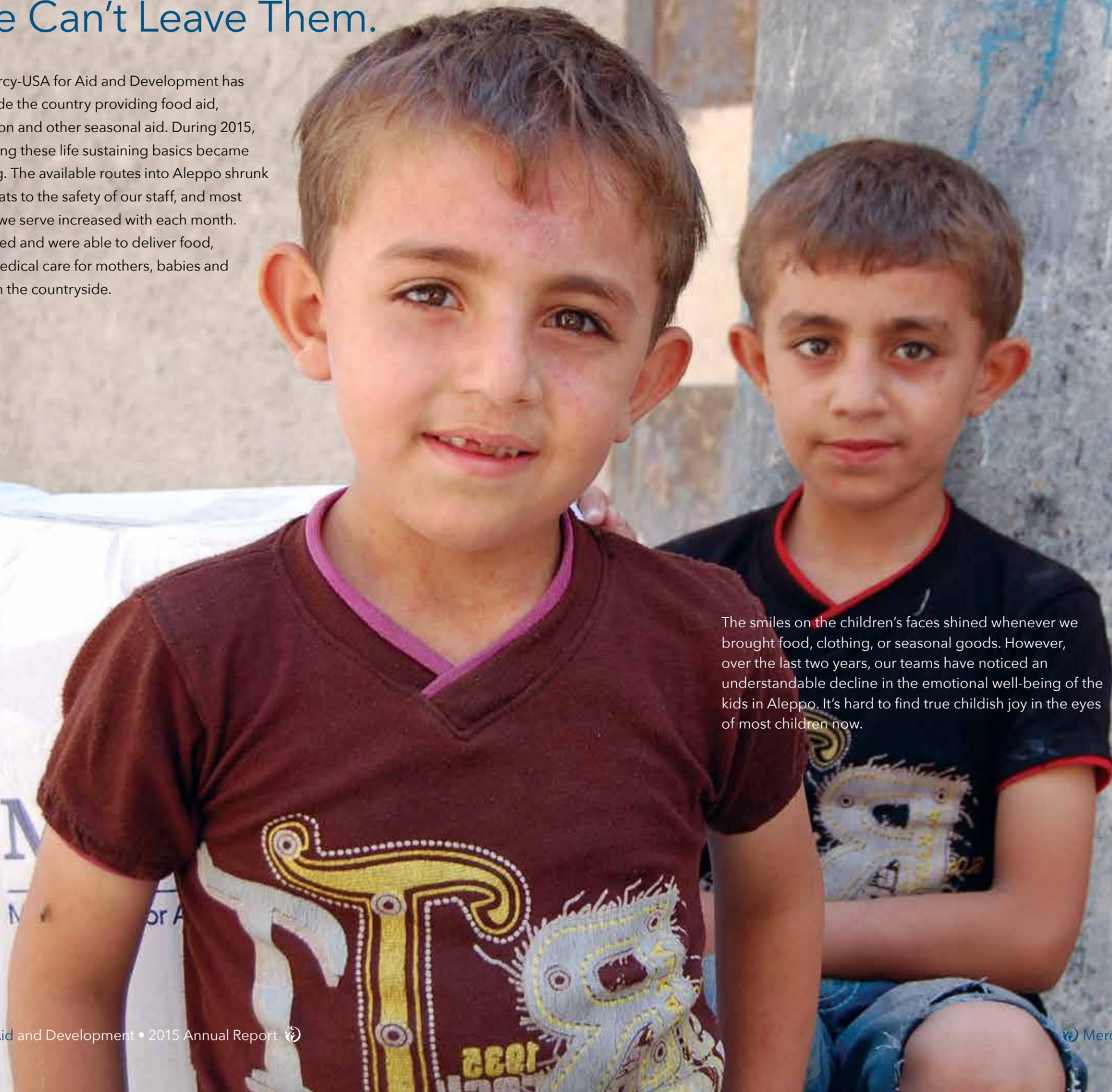
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# Syria: We Can't Leave Them.

Since October 2012, Mercy-USA for Aid and Development has been on the ground inside the country providing food aid, medical care, winterization and other seasonal aid. During 2015, the challenges in providing these life sustaining basics became more and more daunting. The available routes into Aleppo shrunk to a single road, the threats to the safety of our staff, and most importantly the families we serve increased with each month. Through it all, we prevailed and were able to deliver food, medicine and provide medical care for mothers, babies and children in the city and in the countryside.



The smiles on the children's faces shined whenever we brought food, clothing, or seasonal goods. However, over the last two years, our teams have noticed an understandable decline in the emotional well-being of the kids in Aleppo. It's hard to find true childish joy in the eyes of most children now.



*We are serving the basic need for food and healthcare in multiple neighborhoods within Aleppo, and are distributing food baskets and winter warmth in makeshift camps around northern Syria.*

# Humanitarian Aid for Thousands in Syria



In 2015, Mercy-USA located makeshift camps in the countryside that were in desperate need of the food aid our donors provided with their charitable gifts.

Since 2013, Mercy-USA has been providing monthly food baskets to at least a thousand households in Aleppo. In 2015, we we also distributed food, shelter, clothing and winter warmth to families displaced in makeshift camps in the countryside.

Neighborhoods in Aleppo have been relying on the monthly food baskets for years and in 2015 as airstrikes and attacks increased, families reported to us that Mercy-USA food baskets were the only thing keeping their families from starvation. The most vulnerable in the communities we served were offered this food aid, single mothers surviving alone with multiple children, elderly Syrians-too sick to travel with family that fled earlier, families caring for disabled or sick children or seniors.

## Cold winters are a given in Northern Syria

Winter is tough for the poor, but when you live in a city that no longer has electricity, where all the trees have been cut to the ground and where fuel is impossible to find from reputable sources, the only way to stay warm is burning trash or other toxic materials. We knew we had to do something and are proud to report we not only found a way to serve families who would have suffered greatly during the winter, but the solution included an eco-friendly fuel made from olive oil waste that would otherwise be dumped into the ground and create problems for the ground water supply in Turkey's olive growing region. Families were given a new stove and a supply of the innovative fuel to last the winter months.



Little Mahmoud and Fatemah had just lost most of their home in Aleppo to a barrel bomb when we delivered a stove and fuel to their mother. To be finally warm brought smiles despite the trauma they were enduring.

## Winter warmth for little feet in the city and the countryside...

Thanks to the generosity of hundreds of donors in the greater Detroit area, Mercy-USA shipped a container of winter clothing and shoes to families in Syria. Children in makeshift camps were often found without proper coats and shoes, and the city kids fared no better.



Haider, at left, was one of hundreds of children who received brand new sweaters and jackets. Boots and shoes were also distributed in our Aleppo warehouses that were organized like stores that offered the families a chance to "shop" and preserve their dignity.



We found numerous children without shoes or proper winter clothing in the makeshift camps on the Syrian countryside. We delivered stoves and fuel to the camps as well.

## Meat for thousands

We distributed 55,000 pounds of meat to Syrian families who have had little or no access to regular protein sources since the war began.



**SYRIA**  
**2015**  
AT A  
**Glance**

- Over 200 tons of food distributed to vulnerable households
- Over 1,000 households received new stoves and Prina eco-fuel.
- Over 5,000 children and adults received winter clothes.
- Mother & Child Health Clinic conducted about 5,000 consultations for mothers and children combined.
- More than 27 tons of meat was distributed to vulnerable families.

# For Moms and Their Little Ones...

Peacetime or wartime babies are born and children get sick.



In 2015, Mercy-USA for Aid and Development expanded its Mother and Child Health Clinic in Aleppo, Syria. Just days before opening the doors, a nearby airstrike caused extensive damage to the just-finished medical suite. Thankfully, staff and patients hadn't yet begun occupying the new space so there were no injuries.

We made repairs and opened with a

newly hired family medicine physician which allowed us to increase our capacity to serve more patients.

Our medical staff provided medical care for hundreds of pregnant and nursing women with their children. We provided birthing services, pre- and postnatal care to mothers, and routine medical care for their babies and children—all free of charge.



At the end of 2015, before we could even take the plastic off the new waiting room seating, our Mother and Child Health Clinic suffered serious damage from a nearby airstrike resulting in blown out windows, shattered ceiling tiles and broken doors. We made repairs and opened our new expanded clinic with greater capacity for more patients.

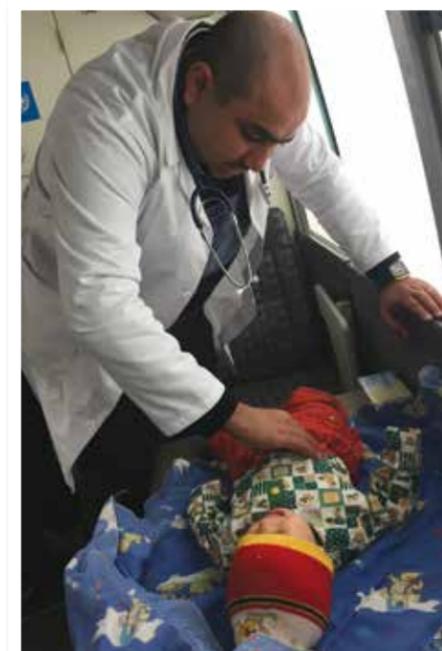


Imagine life without soap, shampoo or toothpaste...that is a reality for many in Syria now where the prices of these basics is unaffordable. In 2015, Mercy-USA distributed over 1,700 hygiene kits, and over 800 bottles of lice shampoo to families.



# Medical and Food Aid in Lebanon

Mercy-USA provides free medical care for Syrian Refugees and their host families in impoverished Wadi Khalid, Lebanon. We also distributed seasonal food aid.



Mercy-USA's Mobile Medical Unit travels the poor roads of Wadi Khalid, Lebanon, visiting multiple locations each week to offer primary care to the Syrian refugees and their Lebanese host families. Wadi Khalid, already a poor area of Lebanon, is over burdened with the influx of Syrian Refugees. Both host families and refugees are struggling to survive. Private doctors are scarce in rural areas, so the doctors who travel with the unit are often a lifeline for children, the elderly and anyone suffering from illness.



Seasonal food aid was distributed to Syrian and Palestinian Refugees during Ramadan and for Eid Al Adha.



Palestinian Refugee children were treated to an Eid festival with games, tram rides, toys and treats.

# Somalia: a good future can only happen with good health...

...and good health comes from having access to clean water, good nutrition and medical care. Mercy-USA has been working in Somalia since 1993 providing clean water, nutritional support and healthcare.



# Our positive reach in Somalia is growing!

**SOMALIA**  
**2015**  
AT A  
**Glance**

- ★ 10 Nutrition Support Centers served the nutrition needs of over 22,000 children under 5.
- ★ 27 Mother and Child Health Centers conducted over 182,000 consultations for women and newborns combined.
- ★ 9 TB and HIV/AIDS centers
- ★ 30 new wells built in 24 villages

According to a 2015 World Food Program report, 1.1 million Somalis are displaced in their own country. High food prices, combined with frequent droughts and floods have compounded poverty and continue to threaten livelihoods. Somalia has chronically high malnutrition rates; one in eight children under five is acutely malnourished.

Mercy-USA has been working in Somalia since 1993 and with the help of generous grants from the US Agency for International Development's Office of Foreign Disaster Assistance (USAID/OFDA), the United Nations Children's Fund (UNICEF), the World Food Program (WFP) and the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), we've been able to make an impact on tens of thousands of Somalis each year, especially, women and children.



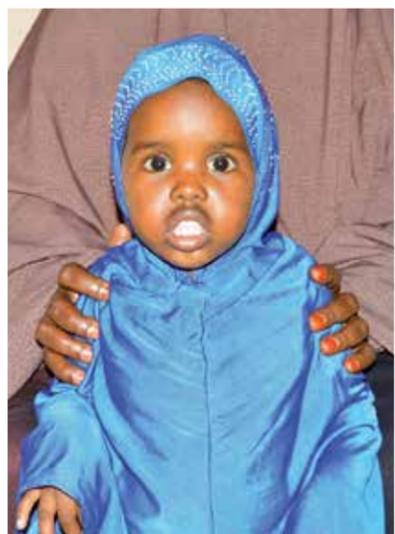
## Nutrition Support

Katra had a difficult pregnancy with her seventh child—born underweight, and failing to thrive—tiny Abubakar was suffering from acute malnutrition, and his desperate parents lacked the resources for a private doctor or nutritional support for the infant.

Katra learned about the Mercy-USA free nutrition center in her suburb of Mogadishu and 11-month-old Abubakar, (pictured above, unhappy at being

weighed) has begun to gain weight and thrive. His mother told us at the clinic, "I am relieved everything is free of charge from the reception to the discharge."

Little Maimuna, (pictured at left), the youngest of eleven children in her family arrived at our Nutrition Center, acutely malnourished. After seven months of free outpatient nutrition therapy treatment, she finally began to thrive on par with other 2-year old children. Feisty and full of energy, her mother had to grab her to hold her still for a quick photo. Her mother, Medina told us, "I was worried about my daughter's deteriorating weight and general health. After she was given the Plumpynut, I noticed gradual improvements week after week. She started moving around and started to gain her appetite slowly." Relieved and grateful, Medina said, "I have no words to express my gratitude to this organization. You really changed my daughter's life. She can walk and play with other children."



## Mother and Child Health Centers

After laboring at home with her previous four children and suffering life-threatening complications, Halima found the Mercy-USA Mother and Child Health Clinic for her fifth pregnancy. We spoke to her just hours after an easy delivery of her healthy baby boy, "The Mercy-USA MCH makes it possible for mothers like me to access good medical care for free."

At our 27 Mother and Child Health centers across Somalia, we conducted about 175,000 consultations and offered over 12,000 immunizations to protect against devastating disease. We conducted approximately 50,000 consultations for pre- and post natal services including birthing services like Halima featured above right. We also examined and treated about 7,000 newborns in 2015. In Somalia, lack of trained health workers and basics like electricity and sanitation make these health clinics a lifeline for poor families.



Halima and her newborn baby boy received expert medical care at a Mercy-USA Mother and Child Health Center in Somalia.

## Tuberculosis and HIV/AIDS Centers

Mercy-USA operates nine TB treatment centers in Somalia. Four of these centers offer medical treatment (Anti-retrovirals) for HIV patients, with three more centers acting as referral agents. Two of our centers also test donated blood for HIV, Hepatitis and STIs (sexually transmitted diseases). We tested over 2,000 persons for HIV/AIDS and treated about 600 patients.



Farhia's hands belie the hard facts of her life; she and her husband did casual labor to support their five children, just barely making ends meet. She told us she was strong and capable until she began coughing and grew so weak and

underweight she couldn't walk. After trying to treat the unknown illness themselves with no relief, Farhia's husband took her to the nearby Mercy-USA TB clinic for free testing. After testing positive for TB, the clinic began Farhia on treatment and she's regaining her weight and can work inside her home caring for her children again. Stigma surrounding TB often causes social isolation, but the Mercy-USA staff offer counseling and support in addition to the medical treatment and Farhia said it's helping her emotionally and physically. Stories like Farhia's are typical of the 1,500 TB patients we treated last year. We're proud to say we had a 92% cure rate in 2015 for this devastating disease.

We are working hard to contribute to the positive management and ultimate eradication of diseases like TB and HIV/AIDS in Somalia through treatment and just as importantly thoughtful counseling and support.



Mercy-USA's selective feeding programs around Somalia treat children suffering from moderate acute malnutrition and severe acute malnutrition with protein-filled nutrition packs provided by UNICEF and WFP.



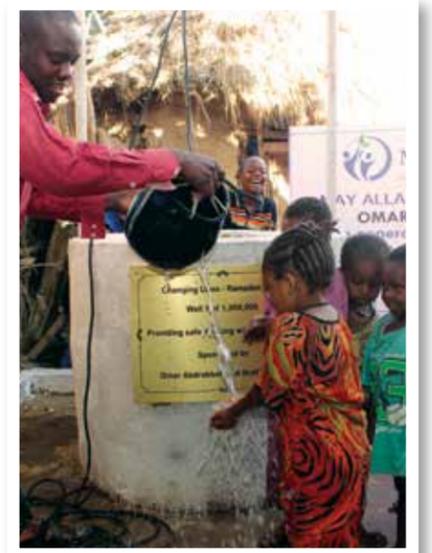
## Access to clean water means the most to women and girls in Somalia



The lack of nearby access to clean, drinkable water in Somalia results in devastating consequences especially for the most vulnerable—women and children. According to the World Health Organization less than 30% of Somalia has access to safe drinking water. Often deadly to children, Cholera brought on by contaminated water and lack of sanitation is endemic; severe malnutrition in Somali children is often the result of diarrhea caused by dirty water.

Ibada, a mother of four told us that women in her village would need to travel as much as 5 miles a day to find water. She spoke of the dangers of wild animal attacks, times when the river ran dry and the fact that she left her children alone for hours while she did this onerous chore. After Mercy-USA installed a well in her village, she said, “Today, clean drinking water is only few steps away from my house. I fetch as many jerry-cans of water as I wish at anytime of the day. Our life has changed; we no longer trek distances and leave our children behind.”

In 2015 and the first two months of 2016, Mercy-USA brought 24 villages totaling over 30,000 in population sustainable access to clean water through 30 wells. Since we began this project in Somalia, communities with more than half a million people are benefiting from clean water.



*Left: When war and drought devastates a country, people find themselves managing in unfamiliar and frustrating living conditions; proper hygiene practices are often overlooked and can have disastrous repercussions to the health of a community struggling to survive. Mercy-USA trained over 250 health and nutrition workers to build sustainability and local capacity in Somalia. Over 200,000 people were trained during quarterly hygiene, sanitation, health and nutrition training sessions to help families safeguard their health in difficult circumstances.*

## Mamas & Babies Find Support in Kenya



In 2015, approximately 1,500 pregnant women, nursing mothers and children under the age of five suffering from moderate acute malnutrition (MAM) and over 500 children under 5 suffering from severe acute malnutrition (SAM) were treated at our selective feeding programs (45 outpatient sites and 5 in-patient sites) in Garissa county, Kenya.

From Jan. 2014 to Dec. 2015, about 4,200 pregnant women, nursing mothers and children under the age of five suffering from MAM and about 2,000 children under 5 suffering from SAM were treated.

In addition, we provided over 85,000 micronutrient supplements, including vitamin A, iron and folic supplementation, as well as de-worming services. Cumulatively, over 185,000 such services were provided.

To build local capacity and sustainability, about 350 Community Health Workers and volunteers were also trained in the provision of nutrition services. In addition, thousands of community members participated in nutrition education sessions or received direct consultations on the nutrition status of their children.

## We're supporting learning in Gaza



From September 2014 to August 2015, Mercy-USA provided students between the ages of 15 and 22 at two United Nations Relief and Works Agency for Palestine Refugees (UNRWA) vocational training centers in Gaza with a daily meal that consisted of fresh food, bread and milk. The two training centers have a student body of almost 1,500 students, 33% of them being young women. Admission is merit-based, and only available to Palestine refugees. Priority is given to vulnerable students who come from refugee households classified as poor by UNRWA's poverty survey.

## Rohingya Refugees get a warm welcome in Indonesia



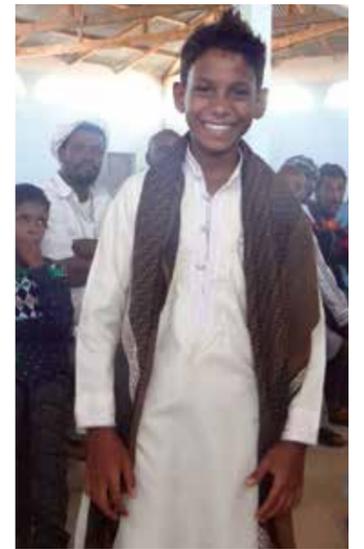
Adrift at sea for an indeterminate time and being rejected by other countries, hundreds of Rohingya Muslims from Myanmar were given a safe harbor and welcome by the semi-autonomous Aceh Province in Indonesia. Mercy-USA distributed hygiene supplies, new clothing

plus fresh milk and biscuits for the children as they arrived in May of 2015.

Later we distributed sleeping mattresses as families began to settle into new shelters.



In the summer of 2015, we distributed new toys to over 200 young children for their Eid celebration. After indescribably harrowing times in Myanmar, the celebratory games and toys were just the thing to bring about smiles to children who had suffered much in their short lives.



## Yemeni Refugees get help in Somalia

Yemeni Refugees fled to Bossaso, Somalia and were embraced by the community there. In the fall of 2015, Mercy-USA distributed fresh meat to many of these refugee families.



# Farming Feeds Education in Indonesia

Siti Ramlah, at left, is a wife, mother of three and a rice farmer in North Sumatra, Indonesia. Siti's rice paddies were the sole support of her family but over the years they were producing less and less until their yield was too low to purchase another growing season's inputs plus pay their son's college tuition. The choice became buy seed for the farm or force their son to leave university. Mercy-USA provided Siti's family high quality agro-inputs and training. They harvested a much greater yield, safeguarding the farm, their son's last year of college and the family's security far into the future.

Since March 2011, Mercy-USA for Aid and Development has been providing livestock, feed-production machines, rice and sweet potato seeds, fertilizer and training to farming families in three provinces of Indonesia. Mercy-USA is also supporting these farmers to form cooperatives. These agricultural inputs and training are helping farmers and their families to feed themselves and increase their production and income. As of December 2015, over 750 farming families (over 3,000 persons) have been supported with this sustainable development aid.

## Disadvantaged children get a leg up with English and computer training

Mercy-USA offers six-month training courses in English and computer skills training on commonly used software to orphaned children. These courses offer the students a chance to improve their English skills plus working knowledge of computer applications that will help them gain entry to college or the workplace. We've helped at least 200 orphaned kids since we began this program.



*Ali Umri, has been a goat breeder his entire life, but with four children to educate combined with an ever-rising cost of living, his business was not supporting the family well enough to cover tuition and other basics of life for a family of seven. He has now joined the Mercy-USA Heifer program wherein he received a heifer to care for and breed. While Ali waits for the calf, he's gaining the benefit of the animal's manure which he is selling and using to make ends meet for his family.*





# Building Lasting Legacies in Albania

Poor schools in Albania are still struggling to provide the basics for students, with many school buildings overcrowded and lacking winter heating and other necessities. Mercy-USA has been sponsoring school libraries with books every year since 2011. To date, we've provided over 20,000 new books, including reference materials, and literature including novels, poetry and short stories to over 17,000 students.

During the 2015 school year, we provided 4,600 new books (with 53 unique titles) to middle and high schools with a combined student population of over 4,000 kids.

We're happy that we can provide opportunities to learn about the wider world through books for thousands of Albanian school children each year.



*We're proud that we've provided over 20,000 books to school libraries across Albania since we began the program in 2011. Literature and reference books open the world to children attending underserved schools in the country.*

## After school English and Computer Classes



Orphaned children received after school English language and computer software training from Mercy-USA in 2015. The classes held competitions to encourage retention of knowledge and gifts were given to the winners including wrist watches, clothes and shoes.

All students who completed the programs received certificates of completion as well. To date, almost 1,000 orphaned and other at-risk children have benefited from these courses.



## Technical support to improve harvests.

Naif Sedaj, *below*, a farmer in Albania is benefiting from Mercy-USA's successful wheat project that provides technical support from our



agriculture experts. His yield increased after the first year of assistance and he told us, "I don't need to work abroad when we are living well here." He had his son, Besart with him the day we visited and Naif said he hoped the boy would carry on the legacy of farming after his education is complete.



*Wheat farmers in Albania receive technical support from a Mercy-USA Agronomist who trains them on the latest farming techniques and methods. Farmers saw harvest and income increases of about 15% over the previous year.*

*Mercy-USA also partners with a local flour mill, Miell Tirana who provides the seeds, fertilizer and supplies to farmers and then buys the harvest at market prices from them. The flour produced by Miell Tirana also benefits orphaned children in our education programs.*



# Education Benefits All in Bosnia

Mercy-USA's Bosnia Agriculture Education Center, (AEC), is a 10,900 square foot greenhouse plus one acre farm that serves to train agriculture students as well as local farmers in the latest and most efficient farming techniques. Much of the seedling crops produced at the AEC are sold to fund the operations of the center. But it is the seedlings that are distributed free of charge to low income households for sustenance farms and gardens that make this project even more beneficial to the community.

Bosnians who for twenty-plus years have not been able to return to their homes in Srebrenica live in what are called "collective centers" where poverty is rampant. These seedlings supply fresh vegetables to families who live on little for most of the year. In 2015, we distributed 5,000 seedlings to over 450 internally displaced people in two different collective centers.



Collective Center in Bosnia.



## Vulnerable youth and orphans get after-school computer training

Getting into university is not easy in Bosnia if you're poor and lack money for skills training not offered in public

school. In 2015, Mercy-USA offered classes in computer skills to students. We've helped over 300 youth with this training since the program began in 2010.

## Bosnians find help in honing marketable skills with Mercy-USA training.

For a job-seeker in Bosnia without computer software skills and "Business English", finding a professional job is very tough. We teach these skills along with resume building seminars. In 2015, we helped students with computer skills and English training. Since we began these programs in 1998, we've given over 3,000 Bosnians a better shot at a job with a future.



The seedlings from Mercy-USA's Agricultural Education Center give her bumper crops all summer long.



Resume building classes helped young adults enter the job market with the right first impression.

# Seasonal Food Aid Does the Heart Good



In 2015, Mercy-USA distributed seasonal food aid to approximately 80,000 needy people for the Islamic observances of Ramadan, Eid al-Fitr and Eid al-Adha.

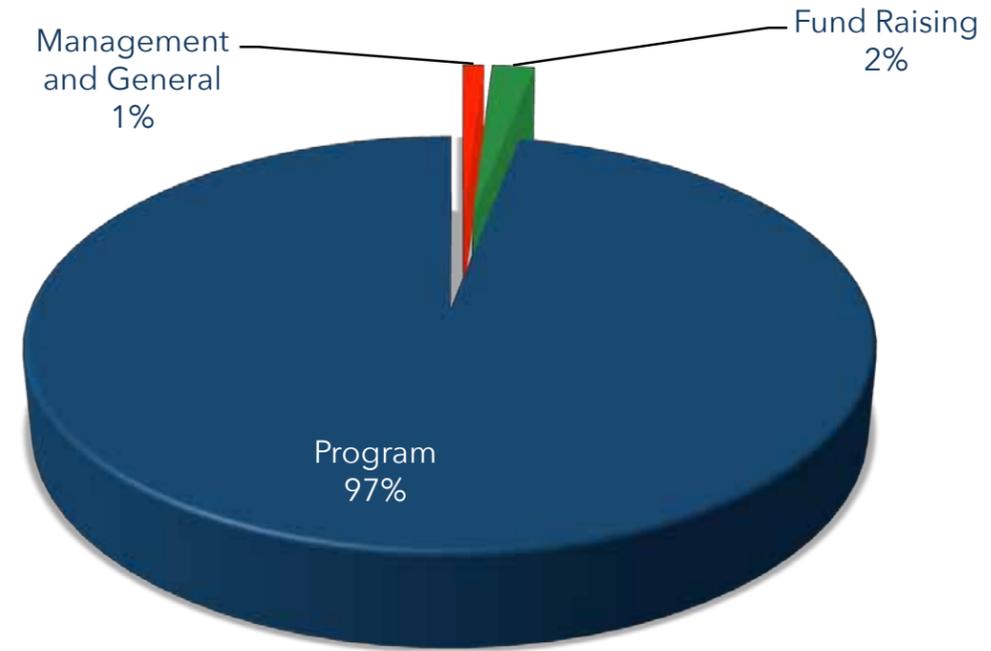
During Ramadan, special food baskets were distributed to families in Syria, India, Lebanon, Somalia, Kenya, and Indonesia. In addition, hot meals were served to vulnerable families during Ramadan in Bosnia, Albania, Kenya as well as in Baltimore, Maryland.

For the "feast of the sacrifice" or Eid al-Adha, we distributed fresh or frozen meat to all the nine countries we work in plus the United States.



## 2015 Functional Expenses

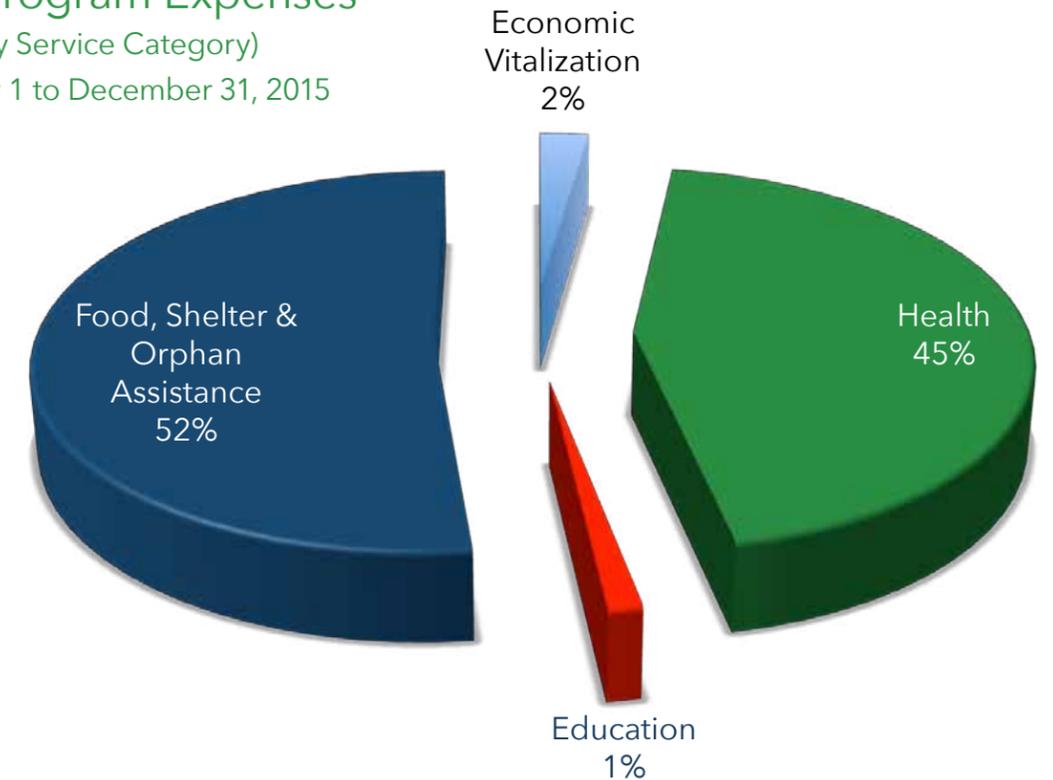
January 1 to December 31, 2015



## 2015 Program Expenses

(By Service Category)

January 1 to December 31, 2015





# Alan C. Young & Associates, P.C.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Mercy-USA for Aid & 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, 2015 and 2014, and the related consolidated statements of activities, and cash flows for the years then ended, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

## Independent Auditor's Report (Continued)

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2015 and 2014, 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, the statement of functional expense and other supplemental information as identified in the table of contents are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 16, 2016 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 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.

Detroit, Michigan  
September 16, 2016

## Mercy-USA for Aid & Development, Inc.

### Consolidated Statements of Financial Position December 31, 2015 and 2014

	2015	2014
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 2,909,691	\$ 2,464,313
Pledges & Accounts Receivable	808,421	341,193
Notes Receivable - Micro-lending/SED	12,000	12,000
Prepaid Insurance & Expenses	12,074	19,238
<b>Total Current Assets</b>	<b>3,742,186</b>	<b>2,836,744</b>
<b>Fixed Assets:</b>		
Building, Vehicles, Furniture & Equipment	1,189,663	1,140,589
Less: Accumulated Depreciation	(346,060)	(278,161)
<b>Total Fixed Assets</b>	<b>843,603</b>	<b>862,428</b>
<b>Other Assets:</b>		
Security Deposits	6,676	6,676
<b>Total Other Assets</b>	<b>6,676</b>	<b>6,676</b>
<b>Total Assets</b>	<b>\$ 4,592,465</b>	<b>\$ 3,705,848</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 891,965	\$ 462,251
Deferred Revenue	79,062	86,064
Tenant Security Deposit	6,893	7,719
Accrued Payroll & Taxes	984	1,003
Advance Rent	-	2,819
<b>Total Current Liabilities</b>	<b>978,904</b>	<b>559,856</b>
<b>Net Assets:</b>		
Unrestricted	1,756,148	1,482,523
Temporarily Restricted	1,857,413	1,663,469
<b>Total Net Assets</b>	<b>3,613,561</b>	<b>3,145,992</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,592,465</b>	<b>\$ 3,705,848</b>

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

## Mercy-USA for Aid & Development, Inc.

### Consolidated Statements of Activities Years Ended December 31, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>						
Contributions From Public	\$ 515,322	\$ 3,291,697	\$ 3,807,019	\$ 431,681	\$ 3,370,323	\$ 3,802,004
US Agency for International Development (USAID)	-	1,695,389	1,695,389	-	1,928,119	1,928,119
United Nation (UN) Grants	-	1,908,878	1,908,878	-	1,762,309	1,762,309
Global Fund to Fight AIDS, Tuberculosis & Malaria (GFATM) Grants	-	435,186	435,186	-	248,529	248,529
Contribution In-Kind - UN agencies	-	3,439,695	3,439,695	-	2,892,946	2,892,946
Rental Income	65,757	-	65,757	68,396	-	68,396
Dividend Income	5,330	-	5,330	8,124	-	8,124
Gain/Loss on Foreign Currency Fluctuation	50,156	-	50,156	11,485	-	11,485
Gain/Loss on Sale of Equipment	41	-	41	9,443	-	9,443
<b>Net Assets Released From Restrictions:</b>						
Satisfaction of Service Restrictions	10,576,901	(10,576,901)	-	10,665,914	(10,665,914)	-
<b>Total Support and Revenue</b>	<b>11,213,507</b>	<b>193,944</b>	<b>11,407,451</b>	<b>11,195,043</b>	<b>(463,688)</b>	<b>10,731,355</b>
<b>EXPENSES</b>						
<b>Program Services:</b>						
Food, Shelter and Orphan Assistance	5,491,830	-	5,491,830	5,503,620	-	5,503,620
Economic Vitalization	243,187	-	243,187	160,774	-	160,774
Health	4,721,450	-	4,721,450	4,631,844	-	4,631,844
Education	129,685	-	129,685	403,274	-	403,274
<b>Total Program Services</b>	<b>10,586,152</b>	<b>-</b>	<b>10,586,152</b>	<b>10,699,512</b>	<b>-</b>	<b>10,699,512</b>
<b>Supporting Services:</b>						
Management and General	155,829	-	155,829	171,523	-	171,523
Fund Raising	197,901	-	197,901	193,193	-	193,193
<b>Total Supporting Expenses</b>	<b>353,730</b>	<b>-</b>	<b>353,730</b>	<b>364,716</b>	<b>-</b>	<b>364,716</b>
<b>Total Expenses</b>	<b>10,939,882</b>	<b>-</b>	<b>10,939,882</b>	<b>11,064,228</b>	<b>-</b>	<b>11,064,228</b>
Change In Net Assets	273,625	193,944	467,569	130,815	(463,688)	(332,873)
Net Assets - Beginning of Year	1,482,523	1,663,469	3,145,992	1,351,708	2,127,157	3,478,865
<b>Net Assets - End of Year</b>	<b>\$ 1,756,148</b>	<b>\$ 1,857,413</b>	<b>\$ 3,613,561</b>	<b>\$ 1,482,523</b>	<b>\$ 1,663,469</b>	<b>\$ 3,145,992</b>

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

## Mercy-USA for Aid & Development, Inc.

### Consolidated Statements of Cash Flows Years Ended December 31, 2015 and 2014

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 467,569	\$ (332,873)
Adjustments to reconcile Change in Net Asset to Cash Provided by (Used in) Operations:		
Loss (Gain) on Disposal of Assets, net	(41)	(9,081)
Depreciation	68,741	65,758
<b>Change in:</b>		
Prepaid Insurance and Expenses	7,164	(7,975)
Pledges and Accounts Receivable	(467,228)	372,025
Notes Receivable - Micro-lending/SED	-	(12,000)
Other Assets	-	(6,176)
Accounts Payable	429,714	(255,993)
Deferred Revenue	(7,002)	5,321
Accrued Payroll and Taxes	(19)	(1,573)
Other Liabilities	(3,645)	3,913
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>495,253</u>	<u>(178,654)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(50,145)	(70,207)
Proceeds from Sale of Assets	270	9,443
<b>Net Cash Used in Investing Activities</b>	<u>(49,875)</u>	<u>(60,764)</u>
Net Increase (Decrease) in Cash	445,378	(239,418)
Cash and Cash Equivalents - Beginning of Year	2,464,313	2,703,731
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 2,909,691</u>	<u>\$ 2,464,313</u>

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

## Mercy-USA for Aid & Development, Inc.

### Notes to Financial Statements December 31, 2015 and 2014

#### 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) 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

##### Translation of Currencies

Financial statements in currencies other than United State 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.

##### Financial Statement Presentation

In accordance with accounting standards applicable to not-for-profit organizations, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**1) NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**Financial Statement Presentation (Continued)

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

Unrestricted Fund:

Unrestricted net assets are those currently available for use of the Organization's Board.

Temporarily Restricted Fund:

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

The Organization does not have any permanently restricted net assets.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or the nature of any donor restrictions.

Certain restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the donor restrictions.

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

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

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

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

Grants

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

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.

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 of \$1,000 and over are capitalized.

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

The Organization expenses advertising costs as incurred. Advertising expense was \$121,684 and \$108,086 for the years ending December 31, 2015 and 2014, 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 Reorganization

Funds provided under grant or contract, which are not considered contributions, are deemed to be earned and reported as revenue when the Organization has either incurred expenditures or completed the deliverables in compliance with the specific terms and conditions of the grant or contract. Grants or contract funds received for which no corresponding expenditures or performance has yet been made are accounted for as deferred revenue. Expenditures and performance made in advance of funds received are recorded as grants or accounts receivables.

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

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

Comparative Financial Information

The accompanying consolidated financial statements include certain prior year summarized information. With respect to the consolidated statements of functional expenses and statement of revenue and program expenses, information from the prior year is presented in the aggregate and not presented by functions. Accordingly, such information should be read in conjunction with the Organization's prior year consolidated financial statements from which the summarized information was derived.

**2) CASH AND CASH EQUIVALENTS**

The total cash held by the Organization at December 31, 2015, includes \$2,185,079 not covered by insurance provided by the Federal Deposit Insurance Corporation. As of December 31, 2014 the uninsured amount was \$1,754,799.

**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.

Economic Vitalization

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

Health Services

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

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 & Development, Inc.

Notes to Financial Statements (Continued)  
December 31, 2015 and 2014

### 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) CONTRIBUTIONS IN-KIND

These consist of food, medicines and medical supplies etc. provided by UNICEF and World Food Program for distribution to needy people. The amounts recognized in the statement of activities are based on fair value of the goods received at the time of donation. The Organization received \$3,439,695 and \$2,892,946 in fiscal years 2015 and 2014, respectively.

### 5) PLEDGES AND ACCOUNTS RECEIVABLE

Accounts receivable consist of Somalia/Kenya grant funding receivable from the USAID and the United Nations Grant agencies. Details of Accounts Receivable as of December 31, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Grants Receivable	\$ 747,483	\$ 320,633
Pledges Receivable	60,938	20,560
	<u>\$ 808,421</u>	<u>\$ 341,193</u>

### 6) FIXED ASSETS

Fixed assets are comprised of the following:

	<u>Balance January 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2015</u>
<b>Fixed Assets:</b>				
Building	\$ 820,000	\$ 36,410	\$ -	\$ 856,410
Office Equipment	163,829	12,560	(269)	176,120
Office Furniture	16,159	-	-	16,159
Audio Visual Equipment	8,464	1,175	-	9,639
Automobiles	121,542	-	(802)	120,740
Others	10,595	-	-	10,595
<b>Total</b>	<u>1,140,589</u>	<u>50,145</u>	<u>(1,071)</u>	<u>1,189,663</u>
Less Accumulated Depreciation	(278,161)	(68,741)	842	(346,060)
<b>Net Fixed Assets</b>	<u>\$ 862,428</u>	<u>\$ (18,596)</u>	<u>\$ (229)</u>	<u>\$ 843,603</u>

## Mercy-USA for Aid & Development, Inc.

Notes to Financial Statements (Continued)  
December 31, 2015 and 2014

### 6) FIXED ASSETS (Continued)

	<u>Balance January 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2014</u>
<b>Fixed Assets:</b>				
Building	\$ 820,000	\$ -	\$ -	\$ 820,000
Office Equipment	157,125	8,670	(1,966)	163,829
Office Furniture	16,159	-	-	16,159
Audio Visual Equipment	8,464	-	-	8,464
Automobiles	93,629	61,537	(33,624)	121,542
Others	10,595	-	-	10,595
<b>Total</b>	<u>1,105,972</u>	<u>70,207</u>	<u>(35,590)</u>	<u>1,140,589</u>
Less Accumulated Depreciation	(247,631)	(65,758)	35,228	(278,161)
<b>Net Fixed Assets</b>	<u>\$ 858,341</u>	<u>\$ 4,449</u>	<u>\$ (362)</u>	<u>\$ 862,428</u>

### 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 50% match on eligible employee contributions to the plan up to a maximum allowable by the plan. The Organization contributed \$12,347 and \$10,362 in fiscal years 2015 and 2014, 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, 2015 and 2014 the Organization, collected \$82,517 and \$43,537 respectively, on behalf of Mercy-USA for Aid & Development, (Canada) and received \$143,433 and \$117,399, respectively, from Mercy-USA for Aid & Development, (Canada). As at December 31, 2015, an amount of \$ 20,000 was payable to Mercy- USA for Aid and Development, (Canada) and no amount was receivable from them.

### 9) TEMPORARILY RESTRICTED NET ASSETS

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

## Mercy-USA for Aid & Development, Inc.

### Notes to Financial Statements (Continued) December 31, 2015 and 2014

#### 9) TEMPORARILY RESTRICTED NET ASSETS (Continued)

Purpose restriction accomplished:

	2015	2014
Albania Programs	\$ 97,082	\$ 102,397
Bosnia Programs	98,344	129,991
Indonesia Programs	249,378	71,917
Lebanon Programs	171,762	121,277
Somalia & Kenya Programs	8,000,399	7,116,471
Syria Programs	1,914,497	2,566,832
Gaza Programs	5,294	434,314
United States Programs	24,169	16,901
India Programs	15,976	19,434
<b>Total Restrictions Released</b>	<b>\$ 10,576,901</b>	<b>\$ 10,579,534</b>

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

	2015	2014
Albania	\$ 6,419	\$ 3,543
Lebanon	30,157	77,688
Bosnia	2,760	19,488
Somalia and Kenya	32,259	280,396
India	2,113	476
Syria	889,334	478,877
Indonesia	17,323	-
Gaza	423,665	346,019
USA	-	3,599
Others	453,383	453,383
<b>Total Temporarily Restrictions Released</b>	<b>\$ 1,857,413</b>	<b>\$ 1,663,469</b>

#### 10) 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.

#### 11) SUBSEQUENT EVENTS

The Organization has evaluated events through September 16, 2016 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.

## Mercy-USA for Aid & Development, Inc.

### Statement of Consolidated Functional Expenses Year Ended December 31, 2015 (With Combined Comparative Totals for 2014)

Expenditures	Food, Shelter & Orphan Assistance	Economic Vitalization	Health	Education	Total Program Services	Management & General	Fund Raising	Total Expenditures	2014 Total Expenditures
Grants	\$ 29,840	\$ -	\$ -	\$ -	\$ 29,840	\$ -	\$ -	\$ 29,840	\$ 476,162
Salaries & Wages	707,329	76,447	1,880,005	40,534	2,704,315	27,921	24,026	2,756,262	2,431,927
Employee Benefits	8,695	14,123	131,589	-	154,407	20,582	-	174,989	194,223
Advertising & Promotion	-	-	-	-	-	1,995	119,689	121,684	108,086
Transportation Expenses	109,647	11,913	504,675	2,261	628,496	882	-	629,378	648,338
Commercial Insurance	-	32	-	-	32	1,126	-	1,158	2,506
Conference, Meeting & Seminars	-	462	-	-	462	1,874	1,200	3,536	16,142
Consultants & Other Professional Services	14,705	1,815	6,547	9,106	32,173	2,593	12,450	47,216	50,387
Dues, Subscriptions, Fees, etc.	363	-	2,582	-	2,945	3,518	-	6,463	10,215
Legal	773	28	140	-	941	2,002	-	2,943	7,415
Accounting	1,734	-	27,495	-	29,229	3,861	-	33,090	32,865
Occupancy & Warehousing	59,379	6,922	131,811	9,934	208,046	8,195	-	216,241	184,028
Postage & Shipping, etc.	9,568	444	2,622	257	12,891	5,202	1,716	19,809	28,372
Printing & Copying	2,775	724	2,289	152	5,940	2,284	10,664	18,888	23,117
Program Materials	4,163,052	56,969	1,147,656	23,886	5,391,563	-	-	5,391,563	5,605,005
Telephone	12,072	2,417	50,375	992	65,856	1,860	-	67,716	58,500
Travel	72,586	13,858	158,732	105	245,281	7,973	1,401	254,655	212,262
Bank Charges/Currency Adjustment	27,078	3,216	61,670	2,927	94,891	1,009	26,755	122,655	126,012
Office Supplies and Equipment	33,782	4,555	69,534	634	108,505	2,117	-	110,622	143,551
Payroll Taxes	490	-	548	-	1,038	3,422	-	4,460	7,826
Loss on Sale of Assets	-	-	-	-	-	-	-	-	361
Uncollectible Accounts Receivables	-	-	-	-	-	18,483	-	18,483	-
Indirect Cost	232,150	45,406	526,135	35,799	839,490	-	-	839,490	631,170
Depreciation	5,812	3,856	17,045	3,098	29,811	38,930	-	68,741	65,758
<b>Total</b>	<b>\$ 5,491,830</b>	<b>\$ 243,187</b>	<b>\$ 4,721,450</b>	<b>\$ 129,685</b>	<b>\$ 10,586,152</b>	<b>\$ 155,829</b>	<b>\$ 197,901</b>	<b>\$ 10,939,882</b>	<b>\$ 11,064,228</b>

**Mercy-USA for Aid & Development, Inc.**

**Supplemental Statement of Revenue and Program Expenses  
Year Ended December 31, 2015  
(With Combined Comparative Totals for 2014)**

	ALBANIA	LEBANON <sup>1</sup>	BOSNIA	INDONESIA <sup>2</sup>	SOMALIA <sup>3</sup> & KENYA	SYRIA	GAZA	INDIA	USA	NOT DESIGNATED	TOTAL	TOTAL 2014
<b>REVENUES</b>												
<b>Contributions from Public:</b>												
General	\$ 5,958	\$ 8,231	\$ 10,959	\$ 216,701	\$ 318,462	\$ 1,287,142	\$ 82,940	\$ 613	\$ 70	\$ 515,322	\$ 2,446,398	\$ 2,329,585
Food Aid	13,000	76,000	19,000	14,000	74,719	159,231	-	11,000	15,500	-	382,450	319,486
Orphan Fund	15,000	-	10,209	17,000	-	-	-	-	-	-	42,209	82,166
Education	4,000	-	3,448	4,000	-	-	-	-	-	-	11,448	17,522
Zakat	62,000	40,000	38,000	15,000	158,116	600,398	-	6,000	5,000	-	924,514	1,053,245
US Government Grants	-	-	-	-	1,895,399	-	-	-	-	-	1,895,399	1,928,119
US Agency for International Development (USAID)	-	-	-	-	1,816,830	92,048	-	-	-	-	1,908,878	1,762,309
United Nations (UN) Grants	-	-	-	-	435,186	-	-	-	-	-	435,186	248,529
Global Fund to Fight AIDS, Tuberculosis & Malaria (GFATM) Grants	-	-	-	-	3,253,560	186,135	-	-	-	-	3,439,695	2,892,946
Gifts in Kind - UN Agencies	-	-	-	-	-	-	-	-	-	65,757	65,757	68,396
Rental Income	-	-	-	-	-	-	-	-	-	5,330	5,330	8,124
Dividend Income	-	-	-	-	-	-	-	-	-	50,156	50,156	11,485
Gain/Loss on Foreign Currency Fluctuation	-	-	-	-	-	-	-	-	-	41	41	9,443
Gain/Loss on Sale of Equipment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 99,958</b>	<b>\$ 124,231</b>	<b>\$ 81,616</b>	<b>\$ 266,701</b>	<b>\$ 7,752,282</b>	<b>\$ 2,324,954</b>	<b>\$ 82,940</b>	<b>\$ 17,613</b>	<b>\$ 20,570</b>	<b>\$ 636,606</b>	<b>\$ 11,407,451</b>	<b>\$ 10,731,355</b>
<b>EXPENDITURES</b>												
<b>Program Services:</b>												
Food, Shelter & Orphan Assistance	17,327	43,636	15,547	75,409	3,624,498	1,666,017	-	15,976	33,420	-	5,491,830	5,503,620
Economic Vitalization	7,829	-	68,317	167,041	-	-	-	-	-	-	243,187	160,774
Health	-	97,069	-	-	4,375,901	248,480	-	-	-	-	4,721,450	4,631,844
Education	71,926	31,057	14,480	6,928	-	-	5,294	-	-	-	129,685	403,274
<b>Total Program Services</b>	<b>\$ 97,082</b>	<b>\$ 171,762</b>	<b>\$ 98,344</b>	<b>\$ 249,378</b>	<b>\$ 8,000,399</b>	<b>\$ 1,914,497</b>	<b>\$ 5,294</b>	<b>\$ 15,976</b>	<b>\$ 33,420</b>	<b>\$ -</b>	<b>\$ 10,586,152</b>	<b>\$ 10,699,512</b>

1. Includes Palestinian Refugees in Lebanon.  
2. Includes Rohingya Refugees from Myanmar/Burma.  
3. Includes Refugees from Yemen.

**Mercy-USA for Aid & Development, Inc.**

**Indirect Cost Allocation  
Year Ended December 31, 2015**

Expenditures	Total Cost	Allowable Indirect	Unallowable Indirect	Fund Raising Cost	Program Cost	Excluded Program Cost*	Total Direct Cost
Grants	\$ 29,840	\$ -	\$ -	\$ -	\$ 29,840	\$ -	\$ 29,840
Salaries & Wages	2,756,262	27,921	-	24,026	2,704,315	-	2,728,341
Employee Benefits	174,989	20,582	-	-	154,407	-	154,407
Advertising & Promotion	121,684	1,995	-	119,689	-	-	119,689
Transportation Expenses	629,378	882	-	-	628,496	-	628,496
Commercial Insurance	1,158	1,126	-	-	32	-	32
Conference, Meetings & Seminars	3,536	1,874	-	1,200	462	-	1,662
Consultants & Other Professional Services	47,216	2,593	-	12,450	32,173	-	44,623
Dues, Subscription, Fees etc.	6,463	3,518	-	-	2,945	-	2,945
Legal	2,943	2,002	-	-	941	-	941
Accounting	33,090	3,861	-	-	29,229	-	29,229
Occupancy & Warehousing	216,241	8,195	-	-	208,046	-	208,046
Postage & Shipping	19,809	5,202	-	1,716	12,891	-	14,607
Printing & Copying	18,888	2,284	-	10,664	5,940	-	16,604
Program Materials	5,391,563	-	-	-	5,391,563	3,439,695	1,951,868
Telephone	67,716	1,860	-	-	65,856	-	65,856
Travel	254,655	7,973	-	1,401	245,281	-	246,682
Bank Charges/Currency Adjustment	122,655	1,009	-	26,755	94,891	-	121,646
Office Supplies & Equipment	110,622	2,117	-	-	108,505	-	108,505
Payroll Taxes	4,460	3,422	-	-	1,038	-	1,038
Uncollectible Accounts Receivables	18,483	-	18,483	-	-	-	-
Indirect Cost	839,490	-	-	-	839,490	-	839,490
Depreciation	68,741	38,930	-	-	29,811	-	29,811
<b>Total</b>	<b>10,939,882</b>	<b>137,346</b>	<b>18,483</b>	<b>197,901</b>	<b>10,586,152</b>	<b>3,439,695</b>	<b>7,344,358</b>
Reclassify Overhead Charged to Program Costs	-	839,490	-	-	-	-	(839,490)
<b>Total</b>	<b>\$ 10,939,882</b>	<b>\$ 976,836</b>	<b>\$ 18,483</b>	<b>\$ 197,901</b>	<b>\$ 10,586,152</b>	<b>\$ 3,439,695</b>	<b>\$ 6,504,868</b>
<b>Base = Total Direct Cost</b>							
<b>Pool Cost</b>	\$ 976,836						
<b>Base Cost</b>	\$ 6,504,868						
<b>Indirect Rate</b>	15.02%						

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

**CONTRIBUTION/PLEDGE FORM**

We cannot process your donation without your personal information!



First Name \_\_\_\_\_ Last Name \_\_\_\_\_

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

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**One Time Donation \$** \_\_\_\_\_

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Kindly send your tax deductible donation made payable to:

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FAX: 734-454-0303

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### Other Mercy-USA Offices

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

## About Mercy-USA

Mercy-USA for Aid and Development is a nonprofit relief and development organization dedicated to alleviating human suffering and supporting individuals and their communities in their efforts to become more self-sufficient.

Incorporated in 1988, Mercy-USA's projects focus on improving health, nutrition and access to safe water, as well as promoting economic and educational growth around the world.

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

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## A tribute to those we lost

Mohammad Ismail, a Mercy-USA field team member, was killed in a barrel bomb attack on Aleppo as he entered a bakery to buy his daily bread one night after work. Mohammad, at right, with his three-month old son, Hadi, had just settled his young family in Turkey so he could return to his humanitarian work in Aleppo. He had begun photographing the children we help in the city and in makeshift camps. Some of his beautiful photos are featured in this annual report. He brought the children left behind in Syria to light in his photos. They trusted him and smiled at him despite the hardship they were going through. May God's mercy be with Mohammad and his family.



Mohammad Ismail,  
Mercy-USA field team member

Nour Ghamrawi was a Field Program Assistant in Akkar, Northern Lebanon where most of our work is focused on Wadi Khalid and supporting Syrian refugees and host families alike. Nour died earlier this year in a car accident while returning from work. Nour was a warm, adventurous and giving humanitarian. She loved working with the children and their families in Wadi Khalid. Tireless and dedicated, Nour, who was silently battling cancer for months, continued working and smiling through her own suffering. People all throughout Wadi Khalid feel the loss of Nour's smiles and warmth, but no more so than her colleagues at Mercy-USA. We're praying for Nour's mother to survive the loss of her only beloved child and for God's mercy on Nour.



Nour El-Houda Ghamrawi,  
Mercy-USA Field Program Assistant

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

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

### Automatic Giving Program

A gift of your choice can be automatically deducted monthly from your bank or major credit card account. Please clip the form on page 41 and mail it along with a voided check.

### Employee Matching Program

Encourage your employer to match your donation.

### Stocks

Mercy-USA accepts stocks as a charitable contribution.

### Make a Bequest

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

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

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

## And a prayer for those trapped in Aleppo...



Since the siege of Aleppo that began in July 2016, many of our field team members are trapped inside that city. We are praying for their safety every day and stand in solidarity with all humanitarian organizations calling for an end to the violence.



# Mercy-USA®

Mercy-USA for Aid and Development



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