

A black and white photograph of a woman with dark hair tied back, wearing a patterned headscarf and a green dress, smiling and holding a large cardboard box. She is standing in front of a metal structure, possibly a truck or storage unit. Other people are visible in the background.

2017

# Annual Report



**Mercy-USA**  
Mercy-USA for Aid and Development



**Mercy-USA®**

Mercy-USA for Aid and Development

# Table of Contents



## *Dear Friends and Supporters,*

Greetings and peace be upon you.

In 2017, with the generosity and support of our individual and institutional donors, Mercy-USA for Aid and Development provided over half a million persons in need worldwide with life-saving and life-sustaining humanitarian aid, as well as individual and community empowerment through educational and economic development.

Our dedicated field staff worked tirelessly to feed vulnerable families in Syria and Syrian refugees in Lebanon and to keep them warm and healthy during the winter. Our medical staff and community health workers treated malnourished children in Somalia and Kenya, saving young lives and restoring hope. They provided maternal and pediatric health services to isolated and displaced women and children in Syria and Somalia. They taught English to orphans and other at-risk youth in Albania, Bosnia and Indonesia and trained them to use office computer software, enhancing their opportunity for a better future.

Through our long-standing partnership with the United Nations Relief and Works Agency for Palestine Refugees (UNRWA), we supported the education of blind and other visually impaired children in Gaza and helped them to integrate into mainstream schools alongside their sighted peers. Our developing partnership with the Turkish Red Crescent has allowed us to expand our relief services to Rohingya refugees who have fled ethnic cleansing in Myanmar.

During 2017, we also provided relief to the homeless and those struggling with poverty in Detroit and in the process afforded new volunteer opportunities for youth and young professionals.

We are very grateful for all of the donor and volunteer support that continues to sustain and expand Mercy-USA's vital work at home and around the world and look forward to your continued partnership with us.

Sincerely,

*Umar al-Qadi*

Umar al-Qadi  
President and CEO

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# Rohingya



*Bringing hope and knowledge they're not alone.*

More than half a million Rohingya fled Myanmar's Rakine State the summer of 2017 to a slender strip of land called Cox's Bazar in Bangladesh. Families with elderly parents, children and babies grabbed what they could carry and ran for their lives after horrible atrocities were perpetrated against them by the military. Traumatized and destitute, these families need everything imaginable. Looking for the fastest and most efficient way to deliver needed humanitarian aid, Mercy-USA struck a cooperative agreement with the Turkish Red Crescent.



*Grateful and dignified, Rohingya Refugees queue patiently for their food rations as field staff worked as fast as possible to distribute the monthly food allotments.*

Families were given meal-ready food upon arrival and once settled, we distributed nutritious food baskets that sustained a family for a month. This food distribution continued for the remainder of 2017 and into 2018.



*Yusuf brought us to his family's fragile bamboo home in 2017 during the early days of our work in Bangladesh for the Rohingya Refugees.*

# Syria



## *Food and Shelter for Tens of Thousands. Thanks to You.*

**A**s the war in Syria dragged into the sixth year, Mercy-USA continued to offer humanitarian aid to families struggling to stay alive without jobs, resources or defense against air assaults and chemical weapons.

Imagine taking only what you may be able to load onto a cart, the back of a truck or even a motorcycle and transport your entire family to a place you hope will be safer from air



attack. This is the story of tens of thousands of families in northern Syria where we've been serving humanitarian needs on the ground since 2012. Unable to earn a living, Syrians are relying more and more completely on humanitarian aid for survival. In 2017, we distributed tent homes to hundreds of families who had been living in dilapidated shelters. We also distributed kitchen kits to newly arrived families who had fled bombardment in other parts of Syria.

By far, our monthly food aid is the most relied upon assistance that we provide to thousands of people. As

it became clear that families had little else to sustain them, we added more food to ensure better nutrition, especially for those with growing children.



During the winter of 2017, we distributed eco-fuel and stoves to newly displaced families in northern Syria.

### Winter Fuel and Stoves for Tens of Thousands

For the third year in a row, Mercy-USA brought life-saving winter heat to families living in tents and inadequate shelter in northern Syria.

After successfully carrying this project out in previous years, the United

Nations granted Mercy-USA funds to expand the number of families we could serve by thousands. We distributed eco-friendly fuel to households to last the winter months. The bio-mass fuel made from olive

oil production waste burns cleaner and hotter than wood, coal or trash. We also distributed cast iron stoves to families in need, especially those who were newly displaced from their homes.

### The Advancing Regime Threat Reduces a Brand New Medical Clinic to Emergency Mobile Medical Response

In early 2017, Mercy-USA opened a comprehensive primary health clinic in Idlib province and began serving the needs of people who hadn't had access to healthcare for years. The clinic featured a lab, pharmacy and fully trained medical doctors. We also offered psycho-social support for adults and children who had been traumatized by the war.



The clinic was a godsend to the people in the region and our medical staff were dedicated to serving their healthcare needs. Unfortunately, like our mother and child health clinic in Aleppo the year before, we were forced to close in November of 2017 as advancing pro-government troops took over the region putting our staff at grave risk.



However, our medical staff did not give up and formed mobile medical teams that now visit patients where they are sheltered offering basic healthcare and nutrition services. Their dedication to the people they're serving is a wonder and we're grateful they continue to work under extremely dangerous conditions.

# Lebanon



## Meeting Vital Needs for Syrian Refugees in Lebanon...

Electricity outages last as long as 18 hours a day in parts of Lebanon, especially in impoverished areas where Syrian Refugees have found a home. Lack of municipal resources and services are strained due to the large influx of refugees causing tension with the already struggling host families. To help address this situation



*Above: The lighting infrastructure project we completed in 2017 provides safer streets to three towns in Lebanon.  
Left: Hot cooked, nutritious meals were distributed to refugee families struggling to find enough to eat.  
Right: Bread to last the week—a staple in every home in Syria and Lebanon—was distributed three times a week during 2017.*



in Wadi Khalid, with a grant from the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA), Mercy-USA completed a comprehensive lighting infrastructure project. This project has improved access to power and provided safer streets through the installation of three new substations and the rehabilitation of four existing substations. We also installed 80 electric poles, repaired another 160 poles, installed 50 new PV streetlights and replaced 50 more with energy-efficient bulbs.

With funding from Orienthelfer, Mercy-USA distributed fresh bread to 4,000 Syrian Refugee families in Lebanon three days a week. With the same support, we conducted three times weekly hot meal distribution to refugee families to boost nutrition among households struggling with food insecurity. Additionally, winter-weight blankets were distributed to over 1,000 Syrian Refugee families in 2017. Each family received five blankets.

# Somalia



## Water for Life

If a Somali village has a well, they count themselves among the blessed, but for far too many families, a well is still just a dream.

In 2017, Mercy-USA for Aid and Development built 50 wells in Somalia, and in total we have dug over 550 wells, and we're proud to report that populations of over 600,000 people



benefit from these wells. A well provides clean, drinkable water within a short walk from a family's doorstep. This means babies won't fall sick or even die from contaminated water. A nearby well means a mother or her children are not forced to walk for miles each day through the bush to find water—a trip that is fraught with risks from wild animals or strangers. Hours of a girl's day are not used for this task and can be spent in school.

In 2017, several years of missed rains resulted in severe drought in east Africa. Large parts of Somalia were particularly hard hit causing near famine conditions.

Largely pastoral, Somali families lost their entire herds of sheep and goats and as drought-hardy camels began dying, families began to split up for survival. Mothers

traveled on foot for miles with the young children to camps for displaced families looking for food and water while fathers and older boys traveled far distances with their remaining camel stock in search of grazing. The babies and children suffered the most, and we tackled the problem on two fronts; with water trucking for emergency relief, and with nutrition screening and support through our medical projects detailed on the next page.

We saw the benefit of our years of building wells when our water trucks and those of other humanitarian organizations used our wells to fill the trucks.

# Somalia



## Mercy-USA healthcare clinics are a lifeline for so many...

For over 20 years, Mercy-USA has been working in Somalia providing vital healthcare and nutrition support with a special emphasis on the most vulnerable segment of the population, women and children.

Many of our clinics reach people who are far from major towns and cities. Often, the



*Left, Sahara, a young mother of four, has been counting on the Mercy-USA Mother and Child Health Clinic to care for her health during and after her pregnancies, including giving birth. She visits the clinic regularly and receives care for herself and her unborn baby. Her young children are also seen at the clinic. She has formed a close bond with her trained midwife, Amina, seen here with Sahara, who monitored her pregnancies and delivered her children.*

local Mercy-USA health facility is all that stands between a sick baby and death. Pregnant mothers can be cared for by trained Mercy-USA medical providers before, during and after the birth of their baby. With generous support from the US Agency for International Development's Office of Foreign Disaster Assistance (USAID/OFDA) and the United Nations

Children's Fund (UNICEF), we operate 25 mother and child health clinics across Somalia, treating tens of thousands each year. Mothers like Sahro, pictured above, visited our clinic throughout her pregnancy, where she received nutritional support, regular checkups, and a clean and safe delivery of her baby girl. The baby was vaccinated and Sahro knows she will have medical help for herself and her children at Mercy-USA's health clinic.

Pictured below, Muno, had sought help for her persistent fevers and coughs plus weight loss for months and no one thought to test her for TB. When she came to one of our 12 TB treatment clinics, she tested positive and was treated for six months. She told us, "Mercy-



USA really saved me from the jaws of the TB virus. I feel so human now—I mean like other people—I am strong and confident. I am so happy."

Half of our TB centers also test for and treat HIV/AIDS, providing care that isn't easily found in Somalia. These vital clinics are funded by the Global Fund to Fight AIDS, Tuberculosis and Malaria.

# Somalia



*Good nutrition in early childhood makes for a smart future.*

In 2017, it was estimated that 1.2 million children suffered from malnutrition in Somalia due to drought and conflict. Lack of proper nutrition in children from birth until the age of five causes long-term problems for a child; these early years are critical for brain growth and lack of proper nutrients inhibits this crucial development. This is why Mercy-USA has partnered with the US Agency for International Development's Office of Foreign Disaster Assistance (USAID/OFDA), the United Nations Children's Fund (UNICEF), and the World Food Program (WFP). Through their generous support, we operate 15 nutrition centers in Somalia to treat children from birth to 5 years of age.



*Baby Zakiho in Somalia (pictured above and left), was suffering from malnutrition when her mother brought her to our nutrition center. Weeks later, after therapeutic feeding treatment through our clinic, Zakiho was glowing with health.*

In addition to nutritional support through comprehensive monitored nutrition programs, we educate the family on feeding methods to ensure the children remain healthy.



A young mother, Hodan brought her 11-month old baby, Idel Mohamed (at left) into our Hiraan nutrition clinic when he had stopped feeding and was becoming sicker each day. She had been taking the baby to traditional healers in her village with no improvement. She then came with the baby to the nearby Mercy-USA clinic where he was evaluated by trained Mercy-USA medical staff and determined to be malnourished. Hodan was counseled, supplied with nutrition supplements and

directed to have the baby monitored until he achieved a healthy weight. She told us, “I realize this facility is the first place to seek medical attention for my children.”

# Kenya

®



## *Emergency health interventions in Kenya save lives.*

With funding from the USAID Office of Foreign Disaster Assistance, Mercy-USA implemented an integrated emergency nutrition and water/sanitation and hygiene project in 2017 in Garissa County, Kenya that was hard hit by drought. The project served the nutritional needs of children under five and pregnant or lactating women with the objective of reducing malnutrition and improving nutrition levels.



*Above and at right:  
This three-week old  
baby was born without  
trained medical  
care. She was born  
underweight and  
was not breastfeeding  
enough to gain the  
weight she needed  
to thrive. Mercy-  
USA helped baby  
and mother get the  
immediate help they  
needed.*



Mercy-USA had community health workers in almost all villages in the targeted area who linked children and mothers in need to our outreach mobile clinic team who made frequent and regular visits. The mobile clinic team was able to assess emergencies such as the three-week-old baby pictured at left and below, who had been found to be severely malnourished and in need of immediate medical intervention. In this case, mother and baby were transported immediately to a hospital by our team—a trip that would have been out of the question for this poor mother without our team's intervention.

The water/sanitation and hygiene component of this effort addresses the reduction of diseases and infections through proper handling of medical waste at community health facilities. It also included the renovation of latrines, repair of water reservoirs and hygiene education to communities.

# Indonesia



*Building self-reliance with support and encouragement*

Mercy-USA has been working to support sustainable development in two sectors of the society since our 2004 Indian Ocean Tsunami emergency relief work finished. Besides seasonal food aid for needy families, we support agricultural and education projects.



Supporting small farmers to become successful independent business owners is a focus for our work. We provide better farming inputs to help the farmer have higher and more sustainable yields.

Our heifer program gives a poor farmer a heifer to breed for a year and the resulting calf is his own to raise and breed, as he passes the heifer on to the next farmer, widening the circle of help each year.



Access to quality education for all is another vital quality of a resilient society that can withstand any crisis. This is why Mercy-USA provides free computer skills

and English classes to orphaned and other at-risk youth in Indonesia. The opportunity to get a university degree or a have a career that supports a family should be available to all young people in Indonesia who work hard, and we're helping to show the way forward with our education programs.

# Bosnia



## *Disrupting the legacy of war in Bosnia*

For more than 20 years, we have been helping students in Bosnia to rise out of poverty and leave the legacy of war behind. We begin by supporting needy first graders with new backpacks and school supplies before the first day of school so they start on par with their classmates. We want all children to begin their academic life feeling they can reach the heights of scholastic achievement no matter where they start from.



This support continues with our free after school English classes for school-aged students and young adults who can't afford private classes. Having

a good grasp of English helps a young person at university and in the work place. The same is true for computer skills and we offer those courses to young at-risk adults who are looking for help in getting a better job.



Our agricultural education center helps in the training of future agronomists and supports small farmers with more effective methods. The 10,900 square foot greenhouse and one acre farm produce seedlings for sale while a portion of the production goes to needy seniors and mothers who maintain kitchen gardens in collective housing centers for persons still displaced from the war in the 1990s.

# Albania



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## *Encouraging hard work and perseverance in Albania*

**A**s in Bosnia, Albanian public schools are limited in resources and more often if a student wants to excel toward university and/or gainful employment, they need skills beyond the basics offered. Mercy-USA offers free extracurricular English and computer skills classes to orphaned and other at-risk students. These classes



*Adele, (pictured at left with glasses) and her brother lost their father five years ago and were thrown into poverty. Their mother has an income of about \$200 a month and the three of them do their best to survive. She and her brother both attend our classes after school and her brother told us, “It’s true that at our school we have computer courses but because of the large number of students and limited computers, we don’t learn much there.”*

Mercy-USA has a special program (*photo above*) targeted at the Roma population wherein we provide parents with incentives to keep their children in school with regular attendance via food baskets and other help.



**O**ur agricultural projects help small farmers with technical resources and regular trainings from a certified agronomist aimed at improving harvests. Each year, this program has more farmers reporting that their businesses are more successful and improving the lives of their families, employing more workers and contributing more broadly to their local economies.

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# Gaza



*An equal chance for blind & visually impaired kids in Gaza*

After more than eleven continuous years of Israeli blockade and hostilities, the Gaza Strip faces a humanitarian crisis that affects all inhabitants trapped within its borders. Palestinians who are blind or visually impaired are at an even worse disadvantage. Seen as a burden to the struggling community, blind or visually impaired persons are often marginalized from society and don't have access to resources for self-sufficiency.



Mercy-USA supports the students at the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) Rehabilitation Center for the Visually Impaired, RCVI.

The RCVI has been working with visually impaired students providing specialized education for fifty years.

The project we support aims to ensure that blind and visually impaired children living in the Gaza Strip have access to, and receive an education, which is tailored to their needs, and to dismantle cultural barriers towards children with disabilities. Children from first to fourth grade are taught the standard curriculum their sighted peers receive with the goal of integration into the mainstream

schools by fifth grade. The Center also conducts awareness-raising sessions to various groups of students and organizations to help with the successful integration of the children into the greater society.

# United States



*Helping in our own backyard...*

Poverty and homelessness is a serious concern in Detroit and because Mercy-USA is headquartered outside the city we're getting involved to help. In 2017, we began a more concerted effort to connect our local donors and volunteers with families in need around our "neighborhood".

For Thanksgiving, Mercy-USA and our volunteers assembled and distributed food baskets



*We have no problem finding volunteers who are ready to help the poor and homeless in the Detroit area, especially during holidays and winter months when the need is greatest.*

at a local community center that serves the homeless and needy population.

In December 2017, Mercy-USA organized a team of Muslim helpers to relieve Christian volunteers the day after Christmas when the soup kitchen at St Peter's Episcopal Church (co-sponsored by St. Peter's Episcopal Church and Most Holy Trinity Catholic Church) resumed its normal hot meal distribution to 200 homeless and vulnerable people.

We reached out to the Detroit Muslim community calling for volunteers to serve the midday meal to the area's most vulnerable folks who come to the soup kitchen. By



bringing in new volunteers, we hoped to give the soup kitchen's dedicated volunteer staff more time with their families around the Christmas holiday and build bridges in the community at large.

Mercy-USA also supports two refugee services agencies, one in Baltimore, MD and one in Tampa, Florida. Both agencies provide a myriad of services

for refugees in their communities such as help with accessing social services, employment, housing and more.

# Seasonal Food Aid



Somalia fresh meat distribution (Udhia/Qurbani)

## Around the world

Every year, Mercy-USA distributes seasonal food aid to the most vulnerable populations in countries in which we serve around the world. We provided food to families in observance of the Islamic occasions of Ramadan, Eid al-Fitr and Eid al-Adha. In 2017, we served over 90,000 people in 9 countries and the United States.



Indonesia fresh meat distribution (Udhia/Qurbani)



Syria Ramadan food baskets



India Ramadan food baskets



Lebanon Ramadan food baskets



Kenya Ramadan food baskets



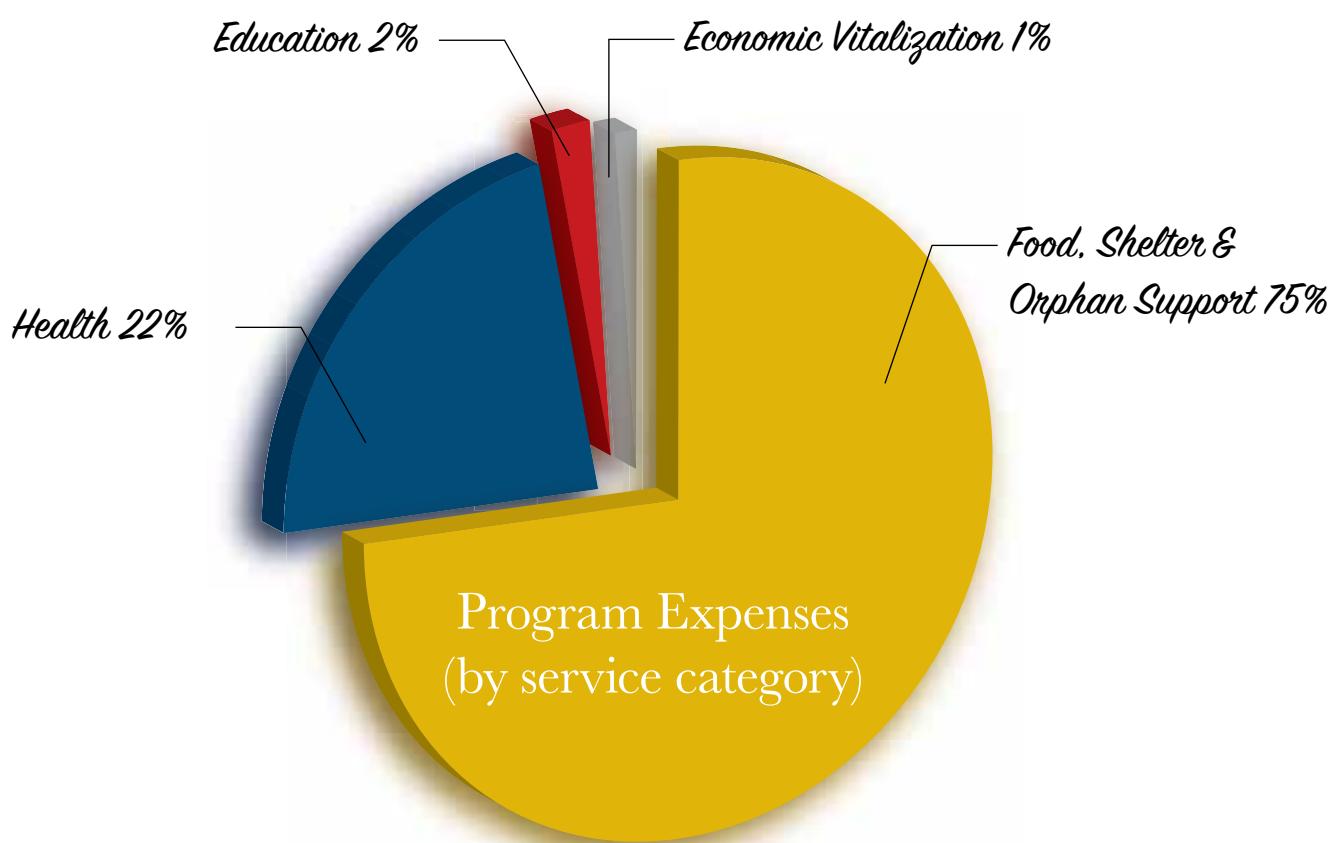
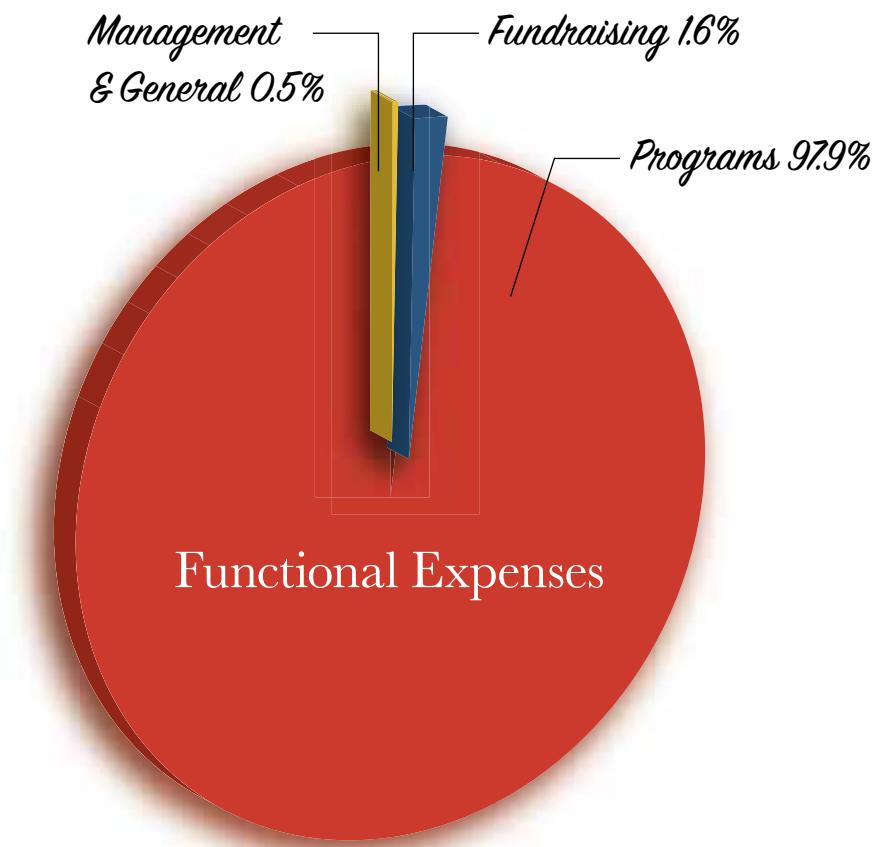
Albania Ramadan food baskets



Bosnia Ramadan Iftar meals



USA fresh meat distribution (Udhia/Qurbani)



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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 statement of financial position as of December 31, 2017 and the related consolidated statements of activities, and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

**Independent Auditor's Report  
(Continued)**

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited the Organization's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 13, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**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 7, 2018 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.

*Mark L. Young, Jr., AICPA*  
Detroit, Michigan  
September 7, 2018

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

**Consolidated Statements of Financial Position  
December 31, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents (Note 2)	\$ 3,631,842	\$ 4,094,895
Pledges & Accounts Receivable (Note 5)	1,028,918	912,203
Notes Receivable - Micro-lending/SED (Note 1)	18,857	10,000
Prepaid Insurance & Expenses	15,100	20,472
<b>Total Current Assets</b>	<u>4,694,717</u>	<u>5,037,570</u>
<b>Fixed Assets (Note 6)</b>		
Building, Vehicles, Furniture & Equipment	1,446,379	1,338,381
Less: Accumulated Depreciation	(417,952)	(403,192)
<b>Total Fixed Assets</b>	<u>1,028,427</u>	<u>935,189</u>
<b>Other Assets</b>		
Security Deposits	9,169	7,623
Travel Advance	250	1,500
<b>Total Other Assets</b>	<u>9,419</u>	<u>9,123</u>
<b>Total Assets</b>	<u>\$ 5,732,563</u>	<u>\$ 5,981,882</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 800,385	\$ 905,987
Deferred Revenue	177,313	715,587
Tenant Security Deposit	6,893	6,893
Accrued Payroll & Taxes	3,521	2,413
Advance Rent	1,510	-
<b>Total Current Liabilities</b>	<u>989,622</u>	<u>1,630,880</u>
<b>Net Assets</b>		
Unrestricted	3,198,061	2,454,836
Temporarily Restricted (Note 9)	1,544,880	1,896,166
<b>Total Net Assets</b>	<u>4,742,941</u>	<u>4,351,002</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 5,732,563</u>	<u>\$ 5,981,882</u>

*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, 2017 and 2016						
	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>						
Contributions From Public	\$ 1,012,491	\$ 3,814,437	\$ 4,826,928	\$ 962,768	\$ 3,715,274	\$ 4,678,042
US Agency for International Development (USAID)	-	2,723,742	2,723,742	-	1,925,749	1,925,749
United Nation (UN) Grants	-	4,043,036	4,043,036	-	2,479,837	2,479,837
Global Fund to Fight AIDS, Tuberculosis & Malaria (GFATM) Grants	-	572,771	572,771	-	468,646	468,646
Contribution In-Kind - UN agencies (Note 4)	-	8,465,481	8,465,481	-	2,102,767	2,102,767
Rental Income	76,220	-	76,220	71,737	-	71,737
Dividend Income	8,215	-	8,215	9,103	-	9,103
Gain/Loss on Foreign Currency Fluctuation	49,936	-	49,936	30,095	-	30,095
Gain/Loss on Sale of Equipment	1,518	-	1,518	-	-	-
Program Fees	17,646	-	17,646	20,315	-	20,315
<b>Net Assets Released From Restrictions:</b>						
Satisfaction of Service Restrictions (Note 9)	19,970,753	(19,970,753)	-	10,653,520	(10,653,520)	-
<b>Total Support and Revenue</b>	<u>21,136,779</u>	<u>(351,286)</u>	<u>20,785,493</u>	<u>11,747,538</u>	<u>38,753</u>	<u>11,786,291</u>
<b>EXPENSES</b>						
<b>Program Services:</b>						
Food, Shelter and Orphan Assistance	14,969,850	-	14,969,850	6,671,110	-	6,671,110
Economic Vitalization	255,023	-	255,023	356,107	-	356,107
Health	4,443,951	-	4,443,951	3,595,215	-	3,595,215
Education	301,929	-	301,929	130,240	-	130,240
<b>Total Program Services</b>	<u>19,970,753</u>	<u>-</u>	<u>19,970,753</u>	<u>10,752,672</u>	<u>-</u>	<u>10,752,672</u>
<b>Supporting Services:</b>						
Management and General	96,545	-	96,545	94,897	-	94,897
Fund Raising	326,256	-	326,256	201,281	-	201,281
<b>Total Supporting Expenses</b>	<u>422,801</u>	<u>-</u>	<u>422,801</u>	<u>296,178</u>	<u>-</u>	<u>296,178</u>
<b>Total Expenses</b>	<u>20,393,554</u>	<u>-</u>	<u>20,393,554</u>	<u>11,048,850</u>	<u>-</u>	<u>11,048,850</u>
Change In Net Assets	743,225	(351,286)	391,939	698,688	38,753	737,441
Net Assets - Beginning of Year	2,454,836	1,896,166	4,351,002	1,756,148	1,857,413	3,613,561
<b>Net Assets - End of Year</b>	<u>\$ 3,198,061</u>	<u>\$ 1,544,880</u>	<u>\$ 4,742,941</u>	<u>\$ 2,454,836</u>	<u>\$ 1,896,166</u>	<u>\$ 4,351,002</u>

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, 2017 and 2016		
	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 391,939	\$ 737,441
Adjustments to reconcile Change in Net Asset to Cash Provided by (Used in) Operations:		
Loss (Gain) on Disposal of Assets, net	(1,518)	571
Depreciation	96,296	79,345
<b>Change in:</b>		
Prepaid Insurance and Expenses	5,372	(8,398)
Pledges and Accounts Receivable	(116,715)	(103,782)
Notes Receivable - Micro-lending/SED	(8,857)	2,000
Other Assets	(296)	(2,447)
Accounts Payable	(105,602)	14,022
Deferred Revenue	(538,274)	636,525
Accrued Payroll and Taxes	1,108	1,429
Advance Rent	1,510	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>(275,037)</u>	<u>1,356,706</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(189,584)	(181,502)
Proceeds from Sale of Assets	1,568	10,000
<b>Net Cash Used in Investing Activities</b>	<u>(188,016)</u>	<u>(171,502)</u>
Net Increase (Decrease) in Cash	(463,053)	1,185,204
Cash and Cash Equivalents - Beginning of Year	4,094,895	2,909,691
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 3,631,842</u>	<u>\$ 4,094,895</u>

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

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

Notes to Financial Statements  
December 31, 2017 and 2016

### 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 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.

#### 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.

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

Notes to Financial Statements (Continued)  
December 31, 2017 and 2016

### 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.

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

Notes to Financial Statements (Continued)  
December 31, 2017 and 2016

### 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.

#### 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, and a useful life in excess of one year are capitalized.

#### Advertising

The Organization expenses advertising costs as incurred. Advertising expense was \$139,749 and \$106,008 for the years ending December 31, 2017 and 2016, respectively.

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

Notes to Financial Statements (Continued)  
December 31, 2017 and 2016

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

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### 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.

#### Grants

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

#### Microfinance Loans Receivable

Microfinance loans receivable are recorded in the consolidated statements of financial position at their unpaid principal balances net of allowance for loan losses. Interest income is accrued based on the outstanding principal amount and contractual terms of each individual loan. A loan is considered impaired when, based on current information, it is probable that the organization will not receive all amounts due in accordance with the contractual terms of the underlying loan agreement. When an impairment loss has been incurred, the amount of the loss is measured as the difference between the carrying amount of the loan receivable and the present value of the estimated future cash flows, including amounts recoverable from guarantees and collateral discounted at the loan receivable's original effective interest rate. All loan receivable losses are recognized in the consolidated statements of activities. When a loan is uncollectible, it is written off against the related reserve for loan impairment. Loan balances are written off when management determines that the loans are uncollectible and when all necessary steps to collect the loan are exhausted. The balance outstanding as of December 31, 2017, and 2016, were \$18,857 and \$10,000, respectively. There was no allowance for uncollectible against these loans.

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

Notes to Financial Statements (Continued)  
December 31, 2017 and 2016

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

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

	2017	2016
Bosnia	<u>\$ 18,857</u>	<u>\$ 10,000</u>

### 2) CASH AND CASH EQUIVALENTS

The total cash held by the Organization at December 31, 2017 includes \$3,197,109 not covered by insurance provided by the Federal Deposit Insurance Corporation. As of December 31, 2016, the uninsured amount was \$3,335,292.

### 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.

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

Notes to Financial Statements (Continued)  
December 31, 2017 and 2016

### 3) PROGRAM AND SUPPORTING SERVICES (Continued)

#### Education

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

#### 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 \$8,465,481 and \$2,102,767 in fiscal years 2017 and 2016, 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, 2017 and 2016 are as follows:

	2017	2016
Grants Receivable	\$ 989,737	\$ 785,896
Pledges Receivable	39,181	126,244
Others	-	63
	<u>\$ 1,028,918</u>	<u>\$ 912,203</u>

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

### Notes to Financial Statements (Continued) December 31, 2017 and 2016

#### 6) FIXED ASSETS

Fixed assets are comprised of the following:

	Balance January 1, 2017	Additions	Deletions	Reclassifications	Balance December 31, 2017
<b>Fixed Assets</b>					
Building	\$ 934,110	\$ 113,873	\$ -	\$ 23,920	\$ 1,071,903
Office Equipment	173,941	20,891	(51,694)	(17,390)	125,748
Office Furniture	20,354	1,225	(10,668)	(887)	10,024
Audio Visual Equipment	13,289	3,589	(2,385)	(7,268)	7,225
Automobiles	186,092	50,006	(15,647)	(2,140)	218,311
Others	10,595	-	(1,192)	3,765	13,168
<b>TOTAL</b>	<b>1,338,381</b>	<b>189,584</b>	<b>(81,586)</b>	<b>-</b>	<b>1,446,379</b>
Less Accumulated Depreciation	(403,192)	(96,296)	81,536	-	(417,952)
<b>Net Fixed Assets</b>	<b>\$ 935,189</b>	<b>\$ 93,288</b>	<b>\$ (50)</b>	<b>\$ -</b>	<b>\$ 1,028,427</b>

	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016
<b>Fixed Assets</b>				
Building	\$ 856,410	\$ 77,700	\$ -	\$ 934,110
Office Equipment	176,120	10,525	(12,704)	173,941
Office Furniture	16,159	5,425	(1,230)	20,354
Audio Visual Equipment	9,639	4,000	(350)	13,289
Automobiles	120,740	83,852	(18,500)	186,092
Others	10,595	-	-	10,595
<b>TOTAL</b>	<b>1,189,663</b>	<b>181,502</b>	<b>(32,784)</b>	<b>1,338,381</b>
Less Accumulated Depreciation	(346,060)	(79,345)	22,213	(403,192)
<b>Net Fixed Assets</b>	<b>\$ 843,603</b>	<b>\$ 102,157</b>	<b>\$ (10,571)</b>	<b>\$ 935,189</b>

#### 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 \$12,134 and \$11,637 in fiscal years 2017 and 2016, respectively, to the plan.

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

### Notes to Financial Statements (Continued) December 31, 2017 and 2016

#### 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, 2017 and 2016 the Organization collected \$37,544 and \$65,023 respectively, on behalf of Mercy-USA for Aid & Development, (Canada) and received \$85,419 and \$75,632, respectively, from Mercy-USA for Aid & Development, (Canada). As at December 31, 2017 and 2016, an amount of \$808 and \$19,700, respectively, 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:

Purpose restriction accomplished:

	<b>2017</b>	<b>2016</b>
Albania Programs	\$ 97,460	\$ 70,464
Bosnia Programs	99,067	67,318
Indonesia Programs	190,924	139,418
Lebanon Programs	1,063,956	99,910
Somalia & Kenya Programs	14,510,181	7,416,915
Syria Programs	3,619,804	2,693,090
Gaza Programs	191,067	-
Rohingya Refugees Program	125,687	-
United States Programs	57,936	151,172
India Programs	14,671	15,233
<b>Total Restrictions Released</b>	<b>\$ 19,970,753</b>	<b>\$ 10,653,520</b>

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

	<b>2017</b>	<b>2016</b>
Albania	\$ 2,261	\$ -
Lebanon	2,502	5,879
Bosnia	2,603	-
Somalia and Kenya	218,286	177,474
Syria	230,605	768,966
Indonesia	6,306	-
Gaza	386,648	489,070
Rohingya Refugees	240,892	-
USA	1,394	1,394
Others	453,383	453,383
<b>Total</b>	<b>\$ 1,544,880</b>	<b>\$ 1,896,166</b>

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

### Notes to Financial Statements (Continued) December 31, 2017 and 2016

#### 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) NEW ACCOUNTING PRONOUNCEMENTS

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

ASU 2014-09 is effective for fiscal years beginning after December 15, 2017.

The Organization's management has not determined the impact on the Organization's financial statements because of implementing ASU 2014-09.

The FASB issued ASU 2016-02, Leases (Topic 842), in February 2016. ASU 2016-02 requires the recognition by lessees of assets and liabilities that arise from all lease transactions, except for leases with a lease term of 12 months or less. The lessee accounting model under ASU 2016-02 retains two types of leases: finance leases, which are to be accounted for in substantially the same manner as the existing accounting for capital leases, and operating leases, which are to be accounted for (both in the statements of activities and the statements of cash flows) in a manner consistent with existing accounting for operating leases. ASU 2016-02 also requires expanded qualitative and quantitative disclosures regarding the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2019.

The Organization's management has not determined the impact on the Organization's financial statements because of implementing ASU 2016-02.

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

### Notes to Financial Statements (Continued) December 31, 2017 and 2016

#### 11) NEW ACCOUNTING PRONOUNCEMENTS (Continued)

The FASB issued ASU 2016-14, Presentation of Financial Statements of Not For-Profit Entities, in August 2016. ASU 2016-14 modifies the requirements related to financial statement presentation for non-profit organizations. The major provisions of ASU 2016-14 are as follows:

- Information about net assets and changes in net assets will be reported for two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.
- Reporting of expenses by both function and nature in one location will be required for all non-profit organizations.
- Either the direct method or the indirect method for presenting operating cash flows may continue to be used, but the requirement for those entities using the direct method to prepare a reconciliation with the indirect method will be eliminated.
- Quantitative information that communicates the availability of the organization's financial assets as of the statement of financial position date to meet cash needs for general expenditures within one year will be required to be presented on the face of the financial statements or in the notes to the financial statements.
- Qualitative information on how the organization manages its liquid available resources and liquidity risks will be required to be disclosed in the notes to the financial statements.
- Reporting of the "underwater" amounts of donor-restricted endowment funds in net assets with donor restrictions and enhanced disclosures about "underwater" endowments will be required.
- Other enhanced disclosures regarding board designations and appropriations, the nature of net assets with donor restrictions, and functional expense allocation methods will also be required.

ASU 2016-14 is effective for fiscal years beginning after December 15, 2017.

The Organization's management has not determined the impact on the Organization's financial statements because of implementing ASU 2016-14.

#### 12) SUBSEQUENT EVENTS

The Organization has evaluated events through September 7, 2018 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, 2017 (With Combined Comparative Totals for 2016)

Expenditures	Food, Shelter & Orphan Assistance		Economic Vitalization		Total Program Services		Management & General		Fund Raising		Total Expenditures		2016 Total Expenditures	
	Assistance	Health	Vitalization	Education	Services		General		Raising		Expenditures		Expenditures	
Grants	\$ 144,275	\$ -	\$ 20,006	\$ 175,000	\$ 339,281	\$ -	\$ -	\$ 339,281	\$ -	\$ 109,365				
Salaries & Wages	1,968,622	1,563,340	82,845	46,471	3,661,278	13,725	45,635	3,720,638	2,912,428					
Employee Benefits	75,126	235,812	20,524	-	331,462	3,901	-	335,363	197,255					
Advertising & Promotion	-	-	-	-	-	-	139,749	139,749	106,008					
Transportation Expenses	418,457	391,758	6,029	2,200	818,444	208	-	818,652	655,456					
Commercial Insurance	4,600	-	79	-	4,679	566	-	5,245	338					
Conference, Meeting & Seminars	5,761	2,064	610	-	8,435	408	8,594	17,437	6,250					
Consultants & Other Professional Services	70,325	7,020	5,222	13,619	96,186	168	21,079	117,433	58,126					
Dues, Subscriptions, Fees, etc.	5,815	5,117	-	-	10,932	1,126	-	12,058	6,049					
Legal	8,629	-	216	-	8,845	84	-	8,929	7,856					
Accounting	2,783	28,260	-	-	31,043	1,231	-	32,274	28,619					
Occupancy & Warehousing	129,317	92,185	10,033	8,313	239,848	2,124	30,261	272,233	246,570					
Postage & Shipping, etc.	2,203	1,144	682	293	4,322	2,253	1,255	7,830	4,515					
Printing & Copying	3,832	302	978	438	5,550	2,635	9,947	18,132	9,340					
Program Materials	11,560,221	1,083,677	65,400	30,199	12,739,497	-	-	12,739,497	5,030,918					
Telephone	23,731	50,813	1,378	1,126	77,048	379	-	77,427	69,039					
Travel	145,979	206,664	16,978	236	369,857	2,233	23,050	395,140	325,930					
Bank Charges/Currency Adjustment	55,318	73,729	1,375	2,005	132,427	603	45,663	178,693	165,131					
Office Supplies and Equipment	48,986	107,360	2,403	1,733	160,482	264	1,023	161,769	85,834					
Payroll Taxes	-	544	-	-	544	3,984	-	4,528	2,435					
Loss on Sale of Assets	-	-	-	-	-	-	-	-	571					
Indirect cost	279,870	580,794	17,186	17,100	894,950	-	-	894,950	941,472					
Depreciation	16,000	13,368	3,079	3,196	35,643	60,653	-	96,296	79,345					
Total	\$ 14,969,850	\$ 4,443,951	\$ 255,023	\$ 301,929	\$ 19,970,753	\$ 96,545	\$ 326,256	\$ 20,393,554	\$ 11,048,850					

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

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

### Indirect Cost Allocation Year Ended December 31, 2017

Expenditures	Total Cost	Allowable Indirect	Unallowable Indirect	Fund Raising Cost	Program Cost	Excluded Program Cost*	Total Direct Cost
Grants	\$ 339,281	\$ -	\$ -	\$ -	\$ 339,281	\$ -	\$ 339,281
Salaries & Wages	3,720,638	13,725	-	45,635	3,661,278	-	3,706,913
Employee Benefits	335,363	3,901	-	-	331,462	-	331,462
Advertising & Promotion	139,749	-	-	139,749	-	-	139,749
Transportation Expenses	818,652	208	-	-	818,444	-	818,444
Commercial Insurance	5,245	566	-	-	4,679	-	4,679
Conference, Meetings & Seminars	17,437	408	-	8,594	8,435	-	17,029
Consultants & Other Professional Services	117,433	168	-	21,079	96,186	-	117,265
Dues, Subscription, Fees etc.	12,058	1,126	-	-	10,932	-	10,932
Legal	8,929	84	-	-	8,845	-	8,845
Accounting	32,274	1,231	-	-	31,043	-	31,043
Occupancy & Warehousing	272,233	2,124	-	30,261	239,848	-	270,109
Postage & Shipping	7,830	2,253	-	1,255	4,322	-	5,577
Printing & Copying	18,132	2,635	-	9,947	5,550	-	15,497
Program Materials	12,739,497	-	-	-	12,739,497	8,465,481	4,274,016
Telephone	77,427	379	-	-	77,048	-	77,048
Travel	395,140	2,233	-	23,050	369,857	-	392,907
Bank Charges/Currency Adjustment	178,693	603	-	45,663	132,427	-	178,090
Office Supplies & Equipment	161,769	264	-	1,023	160,482	-	161,505
Payroll Taxes	4,528	3,984	-	-	544	-	544
Indirect Cost	894,950	-	-	-	894,950	-	894,950
Depreciation	96,296	60,653	-	-	35,643	-	35,643
<b>Total</b>	<b>20,393,554</b>	<b>96,545</b>	<b>-</b>	<b>326,256</b>	<b>19,970,753</b>	<b>8,465,481</b>	<b>11,831,528</b>
Reclassify Overhead Charged to Program Costs	-	894,950	-	-	-	-	(894,950)
<b>Total</b>	<b>\$ 20,393,554</b>	<b>\$ 991,495</b>	<b>\$ -</b>	<b>\$ 326,256</b>	<b>\$ 19,970,753</b>	<b>\$ 8,465,481</b>	<b>\$ 10,936,578</b>

**Base = Total Direct Cost**  
**Pool Cost** \$ 991,495  
**Base Cost** \$ 10,936,578  
**Indirect Rate** 9.07%

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

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

### Supplemental Statement of Revenue and Program Expenses Year Ended December 31, 2017 (With Combined Comparative Totals for 2016)

	SOMALIA & KENYA										NOT DESIGNATED		TOTAL	
	ALBANIA	LEBANON <sup>1</sup>	BOSNIA	INDONESIA	SYRIA	GAZA	INDIA	Rohingya Refugees	USA	2017	2016			
<b>REVENUES</b>														
Contributions from Public:														
General	\$ 6,571	\$ 8,699	\$ 9,142	\$ 5,430	\$ 355,760	\$ 993,327	\$ 88,645	\$ 2,573	\$ 366,579	\$ 920	\$ 1,012,491	\$ 2,850,137	\$ 3,017,268	
Food Aid	14,000	49,000	14,000	14,000	95,000	118,163	-	12,098	-	30,500	-	346,761	311,079	
Orphan Fund	10,800	-	11,528	14,800	-	-	-	-</						

## 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](mailto:info@mercyusa.org) • website: [mercyusa.org](http://mercyusa.org)

### Other Mercy-USA Offices

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

### About Mercy-USA

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

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

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

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

#### 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.

#### 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 51 and mail it along with a voided check.

#### Employee Matching Program

Encourage your employer to match your donation.

## Mercy-USA Board of Directors\*

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Ms. Iman Elkadi

### Vice-Chairperson

Dr. Ali El-Menshawi

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### Members

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Ms. Samar Mady

Ms. Clareen Menzies

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

Mr. Umar al-Qadi,  
President & CEO

Mr. Anas Alhaidar, CFO

## Contribution/Pledge Form

We cannot process your donation without your personal information!



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

Street Address \_\_\_\_\_ Apt/Ste# \_\_\_\_\_

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

Work Phone \_\_\_\_\_ Cell Phone \_\_\_\_\_ Home Phone \_\_\_\_\_ E-mail \_\_\_\_\_

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

Monthly Donation  \$10  \$25  \$50  \$100  \$250  Other \$ \_\_\_\_\_

Check

Credit Card (Fill out Credit Card Section)

Bank Auto Withdrawal (Fill out Banking Information Section)

Pledge \$ \_\_\_\_\_

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

Credit Card Information (Charged in US Currency)

Account No. \_\_\_\_\_

Expiration Date \_\_\_\_\_ Sec. Code \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

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

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

Checking Account  Savings Account

9 Digit Bank Routing Number (ABA) \_\_\_\_\_

Account No. \_\_\_\_\_ Starting with the \_\_\_\_\_ / \_\_\_\_\_ / 20 \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Kindly send your tax deductible donation made payable to:

**Mercy-USA for Aid and Development, US Federal Tax # 38-2846307**

44450 Pinetree Drive, Suite 201, Plymouth, MI 48170-3869

**IN CANADA: Mercy-USA for Aid and Development (Canada), Canadian Charity Business # 89458-5553-RR0001**  
PO Box 99055 • RPO Heritage Green • Stoney Creek, ON L8J 2P7

**734-454-0011 • 1-800-55-MERCY (1-800-556-3729) • FAX: 734-454-0303**

e-mail: [info@mercyusa.org](mailto:info@mercyusa.org) • website: [mercyusa.org](http://mercyusa.org)



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