

Form **990**
Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

OMB No. 1545-0047

2006

Open to Public Inspection

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2006 calendar year, or tax year beginning _____, and ending _____

- B** Check if applicable:
- Address change
- Name change
- Initial return
- Final return
- Amended return
- Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization**Mercy-USA For Aid & Development, Inc**

Number and street (or P. O. box if mail is not delivered to street address)

44450 Pinetree Drive

Room/suite

201

City or town, state or country, and ZIP + 4

Plymouth**MI 481703869****D** Employer identification number**38-2846307****E** Telephone number**734-454-0011****F** Accounting method: Cash Accrual Other (specify)

♦ Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Website: ▶ **www.mercyusa.org****J** Organization type(check only one) ▶ 501(c) (**3**) ◀ (insert no.) 4947(a)(1) or 527**K** Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.**H** and are not applicable to section 527 organizations. **I****H(a)** Is this a group return for affiliates? Yes No**H(b)** If "Yes," enter number of affiliates ▶ _____**H(c)** Are all affiliates included? Yes No

(If "No," attach a list. See instructions.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No**I** Group Exemption Number ▶ _____**M** Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **2,572,985****Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)**

1	Contributions, gifts, grants, and similar amounts received:				
a	Contributions to donor advised funds	1a			
b	Direct public support (not included on line 1a)	1b	2,075,135		
c	Indirect public support (not included on line 1a)	1c	392,012		
d	Government contributions (grants) (not included on line 1a)	1d	45,186		
e	Total (add lines 1a through 1d) (cash \$ 2,292,241 noncash \$ 220,092)	1e		2,512,333	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		493	
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4			
5	Dividends and interest from securities	5		41,874	
6a	Gross rents	6a			
b	Less: rental expenses	6b			
c	Net rental income or (loss). Subtract line 6b from line 6a	6c			
7	Other investment income (describe ▶ See Statement 1)	7		18,089	
8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
b	Less: cost or other basis and sales expenses	8a			
c	Gain or (loss) (attach schedule)	8b			
d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8c			
8d		8d			
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ _____ of contributions reported on line 1b)	9a			
b	Less: direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c			
10a	Gross sales of inventory, less returns and allowances	10a			
b	Less: cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c			
11	Other revenue (from Part VII, line 103)	11		196	
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		2,572,985	
13	Program services (from line 44, column (B))	13		1,885,758	
14	Management and general (from line 44, column (C))	14		195,909	
15	Fundraising (from line 44, column (D))	15		77,461	
16	Payments to affiliates (attach schedule)	16			
17	Total expenses. Add lines 16 and 44, column (A)	17		2,159,128	
18	Excess or (deficit) for the year. Subtract line 17 from line 12	18		413,857	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		2,163,382	
20	Other changes in net assets or fund balances (attach explanation) See Statement 2	20		10,984	
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		2,588,223	

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.
DAAForm **990** (2006)

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a	Grants paid from donor advised funds (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b	Other grants and allocations (attach schedule) Stmnt 3 (cash \$ 111,920 non-cash \$ _____) If this amount includes foreign grants, check here <input checked="" type="checkbox"/>	111,920	111,920		
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25a	Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)				
25b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)				
25c	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)				
26	Salaries and wages of employees not included on lines 25a, b, and c	542,057	457,497	84,560	
27	Pension plan contributions not included on lines 25a, b, and c				
28	Employee benefits not included on lines 25a - 27	66,771	33,406	33,365	
29	Payroll taxes	6,692		6,692	
30	Professional fundraising fees				
31	Accounting fees	14,968		14,968	
32	Legal fees	8,404	7,974	430	
33	Supplies	10,835	7,676	3,159	
34	Telephone	21,307	17,986	3,321	
35	Postage and shipping	28,876	11,517	6,395	10,964
36	Occupancy	72,952	56,922	16,030	
37	Equipment rental and maintenance				
38	Printing and publications	6,362	813	2,204	3,345
39	Travel	70,363	58,020	2,526	9,817
40	Conferences, conventions, and meetings	4,146		3,546	600
41	Interest				
42	Depreciation, depletion, etc. (attach schedule)	21,019	16,812	4,207	
43	Other expenses not covered above (itemize):				
a	See Statement 4	1,172,456	1,105,215	14,506	52,735
b					
c					
d					
e					
f					
g					
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	2,159,128	1,885,758	195,909	77,461

Joint Costs. Check if you are following SOP 98-2.Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____;

(iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose?

▶ **See Statement**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts; but optional for others.)

<p>a Food, Shelter & Orphan Assistance-To provide food, shelter, winter supplies and other household and/or personal items.</p> <p>(Grants and allocations \$ 111,920) If this amount includes foreign grants, check here ▶ <input checked="" type="checkbox"/></p>	685,103
<p>b Health Services-To improve individual and community health education, immunization and other preventive measures. It also includes operation of clinics, hospitals and other health care facilities.</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	525,980
<p>c Economic Vitalization-To provide ways for needy individuals and communities to sustain themselves and to improve their quality of life and provide assistance in reviving economies of communities devastated by disaster.</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	389,499
<p>d Education-To provide basic and higher academic education, vocational & technical training to children and adults; the improvement, rehabilitation and renovation of the existing educational infrastructure.</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	52,097
<p>e Other program services (attach schedule) See Stmt</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	233,079
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶</p>	1,885,758

Form **990** (2008)

Part IV Balance Sheets (See the instructions.)

				(A)		(B)
				Beginning of year		End of year
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.						
45 Cash-non-interest-bearing				1,957,442	45	1,997,374
46 Savings and temporary cash investments					46	
47a Accounts receivable		47a	199,702			
b Less: allowance for doubtful accounts		47b		209,993	47c	199,702
48a Pledges receivable		48a				
b Less: allowance for doubtful accounts		48b			48c	
49 Grants receivable					49	
50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)					50a	
b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (att. schedule)					50b	
51a Other notes and loans receivable (attach schedule) See Worksheet		51a	4,500			
b Less: allowance for doubtful accounts		51b		8,000	51c	4,500
52 Inventories for sale or use					52	
53 Prepaid expenses and deferred charges				6,893	53	6,974
54a Investments—publicly-traded securities See Statement 5				429,169	54a	460,414
b Investments—other securities (attach schedule)					54b	
55a Investments—land, buildings, and equipment: basis		55a				
b Less: accumulated depreciation (attach schedule)		55b			55c	
56 Investments—other (attach schedule)					56	
57a Land, buildings, and equipment: basis		57a	190,447			
b Less: accumulated depreciation (attach schedule) See Statement 6		57b	139,222	69,755	57c	51,225
58 Other assets, including program-related investments (describe See Statement 7)				6,245	58	5,600
59 Total assets (must equal line 74). Add lines 45 through 58				2,687,497	59	2,725,789
60 Accounts payable and accrued expenses				456,183	60	137,566
61 Grants payable					61	
62 Deferred revenue See Statement 8				67,932	62	
63 Loans from officers, directors, trustees, and key employees (attach schedule)					63	
64a Tax-exempt bond liabilities (attach schedule)					64a	
b Mortgages and other notes payable (attach schedule)					64b	
65 Other liabilities (describe)					65	
66 Total liabilities . Add lines 60 through 65				524,115	66	137,566
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.						
67 Unrestricted				2,158,297	67	2,291,398
68 Temporarily restricted				5,085	68	296,825
69 Permanently restricted					69	
Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.						
70 Capital stock, trust principal, or current funds					70	
71 Paid-in or capital surplus, or land, building, and equipment fund					71	
72 Retained earnings, endowment, accumulated income, or other funds					72	
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)				2,163,382	73	2,588,223
74 Total liabilities and net assets/fund balances . Add lines 66 and 73				2,687,497	74	2,725,789

Part VI Other Information (continued)

		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	See Stmt 10 82b 10,000		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		N/A
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		N/A
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		N/A
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88a	X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b	X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0 ; section 4912 0 ; section 4955 0		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	X
90a	List the states with which a copy of this return is filed CA, IL, MI, NJ		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	90b	
91a	The books are in care of Umar-Al-Qadi Telephone no. 734-454-0011 44450 Pinetree Dr., Ste 201 Located at Plymouth, MI ZIP + 4 48170		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country See Statement 11 See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	X

Part VI Other Information (continued)

91c	Yes	No
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

c At any time during the calendar year, did the organization maintain an office outside of the United States?

If "Yes," enter the name of the foreign country ▶ **See Statement 12**

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here

and enter the amount of tax-exempt interest received or accrued during the tax year ▶ **92**

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Program Fees					493
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	41,874	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income			1	18,089	
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b SALES					105
c GAIN ON SALE OF EQUIPMENT					91
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		59,963	689
105 Total (add line 104, columns (B), (D), and (E))					60,652

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
96	Income generated is utilized for achieving the goals of the organization.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ... Yes No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ... Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
	<input checked="" type="checkbox"/>

(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a			
b			
c			
Totals			

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
	<input checked="" type="checkbox"/>

(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a			
b			
c			
Totals			

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer: [Redacted] Date: 6-11-2007

Type or print name and title: Umar al-Qadi / President & CEO

Paid Preparer's Use Only

Preparer's signature: [Redacted] Date: 6/08/07 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: Alan C. Young & Associates, P.C.
2990 West Grand Boulevard, Suite 310
Detroit, MI 48202

Preparer's SSN or PTIN (See Gen. Instr. X): P00151934
 EIN: 38-2463166
 Phone no.: 313-873-7500

**SCHEDULE A
(Form 990 or 990-EZ)**

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),
or 4947(a)(1) Nonexempt Charitable Trust

OMB No. 1545-0047

2006

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

Mercy-USA For Aid & Development, Inc

Employer identification number
38-2846307

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Comp.	(d) Contrib. to empl. ben. plans & deferred comp.	(e) Expense account & other allowances
NONE				
Total number of other employees paid over \$50,000 ▶				

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶		

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services ▶		

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2006

Part III Statements About Activities (See page 2 of the instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)		X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e Transfer of any part of its income or assets?		X
3a Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)		X
b Did the organization have a section 403(b) annuity plan for its employees?		X
c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b Did the organization make any taxable distributions under section 4966?		X
c Did the organization make a distribution to a donor, donor advisor, or related person?		X
d Enter the total number of donor advised funds owned at the end of the tax year ▶ _____		
e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ _____		
f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ _____		
g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ _____		

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ►
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions-subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 - Type I
 - Type II
 - Type III-Functionally Integrated
 - Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	5,236,789	5,058,439	2,935,647	8,386,738	21,617,613
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	351	630	490	548	2,019
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	24,037	27,351	46,576	29,728	127,692
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets Stmt 13	2,052	1,750	4,650	491	8,943
23 Total of lines 15 through 22	5,263,229	5,088,170	2,987,363	8,417,505	21,756,267
24 Line 23 minus line 17	5,262,878	5,087,540	2,986,873	8,416,957	21,754,248
25 Enter 1% of line 23	52,632	50,882	29,874	84,175	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶					26a 435,085
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶					26b
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶					26c 21,754,248
d Add: Amounts from column (a) for lines: 18 <u>127,692</u> 19 _____					26d 136,635
22 <u>8,943</u> 26b _____					26e 21,617,613
e Public support (line 26c minus line 26d total) ▶					26f 99.3719%
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2005) _____ (2004) _____ (2003) _____ (2002) _____ N/A					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2005) _____ (2004) _____ (2003) _____ (2002) _____ N/A					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____					27c
17 _____ 20 _____ 21 _____					27d
d Add: Line 27a total _____ and line 27b total _____					27e
e Public support (line 27c total minus line 27d total) ▶					27f
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶					27g %
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶					27h %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶					
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See page 9 of the instructions.)

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		N/A	Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)	31		
32	Does the organization maintain the following:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
33	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions.)

(To be completed **ONLY** by an eligible organization that filed Form 5768) **N/A**

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred.)

		(a) Affiliated group totals	(b) To be completed for all electing organizations
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table-		
	If the amount on line 40 is-		
	Not over \$500,000		
	Over \$500,000 but not over \$1,000,000		
	Over \$1,000,000 but not over \$1,500,000		
	Over \$1,500,000 but not over \$17,000,000		
	Over \$17,000,000		
	The lobbying nontaxable amount is-		
	20% of the amount on line 40		
	\$100,000 plus 15% of the excess over \$500,000		
	\$175,000 plus 10% of the excess over \$1,000,000	41	
	\$225,000 plus 5% of the excess over \$1,500,000		
	\$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.)

See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots nontaxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h.)

Yes	No	Amount
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 13 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of:

- (i) Cash
- (ii) Other assets

b Other transactions:

- (i) Sales or exchanges of assets with a noncharitable exempt organization
- (ii) Purchases of assets from a noncharitable exempt organization
- (iii) Rental of facilities, equipment, or other assets
- (iv) Reimbursement arrangements
- (v) Loans or loan guarantees
- (vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

	Yes	No
51a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ Yes No

b If "Yes," complete the following schedule:

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Forms
990 / 990-PF**Other Notes and Loans Receivable****2006**

For calendar year 2006, or tax year beginning

and ending

Name

Employer Identification Number

Mercy-USA For Aid & Development, Inc**38-2846307****Form 990, Part IV, Line 51a - Additional Information**

Name of borrower	Relationship to disqualified person
(1) Notes Receivable	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1)	8,000	4,500	
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals	8,000	4,500	

Federal Statements**Statement 1 - Form 990, Part I, Line 7 - Other Investment Income**

<u>Description</u>	<u>Amount</u>
REALIZED GAIN ON INVESTMENTS	\$ 18,089
Total	\$ 18,089

Statement 2 - Form 990, Line 20 - Other Changes in Net Assets or Fund Balances

<u>Description</u>	<u>Amount</u>
Net Unrealized Gains on Investments	\$ 10,924
Losses Reported on Return	-3,257
GAIN ON FOREIGN CURRENCY FLUCTUATION	3,317
Total	\$ 10,984

Name of Recipient	Grant Purpose	Amount
Islamic Aid / Bangladesh	Food Aid in Bangladesh	<u>16,920</u> 16,920
United Economic Forum	Food Aid in India	<u>25,000</u> 25,000
Foundation for Human Rights and Humanitarian Relief (Insan Hak Hurrivet Insan Y Vakfi)	Food Aid for Chechen Refugees in Turkey Food Aid for Earthquake Survivors in Pakistan	20,000 <u>50,000</u> 70,000
Total Grants		<u><u>111,920</u></u>

38-2846307

Federal Statements

FYE: 12/31/2006

Statement 4 - Form 990, Part II, Line 43 - Other Functional Expenses

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
Expenses				
Scholarships	3,300	3,300		
Advertising	40,059		2,822	37,237
Transportation	33,545	32,334	1,211	
Insurance	1,967		1,967	
Professional Fees	19,707	19,707		
Program Materials	782,461	782,461		
Bank Charges/Currency Fluct.	40,387	20,492	4,517	15,378
Dues, Subscriptions	4,637	528	3,989	120
Indirect Cost	246,393	246,393		
Total	<u>\$ 1,172,456</u>	<u>\$ 1,105,215</u>	<u>\$ 14,506</u>	<u>\$ 52,735</u>

Form 990, Part III - Organization's Primary Exempt Purpose

Mercy-USA is involved in relief and development for individuals and communities providing economic vitalization, health care, food, shelter and education.

Form 990, Part III, Line e - Other Program Services

Description

General Program- General program includes all ancillary program services needed to maintain and enhance the specific program sectors.

Federal Statements

Statement 5 - Form 990, Part IV, Line 54a - Publicly Traded Securities

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>
US and State Government Corporate Stock Investments	\$ 429,169	\$ 460,414	Market
Corporate Bonds			
Total	\$ 429,169	\$ 460,414	

Statement 6 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment

<u>Description</u>	<u>Beginning of Year</u>	<u>Accum Deprec</u>	<u>End of Year</u>	<u>Accum Deprec</u>
Automobile	\$ 115,443	\$ 66,402	\$ 95,214	\$ 62,385
Office Equipment	76,328	58,748	67,294	52,666
Office Furniture	8,517	6,932	8,517	7,132
Audio Visual	10,938	10,441	11,838	10,490
Others	6,979	5,927	7,584	6,549
Total	\$ 218,205	\$ 148,450	\$ 190,447	\$ 139,222

Statement 7 - Form 990, Part IV, Line 58 - Other Assets

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Security Deposits	\$ 6,245	\$ 5,600
Total	\$ 6,245	\$ 5,600

Statement 8 - Form 990, Part IV, Line 62 - Deferred Revenue

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Advances from US Dept. of Agriculture	\$ 67,932	\$
Total	\$ 67,932	\$ 0

Federal Statements

Statement 9 - Form 990, Part IV-A - Other Revenue Included on Financial Statements

<u>Description</u>	<u>Amount</u>
GAIN ON FOREIGN CURRENCY FLUCTUATION	\$ 3,317
Total	<u>\$ 3,317</u>

Federal Statements**Statement 10 - Form 990, Part VI, Line 82b - Donated Services**

<u>Description</u>	<u>Amount</u>
Volunteer Services	\$ 10,000
Total	\$ 10,000

Statement 11 - Form 990, Part VI, Line 91b - Foreign Country in which Financial Account is Held

<u>Name of Country</u>
Albania
Bosnia
Kenya
Indonesia
Lebanon
Kosovo

Statement 12 - Form 990, Part VI, Line 91c - Foreign Country in Which an Office is Maintained

Name of
Country

Albania
Bosnia
Somalia
Kenya
Indonesia
Kosovo
Lebanon

Federal Statements**Statement 13 - Schedule A, Part IV-A, Line 22 - Other Income**

Description	2005	2004	2003	2002
Sales	\$ 177	\$ 40	\$ 120	\$ 491
Gain on Sale of Assets	1,875	1,710	4,530	
Total	<u>\$ 2,052</u>	<u>\$ 1,750</u>	<u>\$ 4,650</u>	<u>\$ 491</u>

NAME & ADDRESS	HOURS	TITLE	COMPENSATION	BENEFITS	EXPENSE ACCOUNT
Zakia Mahasa 44450 Pinetree Dr #201 Plymouth, MI 48170	1	Chairperson	0	0	0
Mr. Faizil Baksh 44450 Pinetree Dr #201 Plymouth, MI 48170	1	Board Member	0	0	0
Dr. Ali El-Menshawi 44450 Pinetree Dr #201 Plymouth, MI 48170	1	Board Member	0	0	0
Umar al-Qadi 44450 Pinetree Dr #201 Plymouth, MI 48170	40	President & CEO	62,712	16,709	0
Anas Alhaidar 44450 Pinetree Dr #201 Plymouth, MI 48170	40	Chief Financial Officer	56,627	12,150	0

Form **8868**

(Rev. December 2006)

Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ File a separate application for each return.

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box
- If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

Section 501(c)(3) corporations required to file Form 990-T and requesting an automatic 6-month extension-check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c)(3) corporations required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

Type or print	Name of Exempt Organization Mercy-USA For Aid & Development Inc	Employer identification number 38-2846307
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 44450 Pinetree 201	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Plymouth MI 48170-3869	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

• The books are in the care of ▶

Telephone No. ▶ FAX No. ▶

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a section 501(c)(3) corporation required to file Form 990-T) extension of time until **8/15/07**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year **2006** or
 ▶ tax year beginning and ending

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.