

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

2007

Open to Public Inspection

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

A For the 2007 calendar year, or tax year beginning _____, and ending _____

- B** Check if applicable:
- Address change
 - Name change
 - Initial return
 - Termination
 - 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) Room/suite
44450 Pinetree Drive 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).

H and I are not applicable to section 527 organizations.

- 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

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.

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 **3,544,116**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Revenue					
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	2,123,913		
c	Indirect public support (not included on line 1a)	1c	1,235,860		
d	Government contributions (grants) (not included on line 1a)	1d	81,485		
e	Total (add lines 1a through 1d) (cash \$ 2,556,128 noncash \$ 885,130)	1e		3,441,258	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		800	
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4			
5	Dividends and interest from securities	5		51,006	
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		45,525	
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		5,527	
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		3,544,116	
Expenses					
13	Program services (from line 44, column (B))	13		2,738,142	
14	Management and general (from line 44, column (C))	14		181,183	
15	Fundraising (from line 44, column (D))	15		93,233	
16	Payments to affiliates (attach schedule)	16			
17	Total expenses. Add lines 16 and 44, column (A)	17		3,012,558	
Net Assets					
18	Excess or (deficit) for the year. Subtract line 17 from line 12	18		531,558	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		2,588,223	
20	Other changes in net assets or fund balances (attach explanation) See Statement 2	20		-35,065	
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		3,084,716	

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) Stmt 3 (cash \$ 273,375 non-cash \$ _____) If this amount includes foreign grants, check here <input checked="" type="checkbox"/>	273,375	273,375		
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				
25b	b Compensation of former officers, directors, key employees, etc. listed in Part V-B				
25c	c 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)				
26	Salaries and wages of employees not included on lines 25a, b, and c	593,758	519,528	74,230	
27	Pension plan contributions not included on lines 25a, b, and c				
28	Employee benefits not included on lines 25a - 27	65,388	32,956	32,432	
29	Payroll taxes	6,683		6,683	
30	Professional fundraising fees				
31	Accounting fees	13,598		13,598	
32	Legal fees	3,212	2,704	508	
33	Supplies	21,851	19,930	1,921	
34	Telephone	24,203	21,212	2,991	
35	Postage and shipping	24,905	8,389	7,332	9,184
36	Occupancy	77,069	61,030	16,039	
37	Equipment rental and maintenance				
38	Printing and publications	13,831	3,982	3,106	6,743
39	Travel	109,462	97,604	2,874	8,984
40	Conferences, conventions, and meetings	1,409	111	1,298	
41	Interest				
42	Depreciation, depletion, etc. (attach schedule)	22,713	18,514	4,199	
43	Other expenses not covered above (Itemize):				
43a	a See Statement 4	1,761,101	1,678,807	13,972	68,322
43b	b				
43c	c				
43d	d				
43e	e				
43f	f				
43g	g				
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	3,012,558	2,738,142	181,183	93,233

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 5**

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.)

a **Food, Shelter & Orphan Assistance-To provide food, shelter, winter supplies and other household and/or personal items.**

(Grants and allocations \$ **129,375**) If this amount includes foreign grants, check here ▶

625,128

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.**

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

1,210,643

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.**

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

383,701

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.**

(Grants and allocations \$ **144,000**) If this amount includes foreign grants, check here ▶

295,164

e Other program services (attach schedule) **See Stmt 6**

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

223,506

f **Total of Program Service Expenses (should equal line 44, column (B), Program services)**

▶ **2,738,142**

Form 990 (2007)

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year		
Assets	45	Cash—non-interest-bearing		1,997,374	45	2,384,920
	46	Savings and temporary cash investments			46	
	47a	47a	279,486	199,702	47c	279,486
	b	47b				
	48a	48a			48c	
	b	48b				
	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	51a	10,380	4,500	51c	10,380
	b	51b				
	52	Inventories for sale or use			52	
	53	Prepaid expenses and deferred charges		6,974	53	5,624
	54a	54a	See Statement 7	460,414	54a	471,768
	b	54b			54b	
	55a	55a			55c	
	b	55b				
	56	Investments—other (attach schedule)			56	
	57a	57a	195,094	51,225	57c	50,733
b	57b	144,361				
58	Other assets, including program-related investments (describe ▶ See Statement 9)		5,600	58	5,600	
59	Total assets (must equal line 74). Add lines 45 through 58		2,725,789	59	3,208,511	
Liabilities	60	Accounts payable and accrued expenses		137,566	60	123,795
	61	Grants payable			61	
	62	Deferred revenue			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		137,566	66	123,795	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
	67	Unrestricted		2,291,398	67	2,447,729
	68	Temporarily restricted		296,825	68	636,987
	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)		2,588,223	73	3,084,716	
74	Total liabilities and net assets/fund balances. Add lines 66 and 73		2,725,789	74	3,208,511	

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

	Yes	No
75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 3		
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b	X
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization."	75c	X
If "Yes," attach a statement that includes the information described in the instructions.		
d Does the organization have a written conflict of interest policy?	75d	X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits
(If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
N/A				

Part VI Other Information (See the instructions.)

	Yes	No
76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76	X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b If "Yes," enter the name of the organization ▶ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a Enter direct and indirect political expenditures. (See line 81 instructions.)	81a	0
b Did the organization file Form 1120-POL for this year?	81b	X

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 11 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		
85a	501(c)(4), (5), or (6). 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		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		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		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?		X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
	89f		
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?		X
	89g		
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, 2007 (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 12 See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
		Yes	No
	91b	X	

Part VI Other Information (continued)

91c Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? **See Statement 13**

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					800
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	51,006	
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	45,525	
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					10
c GAIN ON SALE OF EQUIPMENT					5,517
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		96,531	6,327
105 Total (add line 104, columns (B), (D), and (E))					102,858

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
	X

(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
	X

(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: 6/16/2008
 Type or print name and title: UMAR AL-QADI / PRESIDENT AND CEO

Paid Preparer's Use Only

Preparer's signature: [Redacted] Date: 6/12/08 Check if self-employed:
 Firm's name (or yours if self-employed), address, and ZIP + 4: Alan C. Young & Associates, P.C.
7310 Woodward Ave Ste 740
Detroit, MI 48202
 Preparer's SSN or PTIN (See Gen. Instr. X): P00151934
 EIN: [Redacted]
 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

2007

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 1 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) Compensation	(d) Contributions to empl. benefit plans & deferred comp.	(e) Expense account and 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 ▶		

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

	Yes	No
<p>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.)</p> <p>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.</p>	1	X
<p>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.)</p>		
<p>a Sale, exchange, or leasing of property</p>	2a	X
<p>b Lending of money or other extension of credit</p>	2b	X
<p>c Furnishing of goods, services, or facilities?</p>	2c	X
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p>	2d	X
<p>e Transfer of any part of its income or assets?</p>	2e	X
<p>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.)</p>	3a	X
<p>b Did the organization have a section 403(b) annuity plan for its employees?</p>	3b	X
<p>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</p>	3c	X
<p>d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	3d	X
<p>4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g</p>	4a	X
<p>b Did the organization make any taxable distributions under section 4966?</p>	4b	
<p>c Did the organization make a distribution to a donor, donor advisor, or related person?</p>	4c	
<p>d Enter the total number of donor advised funds owned at the end of the tax year</p>		
<p>e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year</p>		
<p>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</p>		0
<p>g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year</p>		0

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 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 8 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 8 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use the 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) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	2,512,333	5,236,789	5,058,439	2,935,647	15,743,208
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	493	351	630	490	1,964
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	41,874	24,037	27,351	46,576	139,838
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 14	18,285	2,052	1,750	4,650	26,737
23 Total of lines 15 through 22	2,572,985	5,263,229	5,088,170	2,987,363	15,911,747
24 Line 23 minus line 17	2,572,492	5,262,878	5,087,540	2,986,873	15,909,783
25 Enter 1% of line 23	25,730	52,632	50,882	29,874	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					318,196
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 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					
c Total support for section 509(a)(1) test: Enter line 24, column (e)					15,909,783
d Add: Amounts from column (e) for lines: 18 <u>139,838</u> 19 _____ 22 <u>26,737</u> 26b _____					166,575
e Public support (line 26c minus line 26d total)					15,743,208
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					98.9530%
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: (2006) _____ (2005) _____ (2004) _____ (2003) _____					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: (2006) _____ (2005) _____ (2004) _____ (2003) _____					N/A
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					
d Add: Line 27a total _____ and line 27b total _____					
e Public support (line 27c total minus line 27d total)					
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					
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 2003 through 2006, 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:	32a		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?			
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:	33a		
a	Students' rights or privileges?			
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 11 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) 2007	(b) 2006	(c) 2005	(d) 2004	(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 14 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.

Forms
990 / 990-PF

Other Notes and Loans Receivable

2007

For calendar year 2007, or tax year beginning , and ending

Name
Mercy-USA For Aid & Development, Inc

Employer Identification Number
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)	4,500	10,380	
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals	4,500	10,380	

Federal Statements

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

<u>Description</u>	<u>Amount</u>
REALIZED GAIN ON INVESTMENTS	\$ <u>45,525</u>
Total	\$ <u><u>45,525</u></u>

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

<u>Description</u>	<u>Amount</u>
Unrealized Losses on Investments	\$ <u>-35,065</u>
Total	\$ <u><u>-35,065</u></u>

Federal Statements

Statement 3 - Form 990, Part II, Line 22b - Other Grants and Allocations

Name Address	Date of Gift	Description of Property	Relationship to Org	Class of Activity	Cash Contrib	NonCash Contrib	Book Value	BV Expl	FMV Expl
See Attached					\$ 273,375	\$	\$		
Total					\$ 273,375	\$ 0	\$ 0		

Name of Recipient	Grant Purpose	Amount
Assistance for Humanitarian Development	Cyclone Relief in Bangladesh Flood Reconstruction in Bangladesh	60,000 <u>20,000</u> 80,000
Islamic Aid / Bangladesh	Food Aid in Bangladesh Flood Relief in Bangladesh	18,000 <u>10,000</u> 28,000
Foundation for Economic and Educational Development	Food Aid in India	<u>12,000</u> 12,000
Islamic Shura Council of Michigan	Food Aid in the US	<u>9,375</u> 9,375
Humanity Hope.Org, Inc.	Construction of Girls' High School in Pakistan	<u>144,000</u> 144,000
Total Grants		<u><u>273,375</u></u>

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

Description	Total Expenses	Program Service	Mgt & General	Fund-Raising
Expenses	\$	\$	\$	\$
Scholarships	2,640	2,640		
Advertising	44,099		605	43,494
Transportation	87,338	85,810	1,528	
Insurance	2,261	109	2,152	
Professional Fees	20,243	17,743		2,500
Program Materials	1,301,640	1,301,640		
Bank Charges/Currency Fluct.	56,324	28,075	5,921	22,328
Dues, Subscriptions	3,766		3,766	
Indirect Cost	242,790	242,790		
Total	\$ 1,761,101	\$ 1,678,807	\$ 13,972	\$ 68,322

Statement 5 - Form 990, Part III - Organization's Primary Exempt Purpose

Description

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

Statement 6 - 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.

Statement 7 - Form 990, Part IV, Line 54a - Publicly Traded Securities

Description	Beginning of Year	End of Year	Basis of Valuation
Corporate Stock Investments	\$ 460,414	\$ 471,768	Market
Total	\$ <u>460,414</u>	\$ <u>471,768</u>	

Statement 8 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment

Description	Beginning of Year	Accum Depr	End of Year	Accum Depr
Automobile	\$ 95,214	\$ 62,385	\$ 77,660	\$ 60,940
Office Equipment	67,294	52,666	90,541	60,086
Office Furniture	8,517	7,132	8,517	7,323
Audio Visual	11,838	10,490	12,416	10,946
Others	7,584	6,549	5,960	5,066
Total	\$ <u>190,447</u>	\$ <u>139,222</u>	\$ <u>195,094</u>	\$ <u>144,361</u>

Statement 9 - Form 990, Part IV, Line 58 - Other Assets

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

Federal Statements

Statement 10 - Form 990, Part IV-B - Other Expenses included on Financial Statements

Description	Amount
Unrealized Losses on Investments	\$ 35,065
Total	\$ <u>35,065</u>

Statement 11 - Form 990, Part VI, Line 82b - Donated Services

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

Statement 12 - Form 990, Part VI, Line 91b - Foreign Country in which Financial Account is Held

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

Statement 13 - Form 990, Part VI, Line 91c - Foreign Country in Which an Office is Maintained

Name of
Country

Albania
Bosnia-Herzegovina
Somalia
Kenya
Indonesia
Lebanon

Statement 14 - Schedule A, Part IV-A, Line 22 - Other Income

<u>Description</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Sales	\$ 196	\$ 177	\$ 40	\$ 120
Gain on Sale of Assets		1,875	1,710	4,530
Realized Gain on Investments	18,089			
Total	<u>\$ 18,285</u>	<u>\$ 2,052</u>	<u>\$ 1,750</u>	<u>\$ 4,650</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	17,326	0
Anas Alhaidar 44450 Pinetree Dr #201 Plymouth, MI 48170	40	Chief Financial Officer	60,000	14,300	0