

# Mercy USA

## 2011 Annual Report



A Publication of Mercy - USA for Aid and Development, Inc.



# 2011 Annual Report

## US Government Grant Supports Mercy-USA's Nutrition Program in Kenya



*A child under 5 being examined for malnutrition in Garissa County, Kenya during a community outreach program.*

Mercy-USA for Aid and Development and the Kenyan Ministry of Health (MoH) - with the support of the US Agency for International Development (USAID) and UN Children's Fund (UNICEF) - have set up 40 sites in Kenya's Garissa County to treat malnourished children under five years of age, as well as pregnant women and nursing mothers. Mercy-USA expects to treat and counsel approximately 22,900 children and 8,200 women. This life-saving nutrition program is being implemented in primarily pastoral (livestock herding) communities affected by a prolonged drought.



*A nutrition worker checking the height and nutritional status of a young child during a Mercy-USA outreach program in Garissa County.*

As of December 31, 2011, about 7,022 children under the age of five suffering from moderate acute malnutrition (MAM) and 2,585 suffering from severe acute malnutrition (SAM) have been admitted into the selective feeding program. In addition, 4,055 pregnant women and nursing mothers have also been admitted into the program.

The children with SAM are given ready to use therapeutic foods like Plumpy'Nut weekly, while those with MAM are given UNIMIX biweekly. Both are specialized food for malnourished children.

This program is also improving the safe water and hygiene infrastructure

at 26 primary schools and early education centers, as well as providing hygiene training to the students and teachers at these facilities.

## Mercy-USA Helping Women and Children in Somalia with US Government Grant



*A Mercy-USA health worker examining a young child during an outreach session at a camp in Mogadishu for families displaced by famine and drought.*

With almost \$3.9 million in grant funding from the US Agency for International Development (USAID) and UNICEF, Mercy-USA is providing health, nutrition and safe water to women, children and their families in Somalia. Beneficiaries include 58,000 children under five, over 11,000 pregnant women and nursing mothers, as well as over 40,000 internally displaced persons.

This grant helped us to open four new Mother/Child Health Clinics. It is also supporting eight feeding centers for moderately and severely malnourished children. Additionally, Mercy-USA has constructed 28 new water wells and rehabilitated 28 others.

*Continued, page 3*

## Mercy-USA Helping Women and Children in Somalia with US Government Grant, Continued



*A Mercy-USA nutrition worker examining a baby in Somalia for malnutrition.*

Somalia has one of the highest child and maternal mortality rates in the world. One in eight children dies before reaching the age of five and 1,600 women die for every 100,000 live births. Various UNICEF studies report that other social indicators for children are among the worst in the world: one in three children is chronically malnourished, hardly a third of families have access to clean



*A malnourished child in Somalia eating Plumpy'Nut.*

drinking water, just 30 per cent of children go to school and on average people only live to the age of 47.

## Packages of Hope for Syrian Refugees



*Young Syrian refugees in Lebanon receiving winter jackets to help keep them warm.*

In 2011, the violence in Syria left thousands of civilians dead and injured. To escape the violence and save their lives, many families left the homes and took refuge in Turkey and Lebanon. They left with only what they could carry, seeking refuge in countries where they could guarantee their families' safety.

Mercy-USA has been working since 2011 to provide Syrian refugees with packages of food and basic household and hygiene products.



*Young Syrian refugees in Turkey receiving mattresses and blankets for their families.*

In Turkey, Mercy-USA provided 3,000 family packages to the 3,000 refugee families living in 5 camps (Yayladagi, Boynuyogun, Altinozu, Reyhanli & Apaydin), with host families in 3 villages (Guvecci, Nishrin & Hasma) and in a small buffer zone along the border inside of Syria. Each family package contained baby formula and bottles, milk, watermelons and hygiene items (including diapers, baby wipes, cotton, baby cream, shampoo, laundry detergent, soap, tooth brushes, toothpaste and facial tissues). We also distributed 400 sets of foam mattresses, floor mats and blankets to 400 families in the Reyhanli camp.



*Syrian refugee children in Turkey with their food and household items provided by Mercy-USA.*

In Lebanon, Mercy-USA provided 500 one-month family hygiene packages to refugees living with host families in the Wadi Khalid area. Each family package contained diapers for babies, sanitary pads for women, soap, detergent, shampoo and tea biscuits for the children. In addition, Mercy-USA provided common household medications to a local mobile clinic that is caring for these vulnerable women and children.

But Mercy-USA's efforts did not stop there. In January 2012, Mercy-USA distributed 2,000 blankets and 600 mattresses to Syrian refugees living in Turkey. In Lebanon, from December 2011 to February 2012, we also distributed two-month hygiene packages to 350 families, 800 winter jackets to children and fresh meat to these and other Syrian refugees living with host families in Wadi Khalid.

## Medical Relief in Libya



*A Mercy-USA sponsored ICU nurse working at Benghazi Medical Center in Benghazi, Libya.*

From February to October 2011, the violence against the vulnerable people of Libya led to the deaths of over 25,000 persons, as well as injuries to more than 60,000 others. Mercy-USA for Aid and Development, in partnership with the Arab Medical Union (AMU) based in Cairo, Egypt, sent specialized physicians, surgeons and nurses to hospitals inside eastern Libya, Misrata and Zintan in the western part of the country.



*Food packages for vulnerable families in Nalut District, Libya.*

### Zintan (Western Mountain/Jabal Nafusa Region)

From August to September 2011, a five-member

Mercy-USA funded medical team worked at the hospital in the Western Mountain town of Zintan. This team consisted of a vascular surgeon, an orthopedic surgeon, an anesthesiologist/ICU physician, an ICU nurse and an operating room nurse. During the team's stay in Zintan, the vascular and orthopedic surgeons performed 211 surgeries, many of them life-saving ones. During this same period, the anesthesiologist and the two nurses assisted in 213 surgical procedures; they also treated approximately 280 patients in the ICU and the ER.

In August 2011, 490 packages containing food items and laundry detergent were distributed to 490 vulnerable families living in the villages of Tandamirah (200 families), Al-Hawamid (76 families) and Tamlushayit (214 families) in Nalut District of the Jabal Nafusa region. Each package contained 22 pounds of wheat flour, 8.8 lb. of macaroni, 4.4 lb. of couscous, 4.4 lb. of dates, 4.4 lb. of sugar, 2 liters of vegetable oil, 6 cans



*Mercy-USA sponsored vascular surgeon Dr. Ahmed Radwan with Malak al-Shami during a celebration for recovering children in Misrata, Libya.*

of tomato paste, half a pound of tea and 2.2 lb. of detergent.

In August 2011, 2,200 Eid gifts and toys were also distributed to 2,200 children during an Eid ceremony in the Jabal Nafusa town of Jadu.

### Misrata

From April to September 2011, five surgeons (two vascular, one orthopedic, one general/plastic and one neurosurgeon) and an anesthesiologist worked at various times in three hospitals in Misrata, namely the main hospital, Al-Hikma, as well as Zarrok field hospital and Central Misrata Hospital. Additionally, ten ICU and OR nurses worked at these three hospitals.

During their various rotations, Mercy-USA sponsored surgeons in Misrata performed over 290 operations, many of them life-saving ones. The medical teams, including all physicians and nurses, also examined and treated approximately 2,500 patients. In addition, they carried out training sessions for local Libyan doctors and nurses.

During his over 3 months in Misrata, Mercy-USA sponsored Dr. Ahmed Radwan, a vascular surgeon and professor at Cairo University, operated on about 100 persons and treated over 600 others. While all of his patients affected him, the one patient who had the greatest impact on him was a 5 year old girl, Malak al-Shami. Malak's house was hit by a Grad rocket while she, her one-year old sister Rodaina and 4-year old brother Mohammad were sleeping together in one room. Her brother and sister were killed and Malak's right leg was almost completely severed and had to be amputated. Dr. Radwan, through his personal contacts, was able to fly her to the United States where she was fitted with a prosthesis.

CNN reporter Sara Sidner interviewed Dr. Radwan about Malak. Please reference the following link for a transcript of this interview:

[http://findarticles.com/p/news-articles/international-wire/mi\\_8131/is\\_20110610/residents-flee-syria-extreme-force/ai\\_n57662495/pg\\_4/](http://findarticles.com/p/news-articles/international-wire/mi_8131/is_20110610/residents-flee-syria-extreme-force/ai_n57662495/pg_4/)

### Eastern Part of Libya

From March to June 2011, twelve physicians (including a neurosurgeon, a plastic surgeon, two vascular surgeons, two orthopedic surgeons, and a general surgeon, as well as a cardiac specialist, a gynecologist, a pediatrician and two general practitioners), one pharmacist and 32 nurses (including OR, ICU, ER and patient room nurses) served with Mercy-USA's medical teams in eastern Libya. These teams mainly worked in Al-Thawra Hospital in the town of Al-Baida, and Al-Jala' Hospital and Benghazi Medical Center, the main hospitals in Benghazi, Libya's second largest city. They also provided outreach services in Ajdabiya, Darna, Tobruk, Benmesaad, Ras Lanuf and Telmetha.

During their various rotations, Mercy-USA supported medical teams in eastern Libya examined and treated over 20,000



*Mercy-USA sponsored surgeons operating in Libya.*

## Medical Relief in Libya, Cont'd

patients, many with severe trauma injuries. The surgeons also performed approximately 400 operations. In addition, they carried out training sessions for local Libyan doctors and nurses.

### Dr. Ahmed Radwan Saves the Life of Guy Martin, a British Photographer, in Misrata

On April 20, 2011, Mercy-USA sponsored vascular surgeon, Dr. Ahmed Radwan, who operated on seriously wounded patients in Misrata's Al-Hikma hospital from April to July 2011, carried out a six-hour emergency surgical procedure to stop severe bleeding and save Guy Martin's life. Mr. Martin was among a group of four photojournalists who were covering heavy fighting on Misrata's main road, Tripoli Street, when a mortar shell exploded next to them fatally injuring Tim Hetherington and Chris Hondros and seriously wounding Guy Martin. For more on this story, please reference the following MSNBC article: [http://worldblog.msnbc.msn.com/\\_news/2011/04/21/6509784-doctor-two-western-photographers-recovering-in-misrata](http://worldblog.msnbc.msn.com/_news/2011/04/21/6509784-doctor-two-western-photographers-recovering-in-misrata)

### Mercy-USA Sponsored Physicians Examine American F-15E Pilot who Ejected from His Plane Near Benghazi

On March 22, 2011, Mercy-USA sponsored Drs. Dina Omar and Ahmed Radwan examined an American pilot who had ejected from his F-15E fighter jet as it was crashing near Benghazi. He was brought to the hotel where they were staying. Drs. Omar and Radwan examined the pilot and showed him that he was among friends.

For more on this story, reference the following National Public Radio article: <http://www.npr.org/blogs/thetwo-way/2011/03/23/134756740/live-blog-allied-action-in-libya-tuesday-developments>

## Specialized Surgical Teams in Yemen

During 2011, Yemen's hospitals had an influx of patients with serious medical conditions that could not receive the aid they needed due to a shortage of specialized surgeons. Mercy-USA for Aid and Development, in partnership with the Arab Medical Union in Egypt, organized and sent specialized surgical teams to operate at the University of Science and Technology Hospital (USTH) in the capital city of Sana'a. These teams included orthopedic surgeons and neurosurgeons.



*Mercy-USA sponsored orthopedic surgeons performing an operation in Sana'a, Yemen.*

A total of 29 surgical operations were performed, 18 operations by the neurosurgeons, and 11 operations by the orthopedic surgeons.

## Improving the Education and Nutrition of Children in Gaza



*Children at one of eight schools in Gaza enjoying their daily lunch.*

In 2011, Mercy-USA for Aid and Development partnered with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to provide daily school lunches to approximately 6,700 children attending 8 elementary and preparatory schools in Gaza. This project helped to improve the overall nutritional status of the children, as well as their academic performance.

## Responding to Drought and Famine in Somalia



*Fathudin Mohamed, Mercy-USA East Africa Program Director, serving hot breakfast to children displaced by famine and drought in Mogadishu, Somalia.*



*Food distribution to famine-affected families in Somalia.*

From September 2011 to September 2012, Mercy-USA for Aid and Development distributed hot meals twice daily to over 300 elderly persons, displaced women and children living in camps in Mogadishu. Mercy-USA also operated three clinics in Mogadishu that examined and treated hundreds of patients displaced by severe drought and famine.

From July to September 2011, Mercy-USA distributed rice, flour, beans and oil to about 4,100 famine-displaced families (about 24,500 persons). Mercy-USA also provided these families with 3,000 household kits. Each kit contained a sleeping mat, a wash bucket, a kettle, 2 jerry cans, 2 pots, 2 plates, 4 plastic cups and soap. In addition, we distributed 5,400 UNHCR-supplied blankets to 5,400 famine-displaced persons, as well as UNHCR-supplied plastic sheeting to 900 displaced families to help them build temporary shelter.



*Mercy-USA providing hot breakfast to children and women at a camp for families displaced by famine and drought in Mogadishu.*



*Mercy-USA relief workers distributing food to families affected by severe drought in Somalia.*

## Educating Vulnerable Children in Bangladesh



*Children at one of five Mercy-USA funded schools in rural Bangladesh.*

From July 2010 to December 2011, Mercy-USA for Aid and Development supported five community-based primary schools run by our local partner, Assistance for Humanitarian Development (AHD), in Bangladesh. These schools, located in very low-income areas in Kakua, Tangail, Rangpur, Sirajgonj and Delda, are providing free education for approximately 900 vulnerable children.



*A girl and her teacher at a Mercy-USA funded school in Bangladesh during math class.*

Mercy-USA's support included rebuilding the Kakua Community School that was destroyed by severe flooding in 2007 and repairs and maintenance to the structures and furniture at the other four schools. Our assistance also included providing education materials like textbooks, chalk, pens and pencils, paper, etc. and covering the salaries of the 22 teachers and five other staff members at the five schools.

## Helping Orphans in Bosnia to Help Themselves



*Orphans and other vulnerable children learning basic computer software in Bosnia.*

In November 2010, Mercy-USA for Aid and Development began providing three-month computer office software training courses to orphans and other vulnerable youth in the Tuzla Canton of Bosnia. Trainees are also receiving education in important life skills and character-building combined with awareness of the danger of slipping into crimes (drugs, prostitution, theft, etc.). Topics under character-building include the value of work versus waiting for handouts from others, respect for self and others, confidence, the value of helping others, honesty and integrity. The orphans are also being provided with a nutritious meal/snack during each class. This project is being done in cooperation with local orphanages and municipalities.

## Restoring the Livelihoods of Vulnerable Farming Families in Indonesia



*Farmers in Indonesia making animal feed with a machine provided by Mercy-USA.*



*Farmers collecting and bagging the animal feed.*

Since March 2011, Mercy-USA for Aid and Development has been providing livestock, feed-production machines, rice, corn and sweet potato seeds, fertilizer and training to farming families in three provinces of Indonesia. Mercy-USA is also supporting these farmers to form cooperatives. These agricultural inputs and training are helping these farmers and their families to increase their food production and income. As of December 2011, over 380 farming families (about 1,530 persons) have been supported.

## Digging Safe Water Sources for Kenya's Children and Their Families



*Children enjoying fresh water from a new Mercy-USA well in Ijara District, Kenya.*

From October 2010 to July 2011, Mercy-USA for Aid and Development dug five wells in the Ijara District of Kenya's Garissa County. These wells are providing fresh water to approximately 1,380 persons daily.

Significant parts of this district suffer from unreliable water-source infrastructure and a high poverty rate. The residents are mostly agro-pastoralists and subsistence farmers.

From September 2009 to February 2010, Mercy-USA dug five boreholes to provide safe drinking water to about 4,000 persons in the greater Mombasa area.

## Vocational Training for Orphans and other Vulnerable Palestinian Youth in Lebanon



*Orphans and other vulnerable youth learning to become pastry chefs in the Nahr Al-Bared Palestinian refugee camp.*

From August 2010 to December 2011, Mercy-USA for Aid and Development supported vocational training programs for orphans and other vulnerable youth carried out by the Women's/Community Development Centers in Al-Beddawi and Nahr Al-Bared Palestinian refugee camps near Tripoli in the north of the country.

Mercy-USA's support has allowed the Community Development Center in Al-Beddawi to add a baking and pastry chef course to their vocational training curriculum; this vocation is in high demand making it easier for graduates to obtain employment. Required equipment has been purchased and the remaining assistance allowed 30 to 40 youth to receive training for the duration of the nine-month course.

In Nahr Al-Bared, Mercy-USA supported the expansion of the existing baking and pastry chef course carried out by the local Women's Center. Twenty youth were trained over a nine-month period in baking and pastry preparation. In addition, forty other orphans/vulnerable youth were trained in photography and hairdressing (20 in each) for the six-month duration of these courses.

## Providing Safe Water to Vulnerable Communities in Somalia



*Children collecting fresh water for their families at a new well in Mogadishu, Somalia.*

From August 2011 to January 2012, Mercy-USA for Aid and Development dug 44 new wells in Somalia. These wells - which were dug in Mogadishu (19 wells), Mudug Region (15 wells) and Galgaduud Region (10 wells) - are providing fresh drinking water to communities and villages with a total population of approximately 61,000 persons.

Since 1997, Mercy-USA has played a vital role in providing safe drinking water in Somalia, digging and repairing 258 wells. Communities with a combined population of over 515,000 persons are benefiting from this safe water program. According to studies carried out by UNICEF, only about one-third of families in Somalia have access to clean drinking water.



*Families affected by drought and famine collecting fresh water from a new well dug by Mercy-USA in Mogadishu.*

## Seasonal Food Aid and Clothing Provided Around the World



During 2011, Mercy-USA for Aid and Development provided meat, rice, pasta, beans, cooking oil, flour, other food items and clothing to approximately 73,000 vulnerable persons.

These distributions took place in Albania, Bangladesh, Bosnia, Egypt, India, Indonesia, Kenya, Lebanon, Libya, Somalia and the United States, as well as to Syrian refugees in Lebanon and Turkey and Palestinian refugees in Lebanon.

Mercy-USA distributed the above food items and clothing to orphans, the elderly, displaced individuals, refugees, persons with disabilities and those living in poverty. Food was provided as hot meals and food packages during the Muslim fasting month of Ramadan, while the clothing was distributed as gifts during Eid ul-Fitr, the holiday that marks the end of the fast. Fresh qurbani meat was distributed during the Muslim holiday of Eid ul-Adha.

## Computer Software, English Language and Job Search Training in Bosnia

Since 1998, Mercy-USA for Aid and Development has been providing computer software training to individuals in towns throughout the Tuzla Canton.

Three-month training courses are given in the leading basic office software, Windows, Microsoft Word and Excel.

At the end of each training session, students are tested, and if they have mastered the required skills, they receive a certificate. As of December 2011, over 1,650 persons have graduated from this program.

In 2004, Mercy-USA initiated a series of intensive English language courses in Srebrenik Municipality in northeastern Bosnia. As of December 2011, over 800 persons have successfully completed these courses.

Graduates of Mercy-USA's computer and English courses are also offered job search skills training. They are instructed on proper techniques for developing a resume, how to find job openings and interview skills.



*Computer software training course in Srebrenik, Bosnia.*

## Helping Orphans in Albania to Support Themselves



*Orphans in Albania learning basic computer software.*

Since January 2009, Mercy-USA for Aid and Development has been providing computer office software and English language training courses to orphans and other vulnerable youth in Albania. Trainees are also receiving education in important life skills and character-building combined with awareness of the danger of slipping into crime (drugs, prostitution, theft, etc.). Topics under character-building include the value of work versus waiting for handouts from others, respect for self and others, confidence, the value of

helping others, honesty and integrity.

The orphans are also being provided with a nutritious meal/snack during each class. As of December 2011, approximately 380 orphans in Albania have successfully completed these courses.



*A Mercy-USA computer software class for orphans in Albania.*



## Controlling Tuberculosis and HIV/AIDS in Somalia

During 2011, Mercy-USA for Aid and Development continued carrying out its well-recognized tuberculosis (TB) treatment and prevention program in Somalia. This program consists of six specialized treatment centers with public education and community outreach.

Opened in 1994, Mercy-USA's center in Mogadishu was the first specialized TB treatment facility to begin operation in Somalia after the outbreak of civil war in 1990. M-USA's second center opened in Bossaso in 1995, the third opened in 2005 in Las Anod, the fourth center opened in Buhodle in 2008, and the fifth and sixth centers opened in 2010 in the towns of Sheikh and Odweyne in Somaliland.

These six centers, which have a cure rate of about 80%, treated approximately 900 TB patients in 2011. M-USA utilizes the most effective TB treatment strategy, the Directly Observed Treatment Short-course (DOTS) method.

Since 2007, M-USA's TB centers are also providing HIV/AIDS and STI testing, treatment and counseling. In 2011, approximately 1,350 persons were tested, treated and counseled at Mercy-USA's centers.

The TB and HIV projects are being supported by the Global Fund to Fight AIDS, Tuberculosis and Malaria, as well as UNICEF. Additionally, through an agreement with the United Nations World Food Programme (WFP), M-USA's Bossaso and Mogadishu Centers are providing food for TB patients and their families. Since 1994, the World Health Organization (WHO) has been supplying M-USA with all TB medicines free-of-charge.

## Helping School Children in Kenya

Since January 2007, Mercy-USA for Aid and Development, in partnership with the local community, has been providing daily breakfast and lunch to over 500 pre-school, kindergarten and primary school children in two schools in the Kariobangi slum area of Nairobi, Kenya. The objectives of this program are to improve the children's nutrition and to increase attendance, reduce dropout rates and improve overall academic performance, especially among girls.

Below is specific information on the participating schools:



*Children at KDNS performing on stage.*



*A child at KDNS enjoying school lunch provided by Mercy-USA.*

### Watoto Weto School

This school focuses on orphans, whose parents died from HIV/AIDS. It has a total student population of over 200 children.

### Kariobangi Day Nursery School (KDNS)

This school was established as an initiative by the community self-help group. Currently, it has a student population of almost 300 children, ranging from three to six years of age. The daycare allows the parents to work and thus support their families.

During 2008, Mercy-USA provided the children at KDNS with 250 new chairs, repainted 60 other chairs and 70 tables and installed new playground equipment. The children now have a slide, seesaw and five new swings, as well as a repainted climbing frame. In 2007, KDNS and Watoto Weto received new kitchen utensils and serving containers; Mercy-USA also repaired damaged kitchen counters.

For many of these children, the two meals provided by Mercy-USA are the only ones that they consistently eat daily.

## Agriculture Education Center in Bosnia



*Mohamed Ahmed, Mercy-USA Director of International Programs, visiting the AEC in Brcko, Bosnia.*

Since 2007, Mercy-USA for Aid and Development has been operating an Agriculture Education Center (AEC) in the Brcko District of Bosnia. This AEC is being carried out in cooperation with Brcko district

authorities, who donated approximately one acre of farmland, and the Agriculture Institute of Sarajevo, which is providing technical assistance.

The AEC project, initiated with a seed grant from the US Department of Agriculture (USDA) and the generous support of Mercy-USA's private donors, includes a 10,900 square-foot greenhouse and serves as a theoretical and practical training center for farmers in and around the Brcko District and students from the local agriculture school.

The AEC also distributes a portion of the seedlings grown in the greenhouse to vulnerable families. In 2011, Mercy-USA's AEC distributed approximately 17,000 vegetable seedlings to over 450 internally displaced families (about 1,500 persons) living in the greater Tuzla area. The vegetables produced from the seedlings helped these vulnerable families to feed themselves.



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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Mercy-USA for Aid & Development, Inc.  
Plymouth, Michigan

We have audited the consolidated statement of financial position of Mercy-USA for Aid and Development, Inc (the Organization) and its overseas operations as of December 31, 2011 and 2010 and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the organization as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Accounting Standards, we have issued a report dated September 20, 2012 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and

Independent Auditors' Report  
(Continued)

other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Alan C. Young & Assoc.*  
September 20, 2012

**Audit Letter from Certified Public Accountants**

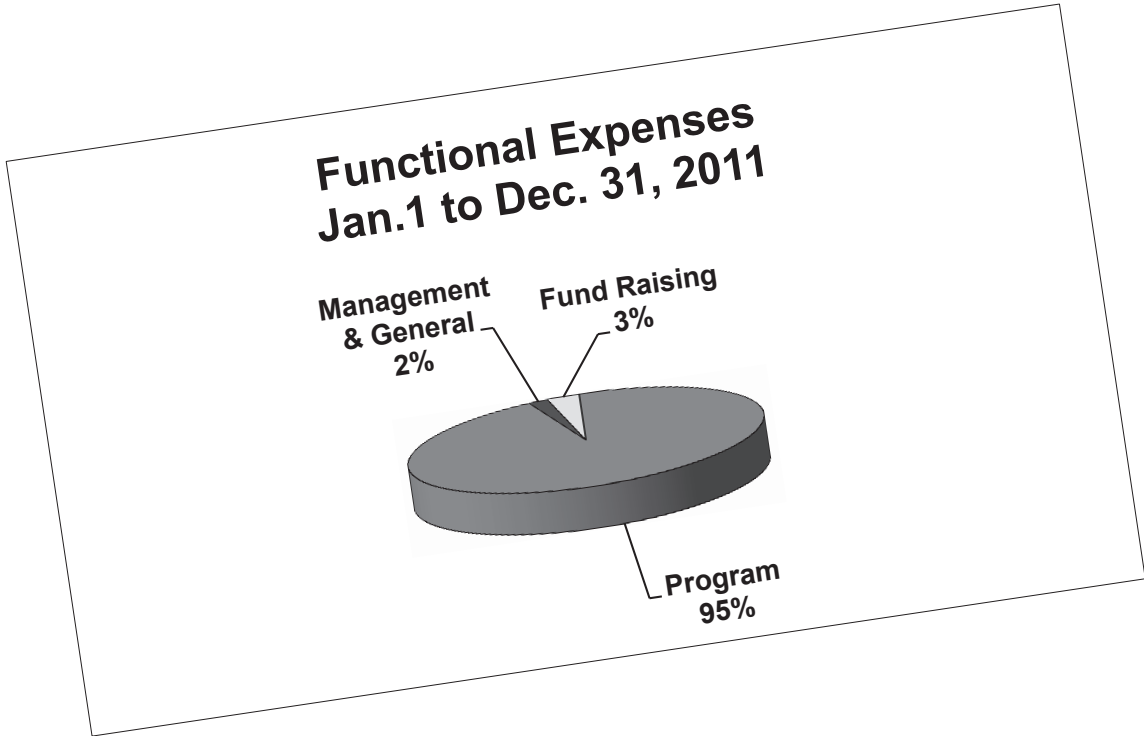
**Year Ended  
December 31, 2011**

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

Statements of Financial Position  
December 31, 2011 and 2010

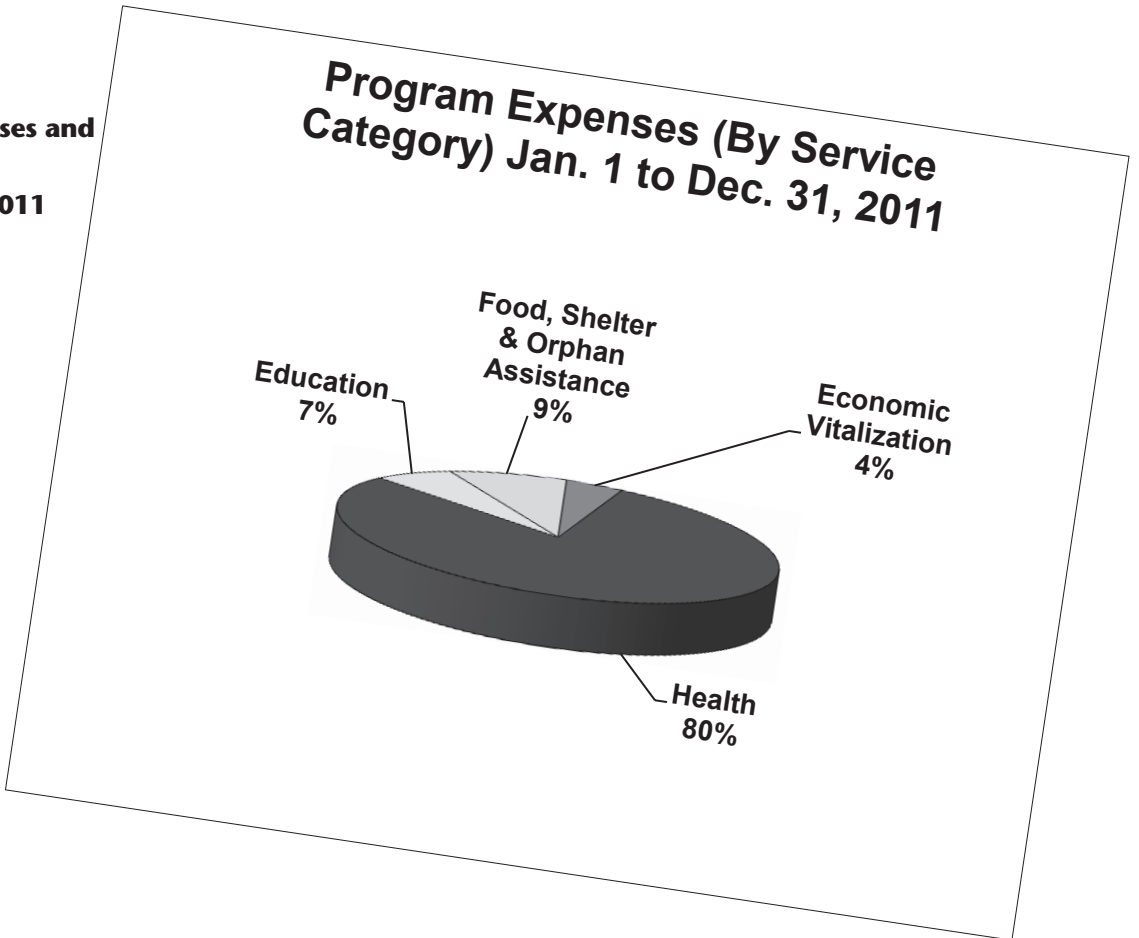
	2011	2010
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 4,429,330	\$ 3,795,758
Pledges & Accounts Receivable	81,067	128,246
Notes Receivable - Micro-Lending/SED	10,000	12,000
Prepaid Insurance & Expenses	10,037	10,142
<b>Total Current Assets</b>	4,530,434	3,946,146
<b>Fixed Assets:</b>		
Vehicles, Furniture & Equipment	214,513	174,624
Less: Accumulated Depreciation	(153,418)	(140,671)
<b>Total Fixed Assets</b>	61,095	33,953
<b>Other Assets:</b>		
Security Deposits	5,600	5,600
<b>Total Other Assets</b>	5,600	5,600
<b>Total Assets</b>	\$ 4,597,129	\$ 3,985,699
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 441,787	\$ 266,328
Deferred Revenue	298,311	-
Accrued Payroll & Taxes	333	59,229
<b>Total Current Liabilities</b>	740,431	325,557
<b>Net Assets:</b>		
Unrestricted	2,588,907	2,599,933
Temporarily Restricted	1,267,791	1,060,209
<b>Total Net Assets</b>	3,856,698	3,660,142
<b>Total Liabilities and Net Assets</b>	\$ 4,597,129	\$ 3,985,699

**Statement of  
Financial Position  
December 31, 2011**



Graphs of Functional Expenses and Program Service Expenses

Year Ended December 31, 2011



Mercy-USA for Aid & Development, Inc.

Statements of Activities  
Years Ended December 31, 2011 and 2010

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>						
Contributions From Public	\$ 289,949	\$ 2,922,376	\$ 3,212,325	\$ 304,400	\$ 1,891,023	\$ 2,195,423
US Agency for International Development (USAID)	-	1,987,460	1,987,460	-	1,520,731	1,520,731
United Nation (UN) Grants	-	850,808	850,808	-	59,650	59,650
Global Fund to Fight AIDS, Tuberculosis & Malaria (GFATM) Grants	-	267,782	267,782	-	380,145	380,145
Contribution In-Kind - UN agencies	5,667	-	5,667	10,227	-	10,227
Dividend Income	22,541	-	22,541	-	3,423	3,423
Gain/Loss on Foreign Currency Fluctuation	-	-	-	6,580,900	(6,580,900)	-
<b>Net Assets Released From Restrictions:</b>	6,565,168	(6,565,168)	-	6,580,900	(6,580,900)	-
Satisfaction of Service Restrictions	\$ 6,883,325	\$ 207,582	\$ 7,090,907	\$ 6,895,527	\$ 118,507	\$ 7,014,034
<b>Total Support and Revenue</b>						
<b>EXPENSES</b>						
<b>Program Services:</b>	\$ 574,452	\$ -	\$ 574,452	\$ 408,182	\$ -	\$ 408,182
Food, Shelter and Orphan Assistance	265,929	-	265,929	126,200	-	126,200
Economic Vitalization	5,278,161	-	5,278,161	5,207,840	-	5,207,840
Health	446,626	-	446,626	820,965	-	820,965
Education	-	-	-	17,713	-	17,713
General	6,565,168	-	6,565,168	6,580,900	-	6,580,900
<b>Total Program Services</b>						
121,347	-	121,347	122,666	-	122,666	
207,836	-	207,836	143,702	-	143,702	
329,183	-	329,183	266,368	-	266,368	
<b>Total Supporting Expenses</b>						
6,894,351	-	6,894,351	6,847,268	-	6,847,268	
<b>Total Expenses</b>						
(11,026)	207,582	196,556	48,259	118,507	166,766	
Change In Net Assets	2,599,933	1,060,209	3,660,142	2,551,674	941,702	3,493,376
Net Assets - Beginning of Year	\$ 2,588,907	\$ 1,267,791	\$ 3,856,698	\$ 2,599,933	\$ 1,060,209	\$ 3,660,142
<b>Net Assets - End of Year</b>						

Statement of Activities  
Year Ended December 31, 2011

# 2011 Financial Audit

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

### Statement of Functional Expenses Year Ended December 31, 2011 (With Combined Comparative Totals for 2010)

Expenditures	Food, Shelter & Orphan Assistance	Health	Economic Vitalization	Education	Total Program Services	Management & General	Fund Raising	Total Expenditures	2010 Total Expenditures
Grants									
Salaries & Wages	\$ 92,725	\$ 294,951	\$ -	\$ 221,239	\$ 608,915	\$ -	\$ -	\$ 608,915	\$ 652,738
Employee Benefits	52,123	1,087,707	14,110	72,101	1,288,166	53,150	19,131	1,360,447	1,096,556
Advertising & Promotion	-	58,678	76,235	3,005	75,793	23,720	-	99,513	177,879
Transportation Expenses	-	-	-	-	-	-	-	146,049	85,080
Commercial Insurance	2,950	815,231	14,139	6,495	838,815	2,086	-	840,901	370,178
Conferences, Meetings & Seminars	-	-	-	-	-	-	-	1,483	1,207
Consultants & Other Professional Services	-	315	-	10,640	315	1,483	-	2,834	4,184
Dues, Subscriptions, Fees, etc.	17,400	35,695	879	-	64,614	2,519	-	65,114	29,673
Legal	-	853	-	-	853	-	500	-	4,888
Accounting	-	363	4,285	-	4,885	-	-	3,475	4,107
Occupancy & Warehousing	-	10,877	-	337	4,985	2,622	-	12,740	27,240
Postage & Shipping, etc.	559	95,379	6,319	11,709	10,877	1,037	-	25,217	79,718
Printing & Copying	4,356	5,841	548	1,160	113,966	3,423	-	14,124	31,102
Program Materials	-	708	18	17	11,905	7,774	-	2,854,442	13,220
Telephone	335,777	2,352,464	99,729	66,472	743	1,017	5,673	52,853	3,718,705
Travel	474	43,557	3,095	3,265	2,854,442	-	12,364	124,952	30,730
Bank Charges/Currency Adjustment	26,609	76,404	1,187	1,924	50,391	2,462	-	105,285	69,826
Office Supplies and Equipment	4,708	72,064	1,846	1,408	123,249	1,703	-	83,768	43,649
Payroll Taxes	663	76,181	-	-	79,883	1,283	24,119	4,849	6,952
Loss on Sale of Assets	-	920	-	-	80,098	3,670	-	20,561	1,830
Indirect Cost	-	-	-	-	920	3,929	-	-	287,546
Depreciation	36,108	234,869	28,507	38,008	-	15	-	15	12,957
Total	<u>\$ 574,452</u>	<u>\$ 5,278,161</u>	<u>\$ 265,929</u>	<u>\$ 446,626</u>	<u>\$ 6,565,168</u>	<u>\$ 121,347</u>	<u>\$ 207,836</u>	<u>\$ 6,894,351</u>	<u>\$ 6,847,268</u>

### Statement of Functional Expenses Year Ended December 31, 2011

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

### Statements of Cash Flows Years Ended December 31, 2011 and 2010

	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	\$ 196,556	\$ 166,766
Change in Net Assets		
Adjustments to reconcile Change in Net Asset to Cash Provided by Operations:	15	1,830
Loss on Disposal of Assets	20,561	12,957
Depreciation	2,000	(12,000)
<b>Change in:</b>		
Repayments from/(Payments for) Notes Receivable	105	(3,003)
Prepaid Expenses	47,179	(18,406)
Pledges and Accounts Receivable	175,459	44,554
Accounts Payable	298,311	(104,019)
Deferred Revenue	(58,896)	49,712
Accrued Payroll and Taxes	<u>681,290</u>	<u>138,391</u>
<b>Net Cash Provided by Operating Activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Investments	-	488
Purchase of Equipment	(48,267)	(6,451)
Proceeds from Disposal of Assets	549	-
<b>Net Cash Used in Investing Activities</b>	<u>(47,718)</u>	<u>(5,963)</u>
Increase in Cash	633,572	132,428
Cash and Cash Equivalents - Beginning of Year	<u>3,795,758</u>	<u>3,663,330</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 4,429,330</u>	<u>\$ 3,795,758</u>

### Statement of Cash Flows

### Year Ended December 31, 2011

Notes To The Financial Statements – Year Ended December 31, 2011

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

Notes to Financial Statements  
December 31, 2011 and 2010

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activity

Mercy-USA for Aid & Development, Inc. (the Organization) is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It was incorporated in the State of Michigan on September 23, 1988. The organization is also licensed by the States of Michigan, Illinois, New Jersey and California to solicit public funds. Mercy-USA is involved in the relief and development for individuals and communities providing economic vitalization, health care, food and shelter and education mainly in Kenya, Somalia, Bosnia, Indonesia, Lebanon and Albania and also in the United States and other countries around the world with the help of the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), United States Agency for International Development (USAID), United Nations Food and Agriculture Organization (FAO), United Nations Children Fund (UNICEF), World Food Program (WFP) and other United Nations grants as well as through public contributions.

Basis of Accounting

The financial statements of Mercy-USA for Aid & Development, Inc. have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The financial statements include the amounts of the Organization and its various overseas locations. All significant inter-branch transactions and accounts are eliminated.

Translation of Currencies

Financial statements in currencies other than United State dollars are revalued for accounting as per FASB Accounting Standards Codification Topic 830-20, *Foreign Currency Translations*. The adjustments for currency exchange rates are included in the net income for those transactions that impact cash flow and are excluded for those that do not.

Financial Statement Presentation

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

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

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

Notes to Financial Statements (Continued)  
December 31, 2011 and 2010

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Unrestricted Fund:

Unrestricted net assets are those currently available for use of the Organization Board, and the resources invested in fixed assets. These assets are accounted for internally in the general operating fund.

Temporarily Restricted Fund:

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

Contributions

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

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

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

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

Income Taxes

On January 1, 2009, the Organization adopted the FASB Accounting Standards Codification Topic, *Accounting for Uncertainty in Income Taxes*, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. The Organization's federal

Notes To The Financial Statements – Year Ended December 31, 2011

**Mercy-USA for Aid & Development, Inc.**  
Notes to Financial Statements (Continued)  
December 31, 2011 and 2010

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Income Taxes (Continued)

tax returns for the prior three years remain subject to examination by the Internal Revenue Service.

Fair Value Measurements

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

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

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

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

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

Grants

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

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

Notes to Financial Statements (Continued)  
December 31, 2011 and 2010

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a program basis in the statement of activities. Costs are allocated between fund raising, management and general and the appropriate program based on evaluations of the related benefits. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide the overall support and direction of the Organization.

Cash and Cash Equivalents

Cash includes cash on hand and cash in checking and savings accounts. For financial statement purposes, Mercy-USA for Aid & Development, Inc. considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents. Cash equivalents are carried at cost, which approximates market value.

Fixed Assets

Fixed assets are stated at cost or, at fair market value when received as contributions. Depreciation is recorded on a straight-line basis over the estimated useful life of the assets.

Temporarily Restricted Net Assets

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

Purpose restriction accomplished:

Albania Programs	
Bosnia Programs	\$ 93,205
Indonesia Programs	100,103
Lebanon Programs	213,236
Somalia & Kenya Programs	144,429
Libya Programs	4,935,536
Egypt Programs	366,524
Syria Programs	36,429
Gaza Programs	325,008
Bangladesh Programs	241,058
United States Programs	47,231
Yemen Programs	15,000
India Programs	33,334
<b>Total Restrictions Released</b>	<u>14,075</u>
	<u>\$ 6,565,168</u>

Temporarily restricted net assets are available for specific programs and have a balance of \$1,267,791 and \$1,060,209 at December 31, 2011 and 2010 respectively.

## Notes To The Financial Statements – Year Ended December 31, 2011

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

Notes to Financial Statements (Continued)  
December 31, 2011 and 2010

1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Use of Estimates

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

2) **CASH**

The total cash held by the Organization at December 31, 2011, includes \$1,038,491 not covered by insurance provided by the Federal Deposit Insurance Corporation. As of December 31, 2010 the uninsured amount was \$273,077.

3) **PROGRAM AND SUPPORTING SERVICES**

Mercy-USA for Aid & Development, Inc.'s program and supporting services are as follows:

Program Services

Economic Vitalization

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

Health Services

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

Food and Shelter

The provision of all types of food and shelter, winterization materials, and necessary household and personal items.

Orphan Assistance

The orphan assistance includes specific projects or other assistance for orphans around the world.

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

Notes to Financial Statements (Continued)  
December 31, 2011 and 2010

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

Education

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

General Program

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

Management and General

Includes the services necessary to maintain an adequate working environment, provide proper administrative support for the Organization's programs, and manage the financial and budgeting responsibilities of the Organization.

Fundraising

Provides the structure necessary to encourage and secure support from individuals and organizations.

4) **PLEDGES AND ACCOUNTS RECEIVABLE**

Accounts receivable consist of Somalia/Kenya grant funding receivable from the USAID and the United Nations Grant agencies. Details of Accounts Receivable as of December 31, 2011 and 2010 are as follows:

	2011	2010
Grants Receivable	\$ 75,364	\$ 113,376
Pledges Receivable	5,703	14,870
	<u>\$ 81,067</u>	<u>\$ 128,246</u>



## Notes To The Financial Statements – Year Ended December 31, 2011

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

Notes to Financial Statements (Continued)  
December 31, 2011 and 2010

5) **FIXED ASSETS**

Fixed assets are comprised of the following:

	Total 2011	Total 2010
Automobiles	\$ 75,129	\$ 75,430
Office Equipment	106,199	68,937
Office Furniture	13,301	8,967
Audio Visual Equipment	9,661	11,058
Others	10,223	10,232
	214,513	174,624
	(153,418)	(140,671)
Less: Accumulated Depreciation	\$ 61,095	\$ 33,953
<b>Total</b>	<b>\$ 61,095</b>	<b>\$ 33,953</b>

The depreciation for the years ended December 31, 2011 and 2010 was \$ 20,561 and \$12,957 respectively.

6) **PENSION PLAN**

The Organization started a 401(k) pension plan January 1, 2000 for all employees who have attained the age of 20 ½ years. Employees may join the plan on the January 1 or July 1 that coincides with or follows the date of employment after the completion of one year of service. The employer provides a 50% match on eligible employee contributions to the plan up to a maximum allowable by the plan. The Organization contributed \$9,882 and \$9,663 in the years 2011 and 2010 respectively to the plan.

7) **RELATED PARTY TRANSACTIONS**

The Organization partners with Mercy-USA for Aid & Development, (Canada) towards providing relief and development activities. For the years ended December 31, 2011 and 2010 the Organization, collected \$38,737 and \$29,530 respectively, on behalf of Mercy-USA for Aid & Development, (Canada) and received \$61,594 and \$45,179, respectively, from Mercy-USA for Aid & Development, (Canada).

8) **SUBSEQUENT EVENTS**

The Organization has evaluated events through, the date that the accompanying financial statements were available to be issued. No significant subsequent event was noted that required adjustment or disclosure in the financial statements.

# 2011 Financial Audit

## Supplemental Statement of Revenues and Program Expenses Year Ended December 31, 2011

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

## Supplemental Statement of Revenue and Program Expenses Year Ended December 31, 2011 (With Combined Comparative Totals for 2010)

REVENUES	ALBANIA	LEBANON**	BOSNIA	INDONESIA	SOMALIA & KENYA	LIBYA	SYRIAN REFUGEES	BANGLADESH	GAZA	YEMEN	USA	OTHERS**	NOT DESIGNATED	TOTAL	TOTAL 2010
Contributions from Public:															
General	\$ 14,498	\$ 6,817	\$ 86,759	\$ 151,711	\$ 1,230,630	\$ 301,197	\$ 313,159	\$ 2,483	\$ 81,568	\$ 32,081	\$ -	\$ -	\$ -	\$ 2,662,703	\$ 1,364,238
Food Aid	10,000	-	-	-	16,000	-	-	-	-	-	-	-	-	227,271	177,472
Orphan Fund	15,509	23,902	10,000	18,000	57,880	8,000	29,000	-	-	-	15,000	36,863	13,389	18,809	16,579
Zakat	55,000	-	890	1,000	1,380	-	-	-	-	-	-	-	-	703,542	635,136
US Government Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
US Agency for International Development (USAID)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
United Nations (UN) Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Global Fund to Fight AIDS, Tuberculosis & Malaria (GFATM) Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NICU/Foundation Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gifts in Kind - UN Agencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain/Loss on Foreign Currency Fluctuation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 95,005</b>	<b>\$ 156,361</b>	<b>\$ 101,649</b>	<b>\$ 209,412</b>	<b>\$ 5,280,264</b>	<b>\$ 354,197</b>	<b>\$ 492,159</b>	<b>\$ 27,483</b>	<b>\$ 208,568</b>	<b>\$ 37,081</b>	<b>\$ 15,000</b>	<b>\$ 69,863</b>	<b>\$ 45,875</b>	<b>\$ 7,090,907</b>	<b>\$ 7,014,024</b>
EXPENDITURES															
Program Services:															
Food, Shelter & Orphan Assistance	15,814	45,715	13,414	19,479	60,512	-	325,008	29,006	-	-	15,000	50,504	-	574,452	408,182
Economic Visualization	9,821	-	66,983	189,325	-	-	-	-	-	-	-	-	-	265,929	126,200
Health	-	21,697	-	-	-	-	-	-	-	-	-	-	-	5,278,161	5,207,840
Education	-	77,017	19,706	4,432	4,856,606	366,524	-	-	-	-	-	-	-	449,826	820,966
General	67,770	-	-	-	18,418	-	-	-	-	-	-	-	-	17,712	-
<b>Total Program Services</b>	<b>\$ 93,205</b>	<b>\$ 144,429</b>	<b>\$ 100,103</b>	<b>\$ 213,236</b>	<b>\$ 4,935,536</b>	<b>\$ 366,524</b>	<b>\$ 325,008</b>	<b>\$ 47,231</b>	<b>\$ 241,058</b>	<b>\$ 33,334</b>	<b>\$ 15,000</b>	<b>\$ 50,504</b>	<b>\$ -</b>	<b>\$ 6,565,168</b>	<b>\$ 6,680,900</b>

\* Includes Palestinian refugees in Lebanon.  
\*\* Includes Egypt, India and Pakistan.

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

## Indirect Cost Allocation Year Ended December 31, 2011

Expenditures	Total Cost	Allowable Indirect	Unallowable Indirect	Fund Raising Cost	Program Cost	Excluded Program Cost*	Total Direct Cost
Grants	\$ 608,915	\$ -	\$ -	\$ -	\$ 608,915	\$ -	\$ 608,915
Salaries & Wages	1,360,447	53,150	-	19,131	1,288,166	-	1,307,297
Employee Benefits	99,513	23,720	-	-	75,793	-	75,793
Advertising & Promotion	146,049	-	-	146,049	-	-	146,049
Transportation Expenses	838,815	-	-	-	838,815	-	838,815
Commercial Insurance	315	-	-	-	-	-	315
Conference, Meetings & Seminars	65,114	2,086	-	-	315	-	65,114
Consultants & Other Professional Services	3,475	1,483	-	-	64,614	-	853
Dues, Subscription, Fees etc.	840,901	2,519	-	500	853	-	4,985
Legal	1,483	-	-	-	4,985	-	10,877
Accounting	2,834	2,622	-	-	10,877	-	113,966
Occupancy & Warehousing	65,114	1,037	-	-	113,966	-	17,578
Postage & Shipping	3,475	3,423	-	-	11,905	-	13,107
Printing & Copying	14,300	7,774	-	5,673	743	-	2,110,118
Program Materials	121,740	7,639	-	12,364	2,854,442	744,324	50,391
Telephone	25,217	1,017	-	-	50,391	-	123,249
Travel	14,124	-	-	-	123,249	-	104,002
Bank Charges/Currency Adjustment	2,854,442	2,462	-	24,119	79,883	-	80,098
Office Supplies & Equipment	52,853	1,703	-	-	80,098	-	920
Payroll Taxes	124,952	1,283	-	-	920	-	337,492
Loss on Sale of Assets	105,295	3,670	-	-	337,492	-	18,746
Indirect Cost	83,768	3,929	15	207,836	6,565,168	744,324	6,028,680
Depreciation	4,849	-	-	-	-	-	(337,492)
<b>Total</b>	<b>6,894,351</b>	<b>1,815</b>	<b>15</b>	<b>207,836</b>	<b>6,565,168</b>	<b>744,324</b>	<b>5,691,188</b>
Reclassify Overhead Charged to Program Costs							
<b>Total</b>	<b>\$ 6,894,351</b>	<b>\$ 458,824</b>	<b>\$ 15</b>	<b>\$ 207,836</b>	<b>\$ 6,565,168</b>	<b>\$ 744,324</b>	<b>\$ 6,565,168</b>
Base = Total Direct Cost	\$ 458,824						
Pool Cost	\$ 5,691,188						
Base Cost	8.06%						
Indirect Rate							

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

## Indirect Cost Allocation Schedule Year Ended December 31, 2011

## *Board of Directors*

Ms. Iman Elkadi, *Chairperson*  
Dr. Ali El-Menshawi, *Vice-Chairperson*  
Mr. Naushad Virji, *Treasurer*

Mr. Hassan Amin, *Member*  
Dr. Hoda Badr, *Member*  
Mr. Melvin Bilal, *Member*

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

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Mr. Umar al-Qadi, *President & CEO*  
Mr. Anas Alhaidar, *CFO*

*Independent Financial Auditors*  
*Alan C. Young & Associates, P.C.*  
*Certified Public Accountants*

# MERCY-USA FOR AID AND DEVELOPMENT

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Facsimile 734-454-0303  
e-mail [mercycusa@mercycusa.org](mailto:mercycusa@mercycusa.org) • <http://www.mercycusa.org>

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

### *Other Mercy-USA Offices*

**Albania**  
Tirana

**Bosnia**  
Tuzla

**Indonesia**  
Medan

**Kenya**  
Nairobi

**Lebanon**  
Tripoli

**Somalia**  
Mogadishu

*Mercy-USA for  
Aid and Development*

*(M-USA) is a nonprofit relief and development organization dedicated to alleviating human suffering and supporting individuals and their communities in their efforts to become more self-sufficient.*

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

**Special ways to join  
Mercy-USA in  
"Helping People Help  
Themselves"™**

**These special ways of joining  
M-USA in this vital effort  
include:**

- 1) encouraging your employer to match your donation, or**
- 2) donating stocks, or**
- 3) making a bequest.**

**Please call us at**

**1-800-55MERCY**  
(1-800-556-3729)  
to discuss options.

**You may also participate in the Automatic Giving Program; a gift of your choice is automatically deducted monthly from your bank or major credit card account (please clip the adjoining form and mail it along with a voided check).**

# Contribution / Pledge Form

## Personal Information

Name \_\_\_\_\_

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

City \_\_\_\_\_

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

Country \_\_\_\_\_ Work Phone \_\_\_\_\_

Home Phone \_\_\_\_\_ Cell \_\_\_\_\_

E-mail \_\_\_\_\_

One Time Donation     Monthly Donation

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

Check

Credit Card (Fill out Section A)

Bank Auto Withdrawal (Fill out Section B)

Pledge

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

### A) Credit Card Information (Charged in US Currency)



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

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

Signature \_\_\_\_\_

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

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

Checking Account

Savings Account

Bank Route (ABA) No. (9 digits) \_\_\_\_\_

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

Starting with the \_\_\_\_/\_\_\_\_/20\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

### **Important!**

Please fill out the Personal Information section.  
Kindly send your tax deductible donation made payable to:  
**Mercy-USA for Aid and Development**

US Federal Tax # 38-2846307

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

**or**

**Mercy-USA for Aid and Development (Canada)**

Canadian Federal Tax # 89458-5553-RR0001

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Canada

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