



MERCY-USA
for AID and DEVELOPMENT

2021

ANNUAL

REPORT



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MIDDLE EAST

LEBANON

SYRIA

We've been serving the needs of disadvantaged and vulnerable families in the Middle East since 2006.

When Syrians began fleeing their homes across the border to Lebanon in 2011, we mobilized efforts to help them. We supported a stationary health clinic and subsequently launched a mobile medical unit. Since then, Mercy-USA has provided food assistance, vaccination campaigns, lighting infrastructure and various clean water projects.

2012 saw our first cross-border humanitarian work take shape in Syria with food, blankets and mattresses that were distributed to the first families seeking safety from military action in their towns in northern Syria. Fast forward nine years to 2021, Mercy-USA made sure more than 125,000 people received food aid and thousands received free primary healthcare.



LEBANON

HEALTHCARE

Even before the world-wide pandemic, Lebanon had been struggling to serve the needs of its people and the influx of refugees from Syria didn't make the situation better. Our services to Lebanese host families alongside the Syrian refugees helps to calm tensions between families who are all struggling to get by.

Since 2012, Mercy-USA has been operating a mobile medical unit in Wadi Khalid in the northern part of Lebanon. The population of this under-served area have Lebanese host families and Syrian refugee families living side by side with one thing in common. They all struggle mightily to make ends meet. Skyrocketing healthcare costs are a major stressor on the poor in Lebanon.



In 2021, our mobile medical unit traveled along the winding roads throughout the valley offering free primary care to all who are there waiting at each stop. Whether it was for high-blood pressure, an injury or any number of childhood illnesses, our doctor and nurse on board were there to diagnose and provide treatment whenever possible to everyone, free of charge.

Patients reported that the mobile clinic not only saves on the high cost of a doctor visit, it also saves the expensive taxi fare into the city, the expense of medicine and other costs associated, which made affording clothes for the children, or buying food, for example, easier.



NUTRITION

Through generous support from The United Nations Office for the Coordination of Humanitarian Affairs, Mercy-USA provided free nutrition screenings and support to mothers and children in Lebanon. The visits included follow-up treatment. Pregnant and nursing mothers were also screened for nutritional status and pre- and post natal care was given, all free of charge.

HELP FOR HOSPITALS

The economic crisis combined with the impact of the Pandemic in Lebanon saw the public health system stretched beyond its



limit. Public hospitals began a "rationing strategy" as it pertained to meals served to patients in order to cover gaps of other vital supplies like oxygen.

To help with this crisis, Mercy-USA launched a food assistance project for two major government hospitals as well as a COVID-19 isolation center. We supplied fresh produce and raw foodstuffs such as rice, bread, meat, chicken, dairy products and more for these hospitals to improve the quality and quantity of meals served three times a day to in-patients.

WINTERIZATION

Winters in Wadi Khalid are miserable, especially for families who rely on charitable assistance for everything. Mercy-USA distributed a winter's worth of bio-fuel to needy families and provided winter clothing kits to children and vulnerable elderly

or disabled folks. The winter clothing kits consisted of a pair of boots, a warm winter coat, one pair of sweatpants, a sweatshirt, one set of thermal underwear, a winter hat, a pair of socks and a winter scarf. Children happily marched off to school wearing all new gear that kept them warm throughout the wet and cold winter.



UMM AYMAN'S STORY



Umm Ayman, a mother of 4 children with a fifth child on the way was living in a substandard tent home that leaked rain and

mud each winter. Her husband who suffers from kidney disease was struggling to find enough work to cover their basic needs. Umm Ayman had not had prenatal care for her unborn baby and the rest of her children were on the brink of malnutrition. She said, "I know I should be getting prenatal check-ups for my baby, but we can't afford healthcare."

Mercy-USA community health workers began in-home prenatal checks along with malnutrition screenings for her and her children. Mother and children began receiving free healthcare and nutrition support. This health intervention provided Umm Ayman, her unborn baby and growing children safeguards against serious health emergencies.

SYRIA

HEALTHCARE

NUTRITION



Mercy-USA's healthcare projects continued to expand and improve in 2021. Coping with covid-19 treatment, mitigation and prevention added another layer of complexity to the already burgeoning health crisis in northern Syria. With millions living in tents or inadequate housing away from their traditional support systems, our teams of medical professionals and community health workers were often the only ones who could provide a lifesaving diagnosis or treatment. We operate the Kelly Health Center where patients come for free medical care, prescription drugs and lab work. With generous support from the United Nations Office for the



Coordination of Humanitarian Affairs (OCHA) and UNICEF, our Rapid Response Teams of community health workers visited tent encampments to assess and treat and prevent malnutrition in children and their

pregnant or lactating mothers. We also worked in these camps to provide free healthcare to all who would otherwise be unable to access any medical treatment due to distance to a clinic or lack of resources to pay.



Mercy-USA offers psycho-social support to adults and children suffering from the trauma caused by the seemingly never-ending war in Syria.



Mercy-USA's Kelly Health Center offers free lab services, birthing and neo-natal capacity.



A mother doesn't worry about how to pay for antibiotics for her child's ear infection. Patients receive prescriptions at our own pharmacy in the health center.

SHADI'S STORY



14-month-old Shadi (seen at upper left) was born a few months before his family was forced to flee their rural home outside of Aleppo, Syria. With five more children to feed and no work for her husband combined with the fear and anxiety surrounding their displacement, Shadi's mother wasn't able to continue to breastfeed. "I was able to breastfeed Shadi the first 3 months after he was born, but then we had to run for our lives and my milk dried up." Like so many internally

displaced families, Shadi's parents resorted to negative coping strategies to feed their children. The youngest of the children, little Shadi was the most affected by the family's food insecurity. Mercy-USA's Rapid Response Team (RRT), visited the family and assessed Shadi and found he was suffering from Severe Acute Malnutrition. He was sick with a high fever and diarrhea. The



baby was immediately referred and transported by our team to the nearest hospital in Sarmada for in-patient treatment.

A month later during the RRT follow-up visit the baby's nutrition status had improved and the family had received nutrition counseling and special supplements to help the baby recover completely. They were also counseled on better ways to cope and feed all the children to keep them healthy despite their dire circumstances. These follow-up visits were vital as the family had no other access to medical support nearby their camp. The Mercy-USA Rapid Response Teams, with generous support from UNOCHA, visited hard to reach camps for internally displaced families in northern Syria to provide emergency nutrition, and health for displaced children under five.

SYRIA

FOOD AID

At least 2.7 million persons in northwest Syria are displaced from their towns and cities. Not only have they lost their homes, they have also lost their livelihoods and ability to support themselves. Since 2012, Mercy-USA has been feeding families in Syria, often when the resources were slim to none. Through generous grants and in partnership with the World Food Program, UN Office for the Coordination of Humanitarian Affairs, the International Organization for Migration and USAID's Bureau for Humanitarian Assistance, we made sure approximately 250,000 people in northern Syria had food to eat.



Food aid came in the form of food baskets as well as food vouchers for local markets. These vouchers gave families the opportunity for personal choice; plus it helped the local economy with increased sales at local stores.



BREAD & CUCUMBERS - OM MOHAMED'S STORY

Om Mohamed, from the village of Bsakla, has been providing for her seven children and taking care of them all on her own ever since she was displaced three years prior to our meeting with her in 2021. "We were living in my husband's hometown in the countryside of Ma'aret An Numan. The shelling became so heavy, we were not able to withstand it anymore", Om Mohamed said. "I had a large house and a few sheep which I had to sell after our displacement to build a tent here." She explained.

Her husband's relentless efforts to find a job to sustain his family were all faced with rejection. He made the decision to go into Turkey in search of work and unfortunately, Om Mohamed and the children have lost touch with him and are now on their own. As the sole provider for her children, she finds work wherever she can. "There are cucumber fields around us and I get one Turkish lira for every hour of work in the fields. This is barely enough to

afford bread," she said. Bread and cucumbers would not sustain her family. However, Mercy-USA, with generous support from the World Food Programme, began providing a monthly food basket for Om Mohamed's family and thousands of families like hers who were deeply affected by the war and displacement. "No matter how hard I work, I could never earn enough to support my family without this generous food basket provided to us every month."

SYRIA

SHELTER

At the end of 2021, there were an estimated 2.7 million internally displaced persons in northwest Syria. Families had fled their homes, farms and jobs and existed in a continuous state of need and want. Some families were able to find some sort of building to live in, often for little money to the building owner. Mercy-USA found that while these structures may have been a bit more comfortable than a tent, the difference was often marginal. They were often unfinished cinder-block with no plaster, exposed wiring, no windows, marginal plumbing with no fixtures except for a tap. Frequently, there was no security as simple as a door that would close or lock. The landlords of these substandard or half-built dwellings weren't in any position to improve the properties, especially when the tenants were indigent. We stepped in with a program to help the building owner improve his building with an agreement that the current family could continue to live in the apartment for the same affordable rent.



GAZA

EDUCATION

Mercy-USA supported an important education project operated by the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) to offer blind or visually impaired children early intervention and subsequent integration into mainstream schools. This special school provides material and technical support to the children to access learning. We provided support for more than 500 children enrolled at the Rehabilitation Centre for the Visually Impaired (RCVI) in the Gaza Strip. The contribution ensured children ages 4-12 who are visually impaired or blind would continue to receive integrated and high-quality education, social and psychosocial support, vision assessments, eye-glasses and eye drops.

EMERGENCY

The offensive on Gaza in May, 2021 resulted in over 250 fatalities including 66 children. Mercy-USA worked with our long-time partner, UNRWA to provide emergency food and other humanitarian assistance to Palestinians in Gaza who suffered in the escalation of violence.



EAST AFRICA

SOMALIA

KENYA

Our work during 2021 in East Africa focused mainly on Somalia, where we employ hundreds of healthcare professionals as well as water and sanitation engineers and workers who help make our clean water projects a success year over year.

In 2021, our work in Kenya was focused on delivering seasonal food aid to poor and internally displaced people living in Mandera county.

These food distributions are a lifeline for those who suffer from food insecurity, as well as an opportunity to bring holiday joy to otherwise extremely difficult lives.



SOMALIA

NUTRITION

“Rich countries, including the United States, Canada, Japan and much of western Europe, account for just 12 percent of the global population today but are responsible for 50 percent of all the planet-warming greenhouse gases released from fossil fuels and industry over the past 170 years.”¹ According to the United Nations, “Somalia is on the frontline of climate change and has experienced more than 30 climate-related hazards since 1990, including 12 droughts and 19 floods.”



Lul, a mother of 8 brought her youngest, Abdi to our nutrition center in the Banadir region of Somalia for a four week follow-up visit after he was diagnosed with severe acute malnutrition. While his weight had only improved marginally, his appetite tests showed major improvement so he was kept

in the Outpatient Therapeutic Program longer. The healthcare staff counseled Lul to continue the recommended breastfeeding routine despite her struggles while supporting the family with her small grocery kiosk. She was encouraged to bring her other young children in for

nutrition screenings to evaluate their need for treatment as well. Looking at the family as a whole and examining the underlying stresses and causes for malnutrition are part of this vital program.

According to UNICEF, 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 one in three is chronically malnourished. Much of this is due to drought creating severe food insecurity.

Mercy-USA has been providing nutrition services to infants and children since 1997. The battle to save the most vulnerable in Somalia seems never-ending but our teams of nutritionists, doctors and

nurses fight on to save as many lives as possible. With generous grant funding from The World Food Programme, Somalia Humanitarian Fund and UNICEF, this vital work has been scaled up with even greater impact.

HEALTHCARE

When a pregnant or lactating mother and or her children come to our nutrition centers, they are assessed for signs of malnutrition. If found to be suffering with lack of

nutrition, they are entered into our program to restore their weight and nutrition levels with therapeutic foods, monitoring and counseling.

Mercy-USA Mother and Child Health Centers not only provide crucial treatment for malnutrition, they offer pre- and post natal and birthing services to women who often have no other resource for skilled medical help. See Hawo's story below as an example of the lifesaving services provided all across Somalia in our centers.

¹ New York Times, Nov 12, 2021

AVERTED TRAGEDY: HAWO'S STORY

When Hawo's labor began, she immediately went to the Mercy-USA Bacadweyne Mother and Child Health facility where she knew she'd find qualified care for the birth of her fourth baby. The Bacadweyne MCHN offers nutrition and maternity services including prenatal, birthing services, post-natal care. Hawo had visited the clinic all throughout her pregnancy and was ready for a healthy baby.



Hawo's labor was not progressing as it should and despite the typical interventions for a nonproductive labor, the baby's heartbeat was slowing and so Hawo's healthcare team requested the Mercy-USA ambulance to transfer her to Mercy-USA's Hobyso Referral Hospital, a two hour drive away. Upon arrival at the hospital, Hawo was immediately admitted into the labor ward and the skilled birthing attendants helped her have a safe delivery of a healthy baby boy about 30 minutes later. The baby was a robust 9.5 pounds and mama Hawo was in good health as well. Baby's health was attributed to the excellent prenatal care Hawo received at her local Mercy-USA MCHN.



Hawo and baby stayed at the hospital for two days for monitoring, where the baby received vital immunizations. “With the help of the ambulance services, we're able to refer beneficiaries like Hawo who live in remote areas to Hobyso referral hospital where they receive essential care. This service has saved many lives,” said one of the health workers.

SOMALIA

HEALTHCARE

Mercy-USA operates TB and HIV/AIDS health centers in Somalia in large part to

generous support of the Global Fund to Fight AIDS, Tuberculosis and Malaria and UNICEF.

These dozen health centers serve as diagnostic and treatment facilities for Tuberculosis, Malaria and HIV/AIDS. These centers boast a cure rate for TB of over 80%.

In addition to diagnosis and treatment, the centers also offer education and community outreach in an effort to remove the deep stigma associated with TB and HIV/AIDS. Mercy-USA staff strives to help patients see that they can be cured of TB or live productive lives with HIV/AIDS if treatment is maintained.



ALI'S STORY: DENIAL TO TREATMENT



38-year old Ali's wife suffered from an unknown illness that local clinics couldn't diagnose. Finally, they went to a hospital that required HIV testing before admission; it was there they learned his wife was suffering from HIV/AIDS.

Upset and furious, he refused testing to know his own HIV status. He said he considered divorcing his wife but couldn't take her from his five children. His wife, stoic and determined

stuck to the treatment regime and within a year, she regained her health.

In the meantime, Ali became sick and bedridden. His wife convinced him to visit the Mercy-USA TB and HIV facility in Mogadishu after learning of their approach to diagnosis and treatment.

Ali tested positive for the disease and began treatment right away to save his life. Just as

importantly, he received gentle counseling on the disease, "I was counseled before and after the testing, the health workers explained to me how the disease spreads, how to live with it and how to protect oneself and others. I was also told to bring my children in for testing. Fortunately, they all tested negative. I'm now hopeful that I will not die from the disease."

This holistic approach to the treatment of the disease, which holds an extreme stigma in Somali society was successful in keeping Ali and his wife alive as well as preserving their family.

EDUCATION

With the generous support of the United Nations Population Fund (UNFPA), Mercy-USA ran a youth-friendly center that was inclusive and holistic. The center offered vocational skills, health information, and counseling to youth and adolescents. It is also a safe space where young people could interact and share ideas while getting empowered. The goal of the center was to reach marginalized youth, including adolescent girls at risk of child marriage.

Young women learned marketable vocational skills that offered hope for a way forward in supporting themselves and their families despite the extremely challenging circumstances they faced on a daily basis.

QAMAR'S STORY OF HOPE



Qamar was a young divorced mother of two children under three. After her divorce she and her children had to return to her family home. Qamar found supporting herself and her children impossible without depending on help from her parents. "Not having a job means I can't take care of my children's needs," Qamar said.

"I heard about Mercy-USA's Youth Training project through a friend. Since I was not employed, I decided to visit the center and luckily I got an opportunity to do this course in weaving."

As the training sessions progressed the trainers and the team at the center were amazed by her personal commitment to learning. Becoming a skilled weaver will provide Qamar an opportunity to produce practical and traditional handicrafts from her home, market and sell her work while being able to care for her two children who are still at home needing her care.

She said, "as a young mother with no formal education, having an opportunity to learn a skill like this is rare. Now, I see a good future where I will support my children. Once I graduate, I will weave baskets, prayer mats and other assorted traditional items to sell in the market. God willing, my life will improve for the better!"

SOMALIA

SAFE WATER



Since 1997, Mercy-USA has played a vital role in providing safe drinking water in Somalia, digging and repairing over 750 wells. These wells now positively impact the lives of hundreds of thousands.

A nearby source of safe, clean water is more than a convenience, it is a life line for health and safety. In Somalia, the task of fetching water typically falls on women and children and a nearby well saves them from traveling long distances that puts them at risk of attack from strangers or wild animals. Their days are no longer consumed with the backbreaking task of fetching water, freeing them for



school and self development. A nearby well also insures that the water is not shared by livestock which eliminates the risk of contamination and waterborne diseases, one of the main causes

of death for children under five in Somalia. The time saved, the lives saved and the sense of pride a well gives to a village or town has immeasurable impact.

EMERGENCY RELIEF

When intense fighting broke out in Guriel district, Galgaduud in Somalia in the Fall of 2021, the people there had already been suffering from the effects of extreme drought conditions. Three rainy seasons had not happened and the situation was dire. The fighting caused people to flee the area and set up in informal camps. The shelling



destroyed crucial infrastructure including two major wells that supplied water to tens of thousands.

Late into 2021, Mercy-USA

trucked in water and distributed hygiene kits to affected families with the purpose of preventing an even larger catastrophe of water-borne diseases and death.

HYGIENE

Drought and flooding combined with ongoing conflicts resulted in a large influx of internally displaced persons (IDPs) to the town of Beledweyne in Somalia. Informal camps sprang up around the town creating serious sanitation, hygiene and water problems.

In close collaboration with Polish Humanitarian Action (PAH) and Humanity Inclusion (HI), Mercy-USA implemented a Water, Sanitation and Hygiene (WASH) project. The project was supported by European Humanitarian Aid. The project sought to improve sanitation and hygiene practices in the IDP camps and provide safe water to the communities. In addition, Mercy-USA successfully constructed latrines and tap stands in the camps. Also,



community hygiene promoters are stationed at each camp and trained the community on proper hygiene practices around their homes.

As part of the emergency WASH response, together with the consortium partners, Mercy-USA provided safe water

through pipeline extensions to the camps, improved sanitation facilities with the construction of latrines and tap stands, distributed hygiene kits and supplies and created awareness of good hygiene practices in these informal communities.

ASIA

INDONESIA

PAKISTAN

BANGLADESH

Mercy-USA's offices and partners in Asia have been vital in providing sustainable development projects such as in education or agriculture and because this part of the world is prone to natural disasters, we maintain a state of readiness to mobilize quickly to respond to crises.

We delivered seasonal food aid in all three countries in 2021, bringing much anticipated food baskets and fresh meat during the Islamic observations of Ramadan and Eid al Adha.



INDONESIA

AGRICULTURE

Small sustenance farmers received support from Mercy-USA agronomists and experts in several programs. Rice farmers received training and inputs to increase yields while implementing organic farming techniques. An increase in yields and price at market often meant that their children could attend school. Not only do these programs help build more resilient farms, they help build a stronger community with education and economic development among subsequent generations.

Our heifer program was again a great benefit to small and struggling farmers. We help them form co-ops and not only hand over a heifer to the farmer to raise until she births a calf, we help the farmers with the training needed to raise livestock to be healthy and productive. We help them use better feeding techniques such as this fodder harvest at right illustrates.



PAKISTAN

EDUCATION

In partnership with The Citizens Foundation, Mercy-USA for Aid and Development built and supports a secondary school in Piyaro Lundh, District Tando Allahyar, Sindh province of Pakistan.

The school provides excellent academic instruction to both boys and girls from low-income households within walking distance of the school. The financial aid system helps ensure that quality education is affordable for every student.

The school officials strive for gender equality in every grade and go as far as home visits to reluctant parents to encourage enrollment with special attention to girls.

After the Covid-19 lockdown, the school reopened in February, 2021 and this newly inaugurated Mercy-USA school is running an accelerated learning program for all students returning to the classroom while implementing new health and safety operating protocols.



BANGLADESH

SEASONAL

FOOD

AID

The Rohingya people suffered for years in Rakhine State, Myanmar. As a community, they faced state-sponsored violence, and persecution for simply existing. In 2017 the military carried out horrific violence against the Rohingya people forcing them to flee into Bangladesh for safety. It's estimated that nearly a million Rohingya—including more than 400,000 children—seek safety in Bangladesh. The majority of these refugees are in Cox's Bazar, now home to the world's largest refugee camp.

Five years on and the Rohingya Refugees continue living in precarious circumstances, exposed to the monsoon elements and dependent on humanitarian relief.

Mercy-USA delivered seasonal food aid in observance of Ramadan, Eid al Fitr and Eid al Adha in 2021.



THE BALKANS

ALBANIA

BOSNIA

Mercy-USA has been helping young and old alike in the Balkans since 1992. In the beginning, our efforts centered around emergency relief for victims of the war in Bosnia and help for families struggling with severe hardship during the aftermath of the fall of communism in Albania.

The work we do has progressed into sustainable development projects aimed at providing a hand up to young people in Bosnia whose families are still displaced from the massacre at Srebrenica. We support a school for disabled youth with much needed equipment and fresh food.

In Albania, we support orphaned students with English and computer skills as well as providing small farmers with technical expertise from agronomists to increase yields and efficiencies in their methods.



BOSNIA ALBANIA

EDUCATION

We have been stocking public school libraries in Albania for years now with our Read to Succeed project. Schools let us know each year what they need for their libraries and we make sure the shelves have good literature, poetry and research materials available to students.

We also provide English and computer skills courses as after-school programs for orphaned children who can't afford the tuition for skills unofficially



required of all students who wish to attend university.

In Bosnia, we provide new school bags filled with the supplies a kindergartner needs to begin their education journey. Most of these children come from very modest homes for whom purchasing the supplies and a new bag is out of reach. At-risk young adults who need certifications in English and/or computer skills get free classes from Mercy-USA to help them find gainful employment or entrance into university.

AGRICULTURE

The 10,900 square foot Mercy-USA Agricultural Education



Center in Tuzla, Bosnia provided training for the local agricultural college and seedlings for small farmers. The center also provided free vegetable seedlings to needy, mostly elderly citizens for kitchen gardens.

In Albania, our agronomist provides technical support to farmers several times a year to improve yields while sustaining their farmland for subsequent generations.



UNITED STATES

EDUCATION

After students returned to in-person learning in the Fall of 2021, Mercy-USA reached out to local Detroit schools to see what needs they had that the district couldn't provide.

In addition to new backpacks filled with required school supplies for every student, we also provided 5 new cloth masks, hand sanitizer and activity/informational materials for each student, (see at right).

We supplied the classrooms with gallon-sized hand sanitizer jugs and teacher packs with requested supplies for each educator. We also printed helpful CDC posters for the classrooms on how to stay safe from Covid-19.

Detroit schools had been working very hard to meet the needs of children whose families or household were struggling to make ends meet, especially during lock-downs and all that came with the Covid-19 Pandemic. Mercy-USA was pleased to offer additional resources that weren't available given the magnitude of problems created by Covid-19.



Using guidance and resources from the CDC Mercy-USA designed and printed activity materials for students to help them understand how to protect themselves from the virus. We gave teachers colorful posters for their classrooms to help remind students about hygiene practices as well as a take home flyer with local vaccination information and best practices.

How to protect you and your loved ones from COVID-19

Get Vaccinated!
The covid-19 vaccines are safe, effective, and available to anyone 18 and older. The FDA approved Pfizer vaccine is available to those 12 and older.
There is no cost to you to get the vaccine! You do not need insurance to get the covid-19 vaccine.
Free transportation is available and can be scheduled along with your appointment. You can schedule your vaccine or find the nearest walk-in location several ways:
• Internet: www.vaccinatedetroit.com
• Text your zip code to 438829 and you will receive the locations near you.
• Call: (313) 230-0505

Wear a Mask!
The CDC recommends universal indoor masking for all teachers, staff, students, and visitors to K-12 schools, regardless of vaccination status.
To protect vulnerable folks who can't be vaccinated or for whom a breakthrough infection would be dangerous, please wear a mask indoors when many people are present, even if you are already vaccinated.
Avoid large gatherings and please wear masks when closer than 6 feet away from anyone not living in your household.

Stop the Spread!
Anyone with signs or symptoms of COVID-19 should stay home and get tested, even those who are fully vaccinated or have already had COVID-19. **KEEP CHILDREN HOME IF THEY SHOW SYMPTOMS** until they get a negative COVID-19 test.
Some of the symptoms include:
Cough, shortness of breath or difficulty breathing • Fever or chills • Muscle or body aches • Vomiting or diarrhea • New loss of taste or smell
Symptoms can range from mild to severe illness and appear 2-14 days after you are exposed to the virus that causes COVID-19. The CDC recommends that fully vaccinated people who have a known exposure to someone with COVID-19 get tested three to five days after exposure and wear a mask in public indoor settings for 14 days or until they receive a negative test.
There are many locations to get tested at no cost. Visit: www.solvhealth.com
Or call: (888) 535-6156

Wash Your Hands!
Wash your hands with soap and water often! Use hand sanitizer if you are not near a sink!



COPING WITH COVID-19

NAME: _____

Note to Parents, Guardians, and Teachers
The Centers for Disease Control and Prevention (CDC) has created Coping with COVID-19 to provide parents, guardians, teachers, and young children with tips and activities to help the whole family cope with this public health emergency. The activity book is designed to serve as an interactive tool to help children cope with COVID and its related effects, while furthering their understanding about the illness and its spread.

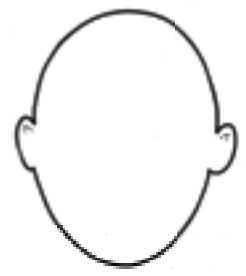
Wearing a mask is one of the best ways to protect against COVID-19!

PROTECT YOURSELF AND OTHERS!

- Keep at least six feet distance from others
- Wear a mask when around others, especially while indoors!
- Avoid touching your face and the front of your mask.
- Wear the mask with correct side up and out.
- Cotton masks must be washed and can be worn over and over. Paper masks, (medical or surgical masks) can only be worn for a day and discarded.
- Be sure to wash your hands often with soap and water!
- Use hand sanitizer if you are not near a sink

Hangar for your home to remind everyone to MASK UP when going out! Stay safe from COVID-19!

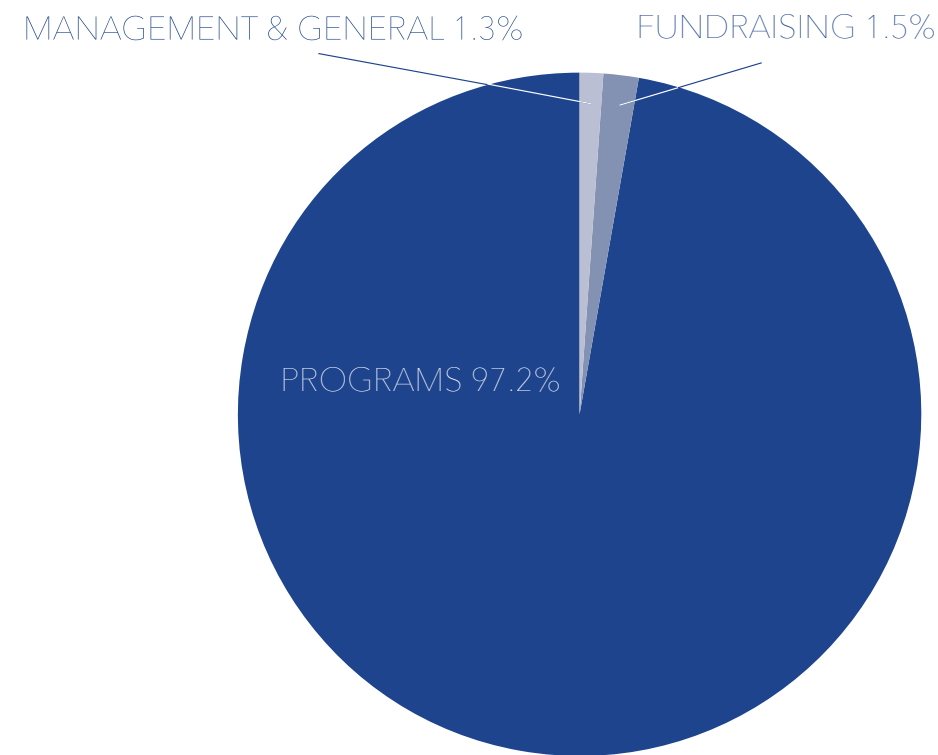
1. Draw your face wearing a mask.
2. Make your door-hanger colorful!
3. Cut it out on the dashed lines
4. Hang it on your front door to remind you and everyone in your home to bring their mask when they leave the home.



Wear a mask in public places!

FUNCTIONAL EXPENSES

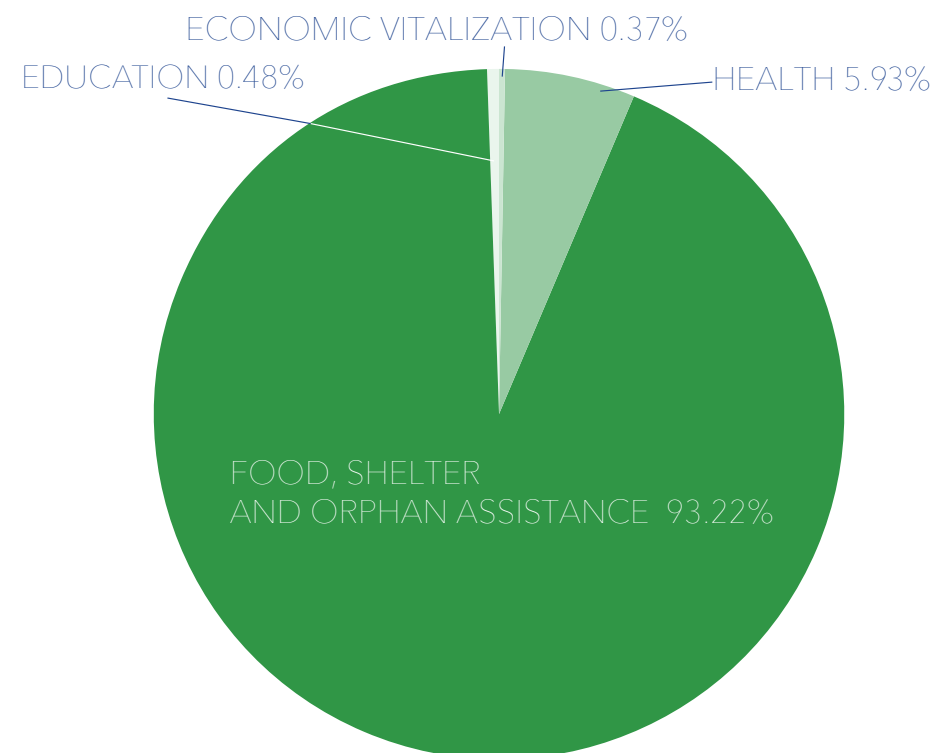
January 1, 2021 to December 31, 2021



PROGRAM EXPENSES

(BY SERVICE CATEGORY)

January 1, 2021 to December 31, 2021



Alan C. Young & Associates, P.C.

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Mercy-USA for Aid and Development, Inc (a nonprofit organization) (the Organization), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities and consolidated cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

INDEPENDENT AUDITOR'S REPORT

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and government auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

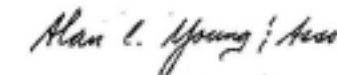
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and other supplemental information as identified in the table of contents are presented for purposes of additional analysis and are not a required part of the 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 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT

(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2022, 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 solely 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 the effectiveness of Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Organization's internal control over financial reporting and compliance.



Detroit, Michigan
September 29, 2022

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Consolidated Statements of Financial Position December 31, 2021 and 2020

	2021	2020
ASSETS		
Current Assets		
Cash and Cash Equivalents (Note 2)	\$ 8,261,842	\$ 4,971,885
Pledges & Grants Receivable (Note 5)	1,159,979	1,723,052
Prepaid Insurance & Expenses	17,407	18,938
Total Current Assets	9,439,228	6,713,875
Fixed Assets (Note 6)		
Building, Vehicles, Furniture & Equipment	1,583,363	1,605,969
Less: Accumulated Depreciation	(815,503)	(735,544)
Total Fixed Assets	767,860	870,425
Other Assets		
Security Deposits	24,371	12,871
Total Other Assets	24,371	12,871
Total Assets	\$ 10,231,459	\$ 7,597,171
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 1,326,778	\$ 1,269,088
Refundable Advances (Note 1)	2,669,186	1,132,801
Tenant Security Deposit	7,450	7,110
Payroll Liabilities	10,393	28,257
Accrued Payroll & Taxes	360	24,377
Advance Rent	5,750	-
Total Current Liabilities	4,019,917	2,461,633
Net Assets		
Without Donor Restrictions	4,262,360	3,602,607
With Donor Restrictions (Note 9)	1,949,182	1,532,931
Total Net Assets	6,211,542	5,135,538
Total Liabilities and Net Assets	\$ 10,231,459	\$ 7,597,171

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

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Consolidated Statements of Activities Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions From Public	\$ 1,335,642	\$ 4,644,158	\$ 5,979,800	\$ 1,199,322	\$ 4,098,952	\$ 5,298,274
US Agency for International Development (USAID)	-	4,001,235	4,001,235	-	1,450,826	1,450,826
NGO Grants	-	-	-	-	723,386	723,386
United Nation (UN) Grants	-	9,426,515	9,426,515	-	12,431,207	12,431,207
Global Fund to Fight AIDS, Tuberculosis & Malaria (GFATM) Grants	-	296,725	296,725	-	369,060	369,060
Contribution In-Kind - UN agencies (Note 4)	-	44,837,701	44,837,701	-	30,985,212	30,985,212
Rental Income	77,843	-	77,843	89,080	-	89,080
Dividend Income	6,091	-	6,091	11,840	-	11,840
Gain/Loss on Foreign Currency Fluctuation	80,779	-	80,779	114,809	-	114,809
Other Income	2,350	-	2,350	-	-	-
Net Assets Released From Restrictions:						
Satisfaction of Service Restrictions (Note 9)	62,790,083	(62,790,083)	-	49,680,145	(49,680,145)	-
Total Support and Revenue	64,292,788	416,251	64,709,039	51,095,196	378,498	51,473,694
EXPENSES						
Program Services:						
Food, Shelter and Orphan Assistance	58,536,029	-	58,536,029	44,963,797	-	44,963,797
Health	3,724,449	-	3,724,449	4,041,327	-	4,041,327
Economic Vitalization	234,662	-	234,662	246,830	-	246,830
Education	294,943	-	294,943	428,191	-	428,191
Total Program Services	62,790,083	-	62,790,083	49,680,145	-	49,680,145
Supporting Services:						
Management and General	488,461	-	488,461	528,487	-	528,487
Fund Raising	354,491	-	354,491	324,966	-	324,966
Total Supporting Expenses	842,952	-	842,952	853,453	-	853,453
Total Expenses	63,633,035	-	63,633,035	50,533,598	-	50,533,598
Change In Net Assets	659,753	416,251	1,076,004	561,598	378,498	940,096
Net Assets - Beginning of Year	3,602,607	1,532,931	5,135,538	3,041,009	1,154,433	4,195,442
Net Assets - End of Year	\$ 4,262,360	\$ 1,949,182	\$ 6,211,542	\$ 3,602,607	\$ 1,532,931	\$ 5,135,538

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

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Consolidated Statements of Cash Flows
Years Ended December 31, 2021 and 2020

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2021</u>	<u>2020</u>
Change in Net Assets	\$ 1,076,004	\$ 940,096
Adjustments to Reconcile Change in Net Asset to Cash Provided by Operations:		
Depreciation	104,871	116,517
Loss on Deletion of Fixed Assets	2,994	-
Uncollectible Accounts Receivable	40,639	3,902
Change in:		
Prepaid Insurance and Expenses	1,531	64,548
Pledges and Grants Receivable	522,434	334,306
Notes Receivable - Micro-lending/SED	-	4,000
Other Assets	-	3,362
Accounts Payable	57,690	(234,833)
Refundable Advances	1,536,385	536,541
Security Deposits	(11,500)	-
Accrued Payroll and Taxes	(41,881)	(8,435)
Tenant Security Deposits	340	-
Advance Rent	5,750	(5,700)
Net Cash Provided by Operating Activities	<u>3,295,257</u>	<u>1,754,304</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,300)	(21,687)
Net Cash Used in Investing Activities	<u>(5,300)</u>	<u>(21,687)</u>
 Net Increase in Cash	3,289,957	1,732,617
 Cash and Cash Equivalents - Beginning of Year	<u>4,971,885</u>	<u>3,239,268</u>
 Cash and Cash Equivalents - End of Year	<u>\$ 8,261,842</u>	<u>\$ 4,971,885</u>

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

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements
December 31, 2021 and 2020

1) NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESNature 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, and New Jersey to solicit public funds. Mercy-USA is involved in the relief and development for individuals and communities providing economic vitalization, health care, food and shelter and education mainly in Somalia, Syria, Kenya, Bosnia, Indonesia, Lebanon and Albania and also in the United States and other countries around the world with the help of the United States Agency for International Development (USAID), Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), United Nations Children Fund (UNICEF), World Food Program (WFP), United Nations Office for Coordination of Humanitarian Affairs (OCHA) and other United Nations grants as well as through public contributions.

Basis of Accounting

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

- Albania
- Bosnia
- Indonesia
- Kenya, Somalia
- Lebanon
- Turkey
- Canada

Translation of Currencies

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

Basis of Presentation

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements (Continued)
December 31, 2021 and 2020

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

Basis of Presentation (Continued)

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. From time to time, the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. The Organization did not have board designated net assets as of December 31, 2021, or 2020, respectively.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources was restricted has been fulfilled, or both.

Financial Instruments

The carrying value of cash and cash equivalents, restricted cash, accounts receivable, pledges receivable, accounts payable and accrued liabilities, are stated at carrying cost at December 31, 2021 and 2020, which approximates fair value due to the relatively short maturity of these instruments.

Income Taxes

The Organization is organized as a nonprofit corporation and is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Organization follows the guidance of ASC-740-10, Accounting for Uncertainty in Income Taxes. The Organization recognizes the tax (benefit) expense from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities. The Organization had no uncertain tax positions at December 31, 2021 or 2020. The Organization files an exempt organization return with the Internal Revenue Service (IRS). The Organization had no taxable unrelated business income for the years ended December 31, 2021 and 2020. Accordingly, a provision for income taxes has not been established in the accompanying financial statements. The Organization's federal tax returns for the prior three years remain subject to examination by the Internal Revenue Service.

Functional Allocation of Expenses

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

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements (Continued)
December 31, 2021 and 2020

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

Cash and Cash Equivalents

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

Fixed Assets

Fixed assets are stated at cost if purchased or, at fair market value when received as contributions. Depreciation is recorded on a straight-line basis over the estimated useful life of the assets. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized. Assets with an individual cost over \$3,000 and a useful life in excess of one year are capitalized.

Advertising

The Organization expenses advertising costs as incurred. Advertising expense was \$230,176 and \$189,400 for the years ending December 31, 2021 and 2020, respectively.

Use of Estimates

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

Revenue Recognition

Contributions - Contribution revenue is accounted for under FASB Accounting Standards Update ("ASU") 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). Contributions, including unconditional promises to give, are recognized in the period received. Contributions received are considered to be available for use unless specifically restricted by the donor. Amounts received that are designated for a future period or are restricted by the donor for specific purposes are reported as contributions with donor restrictions. These contributions also increase net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Contributions are reported at fair value, which is net of estimated uncollectible amounts. The Organization uses the allowance method to determine uncollectible, unconditional pledges receivable. The allowance is based on experience as well as management's analysis of specific pledges made, including such factors as prior collection history, type of contribution, and nature of fundraising activity.

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements (Continued)
December 31, 2021 and 2020

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

Revenue Recognition (Continued)

Conditional promises to give, including those received under multi-year grant agreements are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. A promise is considered conditional only if the donor has stipulated one or more barriers that must be overcome before the Organization is entitled to the assets transferred or promised, and there also exists a right of return to the donor of any assets transferred or a right of release of the donor's obligation to honor the promise.

Grant Revenue - Under ASU 2018-08, these arrangements constitute contributions since the customer does not receive commensurate value for the consideration received by the Organization; rather, the purpose of an arrangement is for the benefit of the general public. Therefore, Organization management concluded that the agreements are conditional due to rights of return/ release and barriers to entitlement to funds. Revenue is recognized when the condition is satisfied. Because the nature of conditions is either based on incurring qualifying expenses or satisfying a milestone or other deliverable, the pattern of revenue recognition remained consistent with previous years. Under ASU 2018-08, a refundable advance is recorded when the Organization receives assets (i.e., cash) in advance of the satisfaction of the conditions within these arrangements.

Contributed Services - Contributed services are recognized as revenue if the services received create or enhance nonfinancial assets, require specialized skills provided by individuals possessing those skills and typically need to be purchased if not provided by donation. Contributed services are recorded at the fair market value of the services provided. There were no contributed services for the years ended December 31, 2021, and 2020.

Refundable Advances - On December 31, 2021, and 2020, the Organization had refundable advances on grants and contracts for sponsored projects of \$2,669,186 and \$1,132,801, respectively. These balances are recognized as liabilities and will be recognized as revenue as the projects progress and conditions are met, generally as expenses are incurred.

Prepaid Expenses

Prepaid expenses primarily represent cash payments made in advance of when the related expenditures are recognized for financial statement purposes.

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements (Continued)
December 31, 2021 and 2020

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

Accounting Pronouncement Adopted in Fiscal Year 2020

For the year ended December 31, 2020, the Organization adopted Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes the prior revenue recognition requirements in Topic 605, Revenue Recognition. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The Organization adopted Accounting Standards Codification (ASC) 606 effective January 1, 2020, using the modified retrospective transition method. The adoption of ASU No. 2014-09 did not have a material impact on the financial statements.

2) CASH AND CASH EQUIVALENTS

The total cash held by the organization in the bank accounts (excluding outstanding checks and deposit in transit) total \$8,270,648 and \$4,595,533 of which \$7,520,648 and \$3,903,021 is not insured through federal depository insurance in fiscal years 2021 and 2020, respectively.

3) PROGRAM AND SUPPORTING SERVICES

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

Program Services

Food and Shelter

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

Orphan Assistance

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

Health Services

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

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements (Continued)
December 31, 2021 and 2020

3) PROGRAM AND SUPPORTING SERVICES (Continued)

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.

Education

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

Management and General

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

Fundraising

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

4) CONTRIBUTIONS IN-KIND

These consist of food, medicines and medical supplies etc., provided by UNICEF and World Food Program for distribution to needy people. The amounts recognized in the statements of activities are based on fair value of the goods received at the time of donation. The Organization received \$44,837,701 and \$30,985,212 in fiscal years 2021 and 2020, respectively.

5) PLEDGES AND GRANTS RECEIVABLE

Accounts receivable consist of Somalia, Kenya and Syria grant funding receivable from the USAID and the United Nations Grant agencies. Details of Accounts Receivable as of December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Grants Receivable	\$ 1,053,357	\$ 1,614,317
Pledges Receivable	106,622	108,735
	<u>\$ 1,159,979</u>	<u>\$ 1,723,052</u>

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements (Continued)
December 31, 2021 and 2020

6) FIXED ASSETS

Fixed assets are comprised of the following:

	<u>Balance January 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2021</u>
Fixed Assets				
Building	\$ 1,121,853	\$ -	\$ -	\$ 1,121,853
Office Equipment	197,711	5,300	(4,990)	198,021
Office Furniture	11,467	-	-	11,467
Audio Visual Equipment	7,225	-	-	7,225
Automobiles	258,805	-	(22,916)	235,889
Others	8,908	-	-	8,908
TOTAL	1,605,969	5,300	(27,906)	1,583,363
Less Accumulated Depreciation	(735,544)	(104,871)	24,912	(815,503)
Net Fixed Assets	<u>\$ 870,425</u>	<u>\$ (99,571)</u>	<u>\$ (2,994)</u>	<u>\$ 767,860</u>

	<u>Balance January 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2020</u>
Fixed Assets				
Building	\$ 1,120,403	\$ 1,450	\$ -	\$ 1,121,853
Office Equipment	192,984	5,237	(510)	197,711
Office Furniture	11,467	-	-	11,467
Audio Visual Equipment	7,225	-	-	7,225
Automobiles	243,805	15,000	-	258,805
Others	16,633	-	(7,725)	8,908
TOTAL	1,592,517	21,687	(8,235)	1,605,969
Less Accumulated Depreciation	(627,262)	(116,517)	8,235	(735,544)
Net Fixed Assets	<u>\$ 965,255</u>	<u>\$ (94,830)</u>	<u>\$ -</u>	<u>\$ 870,425</u>

Depreciation expense was \$104,871 and \$116,517 for the year ended December 31, 2021 and 2020, respectively.

7) PENSION PLAN

The Organization started a 401(k)-pension plan on January 1, 2000 for all employees in the headquarters in the USA, who have attained the age of 20 ½ years. Employees may join the plan on January 1 or July 1 that coincides with or follows the date of employment after the completion of one year of service. The employer provides a 100% match on eligible employee contributions to the plan up to a maximum allowable by the plan. This was increased from 50% match in the previous years. The Organization contributed \$65,272 and \$58,335 in fiscal years 2021 and 2020, respectively, to the plan.

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements (Continued)
December 31, 2021 and 2020

8) RELATED PARTY TRANSACTIONS

The Organization partners with Mercy-USA for Aid & Development, (Canada) towards providing relief and development activities. For the years ended December 31, 2021 and 2020 the Organization collected \$50,824 and \$29,575 respectively, on behalf of Mercy-USA for Aid & Development, (Canada) and received \$65,223 and \$59,068, respectively, from Mercy-USA for Aid & Development, (Canada). As at December 31, 2021 and 2020, an amount of \$1,820 and \$2,219, respectively, was payable to Mercy-USA for Aid and Development, (Canada) and no amount was receivable from them.

9) DONOR RESTRICTED NET ASSETS

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

Purpose restriction accomplished:

	2021	2020
Albania Programs	\$ 105,206	\$ 118,333
Bosnia Programs	99,523	113,907
Indonesia Programs	190,818	186,230
Lebanon Programs	526,339	332,878
Somalia & Kenya Programs	13,038,447	13,733,789
Syria Programs	48,415,571	34,652,452
United States Programs	55,300	55,928
Gaza Programs	276,537	159,666
Rohingya Refugees Program	42,930	-
Pakistan	31,309	172,325
Yemen	-	154,637
Bangladesh	8,103	-
Total Restrictions Released	\$ 62,790,083	\$ 49,680,145

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

	2021	2020
Albania	\$ 6,731	\$ 696
Bosnia	8,167	1,146
Indonesia	19,090	2,408
Lebanon	86,876	30,209
Somalia and Kenya	28,452	6,269
Syria	543,804	315,835
USA	35,764	34,780
Gaza	303,518	302,673
Rohingya Refugees	282,836	279,775
Pakistan	192,946	188,871
Yemen	436,424	367,592
Bangladesh	1,897	-
Other	2,677	2,677
Total	\$ 1,949,182	\$ 1,532,931

MERCY-USA FOR AID AND DEVELOPMENT, INC.

Notes to Consolidated Financial Statements (Continued)
December 31, 2021 and 2020

10) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's working capital and cash flows have variations during the year attributable to the timing of grants and contribution receipts. Monthly cash outflows vary each year based on the specific requirements of the events and programs that year.

The following reflects the Organization's financial assets as of the balance sheet date, reduced by the amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions.

	2021	2020
Current Assets, at Year End	\$ 9,439,228	\$ 6,713,875
Less:		
Prepaid Insurance Expenses	(17,407)	(18,938)
Assets with Donor Restrictions	(1,949,182)	(1,532,931)
Financial assets available within one year to meet needs for general expenditures within one year	<u>\$ 7,472,639</u>	<u>\$ 5,162,006</u>

11) CONTINGENCY

The Organization is the recipient of several grants. The expenditures for each program are subject to audit by appropriate agencies. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any to be immaterial.

12) NEW ACCOUNTING PRONOUNCEMENTS

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, Leases, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending December 31, 2022 and will be applied using a modified retrospective transition method to either the beginning of the earliest period presented or the beginning of the year of adoption. The effect of applying the new lease guidance on the consolidated financial statements has not yet been determined but is expected to significantly increase long-term assets and lease liabilities upon adoption. The effects on the results of operations are not expected to be significant, as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

MERCY-USA FOR AID AND DEVELOPMENT, INC.

**Notes to Consolidated Financial Statements (Continued)
December 31, 2021 and 2020**

13) SUBSEQUENT EVENTS

The Organization has evaluated events through September 29, 2022, 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 except as noted below.

MERCY-USA FOR AID AND DEVELOPMENT, INC.

**Indirect Cost Allocation
Year Ended December 31, 2021**

Expenditures	Total Cost	Allowable Indirect	Unallowable Indirect	Fund Raising Cost	Program Cost	Excluded Program Cost*	Total Direct Cost
Grants	\$ 356,862	\$ -	\$ -	\$ -	\$ 356,862	\$ -	\$ 356,862
Salaries & Wages	7,027,822	229,605	-	22,487	6,775,730	-	6,798,217
Employee Benefits	363,778	80,436	-	-	283,342	-	283,342
Advertising & Promotion	230,176	30	-	230,146	-	-	230,146
Transportation Expenses	1,126,553	681	-	-	1,125,872	-	1,125,872
Commercial Insurance	51,339	722	-	-	50,617	-	50,617
Conference, Meetings & Seminars	4,149	578	-	-	3,571	-	3,571
Consultants & Other Professional Services	108,022	1,270	-	21,746	85,006	-	106,752
Dues, Subscription, Fees etc.	12,877	3,420	-	-	9,457	-	9,457
Legal	7,185	1,016	-	-	6,169	-	6,169
Accounting	42,144	2,699	-	-	39,445	-	39,445
Occupancy & Warehousing	503,336	12,666	-	-	490,670	-	490,670
Postage & Shipping	5,343	2,597	-	-	2,746	-	2,746
Printing & Copying	26,006	2,438	-	-	23,568	-	23,568
Program Materials	51,604,367	-	-	-	51,604,367	44,837,701	6,766,666
Telephone	64,026	2,606	-	-	61,420	-	61,420
Travel	199,374	4,188	-	-	195,186	-	195,186
Bank Charges/Currency Adjustment	252,535	8,777	-	80,112	163,646	-	243,758
Office Supplies & Equipment	204,967	5,947	-	-	199,020	-	199,020
Payroll Taxes	144,993	24,254	-	-	120,739	-	120,739
Uncollectible Accounts Receivables	40,639	-	40,639	-	-	-	-
Loss on deletion of fixed assets	2,994	-	2,994	-	-	-	-
Indirect Cost	1,148,677	-	-	-	1,148,677	-	1,148,677
Depreciation	104,871	60,898	-	-	43,973	-	43,973
Total	63,633,035	444,828	43,633	354,491	62,790,083	44,837,701	18,306,873
Reclassify Overhead Charged to Program Costs	-	1,148,677	-	-	-	-	(1,148,677)
Total	\$ 63,633,035	\$ 1,593,505	\$ 43,633	\$ 354,491	\$ 62,790,083	\$ 44,837,701	\$ 17,158,196

Base = Total Direct Cost

Pool Cost \$ 1,593,505

Base Cost \$ 17,158,196

Indirect Rate 9.29%

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

MERCY-USA FOR AID AND DEVELOPMENT, INC.

**Statement of Consolidated Functional Expenses
Year Ended December 31, 2021
(With Combined Comparative Totals for 2020)**

Expenditures	Food, Shelter & Orphan Assistance	Health	Economic Vitalization	Education	Total Program Services	Management & General	Fundraising	Total Expenditures	2020 Total Expenditures
Grants	\$ 193,113	\$ -	\$ -	\$ 163,749	\$ 356,862	\$ -	\$ -	\$ 356,862	\$ 545,306
Salaries & Wages	4,771,364	1,902,717	59,093	42,556	6,775,730	229,605	22,487	7,027,822	7,622,503
Employee Benefits	138,542	122,377	22,423	-	283,342	80,436	-	363,778	307,350
Advertising & Promotion	-	-	-	-	-	30	230,146	230,176	189,400
Transportation Expenses	894,759	218,675	11,401	1,037	1,125,872	681	-	1,126,553	1,673,398
Commercial Insurance	4,550	46,067	-	-	50,617	722	-	51,339	44,479
Conference, Meeting & Seminars	-	-	3,571	-	3,571	578	-	4,149	3,084
Consultants & Other Professional Services	43,066	21,406	11,426	9,108	85,006	1,270	21,746	108,022	63,589
Dues, Subscriptions, Fees, etc.	638	7,958	861	-	9,457	3,420	-	12,877	37,704
Legal	3,957	345	1,829	38	6,169	1,016	-	7,185	2,762
Accounting	30,745	8,700	-	-	39,445	2,699	-	42,144	44,886
Occupancy & Warehousing	349,422	119,853	10,367	11,028	490,670	12,666	-	503,336	351,747
Postage & Shipping, etc.	2,029	52	327	338	2,746	2,597	-	5,343	24,910
Printing & Copying	12,046	9,339	2,176	7	23,568	2,438	-	26,006	43,425
Program Materials	50,798,038	714,339	58,720	33,270	51,604,367	-	-	51,604,367	37,778,081
Telephone	38,918	20,047	1,325	1,130	61,420	2,606	-	64,026	72,159
Travel	134,845	51,833	8,508	-	195,186	4,188	-	199,374	159,165
Bank Charges/Currency Adjustment	67,371	75,798	17,883	2,594	163,646	8,777	80,112	252,535	286,430
Office Supplies and Equipment	136,084	53,922	8,318	696	199,020	5,947	-	204,967	200,220
Payroll Taxes	114,202	525	-	6,012	120,739	24,254	-	144,993	118,415
Loss on Deletion of Fixed Assets	-	-	-	-	-	2,994	-	2,994	-
Uncollectible Accounts Receivables	-	-	-	-	-	40,639	-	40,639	3,902
Indirect Cost	781,252	327,611	16,434	23,380	1,148,677	-	-	1,148,677	844,166
Depreciation	21,088	22,885	-	-	43,973	60,898	-	104,871	116,517
Total	\$ 58,536,029	\$ 3,724,449	\$ 234,662	\$ 294,943	\$ 62,790,083	\$ 488,461	\$ 354,491	\$ 63,633,035	\$ 50,533,598

MERCY-USA FOR AID AND DEVELOPMENT, INC.

**Supplemental Statement of Revenues and Program Expenses
Year Ended December 31, 2021
(With Combined Comparative Totals for 2020)**

REVENUES	ALBANIA	BOSNIA	INDONESIA	LEBANON ¹	SOMALIA & KENYA	SYRIA	USA	GAZA	ROHINGYA REFUGEES	PAKISTAN	Bangladesh	YEMEN	OTHER	NOT DESIGNATED	TOTAL	TOTAL 2020
Contributions from Public:																
General	\$ 17,741	\$ 25,044	\$ 8,239	\$ 96,827	\$ 386,354	\$ 977,032	\$ 26,284	\$ 228,207	\$ 20,991	\$ 15,076	\$ -	\$ 68,832	\$ -	\$ -	\$ 1,870,627	\$ 2,834,977
Food Aid	16,500	16,500	19,000	52,581	152,500	100,639	15,000	-	-	-	-	-	-	-	1,335,642	1,708,362
Orphan Fund	5,000	5,000	261	-	-	-	-	-	-	-	-	-	-	-	10,261	22,557
Education	2,000	-	-	-	-	-	-	19,175	-	-	-	-	-	-	21,175	6,239
Zakat	70,000	60,000	180,000	100,000	960,000	870,000	15,000	30,000	25,000	20,308	10,000	-	-	-	2,340,308	1,947,470
COVID-19 Health and Nutrition	-	-	-	-	18,991	-	-	-	-	-	-	-	-	-	18,991	45,653
US Government Grants																
US Agency for International Development (USAID)	-	-	-	-	-	4,001,235	-	-	-	-	-	-	-	-	4,001,235	1,450,826
NGO Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	723,386	-
United Nations (UN) Grants	-	-	-	333,598	3,992,409	5,100,508	-	-	-	-	-	-	-	-	9,426,515	12,431,207
Global Fund to Fight AIDS, Tuberculosis & Malaria (GFATM) Grants	-	-	-	-	296,725	-	-	-	-	-	-	-	-	-	296,725	369,060
Gifts in Kind - UN Agencies	-	-	-	-	7,253,651	37,584,050	-	-	-	-	-	-	-	-	44,837,701	30,985,212
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	77,843	77,843	89,090
Dividend Income	-	-	-	-	-	-	-	-	-	-	-	-	-	6,091	6,091	11,940
Gain/Loss on Foreign Currency Fluctuation	-	-	-	-	-	-	-	-	-	-	-	-	-	80,779	80,779	114,809
Gain/Loss on Sale of Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	2,350	2,350	-
Events Ticket Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 111,241	\$ 106,544	\$ 207,500	\$ 583,006	\$ 13,060,630	\$ 48,643,540	\$ 56,284	\$ 277,382	\$ 45,991	\$ 35,384	\$ 10,000	\$ 68,832	\$ -	\$ 1,502,705	\$ 64,709,039	\$ 51,473,694
EXPENDITURES																
Program Services:																
Food, Shelter & Orphan Assistance	\$ 24,517	\$ 19,688	\$ 21,013	\$ 110,059	\$ 10,802,671	\$ 47,341,112	\$ 40,967	\$ 100,000	\$ 42,930	\$ 24,989	\$ 8,103	\$ -	\$ -	\$ -	\$ 58,536,029	\$ 44,963,797
Economic Vitalization	3,281	59,510	169,805	2,066	-	-	-	-	-	-	-	-	-	-	234,662	246,830
Health	-	-	-	414,214	2,235,776	1,074,459	-	-	-	-	-	-	-	-	3,724,449	4,041,327
Education	77,408	20,325	-	-	-	-	14,333	176,537	-	6,340	-	-	-	-	294,943	428,191
Total Program Services	\$ 105,206	\$ 99,523	\$ 190,818	\$ 526,339	\$ 13,038,447	\$ 48,415,571	\$ 55,300	\$ 276,537	\$ 42,930	\$ 31,309	\$ 8,103	\$ -	\$ -	\$ -	\$ 62,790,083	\$ 49,680,145

¹ Includes Palestinian refugees in Lebanon.

MERCY-USA FOR AID AND DEVELOPMENT

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

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

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