

# Mercy USA

2006 Annual Report



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



# 2006 Annual Report

## Controlling Tuberculosis in Somalia

During 2006, Mercy-USA for Aid and Development continued carrying out its well-recognized tuberculosis (TB) treatment and prevention program in Somalia. This program consists of 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 the northeastern city of Bossaso in 1995, and the third began in 1999 at our mother/child health clinic (MCH) in the southern town of Jilib. Mercy-USA's fourth center opened in 2005 in the northern city of Las Anod.

These four centers, which have a cure rate of about 80% to 85%, treated more than 1,200 TB patients in 2006. M-USA utilizes the most effective TB treatment strategy, the Directly Observed Treatment Short-course (DOTS) method.

In addition to testing and treatment, our centers educate their local communities about TB prevention. During 2006, approximately 45,000 persons benefited directly or indirectly through health education seminars and educational radio programs conducted by Mercy-USA health personnel.

The TB centers in Bossaso and Las Anod are supported by a sub-grant from the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM). Additionally, through an agreement with the United Nations World Food Programme (WFP), our Bossaso and Mogadishu Centers are providing food for TB patients and their families. Since 1994, the World Health Organization (WHO) has been providing Mercy-USA with all TB medicines free-of-charge.



A child being examined at the M-USA TB Center in Jilib, Somalia.

## Protecting the Health of Mothers and Children in Somalia



A child being immunized at M-USA's MCH in Jilib.

Since 1997, Mercy-USA for Aid and Development has operated a mother/child health clinic (MCH) in the Jilib District of southern Somalia. The MCH not only serves mothers, children, and women of childbearing age, but also the general public.

The clinic provides curative services, labor and delivery, pre-natal and post-natal care, immunizations, and micronutrients like vitamin A supplements. In 2006, the MCH treated over 5,000 children under the age of five and over 10,000 women. Many of these patients were also immunized against measles, diphtheria, pertussis, tetanus, polio or tuberculosis. M-USA also distributed vitamins (especially vitamin A) and provided health and nutrition seminars to over 3,400 mothers. In addition, Mercy-USA took part in a campaign against measles in which over 13,000 children were vaccinated in the Jilib District. This campaign was carried out in partnership with UNICEF.

Mercy-USA also continues to chlorinate over 100 wells and other water sources in Jilib and around Somalia's capital city Mogadishu to prevent waterborne illnesses like cholera. UNICEF provides M-USA with vaccines, medicines, chlorine and other medical supplies.

Since 1990, Somalia has not had a widely recognized or strong central government, and has been ravaged by intermittent civil war, famine, drought and flooding. This tragic situation has led to a total collapse of the country's fragile public infrastructure, including the health care system. Non-governmental organizations, like Mercy-USA, have been filling the gap left by the absence of government institutions. M-USA is primarily responsible for health services in the Jilib District.



A woman being examined at Mercy-USA's MCH in Jilib.

# Mercy-USA Rebuilds Village Destroyed by the December 2004 Tsunami



Children in Seubun Ketapang Village, Indonesia standing outside their new home.

From August 2005 to July 2006, Mercy-USA for Aid and Development rebuilt homes in Aceh, Indonesia that were destroyed by the December 2004 Tsunami. Ninety-seven homes in the village of Seubun Ketapang in Aceh Besar District were constructed.

On August 16, 2006, M-USA officially handed over the new homes to the families in a formal ceremony that included local and national Indonesian government officials, community members and a children's program.

In April 2007, Mercy-USA completed construction on a deep well to provide fresh water for the residents of Seubun Ketapang. This well also includes a tower with a 5,000-liter tank capacity.



M-USA Program Manager Ghassan Husni (right) showing official guests the completed homes on August 16, 2006.



The ribbon cutting ceremony on August 16, 2006 to celebrate the completion of home construction in Seubun Ketapang.

## Helping to Restore the Livelihoods of Tsunami-Affected Farmers in Indonesia



Small farmers on Simuelue Island, Indonesia receiving seed and fertilizer packages.

From July 2005 to July 2006, with the support of the United Nations Food and Agriculture Organization (FAO), Mercy-USA for Aid and Development distributed 87 hand tractors, 4 threshers and 1,300 hoes and rakes that are being used by over 3,000 farming families on the island of Simuelue and Aceh Timur District.

M-USA also provided 1,930 of these families with 63,000 pounds of rice and other vegetable seeds, as well as 456,000 pounds of various fertilizers. These inputs are helping these families to feed themselves and to grow additional produce for sale on the market.



M-USA delivering hand threshers and other farming equipment to farmers on Simuelue Island during a rain storm.

## Mercy-USA Assists Vulnerable Lebanese Children and Their Families



A woman in Lebanon receiving heating oil at her home.

From October to December 2006, Mercy-USA for Aid and Development's office in Lebanon carried out two projects to help vulnerable children and their families stay warm during the cold winter months. During November and December, Mercy-USA distributed 4-month's worth of heating oil to more than 400 families (over 2,000 persons) in the Bekaa Valley (Baalbek, Hermel, and seven villages in the Western Bekaa) and the town of Kfar Chouba in south Lebanon.

In October 2006, M-USA provided winter jackets to 1,300 young schoolchildren in the Baalbek and Hermel areas. These jackets helped them to stay warm while studying in classrooms that had minimal heating or no heating at all.



A boy in Baalbek, Lebanon receiving a winter jacket from Mercy-USA.

## Relief for Drought-Affected Communities in Kenya and Somalia

In the spring of 2006, Mercy-USA for Aid and Development assisted communities severely affected by a prolonged drought in Kenya and Somalia.

### Food Distribution in Kenya

During March and April 2006, M-USA distributed maize (corn) meal and cooking fat to approximately 6,050 persons affected by severe drought in the Kajiado District of southwestern Kenya.

The table below identifies the towns and villages reached and the number of clients served.

Name of Town/Village	Number of Beneficiaries (Persons)
Lenkishon	600
Emurwa Dikir	600
II Marba	1,200
II Misigyo	500
Partimaro	600
Lesoit	600
Oreni	300
Enkaroni – Purko	600
Lele	1,050
<b>Total:</b>	<b>6,050</b>

Each person received about nine pounds of maize meal and one pound of cooking fat. Mothers with children and the elderly received extra portions. M-USA's distribution team was accompanied by Mrs. Helen Nkasserry, the wife of the area member of parliament, and two local councilors.

### Food and Water Distribution in Somalia

In April 2006, M-USA distributed approximately 37,000 gallons of fresh drinking water to over 1,700 drought-affected persons and over 5,000 livestock in six villages in the Hiraan Region of central Somalia. The table below identifies the towns and villages reached and the approximate number of clients served.

Name of Recipient Village	Number of Beneficiaries (Persons)	Number of Beneficiaries (Livestock)
Baadi-keen	280	800
Raqso	70	30
Teedaan	420	1,200
Meracadde	420	1,200
Sulmo	210	900
Yabaalayyeele	315	900
<b>Total</b>	<b>1,715</b>	<b>5,030</b>

During April 2006, M-USA also distributed maize and sorghum (a staple grain consumed widely in Africa) to about 5,000 drought-affected villagers in nine villages in the Jilib District of southern Somalia. Each person received about 24 pounds of maize and 10 lb. of sorghum. The villages served included Buulo Balley, Buulo Mareer, Buulo Nasiib, Buulo Taag, Haaji Abdalla, Ismoil Haramka, Liimoole, Madhooko and Sheekh Ahmed Yare.

In early 2006, the United Nations estimated that at least 11 million children and adults living in the Horn of Africa had been suffering from acute food shortages due to a prolonged drought. More than 5 million of those affected lived in Kenya and Somalia.



Pastoral and agro-pastoral communities are particularly vulnerable to prolonged drought. These communities depend on livestock and farming as their major sources of income and food. The extended drought caused crops to fail and killed or severely weakened many livestock. This, in turn, caused the price of animals to drop by about 75% to 90%, thereby further undermining the purchasing power and the coping ability of the people.

Children are frequently the most vulnerable in the affected communities, and the losses of livestock threaten the ability of families to survive. Failed crops and livestock deaths contributed to increased malnutrition among children, which was as high as 25 percent in the worst affected areas.



**M-USA Deputy East Africa Program  
Director Fathudin Mohamed  
distributing food to children  
in Kajiado District, Kenya.**



*Drought-affected villagers in the Hiraan region of Somalia receiving fresh water.*

## Mercy-USA Aids Survivors of the May 2006 Earthquake in Indonesia

Mercy-USA for Aid and Development assisted survivors of the May 27, 2006 earthquake on the Indonesian Island of Java. M-USA's office in Indonesia provided 1,000 earthquake-affected families in four districts of Java (Pundong, Imogiri, Bambanglipuro and Klaten) with 1,000 one-month food packages containing rice, baby food, sardines, noodles, sugar, tea, coffee and condensed milk.



A mother and her daughter standing next to their household package in Yogyakarta.

These families also received 1,000 household kits containing a small kerosene cooking unit, a frying pan, a pot, cooking utensils, a basin, a plastic pail and female hygiene items. In addition, Mercy-USA distributed 100 Water-Proof Family Tents.

The magnitude-6.3 quake, which struck near the ancient city of Yogyakarta, 250 miles east of the capital, Jakarta, left over 5,700 dead and over 650,000 other persons injured or homeless.



M-USA Program Officer Nasir Manan distributing household and food packages to families left homeless by the May 2006 earthquake in Yogyakarta, Indonesia.

## Safe Drinking Water to Thousands in Somalia



Mercy-USA team inspecting a well in Somalia.

From June 2006 to February 2007, Mercy-USA for Aid and Development repaired and rehabbed 25 wells and boreholes in Somalia. Twenty wells were repaired in Jilib District, and five wells/boreholes were rehabbed in the Hiraan region.

Combined, these 25 vital water sources are now providing safe drinking water to over 160,000 persons, as well as to approximately 1.1 million livestock. Many of the beneficiaries are pastoralists or agro-pastoralists and thus depend on raising and herding livestock to make their living and indeed for their very survival. M-USA plans to expand this life-saving project to other regions of Somalia.



Young men in Hiraan, Somalia gathering water for their families from a borehole rehabilitated by M-USA.

## Mercy-USA Opens an Agriculture Education Center in Bosnia

In 2006, Mercy-USA for Aid and Development opened an Agriculture Education Center (AEC) in the Brcko District of Bosnia. This center 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, which includes a 10,900 square-foot greenhouse, is serving as a theoretical and practical training center for all farmers in and around the Brcko District. This project, funded by a US Department of Agriculture (USDA) grant and the generous support of M-USA's private donors, will directly and indirectly benefit approximately 4,000 farmers per year.



Workers at M-USA's Agriculture Education Center in Brcko, Bosnia planting vegetable seeds.

Projects, funded under this USDA agreement, have assisted approximately 15,000 people directly through the distribution of agricultural inputs and seedlings, as well as the provision of technical training. In addition, thousands more have indirectly benefited through general improvements to the Brcko District's environment. With USDA's support, Mercy-USA helped returnee and formerly displaced families take an important step towards a return to self-sufficiency in the near and long term by facilitating the production of food at home.

Under two previous USDA grants, M-USA provided over 6,460 displaced and returnee families in Brcko District with various agricultural inputs to assist them in reviving their small farming businesses. Mercy-USA has also trained executives and managers in the wheat milling industry and other agri-businesses.

# **Seasonal Food Aid and Clothing Provided Around the World**



*A woman with her Eid qurbani meat in Somalia.*



*Earthquake-affected families in Pakistan receiving Eid qurbani meat.*



*Young Chechen refugees in Turkey with their families' Ramadan food packages.*

During 2006, Mercy-USA for Aid and Development provided meat, rice, pasta, beans, cooking oil, flour, other food items and clothing to over 100,000 vulnerable persons. These distributions took place in Albania, Bangladesh, Bosnia, India, Indonesia, Kenya, Lebanon, Pakistan, Somalia, as well as to Chechen and Palestinian refugees in Turkey and Lebanon respectively.

M-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.



*A young boy in a wheelchair receiving new clothes from M-USA during Eid in Albania.*



*An elderly man in Aceh, Indonesia receiving a Ramadan food package.*

# **Computer Software and English Language Training in Bosnia**

Since 1998, through a mobile center (computers and other training materials are moved from one fixed site to another), 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. Employers in the region recognize the quality of the training and some have requested M-USA to setup specific courses for their employees. As of December 2006, over 1,200 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 2006, over 350 persons have successfully completed these courses.



*A computer software training class near Tuzla, Bosnia.*

## **Improving the Nutrition and Academic Performance of Children in Kenya**



*A parent preparing lunch for her children and others at a school in Kariobangi, Kenya.*

In 2006, Mercy-USA for Aid and Development, in partnership with the World Food Programme (WFP) and the local community, improved the kitchen and food storage facilities at six schools participating in a WFP-funded school feeding program. These schools located in the Kariobangi slum area of Nairobi, Kenya have over 8,000 children enrolled in them. The objectives of this program were to improve nutrition, increase attendance, reduce dropout rates and improve overall academic performance, especially among girls.



*Children eating lunch in their classroom.*

During May and June 2006, M-USA made repairs to the kitchens and food storage rooms in six of the participating schools and installed new jikos (locally-designed, relatively inexpensive and efficient wood and charcoal burning stoves) in four of these schools.



*A young boy at his school playground in Kariobangi after receiving his lunch.*

# 2006 Financial Audit

## Alan C. Young & Associates, P.C.

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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 accompanying statement of financial position of Mercy-USA For Aid & Development, Inc. (a nonprofit organization) as of December 31, 2006 and 2005, and the related statement of activities, functional expenses 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 audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mercy-USA For Aid & Development, Inc. as of December 31, 2006 and 2005 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.

Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The data contained in the supplemental statement is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2007 on our consideration of the Mercy-USA For Aid & Development, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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. 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.

*Alan C. Young, PC*

May 8, 2007

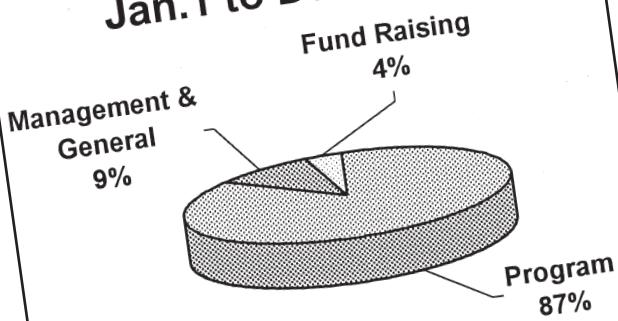
**MERCY - USA FOR AID DEVELOPMENT, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2006**  
**(WITH COMPARATIVE TOTALS FOR 2005)**

	USA OPERATIONS	OVERSEAS OPERATIONS	TOTAL 2006	TOTAL 2005
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$1,841,309	\$156,065	\$1,997,374	\$1,957,442
Investments	460,414	0	460,414	429,169
Pledges & Accounts Receivable	22,843	176,859	199,702	209,993
Notes Receivable - Micro-Lending/SED	0	4,500	4,500	8,000
Prepaid Insurance & Expenses	6,974	0	6,974	6,893
Total Current Assets	<u>2,331,540</u>	<u>337,424</u>	<u>2,668,964</u>	<u>2,611,497</u>
Fixed Assets:				
Vehicles, Furniture & Equipment	43,112	147,336	190,448	218,205
Less: Accumulated Depreciation	(33,907)	(105,316)	(139,223)	(148,450)
Total Fixed Assets	<u>9,205</u>	<u>42,020</u>	<u>51,225</u>	<u>69,755</u>
Other Assets:				
Security Deposits	5,600	0	5,600	6,245
Total Other Assets	<u>5,600</u>	<u>0</u>	<u>5,600</u>	<u>6,245</u>
Total Assets	<u><u>\$2,346,345</u></u>	<u><u>\$379,444</u></u>	<u><u>\$2,725,789</u></u>	<u><u>\$2,687,497</u></u>
<b>LIABILITIES AND NET ASSETS</b>				
Current Liabilities:				
Accounts Payable	\$57,254	\$80,312	\$137,566	\$455,694
Deferred Revenue	0	0	0	67,932
Accrued Payroll & Taxes	0	0	0	489
Total Current Liabilities	<u>57,254</u>	<u>80,312</u>	<u>137,566</u>	<u>524,115</u>
Net Assets:				
Unrestricted	2,207,574	83,824	2,291,398	2,158,297
Temporarily Restricted	81,517	215,308	296,825	5,085
Total Net Assets	<u>2,289,091</u>	<u>299,132</u>	<u>2,588,223</u>	<u>2,163,382</u>
Total Liabilities and Net Assets	<u><u>\$2,346,345</u></u>	<u><u>\$379,444</u></u>	<u><u>\$2,725,789</u></u>	<u><u>\$2,687,497</u></u>

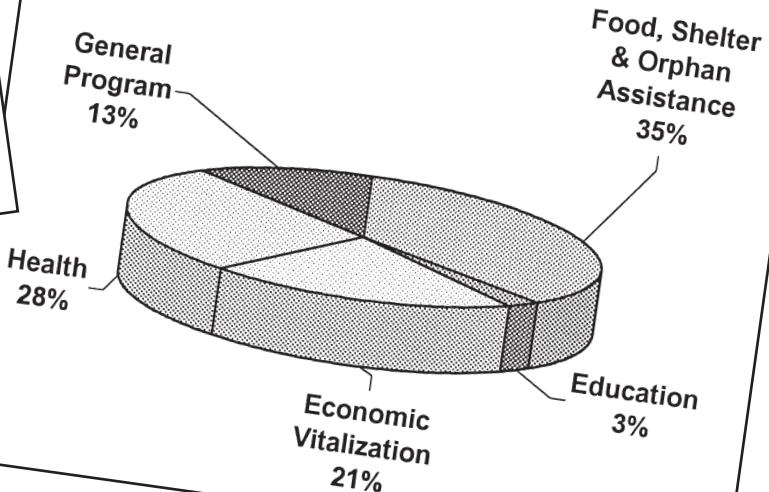
## Statement of Financial Position December 31, 2006

## 2006 Financial Audit

### Functional Expenses Jan.1 to Dec. 31, 2006



### Program Expenses (By Service Category) Jan. 1 to Dec. 31, 2006



### Graphs of Functional Expenses and Program Service Expenses

**Year Ended December 31, 2006**

<small>MERCY - USA FOR AID DEVELOPMENT, INC. STATEMENTS OF ACTIVITIES YEAR ENDED DECEMBER 31, 2006 (WITH COMPARATIVE TOTALS FOR 2005)</small>									
			TOTAL 2006			TOTAL 2005			
			USA OPERATIONS	OVERSEAS OPERATIONS		Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
	Unrestricted	Temporarily Restricted		Unrestricted	Temporarily Restricted		Unrestricted	Temporarily Restricted	
<b>SUPPORT AND REVENUE</b>									
Contributions From Public	\$331,578	\$1,743,557	\$0	\$0	\$331,578	\$1,743,557	\$275,245	\$2,044,619	
US Governmental Grants	0	0	0	45,186	0	45,186	0	774,504	
US Department of Agriculture (USDA)	0	0	0	0	0	0	0	23,277	
US Agency for International Development (USAID)	0	0	0	0	0	0	0	1,514	
United Nations (UN) Grants	0	0	0	11,714	0	11,714	0	16,196	
UNMIK/MINUSTAH	0	0	0	160,206	0	160,206	0	67,617	
Other UN Grants	0	0	0	0	0	0	0	0	
Global Fund to Fight AIDS, Tuberculosis & Malaria (GFATM) Grants	0	0	0	0	0	0	0	2,693	
Organization for Security & Cooperation in Europe (OSCE) Grants	0	0	0	0	0	0	0	0	
NGO/foundation Grants	0	0	0	0	0	0	0	210,529	
Contribution In-Kind - Public	0	0	0	220,092	0	220,092	0	1,820,595	
Contribution In-Kind - UN agencies	0	0	0	0	0	0	0	0	
Contribution In-Kind - US Government (USDA)	41,137	0	737	0	41,874	0	24,037	0	
Dividend Income	0	0	3,317	0	3,317	0	(351,347)	0	
Gain/Loss on Foreign Currency Fluctuation	0	0	0	0	10,089	0	0	0	
Realized Gain (Loss) on Investments	18,088	0	0	0	10,924	0	18,987	0	
Unrealized Gain (Loss) on Investments	10,924	0	0	0	0	0	1,875	0	
Gain (Loss) on Sale of Equipment	0	0	91	0	91	0	177	0	
Sales	105	0	0	0	105	0	351	0	
Program Fees	(237,967)	(1,554,230)	237,967	1,554,230	0	0	0	0	
Transfer-In/Out									
Net Assets Released From Restrictions:	110,000	(110,000)	1,778,015	(1,779,015)	1,889,015	(1,889,015)	4,967,825	(4,967,825)	
Satisfaction of Service Restrictions									
Total Support and Revenue	273,866	79,327	2,021,820	212,413	2,295,486	291,740	4,937,150	(6,281)	
<b>EXPENSES</b>									
<b>Program Services:</b>									
Food, Shelter and Orphan Assistance	0	0	685,103	0	685,103	0	1,170,537	0	
Economic Vitalization	0	0	389,499	0	389,499	0	849,057	0	
Health	0	0	525,980	0	525,980	0	284,862	0	
Education	0	0	52,097	0	52,097	0	2,183,929	0	
General	0	0	236,336	0	236,336	0	182,550	0	
Total Program Services	0	0	1,889,015	0	1,889,015	0	4,670,935	0	
<b>Supporting Services:</b>									
Management and General	195,909	0	0	0	195,909	0	457,845	0	
Fund Raising	77,461	0	0	0	77,461	0	136,016	0	
Total Supporting Expenses	273,370	0	0	0	273,370	0	593,861	0	
<b>Total Expenses</b>	273,370	0	1,889,015	0	2,162,385	0	5,264,796	0	
Change in Net Assets	496	79,327	132,605	212,413	133,101	291,740	(327,646)	(6,281)	
Net Assets - Beginning of Year	2,207,078	2,190	(45,781)	2,895	2,158,297	5,085	2,485,943	11,366	
Net Assets - End of Year	\$2,207,574	\$81,517	\$83,824	\$215,308	\$291,398	\$296,825	\$2,158,297	\$5,085	

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

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### Statement of Activities Year Ended December 31, 2006

# 2006 Financial Audit

**MERCY - USA FOR AID DEVELOPMENT, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2006**  
**(WITH COMPARATIVE TOTALS FOR 2005)**

Expenditures	Food, Shelter & Orphan Assistance	Health	Economic Vitalization	Education	General Program	Total Program Services	Management & General	Fund Raising	2006 Total Expenditures	2005 Total Expenditures
Grants	\$111,920	\$0	\$0	\$0	\$0	\$111,920	\$0	\$0	\$111,920	\$468,402
Scholarships	0	0	0	0	0	0	0	0	3,300	2,640
Salaries & Wages	89,762	171,071	48,367	7,553	140,744	457,497	0	0	542,057	697,919
Employee Benefits	1,363	5,462	10,942	345	15,274	33,406	84,560	0	0	81,960
Advertising & Promotion	0	0	0	0	0	0	33,365	0	37,237	40,059
Transportation Expenses	8,941	0	0	0	0	0	2,822	0	66,771	57,941
Commercial Insurance	0	0	12,382	1,067	9,944	32,334	0	0	0	60,655
Conference, Meeting & Seminars	0	0	0	0	0	0	1,211	0	0	5,929
Consultants & Other Professional Services	0	0	0	0	0	0	1,967	0	0	4,146
Dues, Subscriptions, Fees, etc.	10,000	3,000	0	0	0	0	0	0	0	4,454
Utilities	0	0	1,334	5,173	200	19,707	0	0	19,707	11,761
Accounting	632	1,430	3,420	0	528	528	3,989	120	4,637	9,745
Occupancy & Warehousing	0	0	0	119	2,373	7,974	430	0	0	12,137
Postage & Shipping, etc.	3,456	28,743	4,183	2,268	18,290	56,922	14,968	0	14,968	30,165
Printing & Copying	8,940	938	0	270	0	0	0	0	72,952	128,575
Program Materials	387	0	0	0	1,369	11,517	16,030	0	0	0
Telephone	290,378	191,912	264,864	30,395	4,912	782,461	2,204	0	0	3,345
Travel	2,072	4,781	2,571	487	8,075	17,986	0	0	782,461	3,323,917
Bank Charges/Currency Adjustment	27,123	17,008	1,723	668	11,498	58,020	3,321	0	21,307	41,048
Office Supplies and Equipment	7,257	12,945	745	425	(880)	20,492	2,526	9,817	70,363	140,019
Payroll Taxes	1,848	0	1,717	217	3,894	7,676	4,517	15,378	0	51,394
Loss on Sale of Assets	0	0	0	0	0	0	3,159	0	10,835	21,596
Indirect cost	0	0	0	0	0	0	6,692	0	0	6,692
Depreciation	121,042	88,670	36,681	0	3,257	3,257	0	0	0	3,257
<b>Total</b>	<b>\$685,103</b>	<b>\$525,980</b>	<b>\$389,409</b>	<b>\$52,097</b>	<b>\$236,336</b>	<b>\$1,889,015</b>	<b>\$195,909</b>	<b>\$77,461</b>	<b>\$2,162,385</b>	<b>\$5,264,796</b>

*The accompanying notes to financial statements are an integral part of these statements*

## **Statement of Functional Expenses** **Year Ended December 31, 2006**

**MERCY - USA FOR AID DEVELOPMENT, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2006**  
**(WITH COMPARATIVE TOTALS FOR 2005)**

	2006	2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$424,841	(\$333,927)
Adjustments to Reconcile Change in Net Asset to Cash Provided by Operations	3,166	(1,875)
(Gain) Loss on Sale of Asset	21,019	24,047
Depreciation	(18,089)	0
Realized (Gain)/Loss from Investments	(10,924)	0
Unrealized (Gain)/Loss from Investments	0	(18,987)
<b>Change in:</b>		
Inventory	564	4,152
Prepaid Expenses/Security Deposits/Travel Advance	10,291	15,513
Pledges and Accounts Receivable	0	15,309
Advances to Sub Contractor	(318,128)	(46,069)
Accounts Payable	(67,932)	(2,237,543)
Deferred Revenue	(489)	133
Accrued Payroll Taxes	44,319	(758,652)
<b>Net Cash Provided by (Used in) Operating Activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments	(2,232)	(4,079)
Purchase of Equipment	(8,355)	(18,479)
Proceeds from Sale of Assets	2,700	2,065
<b>Net Cash Provided by (Used in) Investing Activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds (Payments) from Notes Receivable	3,500	(7,000)
<b>Net Cash Provided by (Used in) Financing Activities</b>		
Increase/(Decrease) in Cash	3,500	(7,000)
Cash and Cash Equivalents - Beginning of Year	39,932	(786,145)
<b>Cash and Cash Equivalents - End of Year</b>		
	1,957,442	2,743,587
	\$1,997,374	\$1,957,442

## **Statement of Cash Flows**

**Year Ended  
December 31, 2006**

*The accompanying notes to financial statements are an integral part of these statements*

# 2006 Financial Audit

## Notes To The Financial Statements – Year Ended December 31, 2006

MERCY-USA FOR AID & DEVELOPMENT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2006 AND 2005

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activity

Mercy-USA For Aid & Development, Inc. 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 Department of Agriculture (USDA), United Nations Food and Agriculture Organization (FAO), United Nations Children Fund (UNICEF) 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.

Financial Statement Presentation

Mercy USA for Aid & Development follows the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements for Not-For-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding the 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:

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.

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MERCY-USA FOR AID & DEVELOPMENT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2006 AND 2005  
(Continued)

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)  
Contributions

In accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made", contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions.

Under SFAS No. 116, 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.

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

Investments

The Organization has adopted SFAS No. 124, Accounting for Certain Investments Held by Not-for-Profit Organizations". Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Accordingly, donated marketable securities are recorded as contributions at their estimated fair market values at the date of donation. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

# 2006 Financial Audit

## Notes To The Financial Statements – Year Ended December 31, 2006

MERCY-USA FOR AID & DEVELOPMENT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2006 AND 2005  
(Continued)

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	\$131,881
Bosnia Programs	281,221
Indonesia Programs	464,298
Lebanon Programs	173,987
Somalia & Kenya Programs	679,802
Pakistan Earthquake Programs	74,298
Bangladesh Programs	19,672
Chechen Refugees	34,852
India Programs	29,004
Total Restrictions Released	<u><u>\$1,889,015</u></u>

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MERCY-USA FOR AID & DEVELOPMENT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2006 AND 2005  
(Continued)

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Temporarily restricted net assets are available for specific programs and have a balance of \$296,825 at December 31, 2006.

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, 2006, includes \$1,739,254 in monies that are not covered by insurance provided by the federal government. It is the opinion of management that the solvency of the referenced financial institutions is not of particular concern at this time.

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 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.

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## 2006 Financial Audit

### Notes To The Financial Statements – Year Ended December 31, 2006

**MERCY-USA FOR AID & DEVELOPMENT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2006 AND 2005**  
(Continued)

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

Refugee and Orphan Assistance

The refugee and orphan assistance includes specific projects or other assistance for orphans around the world and refugees residing in North America.

Civil Society

The support of initiatives that encourage fair and representative governance structures and strengthen citizen participation in society.

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) INVESTMENTS**

Investments consist of money market funds, stocks and Corporate Fixed Income and are carried at fair value at December 31, 2006. Dividends and capital gains earned on the shares are reinvested in the fund.

Any change in investment market values has been recorded as unrealized gain or loss.

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Cash & Money Market Funds			
Stocks	\$99,561	\$99,561	\$0
Corporate Fixed Income	271,332	336,966	65,634
	23,887	23,887	0
<b>Total</b>	<b>\$394,780</b>	<b>\$460,414</b>	<b>\$65,634</b>

# 2006 Financial Audit

## Notes To The Financial Statements – Year Ended December 31, 2006

MERCY-USA FOR AID & DEVELOPMENT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2006 AND 2005  
(Continued)

5) **PLEDGES AND ACCOUNTS RECEIVABLE**  
Accounts Receivable / Pledges Receivable – USA Operations

Pledges receivable at December 31, 2006 were collected in 2007.

Accounts Receivable - Overseas Operations

Accounts receivable – Overseas operations consist of Albania and Bosnia grant funding receivable from the United States Department of Agriculture (USDA), Somalia grant funding receivable from the Global Fund to Fight AIDS, Tuberculosis and Malaria and Indonesia grant funding receivable from the United Nations Food and Agriculture Organization (FAO).

6) **FIXED ASSETS**

The fixed assets comprised of the following:

	USA Operations	Overseas Operations	Total 2006	Total 2005
Automobiles	\$17,301	\$77,913	\$95,214	\$115,443
Office Equipment	16,991	50,303	67,294	76,328
Office Furniture	2,620	5,897	8,517	8,517
Audio Visual Equipment	5,750	6,088	11,838	10,938
Others	450	7,135	7,585	6,979
	<u>43,112</u>	<u>147,336</u>	<u>190,448</u>	<u>218,205</u>
Less: Accumulated Depreciation	<u>(33,907)</u>	<u>(105,316)</u>	<u>(139,223)</u>	<u>(148,450)</u>
	<u><u>\$9,205</u></u>	<u><u>\$42,020</u></u>	<u><u>\$51,225</u></u>	<u><u>\$69,755</u></u>

During the year, a new office was opened at Lebanon.

7) **PENSION PLAN**

The Organization started a 401(k) pension plan from January 1, 2000 for all employees who have attained the age of 20 ½ years. Employee 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. Employer provides a 50% match on eligible employee contributions to the plan up to a maximum allowable by the plan. The Organization contributed \$6,604 and \$7,523 in the years 2006 and 2005 respectively to the plan.

### Alan C. Young & Associates, P.C.

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#### REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of Mercy-USA For Aid & Development, Inc. (a non profit Organization) as of and for the year ended December 31, 2006, and have issued our report thereon dated May 8, 2007. 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.

#### Internal Control over Financial Reporting

In planning and performing our audit, we considered Mercy-USA For Aid & Development, Inc's internal control over financial reporting as a basis for designing our auditing procedures for the expressing an opinion on the effectiveness of the Mercy-USA For Aid & Development, Inc's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Mercy-USA For Aid & Development, Inc's internal control over financial

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Mercy-USA For Aid & Development, Inc's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Mercy-USA For Aid & Development, Inc's financial statements that is more than inconsequential will not be prevented or detected by the Mercy-USA For Aid & Development, Inc's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Mercy-USA For Aid & Development, Inc's internal control.

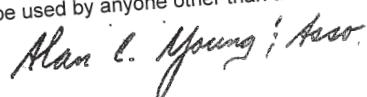
**Report on Internal Control over Financial Reporting  
And on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards  
(Continued)**

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Mercy-USA For Aid & Development, Inc's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and Board of Directors, of Mercy-USA For Aid & Development, Inc and is not intended to be and should not be used by anyone other than those specified parties.



May 8, 2007

# 2006 Financial Audit

**MERCY - USA FOR AID DEVELOPMENT, INC.**  
**SUPPLEMENTAL STATEMENTS OF REVENUE AND PROGRAM EXPENSES**  
**YEAR ENDED DECEMBER 31, 2006**  
**(WITH COMPARATIVE TOTALS FOR 2005)**

REVENUES	ALBANIA	LEBANON*	BOSNIA	INDONESIA	SOMALIA & KENYA	INDIA	PAKISTAN EARTHQUAKE	BANGLADESH	CHECHEN REFUGEES	NOT DESIGNATED	TOTAL	2005
<b>Contributions from Public:</b>												
General												
Tsunami	\$28,383	\$297,809	\$287,875	\$185,085	\$237,170	\$1,547	\$178,996	\$1,665	\$2,025	\$51,703	\$1,272,248	\$1,139,246
Food Aid	0	0	0	0	0	0	0	0	0	0	0	598,480
Orphan Fund	20,000	8,000	19,000	31,000	25,000	18,724	9,233	6,899	0	46,441	184,297	172,507
Zakat	0	850	360	0	1,456	0	0	0	0	6,364	9,030	10,988
<b>US Government Grants:</b>	<b>10,000</b>	<b>25,000</b>	<b>10,000</b>	<b>50,000</b>	<b>318,000</b>	<b>0</b>	<b>25,700</b>	<b>0</b>	<b>0</b>	<b>170,860</b>	<b>609,950</b>	<b>398,644</b>
US Department of Agriculture (USDA)												
Other US Government Grants	0	0	45,186	0	0	0	0	0	0	45,186	774,504	
<b>UN Grants:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,277</b>
UNM/KICA/ML SW												
Global Fund to Fight AIDS, Tuberculosis & Malaria (GFATM) Grants	0	0	0	0	0	0	0	0	0	0	0	1,514
NGO/Foundation Grants	0	0	0	9,168	1,778	0	0	0	0	0	0	16,196
Gifts In-Kind - UN Agencies	0	0	0	0	160,206	0	0	0	0	0	0	67,617
Gifts In-Kind - US Govt (USAID)	0	0	0	0	0	0	0	0	0	0	0	2,602
Dividend Income	0	0	0	160,406	59,935	0	0	0	0	0	0	220,092
Gain/Loss on Foreign Currency Fluctuation	0	0	0	0	0	0	0	0	0	0	0	210,529
Realized Gain/Loss on Investments	1	0	51	685	0	0	0	0	0	41,137	41,574	24,037
Unrealized Gain/Loss on Investments	(508)	0	3,451	(475)	849	0	0	0	0	0	3,317	0
Gain/Loss on Sale of Equipment	0	0	0	0	0	0	0	0	0	18,089	18,089	(51,347)
Sales	0	0	0	0	0	0	0	0	0	10,924	10,924	0
Program Fees	91	0	0	0	0	0	0	0	0	0	91	1,875
Total Revenues	0	0	493	0	0	0	0	0	0	105	105	177
<b>EXPENDITURES</b>	<b>\$57,957</b>	<b>\$331,659</b>	<b>\$366,416</b>	<b>\$436,637</b>	<b>\$804,145</b>	<b>\$20,271</b>	<b>\$213,929</b>	<b>\$8,464</b>	<b>\$2,025</b>	<b>\$345,713</b>	<b>\$2,587,226</b>	<b>\$4,930,869</b>
<b>Program Services:</b>												
Food, Shelter & Orphan Assistance												
Economic Vitalization	\$41,968	\$128,398	\$24,095	\$244,184	\$88,634	\$29,004	\$74,298	\$19,672	\$34,852	\$0	\$686,103	\$1,170,537
Health	0	0	208,555	180,964	0	0	0	0	0	0	489,499	849,057
Education	0	0	0	0	525,980	0	0	0	0	0	526,980	284,862
General	4,686	21,566	5,315	3,178	17,052	0	0	0	0	0	52,097	2,183,929
Total Program Services	84,927	24,025	43,276	35,972	48,136	0	0	0	0	0	230,336	182,550
	<b>\$131,881</b>	<b>\$173,987</b>	<b>\$281,221</b>	<b>\$464,298</b>	<b>\$679,802</b>	<b>\$29,004</b>	<b>\$74,298</b>	<b>\$19,672</b>	<b>\$34,852</b>	<b>\$0</b>	<b>\$1,869,015</b>	<b>\$4,670,935</b>

\* Includes Palestinian refugees in Lebanon.

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## Supplemental Statement of Revenues and Program Expenses

**Year Ended December 31, 2006**

## 2006 Financial Audit

**MERCY - USA FOR AID DEVELOPMENT, INC.**  
**INDIRECT COST ALLOCATION SCHEDULE**  
**YEAR ENDED DECEMBER 31, 2006**

	Total Cost	Allowable Indirect	DIRECT COST			Total
			Fund Raising Cost	Program Cost	Excluded Program Cost*	
<b>Expenditures</b>						
Grants	\$111,920	\$0	\$0	\$111,920	\$0	\$111,920
Scholarships	3,300	0	0	3,300	0	3,300
Salaries & Wages	542,057	84,560	0	457,497	0	457,497
Employee Benefits	66,771	33,365	0	33,406	0	33,406
Advertising & Promotion	40,059	2,622	37,237	0	0	37,237
Transportation Expenses	33,545	1,211	0	32,334	0	32,334
Commercial Insurance	1,967	1,967	0	0	0	0
Conference, Meetings & Seminars	4,146	3,546	600	0	0	600
Consultants & Other Professional Services	19,707	0	0	19,707	0	19,707
Dues, Subscription, Fees etc.	4,637	3,989	120	528	0	648
Legal	8,404	430	0	7,974	0	7,974
Accounting	14,968	14,968	0	0	0	0
Occupancy & Warehousing	72,952	16,030	0	56,922	0	56,922
Postage & Shipping	28,876	6,395	10,964	11,517	0	4,158
Printing & Copying	6,362	2,204	3,345	813	0	562,369
Program Materials	782,461	0	0	782,461	220,092	17,986
Telephone	21,307	3,321	9,817	58,020	0	67,837
Travel	70,363	2,526	15,378	20,492	0	35,870
Bank Charges/Currency Adjustment	40,387	4,517	0	7,676	0	7,676
Office Supplies & Equipment	10,835	3,159	0	0	0	0
Payroll Taxes	6,692	6,692	0	3,257	0	3,257
Loss on Sale of Assets	3,257	0	0	246,393	246,393	0
Indirect Cost	246,393	0	0	16,812	0	16,812
Depreciation	21,019	4,207	0	1,889,015	466,485	1,499,991
<b>Total</b>	<b>2,162,385</b>	<b>195,909</b>	<b>77,461</b>	<b>1,889,015</b>	<b>466,485</b>	<b>1,499,991</b>
Reclassify Overhead Charged to Program Costs	0	246,393	0	0	0	0
<b>Total</b>	<b>\$2,162,385</b>	<b>\$442,302</b>	<b>\$77,461</b>	<b>\$1,889,015</b>	<b>\$466,485</b>	<b>\$1,499,991</b>

Base = Total Direct Cost

\$442,302

Pool Cost

\$1,499,991

Base Cost

29.49%

Indirect Rate

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

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**Indirect Cost Allocation Schedule**  
**Year Ended December 31, 2006**

*Founded in 1986, 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. M-USA's projects focus on improving health and promoting economic and educational growth around the world.*

## ***Board of Directors***

Ms. Zakia Mahasa, Chairperson

Mr. Faizil Baksh  
Dr. Ali El-Menshawi

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

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 [mercyusa@mercyusa.org](mailto:mercyusa@mercyusa.org) • <http://www.mercyusa.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**  
Banda Aceh

**Kenya**  
Nairobi

**Lebanon**  
Sidon

**Somalia**  
Mogadishu

*Founded in 1986, 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. M-USA's projects focus on improving health and 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 \_\_\_\_\_

City \_\_\_\_\_

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

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

Home Phone \_\_\_\_\_ Fax \_\_\_\_\_

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 \_\_\_\_\_ Security 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

Fiesta RPO P.O. Box 56102, 102 Hwy. #8, Stoney Creek, ON L8G 5C9  
Canada

Telephone 734-454-0011    1-800-55-MERCY (1-800-556-3729)

Facsimile 734-454-0303

e-mail [mercyusa@mercyusa.org](mailto:mercyusa@mercyusa.org)    <http://www.mercyusa.org>