

# **Mercy Without Limits, Inc. and Affiliates**

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Combined Financial Statements  
For the Year Ended December 31, 2021

Mercy Without Limits, Inc. and Affiliates  
December 31, 2021

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## **Independent Auditor's Report**

Board of Directors  
Mercy Without Limits, Inc.  
Overland Park, Kansas

### **Report on the Financial Statements**

We have audited the accompanying combined financial statements of Mercy Without Limits, Inc. (a not-for-profit organization) and Affiliates, which comprise the combined statement of financial position as of December 31, 2021, and the related combined statements of activities, combined statement of functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statement of Mercy Without Limits – Turkey and Jordan, which financial statements reflect total assets and revenue constituting 11% and 15% of the combined total assets and combined total revenue, respectively, for the year then ended. Of the total revenues reported by the affiliates, 65% was a transfer of funds from Mercy Without Limits-USA. Those statements were audited by other auditors, whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for Mercy Without Limits, Inc. is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.



Board of Directors  
Mercy Without Limits, Inc.  
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, based on our audit and the reports of the other auditors, the combined financial statements referred to above present fairly, in all material respects, the financial position of Mercy Without Limits, Inc. and Affiliates as of December 31, 2021, and the combined changes in its net assets and its combined cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplemental schedules on pages 16 and 17 are presented for the purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Willoughby Hills, Ohio  
December 14, 2022

*Przytul & Associates*



**Mercy Without Limits, Inc. and Affiliates**  
**Combined Statement of Financial Position**  
**December 31, 2021**

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**ASSETS**

**Current Assets**

Cash and cash equivalents (Note 2)	\$ 4,027,280
Receivable (Note 4)	1,276,345
Inventory – Donated medical items (Note 5)	7,529,790
Investment (Note 6)	31,100
Prepaid Expense	5,523
Security Deposits	<u>4,028</u>
Total Current Assets	12,874,066

Fixed Assets (Net of \$103,256 Accumulated. Depreciation) (Note 7)	<u>60,568</u>
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<b>Total Assets</b>	<b><u><u>\$12,934,634</u></u></b>
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**LIABILITIES AND NET ASSETS**

**Liabilities**

Accounts Payable	\$ 125,060
Deferred Income	488,390
Accrued Payroll & Taxes Payable	<u>537</u>
Total Liabilities	613,987

**Net Assets**

Net Assets without Donors Restriction	4,790,789
Net Assets with Donors Restriction (Note 5)	7,529,790
Cumulative Currency Translation Adjustment	<u>68</u>

<b>Net Assets</b>	<b><u>12,320,647</u></b>
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<b>Total Liabilities and Net Assets</b>	<b><u><u>\$12,934,634</u></u></b>
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**See Accompanying Notes and Independent Auditor's Report**

*34950 Chardon Rd Willoughby Ohio 44094 (440) 946-2727*

**Mercy Without Limits, Inc. and Affiliates**  
**Combined Statement of Activities**  
**For the Year Ended December 31, 2021**

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
<b>REVENUE</b>			
Donations/Contribution & support	\$ 10,208,497		\$ 10,208,497
Grants (MOUs)	2,377,493		2,377,493
Other Income	560		560
In-kind donation (Note 5)	-	\$7,529,790	7,529,790
<b>Total Revenue</b>	<b>12,586,550</b>	<b>7,529,790</b>	<b>20,116,340</b>
<b>EXPENSES</b>			
<b>Program</b>			
Health	7,707,766		7,707,766
Education	3,180,743		3,180,743
Protection	3,764,034		3,764,034
Emergency response	1,799,380		1,799,380
FSL & ERO	421,167		421,167
NIF, WASH, and Capacity Building	547,584		547,584
<b>Total Program Expenses</b>	<b>17,420,674</b>	<b>-</b>	<b>17,240,674</b>
<b>Management and General</b>			
Payroll expense	404,355		404,355
Other Administrative expenses	454,756		454,756
<b>Total Management and General</b>	<b>859,111</b>	<b>-</b>	<b>859,111</b>
<b>Fundraising</b>	<b>402,664</b>		<b>402,664</b>
<b>Total Expenses</b>	<b>18,682,449</b>	<b>-</b>	<b>18,682,449</b>
<b>Change in Net Assets Without Donor Restriction</b>	<b>(6,095,899)</b>		<b>(6,095,899)</b>
<b>Change in Net Assets With Donor Restriction (Note 5)</b>		<b>7,529,790</b>	<b>7,529,790</b>
<b>Net Assets Without Donor Restriction Beginning of Year</b>	<b>10,886,688</b>		<b>10,886,688</b>
<b>Net Assets End of Year</b>	<b>\$4,790,789</b>	<b>\$7,529,790</b>	<b>\$ 12,320,579</b>

See Accompanying Notes and Independent Auditor's Report

34950 Chardon Rd Willoughby Ohio 44094 (440) 946-2727



**Mercy Without Limits, Inc. and Affiliates**  
 Combined Statement of Functional Expenses by Natural Classification  
 For the Year Ended December 31, 2021

Expenses	Program Expenses										Total
	Education	Emergency Response	Health	Protection	FSL & ERO	NIF, WASH, & Capacity Building	Fundraising	Management & General			
Advertising & promotion	\$-	\$-	\$-	\$2,100	\$-	\$-	\$47,781	\$15,256	\$65,137		
Bank service & transfer charges	33,744	27,116	153	58,433	11	4,246	-	45,056	168,759		
Case management	3,807	-	-	64,197	-	-	-	-	68,004		
Charitable Contribution/ Donation	-	392,660	-	5,309	-	-	-	550	398,519		
Clothes and other materials	3,115	-	-	48,910	-	-	-	23,556	75,581		
Contract services	-	-	-	-	-	-	158,956	89,271	248,227		
Devices, equipment & furniture	20,506	1,951	-	40,257	-	14,571	10,541	16,591	104,417		
Depreciation	-	-	-	-	-	-	-	28,387	28,387		
Education	120,940	-	-	-	-	-	-	-	120,940		
Emergency Relief	-	26,233	-	-	-	-	-	-	26,233		
Event sponsorship	295,339	151,500	-	224,130	-	89,380	34,500	-	794,849		
Food distribution	-	511,813	-	50,000	368,467	-	-	-	930,280		
Foreign currency exchange loss	-	-	-	-	-	-	-	157	157		
Fuel for vehicles and heating	42,071	28,000	-	13,737	-	9,883	-	743	94,434		
General office & logistics	-	-	-	-	-	-	-	35,129	35,129		
Insurance	-	-	-	-	-	-	-	48,467	48,467		
License & permit	-	-	-	-	-	-	825	20,661	21,486		
Meals & entertainment	22,638	1,674	-	26,658	-	5,175	1,389	11,315	68,849		
Medical, Medical equipment & supplies	3,254	2,371	7,687,170	117,808	-	14,039	-	950	7,825,592		
Membership & dues	-	-	-	-	-	-	1,581	5,367	6,948		
Miscellaneous	-	-	-	-	-	-	-	601	601		

See Accompanying Notes and Independent Auditor's Report

**Mercy Without Limits, Inc. and Affiliates**  
**Combined Statement of Functional Expenses by Natural Classification**  
**For the Year Ended December 31, 2021**

Expenses	Program Expenses							Total	
	Education	Emergency Response	Health	Protection	FSL & ERO	NIF, WASH, & Capacity Building	Fundraising		Management & General
Office supplies & other materials	16,130	-	-	11,246	727	184	21,000	32,965	82,252
Orphans	-	477,393	-	1,936,396	-	-	-	1,252	2,415,041
Postage, mailing & printing	-	-	-	-	-	-	-	2,250	2,250
Printing and publication	76,703	19	-	44,298	100	7,043	-	7,077	135,240
Rent & leases	25,300	8,500	-	34,916	2,950	2,055	-	89,889	163,610
Repair and maintenance	78,311	4,800	-	7,902	350	64,593	-	889	156,845
Salary/Payroll, Taxes & benefits	2,408,750	8,050	20,443	935,257	35,652	190,416	62,751	339,420	4,000,739
Shelter (Tent & plastic sheeting)	-	154,500	-	2,510	-	-	-	-	157,010
Telephone, internet & Technology	-	-	-	-	-	-	30,080	11,157	41,237
Training incentive & training fee	8,438	-	-	23,819	-	2,560	-	-	34,817
Travel, transportation & accommodation	15,570	300	-	106,037	12,610	11,775	33,260	19,798	199,350
Utilities	6,127	-	-	10,114	300	2,745	-	12,357	31,643
Well Drilling	-	2,500	-	-	-	128,919	-	-	131,419
<b>Total</b>	<b>\$3,180,743</b>	<b>\$1,799,380</b>	<b>\$7,707,766</b>	<b>\$3,764,034</b>	<b>\$421,167</b>	<b>\$547,584</b>	<b>\$402,664</b>	<b>\$859,111</b>	<b>\$18,682,449</b>

See Accompanying Notes and Independent Auditor's Report

**Mercy Without Limits, Inc. and Affiliates**  
**Combined Statement of Cash Flows**  
**For the Year Ended December 31, 2021**

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Change in Net Assets	\$1,433,891
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by Operating Activities:	
Depreciation	28,387
Effects of currency adjustment & rounding	69
Decrease (Increase) in Operating Assets:	
Receivable	(603,947)
Inventory – Donated medical items	44,450
Investment	(1,100)
Prepayments	(793)
Increase (Decrease) in Operating Liabilities:	
Accounts payable	(193,450)
Deferred Income	353,011
Accrued payroll & tax payable	2,279
Other Liabilities	(39,210)
<b>Net Cash Provided From Operating Activities</b>	<b><u>1,023,587</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
<b>Net Cash Outflow by Investing Activities</b>	<b><u>0.00</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
SBA PPP Loan	(65,400)
EIDL Loan Advance	(8,000)
<b>Net Cash Outflow by Financing Activities</b>	<b><u>(73,400)</u></b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>950,187</b>
Cash and Cash Equivalents Beginning of Year	<u>3,077,093</u>
<b>Cash and Cash Equivalents End of Year</b>	<b><u><u>\$ 4,027,280</u></u></b>
<b>Supplemental Information to Cash Flow Statement</b>	
Cash paid for Interest Expense, net of capitalization	None
Cash paid for Income Taxes	None

**See Accompanying Notes and Independent Auditor's Report**

**Mercy Without Limits, Inc. and Affiliates**  
Notes to the Combined Financial Statements  
For the Year Ended December 31, 2021

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**Note 1: Nature of Organization and Summary of Significant Accounting Policies**

**Nature of Organization**

Mercy Without Limits, Inc. (the Organization) was incorporated on May 17, 2012, in the state of Kansas as a not-for-profit organization. The organization is established mainly to help the orphan children of Syria through assistance obtained from individual donors and grants from partners. The organization provides health programs, educational support, and food and shelter and other basic humanitarian assistance to thousands of Syrian children who have been orphaned by the ongoing war.

The Organization has five board members and two affiliated entities located in Turkey and Jordan. These entities are registered and licensed to operate in Turkey and Jordan. Mercy Without Limits USA, located in Overland Park, Kansas, is responsible for fundraising, administering and coordinating projects. The affiliates are mainly responsible for implementing the strategic plans of the Organization. Mercy Without Limits – Turkey, is mainly responsible for helping educational institutes in Syria. The supports include but not limited to building or reconstructing schools in Syria. Also, funds may be used to pay the salaries of teachers and buy educational materials. Mercy Without Limits – Jordan primarily provides emergency assistance to orphans and widows (assurances include food, shelter, supplies and medical assistance). The entity also provides relief/humanitarian assistance to needy families. The organization also conducts similar activities in Iraq, Bangladesh, Ghana, Sierra Leone and other parts of the world.

The Organization has signed agreements and memorandum of understanding (MOUs) with partner organizations. The partners are responsible for implementing the Organization's projects in compliance with the scope of work defined in their respective agreements.

About 76% of the ordinary income excluding other income and In-kind donations was collected from individual donors. Institutional (MOUs & Grant) donors' contributions for the year amounts to 24% of the total ordinary income.

The following are among the major programs that are funded and administered:

- A. Education Program:** The Education Project helps Aleppo University located in the City of Daraa and Aleppo. The project supports the University to extend the education program for the Syrian refugees. The program also subsidizes many informal elementary, middle, and high schools across the rebel-controlled cities in Syria since formal schools have become insecure. In partnership with the University of Washington, Columbia University, Eastern Michigan University, University of California Berkeley, and others, the Organization facilitates a scholarship program under the program initiative called "Books, not Bombs".

**Mercy Without Limits, Inc. and Affiliates**  
Notes to the Combined Financial Statements  
For the Year Ended December 31, 2021

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- B. Healthcare Program:** The purpose of the program is to provide immediate healthcare aids to communities facing a medical crisis. Healthcare funds may be used for rebuilding healthcare facilities, providing support to the operation of the facilities, and the purchase of medicines.
- C. Orphan Support Project:** The AMAN program is a full orphan support program. The purpose of the program is to help orphan children through targeted initiatives by nourishment, shelter, health, and education. The Organization searches for orphan sponsors and provides direct need-based assistance to the children. For a donation of \$60 per month per child, orphans are provided with access to clean water (WASH program), food security, health services, education, and other needed necessities.
- D. Water and Sanitation Hygiene (WASH):** The purpose of the program is to build water infrastructure projects that enable direct access to safe water for thousands of people in countries affected by drought or conflict. The Organization also provides training on using available community resources to achieve healthy sanitary conditions. Mercy Without Limits installed roughly 51 deep wells and 402 tube wells in 2021.
- E. Emergency Relief:** The Organization works to respond quickly and efficiently to emergency situations both domestically and internationally, to provide those affected with all the necessities they need, including food, water and shelter.
- F. Special Project:** The Organization knows that at certain times of year and under certain conditions, disadvantaged people around the world might need additional help. To aid beneficiaries through times that are crucial to them, the Organization collects funds to take part in such seasonal projects as providing food baskets during Ramadan, Qurbani, Eid clothing and gifts, heaters, blankets and winter coats for children; along with many others.

## **Significant Accounting Policies**

### **Basis of Accounting**

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

**Mercy Without Limits, Inc. and Affiliates**  
Notes to the Combined Financial Statements  
For the Year Ended December 31, 2021

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**Contribution, Grant and Donation**

Revenue consists of general contributions, grants, and donations; and is recognized in the period received or when an unconditional promise to give is made, whichever is earlier. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributions, Grants and Donations are recorded as revenue with/without donor restriction, depending on the existence and nature of any donor stipulation. Contribution, Grant or Support that is not restricted by the donor is reported as an increase in revenue without donor restriction.

When a restriction expires (when a stipulated time restriction expires, or purpose restriction is accomplished), donor-restricted net assets are reclassified to net assets without donor restriction and reported in the Statement of Activities as net assets released from restrictions. When donor restrictions are met during the same period that the contribution is received, the contribution is recorded as net assets without donor restriction.

**Fixed Asset Capitalization**

The Organization capitalizes fixed assets with an original cost of \$1,000 and useful life for more than one year. All depreciable fixed assets are valued at cost. Depreciation of furniture and equipment is calculated and recorded using the straight-line method over the useful lives of the assets, which ranges from 3 to 5 years.

**Functional Allocation of Expenses**

Expenses directly identifiable with specific programs are charged to programs and support services. Expenses related to more than one function or program are allocated within the programs based on a reasonable estimate of time and material spent in the functional area or program. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide services for the overall support and direction of the Organization.

**Use of Estimates**

The preparation of financial statements per the accounting principle adopted requires management to make certain estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

**Income Taxes**

The organization is a not-for-profit public charity that is exempt from Federal Income taxes under Section 501(c) (3) of the Internal Revenue Code. However, the organization is subject to federal income tax on any unrelated business taxable income. The

**Mercy Without Limits, Inc. and Affiliates**  
Notes to the Combined Financial Statements  
For the Year Ended December 31, 2021

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Organization has not earned any unrelated income during the fiscal year ended December 31, 2021. Accordingly, no provision for income taxes is provided. The tax returns for the prior three fiscal years remain subject to examination by major tax jurisdictions.

**Note 2: Cash and Cash Equivalents**

As of December 31, 2021, the Cash balances maintained in each location are shown below. The Organization did not own any cash equivalents during the year.

<b>Bank Accounts:</b>	
Cash in USA NBKC Bank	\$ 2,570,928
Cash in USA Sunflower Bank	421,734
Cash in USA MO Bank	617,772
Cash in Turkey Bank	408,342
Cash in Jordan Cairo Bank	8,504
<b>Total</b>	<b><u><u>\$4,027,280</u></u></b>

**Note 3: Concentration Risk**

The Organization maintains cash balances at banks located in USA, Turkey and Jordan, which at times may exceed insurance limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. Each cash account maintained at the financial institution located in the USA is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

**Note 4: Receivable**

The Organization's receivables for the year constitute contributions receivable, grant receivable, and advance. Contribution receivable refers to donor contributions via credit card. The Organization has initiated the collections by billing the donors' credit cards and remains a receivable until the money clears the Organization's bank and payments are reconciled. Any donor disputed invoices would be written off.

**Mercy Without Limits, Inc. and Affiliates**  
Notes to the Combined Financial Statements  
For the Year Ended December 31, 2021

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The USA Grant Receivable is applicable to Memorandums of Understanding (MOUs), (see note 1). The Turkey grant receivable is applicable to MWL-Turkey receivable from local non-governmental entities.

Advance receivable relates to the advances provided by the Turkey office to the field cashiers to disburse at the field offices. Until the cashiers report the payments they made, the advance remains in their names. The Turkey office maintains a separate ledger in the names of the field cashiers.

As of December 31, 2021, the receivable balance consists of the following:

Contribution Receivable –USA	\$ 170,727
Grant Receivable – USA (MOUs)	407,375
Grant Receivable -Turkey Local NGOs	246,253
Grant Receivable – Turkey Project - USA	259,809
Receivable – Turkey (USA)	185,194
Advance – Turkey Field Cashiers	6,574
Working Capital Advance - USA	413
Total	<u>\$1,276,345</u>

**Note 5: Contributed Non-financial Assets / Net Assets with Donor Restriction**

The Yemen Ministry of Health sealed packages coming into the country, including the Organization’s medical supplies received in the prior year due to the Covid-19 pandemic. The inventory from Pure Hands Yemen in Texas amounting to \$7,574,240 was released in June of 2021 and was fully distributed before the end of the year.

The Organization received a second inventory of medical supplies from Pure Hands Yemen of Texas with a fair market value of \$7,529,790, using the Market Approach valuation technique described below. The medical supplies are to be used for the sick, poor and needy people of Yemen. These items were consigned to Pure Hands Yemen field office in two batches, one on October 14, 2021 and the other on December 9, 2021 to be shipped to Yemen. The undistributed Yemen medical supplies are kept under restricted net asset until distributed for the intended purpose.

The term “Fair Market Value” is defined as the amount at which the subject assets would likely exchange between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both acting with reasonable knowledge of all relevant facts.



**Mercy Without Limits, Inc. and Affiliates**  
**Notes to the Combined Financial Statements**  
**For the Year Ended December 31, 2021**

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The fair market value of the pharmaceutical and medical equipment assets of Mercy Without Limits has been estimated using the Market Approach. The Market Approach is a valuation technique in which the estimated market value is based on market prices in actual transactions. The technique consists of collecting selling prices for comparable asset. After studying the selling prices, value adjustments are made for comparability differences. This process is essentially one of comparison and correlation.

**Note 6: Investment**

The Organization's main investment is an interest in a real estate holding partnership, purchased from a previous member. The membership interest in Shura Foundation LLC, a California Limited Liability Company was purchased in the amount of \$30,000, representing 1% of all of the total membership interests and is a non-financial asset held at cost.

**Note 7: Fixed Assets**

Fixed assets for the year 2021 are listed below. Also, refer to the fixed assets by location included in the supplemental information under the statement of combining financial positions.

	<b>Opening Balance</b>	<b>Addition</b>	<b>Disposal</b>	<b>Ending Balance</b>
<i>COST</i>				
Furniture and Fixture	\$ 47,809	\$ 1,819	\$ (7,196)	42,432
Machinery and Equipment	114,619	1,844	-	116,463
Lease Improvement	4,929	-	-	4,929
Other Fixed Assets (re-classed)	1,819	-	(1,819)	0.00
	169,176	3,663	(9,015)	163,824
<i>ACCUMULATED DEPRECIATION</i>	(80,221)	(28,387)	5,352	(103,256)
<i>NET BOOK VALUE</i>	\$ 88,955	\$ (24,724)	\$ (3,663)	\$ 60,568

**Note 8: Related Party Transactions**

The organization provides operating advance to the branch offices corresponding to each approved program. During the fiscal year ended December 31, 2021, the advance funds

**Mercy Without Limits, Inc. and Affiliates**  
Notes to the Combined Financial Statements  
For the Year Ended December 31, 2021

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transferred to the Turkey and Jordan offices were \$4,996,068 and \$964,469, respectively. The Organization hired related individuals to manage the accounting, program services and donor care, totaling \$97,185.

**Note 9: Operating Lease**

The Organization leases its corporate office under operating lease agreement. The new head office lease agreement began on August 1, 2019 and ends on July 31, 2028. Accordingly, the future office lease obligations are as follows:

	<u>Head office</u>
Fiscal year 2022	50,782
Fiscal year 2023	51,994
Fiscal year 2024	53,205
Fiscal year 2025	54,417
Fiscal year 2026	55,628
Future obligation beyond 2026	149,166

**Note 10: Covid-19 Pandemic**

The impact of Covid-19 has been an evolving situation since late 2019. Since then, both the impact of the virus and the information available about that impact has changed. The World Health Organization declared a global health emergency in January 2020 and in March 2020; it declared the spread of Covid-19 as a global pandemic. The Covid-19 pandemic developed rapidly in 2020 and continues to impact 2021. The resulting impact of the virus on the operations and measures taken by various governments to contain the virus has affected economic activity and the Organization's results in the reporting period. The currently known impacts of Covid-19 on the Organization are due to various government measures and public concerns, the Organization;

- Medical supplies received in the prior year for Yemen was sealed by the Yemen Ministry of Health who sealed packages coming into the country, due to the Covid-19 pandemic. The inventory was released in June of 2021. (see note 5).
- Experienced much trouble with medical supplies from China, due to shipping delays.
- Cancelled 2021 fundraisers because people are not excited to attend physical events due to Covid-19, in response, the Organization has increased its online presence.
- Received SBA forgiveness in 2021 for the Payroll Protection Program Loans and EIDL Advance, all part of the CARES Act, amounting to \$137,655 reflected in Grants on the Combined Statement of Activities.

**Mercy Without Limits, Inc. and Affiliates**  
Notes to the Combined Financial Statements  
For the Year Ended December 31, 2021

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The Mercy Without Limits, Inc. –USA had an increase in overall revenues in 2021 compared to 2020 of 13% and decreased their total expenses by approximately 4%. In-Kind donated inventory of medical supplies dropped an additional 1% after a drop of 71% last year and Grants (MOUs) increased 15% after a drop last year of 18%. The competition between charities for available dollars and medical supplies continue due to ramifications of the global pandemic. Ordinary income excluding grants and MOU's, In-Kind donations and other income, increased by 22% over last year, despite the cancellation of the fundraisers.

**Note 11: Resources Available to Meet Cash Needs for General Expenditures**

The average Management and General expenses for the last three years was \$907,918. The Organization's financial assets available within one year of the statement of financial position date for general expenditure is represented by Cash and Cash Equivalent, advance, grant and contribution receivables, which total \$5,303,624. These current assets are available to pay the Organization's general expense for the fiscal year 2022.

**Note 12: Newly Adopted Accounting Standards**

In September 2020, The FASB issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The purpose of the ASU 2020-07 is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by the NFP. It is important to note that the ASU 2020-07 will not change the accounting and recognition of nonfinancial assets but rather the presentation and disclosure requirements in the financial statements. See note 5.

**Note 13: Subsequent Events**

A Zakat bank account was created to separately track the revenue collected for such purposes and to avoid charging administrative fees. Normally, the Organization charges a certain amount of administration fee on program income collected to cover its administrative costs. A board resolution was passed on June 27, 2022. Accordingly, the bank account was opened with an initial deposit of \$775,000 transferred from the main checking account and the revenue was reclassified from Donation/Contribution to Zakat Donation/Contribution.

Subsequent events have been evaluated through December 14, 2022, which is the date the financial statements were available to be issued.

## **Supplemental Information**

**Mercy Without Limits, Inc. and Affiliates**  
**Statement of Combining Financial Positions**  
December 31, 2021

<b>ASSETS</b>	<b>USA</b>	<b>Turkey</b>	<b>Jordan</b>	<b>Elimination</b>	<b>Total</b>
<b>Current Assets</b>					
Cash and cash equivalents	\$3,610,434	\$408,342	\$ 8,504	\$ -	\$4,027,280
Account/Contribution Receivable	170,727	185,194	-	-	355,921
Advances to Employees	-	6,574	-	-	6,574
Grant Receivable	407,375	506,062	-	-	913,437
Working Capital Advance	126,936	-	-	(126,523)	413
Inventory – Donation in Kind	7,529,790	-	-	-	7,529,790
Investment	31,100	-	-	-	31,100
Prepaid Expense	-	5,523	-	-	5,523
Security Deposits	-	4,028	-	-	4,028
<b>Total Current Assets</b>	<b>11,876,362</b>	<b>1,115,723</b>	<b>8,504</b>	<b>(126,523)</b>	<b>12,874,066</b>
<b>Fixed Assets</b>					
Furniture and Equipment	3,063	155,832	-	-	158,895
Leasehold Improvements	4,929	-	-	-	4,929
<b>Total Fixed Assets</b>	<b>7,992</b>	<b>155,832</b>	<b>-</b>	<b>-</b>	<b>163,824</b>
Accumulated Depreciation	(5,239)	(98,017)	-	-	(103,256)
Net Book Value	2,753	57,815	-	-	60,568
<b>Total Assets</b>	<b>\$11,879,115</b>	<b>\$1,173,538</b>	<b>\$ 8,504</b>	<b>\$(126,523)</b>	<b>\$12,934,634</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current Liabilities</b>					
Accounts Payable	\$40,997	\$ 84,063	\$ -	\$ -	\$125,060
Deferred Income	-	595,455	19,458	(126,523)	488,390
Accrued Payroll & Taxes Payable	537	-	-	-	537
Other Liabilities	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>41,534</b>	<b>679,518</b>	<b>19,458</b>	<b>(126,523)</b>	<b>613,987</b>
<b>Long-term Liabilities</b>					
<b>Total Liabilities</b>	<b>41,534</b>	<b>679,518</b>	<b>19,458</b>	<b>(126,523)</b>	<b>613,987</b>
<b>Net Assets</b>					
Without Donor's Restriction	4,307,791	494,020	(11,022)	-	4,790,789
With Donor's Restriction	7,529,790	-	-	-	7,529,790
Other Comprehensive Income/(loss)					
- Cumulative Currency Translation					
Adjustment	-	-	68	-	68
<b>Total Liabilities and Net Assets</b>	<b>\$11,879,115</b>	<b>\$ 1,173,538</b>	<b>\$ 8,504</b>	<b>\$(126,523)</b>	<b>\$12,934,634</b>

See Accompanying Notes and Independent Auditor's Report

**Mercy Without Limits, Inc. and Affiliates**  
**Statement of Combining Activities**  
**For the Year Ended December 31, 2021**

<b>REVENUE</b>	<b>USA</b>	<b>Turkey</b>	<b>Jordan</b>	<b>Elimination</b>	<b>Total</b>
Donations/Contribution & support	\$7,431,343	\$7,772,166	\$965,525	\$(5,960,537)	\$10,208,497
Grants (MOUs)	2,377,493	-	-	-	2,377,493
Other Income	560	-	-	-	560
In-kind donation	7,529,790	-	-	-	7,529,790
<b>Total Revenue</b>	<b>17,339,186</b>	<b>7,772,166</b>	<b>965,525</b>	<b>(5,960,537)</b>	<b>20,116,340</b>
<b>EXPENSES</b>					
<b>Program</b>					
Health	7,880,972	-	3,720	(176,926)	7,707,766
Education	1,889,441	2,997,111	115,178	(1,820,987)	3,180,743
Protection	3,336,306	2,656,528	718,411	(2,947,211)	3,764,034
Emergency response	1,096,001	1,123,782	125,644	(546,047)	1,799,380
FSL & ERO	407,077	421,166	-	(407,076)	421,167
NIF, WASH and Capacity Building	154,401	406,183	-	(13,000)	547,584
<b>Total Program Expenses</b>	<b>14,764,198</b>	<b>7,604,770</b>	<b>962,953</b>	<b>(5,911,247)</b>	<b>17,420,674</b>
<b>Management and General</b>					
Payroll expense	80,200	307,818	16,337		404,355
Other Administrative expenses	348,666	148,835	6,545	(49,290)	454,756
<b>Total Management and General</b>	<b>428,866</b>	<b>456,653</b>	<b>22,882</b>	<b>(49,290)</b>	<b>859,111</b>
<b>Fundraising</b>	<b>402,664</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>402,664</b>
<b>Total Expenses</b>	<b>15,595,728</b>	<b>8,061,423</b>	<b>985,835</b>	<b>(5,960,537)</b>	<b>18,682,449</b>
<b>Change in Net Assets</b>	<b>1,743,458</b>	<b>(289,257)</b>	<b>(20,310)</b>	<b>0</b>	<b>1,433,891</b>
With Donor Restriction	7,529,790	-	-		7,529,790
Without Donor Restriction	(5,786,332)	(289,257)	(20,310)	-	(6,095,899)
Net Assets Without Donor Restriction					
Beginning of Year	10,094,123	783,277	9,288		10,886,688
<b>Net Assets End of Year</b>	<b>\$11,837,581</b>	<b>\$ 494,020</b>	<b>\$ (11,022)</b>	<b>\$ 0</b>	<b>\$ 12,320,579</b>