

Mercy Without Limits, Inc. and Affiliates

Combined Financial Statements
For the Year Ended December 31, 2020

Mercy Without Limits, Inc. and Affiliates
December 31, 2020

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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, 2020, 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 the 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.

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 auditor, 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, 2020, 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 17 and 18 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.

Przyatelj & Associates

Willoughby Hills, Ohio
December 08, 2021

Mercy Without Limits, Inc. and Affiliates
Combined Statement of Financial Position
December 31, 2020

ASSETS

Current Assets	
Cash and cash equivalents (Note 2)	\$ 3,077,093
Receivable (Note 4)	672,398
Inventory – Donated medical items (Note 5)	7,574,240
Investment (Note 6)	30,000
Prepaid Expense	4,730
Security Deposits	4,027
Total Current Assets	<u>11,362,488</u>
Fixed Assets (Net of \$80,221 Accumulated Depreciation) (Note 7)	<u>88,955</u>
Total Assets	<u><u>\$11,451,443</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	\$ 318,510
Deferred Income	135,379
Accrued Payroll & Taxes Payable	(1,742)
Other Liabilities	39,210
Total Current Liabilities	<u>491,357</u>
Long-term Liabilities	
SBA PPP Loan	65,400
EIDL Loan Advance	8,000
Total Long-term Liabilities	<u>73,400</u>
Total Liabilities	564,757
Net Assets	
Net Assets without Donors Restriction	3,312,614
Net Assets with Donors Restriction (Note 5)	7,574,240
Other Comprehensive Income/(loss)	
- Cumulative Currency Translation Adjustment	(168)
Total Liabilities and Net Assets	<u><u>\$11,451,443</u></u>

Mercy Without Limits, Inc. and Affiliates
Combined Statement of Activities
For the Year Ended December 31, 2020

	Without Donor Restriction	With Donor Restriction	Total
REVENUE			
Donations/Contribution & support	\$ 8,588,333		\$ 8,588,333
Grants (MOUs)	1,873,790		1,873,790
Other Income	320		320
In-kind donation (Note 5)	-	\$7,574,240	7,574,240
Total Revenue	10,462,443	7,574,240	18,036,683
EXPENSES			
Program			
Health	9,878,839		9,878,839
Education	2,718,797		2,718,797
Protection	3,695,579		3,695,579
Emergency response	232,067		232,067
FSL & ERO	736,870		736,870
NIF, WASH, and Capacity Building	416,498		416,498
Total Program Expenses	17,678,650	-	17,678,650
Management and General			
Payroll expense	620,645		620,645
Other Administrative expenses	554,696		554,696
Total Management and General	1,175,341	-	1,175,341
Fundraising	374,495		374,495
Total Expenses	19,228,486	-	19,228,486
Change in Net Assets Without Donor Restriction	(8,766,043)		-
Change in Net Assets With Donor Restriction (Note 5)			(1,191,803)
Net Assets Without Donor Restriction Beginning of Year	12,078,657		12,078,657
Net Assets End of Year	\$3,312,614	\$7,574,240	\$ 10,886,854

Mercy Without Limits, Inc. and Affiliates
Combined Statement of Functional Expenses by Natural Classification
For the Year Ended December 31, 2020

Expenses	Program Expenses								Total
	Education	Emergency Response	Health	Protection	FSL & ERO	NIF, WASH, & Capacity Building	Fundraising	Management & general	
Advertising & promotion	\$-	\$-	\$2,153	\$-	\$-	\$12,905	\$13,195	\$6,150	\$34,403
Bank service & transfer charges	24,308	11,958	31	34,614	9,245	2,681	-	40,138	122,975
Case management	441	-	-	66,984	-	-	-	-	67,425
Charitable Contribution/Donation	11,388	9,526	-	10,600	-	-	-	8,744	40,258
Clothes and other materials	2,296	-	-	86,960	18,500	40,720	-	90	148,566
Contract services	-	-	-	-	-	-	61,650	87,668	149,318
Devices, equipment & furniture	60,372	-	-	43,203	4,215	12,059	-	2,290	122,139
Depreciation	-	-	-	-	-	-	-	29,548	29,548
Education	86,140	-	-	-	-	-	-	-	86,140
Emergency Relief	-	13,500	-	-	-	-	-	-	13,500
Event sponsorship	108,395	15,120	-	2,400	5,000	39,850	35,500	105,799	312,064
Food distribution	464	96,795	-	19,293	510,938	2,500	-	23,957	653,947
Foreign currency exchange loss	-	-	-	-	-	-	-	6,337	6,337
Fuel for vehicles and heating	37,383	9,960	-	12,881	-	-	-	1,416	61,640
General office & logistics	-	-	-	-	822	-	-	43,988	44,810
Insurance	-	-	-	-	-	-	-	28,658	28,658
KC-Refugees	-	6,000	-	-	-	-	-	-	6,000
License & permit	-	-	-	-	-	-	369	7,169	7,538
Meals & entertainment	30,786	458	-	38,972	145	4,074	360	3,145	77,940
Medical, Medical equipment & supplies	15,699	-	9,823,521	11,144	1,638	14,947	-	5,512	9,872,461

See notes to financial statements

Mercy Without Limits, Inc. and Affiliates
Combined Statement of Functional Expenses by Natural Classification
For the Year Ended December 31, 2020

Expenses	Program Expenses							Management & general	Total
	Education	Emergency Response	Health	Protection	FSL & ERO	NIF, WASH, & Capacity Building	Fundraising		
Membership & dues	-	-	-	-	-	-	979	8,956	9,935
Miscellaneous	-	-	-	-	-	-	549	478	1,027
Office supplies and other materials	42,275	1,986	-	4,860	137,266	7,806	499	47,131	241,823
Orphans	-	60,100	-	2,263,873	-	-	-	-	2,323,973
Postage, mailing & printing	-	-	-	-	-	-	299	4,857	5,156
Printing and publication	51,659	162	2,000	53,437	3,462	20,146	719	3,644	135,229
Rent & leases	34,558	-	-	38,881	-	1,300	-	86,969	161,708
Repair and maintenance	59,034	2,312	-	11,310	-	1,208	-	80	73,944
Salary/Payroll, Taxes & benefits	2,058,123	3,260	50,906	844,786	29,842	166,470	204,040	593,435	3,950,862
Shelter (Tent & plastic sheeting)	4,375	-	-	4,976	-	12,900	-	-	22,251
Telephone, internet & Technology	549	-	-	12,355	-	-	4,254	10,779	27,937
Training incentive & training fee	7,551	-	-	6,630	-	-	3,000	233	17,414
Travel, transportation & accommodation	81,206	930	228	116,377	8,270	2,820	49,082	7,570	266,483
Utilities	1,795	-	-	11,043	7,527	5,712	-	10,600	36,677
Well Drilling	-	-	-	-	-	68,400	-	-	68,400
Total	\$2,718,797	\$232,067	\$9,878,839	\$3,695,579	\$736,870	\$416,498	\$374,495	\$1,175,341	\$19,228,486

See notes to financial statements

Mercy Without Limits, Inc. and Affiliates
Combined Statement of Cash Flows
For the Year Ended December 31, 2020

CASH FLOW FROM OPERATING ACTIVITIES	
Change in Net Assets	\$(1,191,803)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	29,548
Decrease (Increase) in Operating Assets:	
Receivable	471,045
Inventory – Donated medical items	1,924,054
Investment	(30,000)
Prepayments	1,301
Security deposit	2,099
Increase (Decrease) in Operating Liabilities:	
Accounts payable	297,967
Deferred Income	(182,866)
Accrued payroll & tax payable	(4,779)
Other Liabilities	39,210
Net Cash Provided From Operating Activities	<u>1,355,775</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Cash payments for purchase of fixed asset (includes net currency adj)	<u>(1,940)</u>
Net Cash Outflow by Investing Activities	<u>(1,940)</u>
CASH FLOW FROM FINANCING ACTIVITIES	
SBA PPP Loan	65,400
EIDL Loan Advance	<u>8,000</u>
Net Cash Outflow by Financing Activities	<u>73,400</u>
Net Increase in Cash and Cash Equivalents	1,427,236
Cash and Cash Equivalents Beginning of Year	<u>1,649,857</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 3,077,093</u></u>
Supplemental Information to Cash Flow Statement	
Cash paid for Interest Expense, net of capitalization	None
Cash paid for Income Taxes	None

Mercy Without Limits, Inc. and Affiliates
Notes to the Combined Financial Statements
December 31, 2020

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 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 68% of the ordinary income excluding other income and In-kind donations was collected from individual donors. Institutional donors' contribution's for the year amounts to 32% 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".

- 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.

Mercy Without Limits, Inc. and Affiliates
Notes to the Combined Financial Statements
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- 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 Bangladesh installed roughly 300 wells in 2020.
- E. Emergency Relief:** The Organization works to respond quickly and efficiently to emergency situations both domestically and internationally, to provide those effected with all the necessities they need, including food, water and shelter.
- F. Special Project:** The Organization collects funds for Uyhida program each year to support the poor and the needy families during the month of Ramadan. Funds are used to buy meals to those who otherwise don't have funds to buy meat for Ramadan holiday.

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.

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.

Mercy Without Limits, Inc. and Affiliates
Notes to the Combined Financial Statements
December 31, 2020

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 Organization has not earned any unrelated income during the fiscal year ended December 31, 2020. 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.

Mercy Without Limits, Inc. and Affiliates
Notes to the Combined Financial Statements
December 31, 2020

Note 2: Cash and Cash Equivalents

As of December 31, 2020, the Cash balances maintained in each location are shown below. The Organization did not own any cash equivalents during the year.

Bank Accounts:	
Cash in USA NBKC Bank	\$ 1,335,785
Cash in USA Sunflower Bank	556,236
Cash in USA MO Bank	629,531
Cash in Turkey Bank	529,695
Cash in Jordan Cairo Bank	25,846
Total	<u>\$3,077,093</u>

Note 3: Concentration Risk

The Organization maintains cash balances at bank 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 receivable for the year constitutes 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.

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.

The grant receivable is applicable to MWL-Turkey receivable from local non-governmental entities.

Mercy Without Limits, Inc. and Affiliates
Notes to the Combined Financial Statements
December 31, 2020

As of December 31, 2020, the receivable balance consists of the following:

Contribution Receivable -USA	\$ 56,706
Grant Receivable -Turkey Local NGOs	613,932
Advance – Turkey Field Cashiers	1,760
Total	\$672,398

Note 5: Net Assets with Donor Restriction

The Organization received inventory of medical supplies from Pure Hands Yemen of Texas worth \$7,574,240 to be used for the sick, poor and needy people of Yemen. These items were consigned to Pure Hands Yemen field office on December 24, 2020 to be shipped to Yemen. The Yemen Ministry of Health sealed packages coming into the country, including the Organization’s medical supplies, due to the Covid-19 pandemic. The inventory did not get released until 2021. The undistributed Yemen medical supplies are kept under restricted net asset until distributed for the intended purpose. The Organization’s Sierra Leone office distributed the remaining inventory received in the prior year from Catholic Medical Mission with the value of \$9,498,294 in January, 2020.

Note 6: Investment

In June, 2020 the Organization purchased an interest in a real estate holding partnership. 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 2020 are listed below. Also, refer the fixed assets by location included in the supplemental information under the Statement of Combining Financial Positions.

	Opening Balance	Addition	Disposal	Ending Balance
<i>COST</i>				
Furniture and Fixture	\$ 45,866	\$ 1,943	\$ -	\$ 47,809
Machinery and Equipment	114,619	-	-	114,619
Leasehold Improvement	4,929	-	-	4,929
Other Fixed Assets	1,819	-	-	1,819
	167,233	1,943	-	169,176
<i>ACCUMULATED DEPRECIATION</i>	(50,673)	(29,548)	-	(80,221)

Mercy Without Limits, Inc. and Affiliates
Notes to the Combined Financial Statements
December 31, 2020

<i>NET BOOK VALUE</i>	\$ 116,650	\$ (27,605)	\$ -	\$ 88,955
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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, 2020, the advance funds transferred to the Turkey and Jordan offices were \$3,883,259 and \$1,276,273, respectively. The Organization hired related individuals to manage the accounting, program services and donor care, totaling \$72,464.

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, 2029. The Organization also entered into a four-year office space lease agreement with Shura Foundation LLC in Orange, California for the period from May 2019 through April 2022 with a monthly rate of \$1,575 which was later terminated as of May 29, 2020. Accordingly, the future office lease obligations are as follows:

	<u>Head Office</u>
Fiscal year 2021	49,570
Fiscal year 2022	50,782
Fiscal year 2023	51,994
Fiscal year 2024	53,205
Fiscal year 2025	54,417
Future obligation beyond 2025	204,794

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 has developed rapidly in 2020. 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 government measures taken, the Organization;

- Had to cancel approximately 80 fundraisers due to the travel ban and social distancing.
- Did not have immediate access to donated medical supplies. See note 5.

Mercy Without Limits, Inc. and Affiliates
Notes to the Combined Financial Statements
December 31, 2020

- Closure of the U.S.A. office temporarily disrupted operations and required employees to work from home. During 2020 the small office lost 3 U.S. based employees and the staff agreed to pay cuts. The Jordan office was also closed by government order, but eventually was given authority to work outside.
- Received a Payroll Protection Program Loan as part of the CARES Act. See Note 13.

The Organization had a decline in overall revenues in 2020 compared to 2019 of 52% and decreased their total expenses by 22%. In-Kind donated inventory of medical supplies dropped nearly 71% and Grants (MOUs) dropped 18%. The competition between charities for available dollars and medical supplies are high in this time of a global pandemic. Ordinary income excluding grants and MOU's, In-Kind donations and other income, increased by 52% 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 \$644,254. 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 totals \$3,749,491. These current assets are available to pay the Organization's general expense for the fiscal year 2021.

Note 12: Newly Adopted Accounting Standards

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. The ASU implements a single framework for revenue recognition ensuring that revenue is recognized in a manner that reflects the consideration to which the entity expects to be entitled for goods or services. The Organization adopted ASU 2014-09 during the year, and there was no effect on net assets due to the implementation.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 assists entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958. *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and in determining whether a contribution is conditional. The Organization adopted ASU 2018-08 during the year, and there was no effect on net assets due to the implementation.

Mercy Without Limits, Inc. and Affiliates
Notes to the Combined Financial Statements
December 31, 2020

Note 13: Subsequent Events

Subsequent events have been evaluated through December 08, 2021, which is the date the financial statements were available to be issued. The medical supply inventory sealed by the Yemen Ministry of Health was released June 28, 2021. The Organization received a notice from the Small Business Administration dated March 4, 2021 that the payroll protection loan of \$65,400 has been fully forgiven.

Supplemental Information

Mercy Without Limits, Inc. and Affiliates
Statement of Combining Financial Positions
December 31, 2020

ASSETS	USA	Turkey	Jordan	Elimination	Total
Current Assets					
Cash and cash equivalents	\$2,521,552	\$529,695	\$25,846	\$-	\$3,077,093
Receivable	56,706	615,692	-	-	672,398
Working Capital Advance	13,539	-	-	(13,539)	-
Inventory – Donation in Kind	7,574,240	-	-	-	7,574,240
Investment	30,000	-	-	-	30,000
Prepaid Expense	-	4,730	-	-	4,730
Security Deposits	-	4,027	-	-	4,027
Total Current Assets	10,196,037	1,154,144	25,846	(13,539)	11,362,488
Fixed Assets					
Furniture and Equipment	3,063	39,394	5,352	-	47,809
Machinery and Equipment	-	114,619	-	-	114,619
Leasehold Improvements	4,929	-	-	-	4,929
Other Fixed Assets	-	1,819	-	-	1,819
Total Fixed Assets	7,992	155,832	5,352	-	169,176
Accumulated Depreciation	(3,900)	(70,969)	(5,352)	-	(80,221)
Net Book Value	4,092	84,863	-	-	88,955
Total Assets	\$10,200,129	\$1,239,007	\$25,846	\$(13,539)	\$11,451,443
LIABILITIES AND NET ASSETS					
Current Liabilities					
Accounts Payable	\$33,993	\$284,517	-	-	\$318,510
Deferred Income	-	135,379	-	-	135,379
Accrued Payroll & Taxes Payable	(1,742)	-	-	-	(1,742)
Other Liabilities	355	38,855	-	-	39,210
Total Current Liabilities	32,606	458,751	-	-	491,357
Long-term Liabilities	73,400	-	-	-	73,400
Total Liabilities	106,006	458,751	-	-	564,757
Net Assets					
Without Donor's Restriction	2,519,883	780,256	26,014	(13,539)	3,312,614
With Donor's Restriction	7,574,240	-	-	-	7,574,240
Other Comprehensive Income/(loss) - Cumulative Currency Translation Adjustment	-	-	(168)	-	(168)
Total Net Assets	10,094,123	780,256	25,846	(13,539)	10,886,686
Total Liabilities and Net Assets	\$10,200,129	\$1,239,007	\$25,846	\$(13,539)	\$11,451,443

Mercy Without Limits, Inc. and Affiliates
Statement of Combining Activities
For the Year Ended December 31, 2020

REVENUE	USA	Turkey	Jordan	Elimination	Total
Donations/Contribution & support	\$5,828,226	\$6,645,616	\$1,274,023	\$(5,159,532)	\$8,588,333
Grants (MOUs)	1,873,790				1,873,790
Other Income	320				320
In-kind donation	7,574,240				7,574,240
Total Revenue	15,276,576	6,645,616	1,274,023	(5,159,532)	18,036,683
EXPENSES					
Program					
Health	9,799,036	35,000	220,818	(176,015)	9,878,839
Education	1,863,327	2,417,114	134,282	(1,695,926)	2,718,797
Protection	2,494,673	2,463,558	878,604	(2,141,256)	3,695,579
Emergency response	558,142	114,533		(440,608)	232,067
FSL & ERO	613,613	727,655		(604,398)	736,870
NIF, WASH and Capacity Building	138,432	295,752		(17,686)	416,498
Total Program Expenses	15,467,223	6,053,612	1,233,704	(5,075,889)	17,678,650
Management and General					
Payroll expense	127,117	461,125	32,403		620,645
Other Administrative expenses	278,582	338,768	7,451	(70,105)	554,696
Total Management and General	405,699	799,893	39,854	(70,105)	1,175,341
Fundraising	370,501	-	3,994		374,495
Total Expenses	16,243,423	6,853,505	1,277,552	(5,145,994)	19,228,486
Change in Net Assets	(966,847)	(207,889)	(3,529)	(13,539)	(1,191,803)
With Donor Restriction	7,574,240	-	-		7,574,240
Without Donor Restriction	(8,541,086)	(207,889)	(3,529)	(13,539)	(8,766,043)
Net Assets Without Donor Restriction					
Beginning of Year	11,060,969	988,145	29,543		12,078,657
Net Assets End of Year	\$10,094,123	\$ 780,256	\$ 26,014	\$(13,539)	\$ 10,886,854