

**MERCY WITHOUT LIMITS, INC. AND AFFILIATES  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
DECEMBER 31, 2023**

**AND INDEPENDENT AUDITORS' REPORT THEREON**

## TABLE OF CONTENTS

Independent Auditors' Report	1-3
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statement of Cash Flows	6
Consolidated Statement of Functional Expenses	7
Notes to the Consolidated Financial Statements	8 - 15
Supplemental Information	
Consolidating Statement of Financial Position - As of December 31, 2023	16
Consolidating Statement of Activities - For the Year Ended December 31, 2023	17

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Mercy Without Limits, Inc. and Affiliates

### Opinion

We have audited the accompanying consolidated financial statements of Mercy Without Limits, Inc. and Affiliates (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audit and the report of the other auditor, the 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, 2023, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Mercy Without Limits - Turkey, a wholly owned subsidiary, whose statements reflect total assets constituting 15.77 percent of consolidated total assets at December 31, 2023 and total revenues constituting 18.51 percent of consolidated total revenues for the year then ended. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Mercy Without Limits - Turkey, is based solely on the report of the other auditors.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mercy Without Limits, Inc. and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mercy Without Limits, Inc. and Affiliates ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether these consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mercy Without Limits, Inc. and Affiliates' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mercy Without Limits, Inc. and Affiliates' ability to continue as a going concern for a reasonable period of time.

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



### Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in blue ink that reads 'Miller Musmar'.

**MillerMusmar**

Reston, Virginia

February 5, 2025

**MERCY WITHOUT LIMITS, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 6,171,470	\$ 540,965	\$ 6,712,435
Receivables, net	1,819,861	-	1,819,861
Investments	105,420	-	105,420
Investment in Shura Foundation, LLC	65,000	-	65,000
Inventory	-	11,299,416	11,299,416
Prepaid expenses	9,248	-	9,248
Other assets	44	-	44
<b>Total current assets</b>	<b>8,171,043</b>	<b>11,840,381</b>	<b>20,011,424</b>
<b>Non-current assets</b>			
Property and equipment, net	45,188	-	45,188
Right-of-use assets	335,945	-	335,945
Security deposit	4,484	-	4,484
<b>Total non-current assets</b>	<b>385,617</b>	<b>-</b>	<b>385,617</b>
<b>Total assets</b>	<b>\$ 8,556,660</b>	<b>\$ 11,840,381</b>	<b>\$ 20,397,041</b>
<b>Liabilities and Net Assets</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 156,355	\$ -	\$ 156,355
Accrued payroll	67,702	-	67,702
Accrued expenses	46,672	-	46,672
Deferred revenue	2,451,016	-	2,451,016
Lease liability, current	45,522	-	45,522
<b>Total current liabilities</b>	<b>2,767,267</b>	<b>-</b>	<b>2,767,267</b>
<b>Non-current liabilities</b>			
Lease liability, non-current	295,129	-	295,129
<b>Total non-current liabilities</b>	<b>295,129</b>	<b>-</b>	<b>295,129</b>
<b>Total liabilities</b>	<b>3,062,396</b>	<b>-</b>	<b>3,062,396</b>
<b>Net assets</b>			
Net assets without donor restrictions	5,494,264	-	5,494,264
Net assets with donor restrictions	-	11,840,381	11,840,381
<b>Total net assets</b>	<b>5,494,264</b>	<b>11,840,381</b>	<b>17,334,645</b>
<b>Total liabilities and net assets</b>	<b>\$ 8,556,660</b>	<b>\$ 11,840,381</b>	<b>\$ 20,397,041</b>

The accompanying notes are an integral part of the consolidated financial statements.

**MERCY WITHOUT LIMITS, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

---

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and revenue</b>			
Donations and contributions	\$ 1,446,884	\$ 16,722,802	\$ 18,169,686
Grants	70,800	4,288,619	4,359,419
In-kind contributions	-	11,299,416	11,299,416
Unrealized gain on investments	68,149	-	68,149
Other income	12,356	-	12,356
<b>Total support and revenue</b>	<b>1,598,189</b>	<b>32,310,837</b>	<b>33,909,026</b>
<b>Releases from restrictions</b>	<b>25,490,401</b>	<b>(25,490,401)</b>	<b>-</b>
<b>Total revenues</b>	<b>27,088,590</b>	<b>6,820,436</b>	<b>33,909,026</b>
 <b>Expenses</b>			
Program services	22,890,861	-	22,890,861
Management and general	1,423,374	-	1,423,374
Fundraising	1,605,552	-	1,605,552
<b>Total expenses</b>	<b>25,919,787</b>	<b>-</b>	<b>25,919,787</b>
<b>Change in net assets</b>	<b>1,168,803</b>	<b>6,820,436</b>	<b>7,989,239</b>
<b>Net assets, beginning</b>	<b>4,325,461</b>	<b>5,019,945</b>	<b>9,345,406</b>
<b>Net assets, ending</b>	<b>\$ 5,494,264</b>	<b>\$ 11,840,381</b>	<b>\$ 17,334,645</b>

The accompanying notes are an integral part of the consolidated financial statements.

**MERCY WITHOUT LIMITS, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

---

**Cash flows from operating activities**

Change in net assets	\$ 7,989,239
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation expense	37,240
Decrease/(Increase) in assets:	
Receivables	(1,505,087)
Investment in Shura Foundation, LLC	(35,000)
Inventory	(6,279,471)
Prepaid expenses	(8,171)
Right-of-use assets	46,572
Security deposits	(92)
Other assets	1,281
(Decrease)/Increase in liabilities:	
Accounts payable	35,015
Accrued payroll	15,961
Accrued expenses	40,574
Deferred revenue	2,451,016
Lease liability	(43,399)
Net cash provided by operating activities	<u>2,745,678</u>

**Cash flows from investing activities**

Purchase of investments	(105,420)
Purchase of property and equipment	(49,788)
Net cash used in investing activities	<u>(155,208)</u>

Change in cash and cash equivalents	2,590,470
Cash and cash equivalents, beginning	4,121,965
Cash and cash equivalents, ending	<u>\$ 6,712,435</u>

**Supplemental cash flow information related to leases**

Right-of-use lease asset	\$ 46,572
Lease Liability	\$ (43,399)
Operating cash flow from operating leases	\$ 50,782

**MERCY WITHOUT LIMITS, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Services										Supporting Services					
	Education		Emergency Response		FSL & ERO		Healthcare		Protection Program		NIF, WASH & Capacity Building		Program Services	Management and General	Supporting Services	Total
													Total	Fundraising	Total	
Advertising & Promotional	\$ 609	\$ 1,896	\$ 1,139	\$ -	\$ -	\$ 14,094	\$ 1,099	\$ 18,837	\$ 1,061	\$ 452,939	\$ 454,000	\$ 472,837				
Bank Service Charges	12,720	97,590	52,584	1,279	93,098	51,704	308,975	112,792	-	-	112,792	421,767				
Cash Distribution	722,937	638,389	11,483	-	2,606,689	-	3,979,498	-	-	-	-	3,979,498				
Charitable Contributions	158,566	-	500	-	-	-	159,066	-	-	-	-	159,066				
Contract Services	20,419	1,529	193	-	20,755	1,446	44,342	356,217	304,778	660,995	660,995	705,337				
Depreciation	-	-	-	-	-	-	-	37,240	-	-	37,240	37,240				
Domestic Grants	269,000	-	-	14,400	-	-	283,400	-	-	-	-	283,400				
Event Sponsorship	8,500	-	-	-	5,925	-	14,425	-	121,234	121,234	121,234	135,659				
Venue Costs	-	-	-	-	-	-	-	-	125,793	125,793	125,793	125,793				
Food Assistance	821	1,277,315	479,297	-	91,894	5,200	1,854,527	-	-	-	-	1,854,527				
Foreign Currency Exchange Loss	-	-	-	-	-	-	-	2,593	-	-	2,593	2,593				
Fuel	-	83,275	-	-	4,954	-	88,229	-	-	-	-	88,229				
General Office Expense	2,904	7,845	436	-	6,589	4,482	22,256	30,397	-	-	30,397	52,653				
Insurance	-	-	-	-	-	-	-	4,368	-	-	4,368	4,368				
International Grants	125,000	-	219,931	200,000	410,540	12,425	967,896	-	-	-	-	967,896				
Licenses & Permits	-	-	-	-	-	15,000	15,000	9,412	400	9,812	9,812	24,812				
Meals	6,034	9,145	1,776	-	67,103	3,299	87,357	7,502	-	7,502	7,502	94,859				
Medical In-Kind Expenditure	-	-	-	5,119,351	-	-	5,119,351	-	-	-	-	5,119,351				
Membership & Dues	-	-	-	-	-	-	-	30,953	300	30,953	300	31,253				
Payroll, Taxes, and Benefits	1,293,923	252,546	57,859	29,293	1,071,170	771,923	3,476,714	630,139	353,049	983,188	983,188	4,459,902				
Postage & Mailing Services	-	-	-	-	2,500	-	2,500	3,156	36,691	39,847	39,847	42,347				
Printing & Publication	26,290	3,858	6,367	-	72,250	13,836	122,601	9,221	44,940	54,161	54,161	176,762				
Rent	9,459	7,140	1,966	-	74,932	11,575	105,072	91,664	-	91,664	91,664	196,736				
Repairs & Maintenance	13,035	74,022	2	-	431,880	841,371	1,360,310	11,903	-	11,903	11,903	1,372,213				
Scholarships	305,139	-	-	-	4,800	-	309,939	-	-	-	-	309,939				
Supplies & Small Equipment	110,121	814,927	30,251	106,202	294,361	441,664	1,797,526	46,632	192	46,632	192	46,824	1,844,350			
Transportation	8,325	31,437	3,700	-	121,591	27,500	192,553	87	-	87	87	192,640				
Travel	1,275	3,558	172	-	6,116	2,299	13,420	12,312	165,236	177,548	177,548	190,968				
Utilities	511	252	39	-	7,118	461	8,381	25,725	-	25,725	25,725	34,106				
WASH Services	1,338	80,875	41	-	546	1,702,816	1,785,616	-	-	-	-	1,785,616				
Water Well Costs	-	-	-	-	-	753,070	753,070	-	-	-	-	753,070				
Total expenses	\$ 3,096,926	\$ 3,385,599	\$ 867,736	\$ 5,470,525	\$ 5,408,905	\$ 4,661,170	\$ 22,890,861	\$ 1,423,374	\$ 1,605,552	\$ 3,028,926	\$ 3,028,926	\$ 25,919,787				

The accompanying notes are an integral part of the consolidated financial statements.

**MERCY WITHOUT LIMITS, INC. AND AFFILIATES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2023**

---

**1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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's primary mission is to provide humanitarian aid, including health programs, educational support, and basic necessities such as food and shelter, to thousands of Syrian children orphaned by the ongoing conflict. The Organization also extends its assistance to other vulnerable communities around the world.

The organization has five board members and has two affiliated entities located in Turkey and Jordan. These affiliates are legally registered and licensed to operate in their respective countries. Mercy Without Limits USA, based in Overland Park, Kansas, is responsible for fundraising, administration, and project coordination, while the affiliates primarily focus on implementing the Organization's strategic initiatives.

- Mercy Without Limits - Turkey: The Affiliate primarily supports educational institutions in Syria, including rebuilding schools and paying teacher's salaries.
- Mercy Without Limits - Jordan: The Affiliate provides emergency assistance to orphans and widows, offering food, shelter, supplies, and medical aid. The entity also delivers humanitarian relief to needy families.

The Organization also operates in Iraq, Bangladesh, Ghana, Sierra Leone, and other countries and provides similar assistance.

For the year ended December 31, 2023, the Organization operated the following programs:

- Education Program: The Organization provides support for Aleppo University in the cities of Daraa and Aleppo. The program extends educational opportunities for Syrian refugees and subsidizes many informal elementary, middle, and high schools across rebel-controlled cities in Syria, where formal schools have become insecure. The Organization also facilitates a scholarship program called "Books, Not Bombs" in partnership with the University of Washington, Columbia University, Eastern Michigan University, University of California Berkeley, and others.
- Emergency Response: The Organization provides rapid and efficient emergency relief to communities affected by crises, both domestically and internationally. This includes delivering essential items such as food, water, and shelter.
- FSI & ERO: The Organization operates the Food Security Initiatives (FSI) program, providing nourishment and financial stability to those in need, along with the Emergency Relief Operations (ERO) aimed at addressing urgent humanitarian needs.
- Healthcare Program: This program addresses immediate healthcare needs in communities facing medical crises. Efforts include rebuilding healthcare facilities, supporting operations, and supplying medicines.

**MERCY WITHOUT LIMITS, INC. AND AFFILIATES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2023**

---

- Protection Program: The AMAN program is a comprehensive orphan support initiative. It provides orphaned children with nourishment, shelter, healthcare, and education.
- WASH and Capacity Building: The Water, Sanitation, and Hygiene (WASH) program constructs water infrastructure to ensure access to safe water in drought and conflict affected regions. The Capacity Building initiative provides communities with training and resources to maintain sanitary conditions and utilize local resources effectively.
- Special Project: The Organization knows that at certain times of the 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 provide funding for Qurbani, food baskets during Ramadan and Eid, and clothing, heaters, blankets, and winter coats for children and adults during winter months and natural disasters.

**Principles of Consolidation**

The consolidated financial statements include the financial statements of Mercy Without Limits, Inc. and its Affiliates, Mercy Without Limits - Turkey and Mercy Without Limits - Jordan, collectively referred to as “the Organization”. Transactions and balances between Mercy Without Limits, Inc. and its Affiliates have been eliminated in consolidation.

**Basis of Accounting**

The Organization prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of 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.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents. At December 31, 2023, cash and cash equivalents consisted of checking accounts.

**Investments**

The Organization's investments are presented in accordance with ASC 958-320 Not-for-Profit Entities, Investments-Debt and Equity Securities. Investments in equity and debt securities with readily determinable fair values are reported at fair value with gains and losses included in the statement of activities. All income and losses related to the investments are reflected in the statement of activities.

**MERCY WITHOUT LIMITS, INC. AND AFFILIATES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2023**

---

**Contributions Receivable**

Contributions receivables consist of promises to give made by individuals, foundations, and corporate donors. The Organization evaluates its receivables and establishes an allowance for doubtful accounts according to its historical collections. Based on management's evaluation of collectability of the receivables, no allowance for doubtful accounts was recorded for the year ended December 31, 2023.

**Property and Equipment**

Property and equipment are capitalized and stated at cost. Assets acquired through donation are recorded at their estimated fair value at the date of the gift. Assets with values greater than or equal to \$1,000 and estimated useful lives extending beyond one year are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the assets which range from three to five years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expenses as incurred.

**Leases**

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, which requires lessees to recognize almost all of their leases on the balance sheet by recording a right-of-use asset and lease liability. The guidance also requires improved disclosures to help users of the financial statements better understand the amount, timing, and uncertainty of cash flows arising from leases. Additionally, the Organization elected to apply practical expedients allowing it to not reassess: 1) whether any expired or existing contracts previously assessed as not containing leases are or contain leases; 2) the lease classification for any expired or existing leases; and 3) initial direct costs for any existing leases.

The Organization determines if an arrangement is a lease at its inception. Operating lease right-of-use ("ROU") assets are included in "Non-current assets," and operating lease liabilities are included in "Current liabilities" and "Non-current liabilities" as of December 31, 2023 on the balance sheet.

A rate implicit in the lease, when readily determinable, is used in arriving at the present value of lease payments. As most of the Organization's leases do not provide an implicit rate, the Organization uses an incremental borrowing rate based on information available at lease commencement date for most of its leases. The incremental borrowing rate is based on the Organization's U.S. dollar denominated senior unsecured borrowing curves using public credit ratings adjusted down to a collateralized basis using a combination of recovery rate and credit notching approaches and translated into major contract currencies as applicable. Since the Organization's borrowing rate is not readily available, the Organization elected to use the risk-free rate, which is the 20-year US Treasury rate.

The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that it will exercise that option. The Organization does not separate lease components from non-lease components across all lease categories. Instead, each separate lease component and non-lease component are accounted for as a single lease component. Lease expense for operating leases is recognized on a straight-line basis. The Organization did not have variable leases or finance leases.

**MERCY WITHOUT LIMITS, INC. AND AFFILIATES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2023**

---

**Net Assets**

The Organization follows ASC 958, *Not-for-Profit Entities*. Under ASC 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*, the Organization is required to report information regarding its financial position and activities according to the following classes:

**Net assets without donor restrictions:**

Net assets without donor restrictions include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation.

**Net assets with donor restrictions:**

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions.

**Revenue Recognition**

*Grants and contributions* - The organization recognizes grants and contributions, including unconditional promises to give in the period received. Contributions received are considered to be available for use unless specifically restricted by the donor. Amounts received that are designated for a future period or are restricted by the donor for specific purposes are reported as contributions with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as contributions without donor restrictions.

*In-kind contributions* - are recorded at fair value of the services or items received at the time of the donation, if the items received enhance nonfinancial assets and would otherwise need to be purchased by the Organization.

**Deferred Revenue**

Deferred revenue represents cash the Organization received where services have not yet been performed, thus does not meet criteria to be recognized as revenue. The excess cash received is recorded as a liability on the accompanying consolidated statement of financial position.

**Functional Expense Allocation**

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.

**Tax Exempt Status**

The Organization is exempt from income tax under section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. Currently, the Organization has no obligation for any unrelated business income tax.

**MERCY WITHOUT LIMITS, INC. AND AFFILIATES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2023**

---

Management has assessed the Organization's tax positions and concluded that there are no uncertain tax positions that require recognition or disclosure in the financial statements. With few exceptions, years ending on or before December 31, 2019 are no longer subject to examination by federal and state taxing authorities.

**2) LIQUIDITY**

The Organization has a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	\$ 6,171,470
Investments	105,420
Receivables	1,819,861
Less: current liabilities	(2,767,267)
<b>Total financial assets</b>	<b><u>\$ 5,329,484</u></b>

**3) CONCENTRATION OF RISK**

Financial instruments that subject the Organization to a concentration of credit risk consist of deposits in accounts with financial institutions that exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000. As of December 31, 2023, cash and cash equivalents exceeding the FDIC-insured limit were \$2,664,247. The at-risk amount changes daily based on the actual account balances with the respective financial institution. The Commission does not believe it is exposed to any significant credit risk on the uninsured amounts, nor has the Commission experienced any losses in such accounts.

**4) INVESTMENTS**

The Organization's investments consist of the following at December 31:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 93,955	\$ 93,955	\$ -	\$ -
Exchange-Traded Products	11,465	11,465	-	-
<b>Total</b>	<b><u>\$ 105,420</u></b>	<b><u>\$ 105,420</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

**MERCY WITHOUT LIMITS, INC. AND AFFILIATES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2023**

---

**5) FAIR VALUE MEASUREMENT**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly, are considered level 2 measurements.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value of the Organization's investments is as follows at December 31:

	<u>Fair Market</u> <u>Value</u>
Equities	\$ 93,955
Exchange-Traded Products	11,465
<b>Total investments</b>	<b><u>\$ 105,420</u></b>

**6) RECEIVABLES, NET**

Receivables consist of the following as of December 31:

Contributions receivable	\$ 1,819,861
Less: Allowance for doubtful accounts	-
<b>Receivables, net</b>	<b><u>\$ 1,819,861</u></b>

There was no bad debt expense for the year ended December 31, 2023.

**7) INVESTMENTS IN SHURA FOUNDATION, LLC**

The Organization holds a membership interest in a real estate holding partnership. As of December 31, 2023, the Organization's total membership interest represents 1.5% of the total membership interest and total cost of the Organization's membership interest in the partnership is \$65,000. These interests are classified as non-financial assets and are recorded at cost.

**MERCY WITHOUT LIMITS, INC. AND AFFILIATES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2023**

---

**8) PROPERTY AND EQUIPMENT, NET**

Property and equipment, net consisted of the following at December 31:

Machinery and equipment	\$ 161,268
Furniture and fixtures	53,452
Lease improvements	4,929
<hr/>	
Total	219,649
Less: Accumulated depreciation	(174,461)
<hr/>	
Property and equipment, net	<u><u>\$ 45,188</u></u>

Depreciation expense for the year ended December 31, 2023 was \$37,240.

**9) IN-KIND CONTRIBUTIONS**

During the year ended December 31, 2023, the Organization received donated pharmaceutical and medical supplies from various non-profits. In-kind contributions and the corresponding inventory are reported at fair market value in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605, *Not-for-Profit Entities - Revenue Recognition*, reflecting their value as of the donation date. The total value of the received donations for the year was \$11,299,416.

**10) NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions represent contributions that are limited in use by the Organization in accordance with donor-imposed stipulations. As of December 31, 2023, the Organization's net assets with donor restrictions total \$11,840,381, which includes undistributed pharmaceutical and medical supplies held in inventory of \$11,299,416. The restriction will be released as the supplies are distributed for their intended purpose.

Additionally, net assets with donor restrictions include cash contributions totaling \$540,965, which are restricted for specific programmatic purposes. These funds consist of \$208,480 for education programs, \$126,736 for emergency and relief efforts, and \$205,749 for the protection program. These restrictions will be released as the funds are expended in accordance with donor stipulations.

**MERCY WITHOUT LIMITS, INC. AND AFFILIATES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2023**

---

**11) OPERATING LEASE**

The Organization has lease commitments under office operating lease expiring through fiscal year 2030. The total lease expense was \$69,804 for the year-ended December 31, 2023. The remaining lease term has a weighted average of 6.67 years, and the discount rate has a weighted average of 2.05%.

Future minimum lease payments under all operating leases are as follows:

2024	\$ 51,994
2025	53,205
2026	54,417
2027	55,628
2028	56,840
Thereafter	<u>92,326</u>
Total undiscounted lease payments	364,410
Less: present value discount	<u>(23,759)</u>
Total lease liabilities	<u><u>\$ 340,651</u></u>

**12) RELATED PARTY TRANSACTIONS**

The Organization provides operating advances to the Affiliate offices corresponding to each approved program. During the fiscal year ending December 31, 2023, the advance funds transferred to the Turkey and Jordan offices were \$8,434,334 and \$1,004,971, respectively.

**13) SUBSEQUENT EVENTS**

During 2024, the inventoried pharmaceuticals and medical supplies valued at \$11,299,416 (Note 9) were distributed.

The Organization has evaluated subsequent events through February 5, 2025, the date the financial statements were available to be issued. There were no additional events noted that required adjustments or disclosure in the financial statements.

## Supplemental Information

**MERCY WITHOUT LIMITS, INC. AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2023**

	USA	Turkey	Jordan	Total
	Assets			
Current assets				
Cash and cash equivalents	\$ 3,668,184	\$ 3,042,191	\$ 2,060	\$ 6,712,435
Receivables	1,698,892	120,969	-	1,819,861
Investments	105,420	-	-	105,420
Investment in Shura Foundation, LLC	65,000	-	-	65,000
Inventory	11,299,416	-	-	11,299,416
Prepaid expenses	-	9,248	-	9,248
Other assets	-	-	44	44
<b>Total current assets</b>	<b>16,836,912</b>	<b>3,172,408</b>	<b>2,104</b>	<b>20,011,424</b>
Non-current assets				
Property and equipment, net	4,550	40,638	-	45,188
Right-of-use assets	335,945	-	-	335,945
Security deposit	-	4,484	-	4,484
<b>Total non-current assets</b>	<b>340,495</b>	<b>45,122</b>	<b>-</b>	<b>385,617</b>
<b>Total assets</b>	<b>\$ 17,177,407</b>	<b>\$ 3,217,530</b>	<b>\$ 2,104</b>	<b>\$ 20,397,041</b>
<b>Liabilities and Net Assets</b>				
Current liabilities				
Accounts payable	\$ 130,624	\$ 25,731	\$ -	\$ 156,355
Accrued payroll	18,651	49,051	-	67,702
Accrued expenses	40,574	6,098	-	46,672
Deferred revenue	-	2,451,016	-	2,451,016
Lease liability, current	45,522	-	-	45,522
<b>Total current liabilities</b>	<b>235,371</b>	<b>2,531,896</b>	<b>-</b>	<b>2,767,267</b>
Non-current liabilities				
Lease liability, non-current	295,129	-	-	295,129
<b>Total non-current liabilities</b>	<b>295,129</b>	<b>-</b>	<b>-</b>	<b>295,129</b>
<b>Total liabilities</b>	<b>530,500</b>	<b>2,531,896</b>	<b>-</b>	<b>3,062,396</b>
Net assets				
Net assets without donor restrictions	5,048,060	444,652	2,104	5,494,816
Net assets with donor restrictions	11,598,847	240,982	-	11,839,829
<b>Total net assets</b>	<b>16,646,907</b>	<b>685,634</b>	<b>2,104</b>	<b>17,334,645</b>
<b>Total liabilities and net assets</b>	<b>\$ 17,177,407</b>	<b>\$ 3,217,530</b>	<b>\$ 2,104</b>	<b>\$ 20,397,041</b>

**MERCY WITHOUT LIMITS, INC. AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>USA</u>	<u>Turkey</u>	<u>Jordan</u>	<u>Elimination</u>	<u>Total</u>
<b>Revenue</b>					
Donations and contributions	\$ 11,895,764	\$ 14,707,686	\$ 1,005,541	\$ (9,439,305)	\$ 18,169,686
Grants	4,359,419	-	-	-	4,359,419
In-kind contributions	11,299,416	-	-	-	11,299,416
Unrealized gain on investments	68,149	-	-	-	68,149
Other income	10,708	1,648	-	-	12,356
<b>Total revenue</b>	<b><u>27,633,456</u></b>	<b><u>14,709,334</u></b>	<b><u>1,005,541</u></b>	<b><u>(9,439,305)</u></b>	<b><u>33,909,026</u></b>
<b>Expenses</b>					
Program services	17,567,577	13,772,137	990,452	(9,439,305)	22,890,861
Management and general	775,119	621,028	27,227	-	1,423,374
Fundraising	1,605,552	-	-	-	1,605,552
<b>Total expenses</b>	<b><u>19,948,248</u></b>	<b><u>14,393,165</u></b>	<b><u>1,017,679</u></b>	<b><u>(9,439,305)</u></b>	<b><u>25,919,787</u></b>
Change in net assets	7,685,208	316,169	(12,138)	-	7,989,239
Net assets, beginning	<u>8,961,699</u>	<u>369,465</u>	<u>14,242</u>	<u>-</u>	<u>9,345,406</u>
<b>Net assets, ending</b>	<b><u>\$ 16,646,907</u></b>	<b><u>\$ 685,634</u></b>	<b><u>\$ 2,104</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 17,334,645</u></b>

See independent auditors' report