UNITED METHODIST COMMITTEE ON RELIEF OF THE GENERAL BOARD OF GLOBAL MINISTRIES OF THE UNITED METHODIST CHURCH AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES

As of and for the Years Ended December 31, 2015 and 2014

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

UNITED METHODIST COMMITTEE ON RELIEF OF THE GENERAL BOARD OF GLOBAL MINISTRIES OF THE UNITED METHODIST CHURCH AND AFFILIATES

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Cherry Bekaert LLP
CPAs & Advisors

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The Committee on Audit and Review of the
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The United Methodist Church

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the United Methodist Committee on Relief of the General Board of Global Ministries of the United Methodist Church and affiliates (collectively "UMCOR") (a non-profit organization), which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of a certain division, UMCOR at Sager Brown, whose statements reflect total assets of $2,134,247 and $1,744,556 as of December 31, 2015 and 2014, respectively and total support and revenues of $2,685,046 and $2,305,252 for the years then ended, respectively. We did not audit the financial statements of the wholly-owned subsidiary, Aregak Universal Credit Organization CJSC ("Aregak"), whose statements reflect total assets of $35,997,985 as of December 31, 2014 and total support and revenues of $12,583,008 for the year then ended. Those statements were audited by other auditors, whose reports has been furnished to us, and our opinion, insofar as it relates to amounts included for UMCOR at Sager Brown and Aregak, is based solely on the reports of the other auditors. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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.

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 consolidated 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 audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of UMCOR and affiliates as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental schedules of computation of the indirect cost rate, relief project expenses, relief project expenses – detail, and functional expenses, as listed in the table of contents, are presented for the purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. This information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Cherry Bekaert LLP

Atlanta, Georgia
August 5, 2016

UNITED METHODIST COMMITTEE ON RELIEF OF THE GENERAL BOARD OF GLOBAL MINISTRIES OF THE UNITED METHODIST CHURCH AND AFFILIATES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2015 AND 2014

	2015	2014
ASSETS		
Cash and cash equivalents	$ 9,500,319	$ 7,599,595
Investments	79,271,108	95,295,930
Investments in securities of United Methodist Development Fund	1,736,115	1,736,112
Receivables:		
Advance Special Gifts	6,269,202	7,634,591
One Great Hour of Sharing	231,149	224,360
Accrued receivables	2,240,524	1,262,483
Grants and contracts	1,419,915	1,430,904
Other	2,306,724	3,274,327
Program loans, net	-	32,162,518
Due from General Board of Global Ministries and related entities	369,239	16,462
Inventory and other assets	20,711	250,030
Buildings and equipment, net	2,257,467	2,403,375
Endowment funds held by the General Board of Global Ministries	1,444,065	1,219,347
Perpetual trusts held by others	1,739,146	1,479,489
Total Assets	$ 108,805,684	$ 155,989,523
LIABILITIES AND NET ASSETS		
Liabilities:		
Due to General Board of Global Ministries and related entities	$ 179,984	$ 71,123
Accounts payable and accrued expenses	13,562,654	12,230,842
Borrowings for program loans	-	434,372
Accounts held on behalf of others	1,535,183	2,958,524
Deferred revenue and amounts held under grants and contracts	338,125	3,214,356
Total Liabilities	15,615,946	18,909,217
Net Assets		
Unrestricted:		
Undesignated	31,499,350	31,757,155
Designated for Aregak	-	32,534,856
Designated for Sager Brown	2,108,197	2,094,383
Designated for National Justice for Our Neighbors	96,187	132,019
Other designated	624,385	788,719
Total Unrestricted Net Assets	34,328,119	67,307,132
Temporarily restricted net assets	54,836,313	66,232,243
Permanently restricted net assets	4,025,306	3,540,931
Total Net Assets	93,189,738	137,080,306
Total Liabilities and Net Assets	$ 108,805,684	$ 155,989,523

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

UNITED METHODIST COMMITTEE ON RELIEF OF THE GENERAL BOARD OF GLOBAL MINISTRIES OF THE UNITED METHODIST CHURCH AND AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2015

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating Revenue:				
General Funds of the United				
Methodist Church:				
Advance Special Gifts	$ 6,004,046	$ 11,272,392	$ -	$ 17,276,438
One Great Hour of Sharing	2,681,017	-	-	2,681,017
World Service Allocation	-	61,853	-	61,853
Donated commodities	207,651	-	-	207,651
Grants and contracts	6,436,812	-	-	6,436,812
Gifts and bequests	2,102,741	5,653,070	-	7,755,811
Sager-Brown program income	1,108,159	-	-	1,108,159
Aregak program income	9,146,741	-	-	9,146,741
Other income	1,216,187	-	-	1,216,187
	28,903,354	16,987,315	-	45,890,669
Net assets released from restrictions	28,021,304	(28,021,304)	-	-
Total Operating Revenue	56,924,658	(11,033,989)	-	45,890,669
Operating Expenses:				
Program Services:				
Special ministries	7,890,441	-	-	7,890,441
Advance special projects	25,078,223	-	-	25,078,223
Relief projects (grant funds)	8,337,097	-	-	8,337,097
Health programs	3,593,322	-	-	3,593,322
Aregak program	6,460,645	-	-	6,460,645
Total Program Services	51,359,728	-	-	51,359,728
Supporting Services:				
Management and general	3,600,884	-	-	3,600,884
Fundraising	553,706	-	-	553,706
Total Supporting Services	4,154,590	-	-	4,154,590
Total Operating Expenses	55,514,318	-	-	55,514,318
Changes in net assets from operating activities	1,410,340	(11,033,989)	-	(9,623,649)
Nonoperating activities:				
Depreciation in fair value of investments, net	(1,799,377)	(361,941)	-	(2,161,318)
Depreciation in fair value of perpetual trusts, net	-	-	(119,219)	(119,219)
Endowment contributions	-	-	603,594	603,594
Other	1,282,559	-	-	1,282,559
Changes in net assets	893,522	(11,395,930)	484,375	(10,018,033)
Transfer of net assets of Aregak (Note 4)	(33,872,535)	-	-	(33,872,535)
Net assets, beginning of year	67,307,132	66,232,243	3,540,931	137,080,306
Net assets, end of year	$ 34,328,119	$ 54,836,313	$ 4,025,306	$ 93,189,738

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

UNITED METHODIST COMMITTEE ON RELIEF OF THE GENERAL BOARD OF GLOBAL MINISTRIES OF THE UNITED METHODIST CHURCH AND AFFILIATES

CONSOLIDATED STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED DECEMBER 31, 2014

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating Revenue:				
General Funds of the United Methodist Church:				
Advance Special Gifts	$ 6,851,580	$ 10,634,052	$ -	$ 17,485,632
One Great Hour of Sharing	2,837,847	-	-	2,837,847
World Service Allocation	-	61,131	-	61,131
Donated commodities	7,702,861	-	-	7,702,861
Grants and contracts	9,305,766	-	-	9,305,766
Gifts and bequests	1,578,704	1,175,047	-	2,753,751
Sager-Brown program income	1,018,814	-	-	1,018,814
Aregak program income	10,132,367	-	-	10,132,367
Other income	362,307	-	-	362,307
	39,790,246	11,870,230	-	51,660,476
Net assets released from restrictions	21,774,665	(21,774,665)	-	-
Total Operating Revenue	61,564,911	(9,904,435)	-	51,660,476
Operating Expenses:				
Program Services:				
Special ministries	8,454,954	-	-	8,454,954
Advance special projects	18,309,400	-	-	18,309,400
Relief projects (grant funds)	17,735,628	-	-	17,735,628
Health programs	3,155,483	-	-	3,155,483
Aregak program	5,882,592	-	-	5,882,592
Total Program Services	53,538,057	-	-	53,538,057
Supporting Services:				
Management and general	3,810,354	-	-	3,810,354
Fundraising	583,111	-	-	583,111
Total Supporting Services	4,393,465	-	-	4,393,465
Total Operating Expenses	57,931,522	-	-	57,931,522
Changes in net assets from operating activities	3,633,389	(9,904,435)	-	(6,271,046)
Nonoperating activities:				
Appreciation in fair value of investments, net	3,195,601	597,227	-	3,792,828
Appreciation in fair value of perpetual trusts, net	-	-	6,104	6,104
Endowment contributions	-	-	485,907	485,907
Other	(4,682,186)	-	-	(4,682,186)
Changes in net assets	2,146,804	(9,307,208)	492,011	(6,668,393)
Net assets, beginning of year	65,160,328	75,539,451	3,048,920	143,748,699
Net assets, end of year	$ 67,307,132	$ 66,232,243	$ 3,540,931	$ 137,080,306

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

UNITED METHODIST COMMITTEE ON RELIEF OF
THE GENERAL BOARD OF GLOBAL MINISTRIES OF
THE UNITED METHODIST CHURCH AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
Cash flows from operating activities:		
Change in net assets	$ (10,018,033)	$ (6,668,393)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Net depreciation (appreciation) in fair value of investments	2,161,318	(3,792,828)
Net depreciation (appreciation) in fair value of perpetual trusts	119,219	(6,104)
Depreciation	303,457	207,732
Donated commodities	(207,651)	(7,702,861)
Changes in operating assets and liabilities:		
Receivables	1,359,151	4,411,522
Due to/from General Board of Global Ministries	(243,916)	190,025
Inventory and other assets	436,970	8,716,664
Endowment funds held by Global Ministries	(224,718)	(1,219,347)
Perpetual trusts held by others	(378,876)	(245,582)
Accounts payable and accrued expenses	1,331,812	(1,081,868)
Accounts held on behalf of others	(1,423,341)	16,263
Deferred revenue and amounts held under grants and contracts	(2,876,231)	(1,793,323)
Net cash flows from operating activities	(9,660,839)	(8,968,100)
Cash flows from investing activities:		
Purchases of building and equipment	(157,549)	(180,464)
Purchases of investments	(6,000,000)	(39,417,700)
Proceeds from sales of investments	19,863,501	46,500,000
Change in Aregak program loans receivable	(1,710,017)	1,352,941
Net cash flows from investing activities	11,995,935	8,254,777
Cash flows from financing activities:		
Repayments on borrowings for program loans	(434,372)	(419,586)
Net cash from financing activities	(434,372)	(419,586)
Net change in cash and cash equivalents	1,900,724	(1,132,909)
Cash and cash equivalents, beginning of year	7,599,595	8,732,504
Cash and cash equivalents, end of year	$ 9,500,319	$ 7,599,595
Supplemental disclosure of noncash activities:		
Transfer of net assets of Aregak (Note 4)	$ 33,872,535	$ -

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

Note 1—Nature of the organization and principles of consolidation

United Methodist Committee on Relief of the General Board of Global Ministries of the United Methodist Church ("UMCOR"), a tax-exempt, not-for-profit organization, was established by the General Conference of the United Methodist Church to provide assistance to persons in need through programs of relief, rehabilitation, service to refugees, and renewal of life.

The consolidated financial statements of UMCOR include the accounts of UMCOR and its wholly-owned subsidiary, Aregak UCO CJSC ("Aregak"). The consolidated financial statements also include the accounts of National Justice for our Neighbors of the General Board of Global Ministries of the United Methodist Church ("NJFON"), of which UMCOR is the sole member. All intercompany transactions and amounts are eliminated in consolidation. Aregak was formed as a microlending program in Armenia whose purpose is to support the economic empowerment and improvement of living standards of low income families and small and medium enterprises. NJFON is a tax-exempt, not for profit organization which was established to administer immigration programs. UMCOR provides NJFON shared services.

In January 1998, UMCOR and the General Board of Global Ministries of the United Methodist Church ("Global Ministries") organized UMCOR at Sager Brown as a material relief program of UMCOR. The purpose of UMCOR at Sager Brown is to operate the facilities of Sager Brown and the UMCOR depot in support of worldwide ministries, as well as continued development of community ministries. UMCOR at Sager Brown operates as a division of UMCOR and is supported primarily through funding by UMCOR and revenues generated from ministries carried out related to volunteer depot staffing and disaster relief projects.

Note 2—Summary of significant accounting policies

Basis of Presentation – The consolidated financial statements of UMCOR have been prepared on the accrual basis of accounting and are presented in conformity with accounting principles generally accepted in the United States of America ("GAAP"). UMCOR is required to report information regarding its consolidated financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

UMCOR considers the net change in fair value of financial instruments, endowment contributions, and perpetual trust contributions to be nonoperating activities.

Cash and Cash Equivalents – Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less that are readily convertible to known amounts of cash, except for short-term investments held by UMCOR's investment managers as part of a long-term strategy. UMCOR places its cash and cash equivalents with high credit quality financial institutions whose credit ratings are monitored by management to minimize credit risk. At times, UMCOR may have cash and cash equivalents at a financial institution in excess of federally insured limits.

Investments – All investments in debt and equity securities with a readily determinable market value are reported at fair value with gains and losses included in the statements of activities based on quotations obtained from national securities exchanges.

Note 2—Summary of significant accounting policies (continued)

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated in the values of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in UMCOR's consolidated financial statements.

Buildings and Equipment – Buildings and equipment are recorded at the cost of acquisition if purchased, or at fair value at the date of gift. It is UMCOR's policy to capitalize expenditures for equipment in excess of $2,500; purchases which do not exceed this amount, as well as routine repairs and maintenance, are expensed as incurred. Buildings and equipment are depreciated as follows:

Office equipment	5 - 12 years
Vehicles	5 - 10 years
Buildings	25 years
Leasehold improvements	10 - 20 years

Program Loans – As part of its relief efforts, UMCOR, through Aregak, provides loans, principally supporting women, micro-urban and rural businesses, and minorities. Loans to customers that Aregak intends to hold until maturity are carried at outstanding principal balances plus accrued interest, net of deferred loan origination fees. Interest income is accrued on the principal balance and fees are amortized as an adjustment to the loan yield over the term of the related loans.

Allowance for Loan Losses – The allowance for loan losses totaled $607,000 at December 31, 2014. The allowance for loan losses is comprised of two components: probable credit losses inherent in the loan portfolio and those losses specifically identified. Changes in the allowance for loan losses are recorded in the statement of activities in Aregak program operating expenses for the provision for loan losses and the provision on past due interest.

Many factors can affect Aregak's estimate of the allowance for loan losses, including volatility of default probabilities, rating migrations, and estimated loss severity. The component of the allowance representing probable losses inherent in the portfolio is for loans not specifically identified as impaired which, on a portfolio basis, are considered to contain probable inherent loss. The estimate of this component of the allowance for the consumer portfolio involves applying historical loss experience, adjusted to reflect current market conditions, to homogenous loans based on risk ratings and product types. Aregak considers a loan impaired when, based on current information and events, it is probable that Aregak will be unable to collect the amounts due according to the contractual terms of the loan agreement.

For non-collateral dependent impaired loans, impairment charges are measured using the present value of estimated future cash flows discounted at the loans original effective interest rate. For collateral dependent impaired loans, impairment charges are measured using the fair value of the collateral.

A loan is classified as non-performing no later than when the contractual payments of principal and/or interest are more than 90 days past due. For non-performing loans, an allowance is recorded for any accrued but unpaid interest at the date the loan is classified as non-performing, resulting in a charge to the statement of activities. On a regular basis thereafter, the outstanding principal balance is evaluated for collectability and allowances are established, as necessary. A loan can be further downgraded to non-interest earnings when the collection of interest is considered so doubtful that further accrual of interest is deemed inappropriate.

Note 2—Summary of significant accounting policies (continued)

Write-off of a loan occurs when it is considered probable that there is no possibility of recovering the outstanding principal. Recoveries of loans previously written off are recorded based on the cash received. The amortization of net loan fees or costs on impaired loans is generally discontinued during the periods in which matured and unpaid interest or principal is outstanding. Interest collected on non-performing loans and non-interest-earnings loans is accounted for using the cash basis. Generally, a nonperforming loan may be restored to performing status only when delinquent principal and interest are brought up to date in accordance with the terms of the loan agreement and when certain performance criteria are met.

Bequests and Other Contributions – Contributions, which include unconditional promises to give, are recognized as revenue when received. Bequest income is recorded when the will is declared valid. Contributions received on behalf of a specified unaffiliated beneficiary are recorded as a liability to the specified beneficiary concurrent with recognition of the assets received from the donor.

Perpetual Trusts Held by Others – UMCOR is the beneficiary of perpetual irrevocable trusts held and administered by independent trustees. Under the terms of the trusts, UMCOR has the irrevocable right to receive the income earned on the trust assets in perpetuity. The fair value of the beneficial interest in these trusts is recognized as an asset and as a permanently restricted contribution at the date the trust is established. UMCOR’s estimate of fair value is based on fair value information received from the trustees. The trust assets consist of, but are not limited to, cash and cash equivalents, corporate and government bonds, mutual funds, and equity securities. These assets are not subject to the control or direction of UMCOR. Net realized and unrealized gains and losses, of which are not distributed by the trusts, are recorded in permanently restricted net assets in the statements of activities as designated by the donor.

Grants and Contracts – UMCOR receives funding under grants and contracts principally from federal government sources, for direct and indirect program costs. If grants and contracts are deemed to be exchange transactions, revenue is recognized as expenses are incurred. Grants and contracts receivable represent amounts due from funding organizations for reimbursable expenses incurred. Deferred revenue and amounts held under grants and contracts represent cash received in advance of incurring the related expenses, as well as donated commodities held in inventory. For certain grants that are non-exchange transactions, revenue is recognized in full upon receipt of grant funding.

Net Assets – Unrestricted net assets represent resources over which the board of directors has full discretion with respect to use. Temporarily restricted net assets represent resources, which have been time- and/or purpose-restricted by the specific donor. Permanently restricted net assets represent contributions and other gifts which require that the corpus be maintained intact and that only the income be used as specified by the donor.

When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Expenses are reported as decreases in unrestricted net assets. New York State law (substantially in conformity with the Uniform Management of Institutional Funds Act) authorizes expenditures of appreciation (both realized and unrealized) in the value of endowment funds subject to a standard of business care and prudence. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by donors or State law.

Note 2—Summary of significant accounting policies (continued)

Revenue Recognition – Revenue from exchange transactions, investment activities, and other non-contribution related revenue are recognized as earned. Contributions are recognized as revenue when received and are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Donated Commodities – Donated commodities, which principally represent pharmaceuticals donated to UMCOR's relief projects generally through other not-for-profit organizations, are recorded at fair value upon receipt in the accompanying consolidated statements of financial position as inventory and deferred revenue under grants and contracts and are included in donated commodities revenue and relief projects expenses in the accompanying consolidated statements of activities upon distribution.

Income Taxes – UMCOR is covered under The General Council on Finance and Administration of the United Methodist Church ("GCFA") group determination letter from the Internal Revenue Service indicating that it is a nonprofit corporation and, except for taxes pertaining to unrelated business income, is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. UMCOR had no unrelated business income during the years ended December 31, 2015 and 2014.

UMCOR accounts for the effect of any uncertain tax positions based on a more likely than not threshold to the recognition of the tax positions being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. Tax positions for UMCOR include, but are not limited to, the tax-exempt status and determination of whether income is subject to unrelated business income tax; however, UMCOR has determined that such tax positions do not result in an uncertainty requiring recognition.

Aregak pays taxes on its income under the taxation system in the Republic of Armenia.

Concentrations of Credit Risk – Financial instruments which potentially subject UMCOR to concentrations of credit risk consist principally of cash and cash equivalents and investments held by UMCOR and General Board of Global Ministries of the United Methodist Church ("Global Ministries"). Cash and cash equivalents at December 31, 2015 and 2014 includes cash, demand deposits, and short-term investments at financial institutions which management believes are high quality institutions. The cash and cash equivalents possess credit risk to the extent they exceed federally insured limits. The exposure to concentrations of credit risk relative to securities is dependent on UMCOR's investment objectives and policies. Credit risk also extends to uncollateralized receivables and program loans, net of allowances.

Fair Value of Financial Instruments – UMCOR follows Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures,* which establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about the use of fair value measures. Assets recorded at fair value in the consolidated statements of financial position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs, as defined by ASC 820, are as follows:

> Level 1 – Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Note 2—Summary of significant accounting policies (continued)

Level 2 – Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.

Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect UMCOR's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

UMCOR's financial instruments consist of cash equivalents, investments, investments in securities of the United Methodists Development Fund, receivables, perpetual trusts held by others, accounts payable and accrued expenses, and borrowings for program loans. The recorded values of cash equivalents, receivables, accounts payable, and accrued expenses approximate their fair values based on their short-term nature. The estimated fair values of program loans and borrowings for program loans approximates their carrying values as the respective interest rates approximate market rates. Investments, investments in debt securities, and perpetual trusts held by other are recorded at fair value.

Aregak Functional and Reporting Currency – In accordance with the Armenian legislation, the primary account records of Aregak are maintained in the Armenian Dram ("AMD"). The AMD's not a convertible currency outside the Republic of Armenia and, accordingly, any conversion of AMD amounts to US dollars ("USD") should not be construed as a representation that AMD amounts could be, in the future, converted into US dollars at the December 31, 2014 exchange rate, or at any other exchange rate.

Aregak has determined AMD as its functional currency and USD as the reporting currency.

The assets and liabilities of Aregak at December 31, 2014 are translated to USD at exchange rates at the reporting date. The income and expenses of Aregak are translated to USD at exchange rates approximating rates at the dates of the transactions.

Use of Estimates – The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements – In April 2013, FASB issued Accounting Standards Update ("ASC") 2013-06, *Not-for-Profit Entities* (Topic 958): *Services Received from Personnel of an Affiliate*, a consensus of the EITF. This guidance requires a recipient not-for-profit entity to recognize all services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity. Those services should be measured at the cost recognized by the affiliate for the personnel providing those services. UMCOR has adopted ASU 2013-06 for the year ended December 31, 2015. As UMCOR reimburses, at cost, all services received from personnel of affiliates the adoption of this standard did not have a significant impact on the UMCOR consolidated financial statements.

Note 3—Transactions with related entities

UMCOR serves as the Health and Relief Unit of Global Ministries. During the years ended December 31, 2015 and 2014, UMCOR reimbursed Global Ministries for certain administrative services provided by its financial services division in the amounts of $4,359,124 and $3,715,787, respectively. These amounts are included in special ministries and management and general expenses in the accompanying consolidated statements of activities.

At December 31, 2015 and 2014, net amounts due to/from Global Ministries and its divisions totaled $189,255 and $(54,661), respectively.

The Advance for Christ and His Church is an official program of the United Methodist Church (the “Church”) through which support may be designated for projects approved by the Advance Committee of Global Ministries. An Advance Special Gift is a contribution made by an individual, local church, organization, district, or conference to a project authorized by the Advance Committee. One Great Hour of Sharing is an annual special offering for relief programs. Advance Special Gifts and One Great Hour of Sharing offerings are passed to UMCOR through the GCFA from the General Funds of the United Methodist Church.

Amounts received from the other United Methodist units accounted for 44% and 39% of UMCOR's total operating revenue in 2015 and 2014, respectively. The Church's support of UMCOR is dependent upon contributions from its congregations (i.e., congregational participation in the apportionment covenant).

UMCOR transferred $224,721 and $1,219,347 of permanently restricted endowed funds for management to Global Ministries, during the years ended December 31, 2015 and 2014.

Note 4—Transfer of Net Assets of Aregak

In October of 2015, UMCOR’s Board of Directors approved the transfer of the net assets of Aregak to the UMCOR Armenia Foundation (the “Foundation”). On November 30, 2015, UMCOR received approval from the Central Bank of Armenia to transfer its shares of Aregak common stock to the Foundation. On December 1, 2015, UMCOR transferred all shares of Aregak to the Foundation and upon the transfer the Foundation became the sole owner of Aregak. The net assets of Aregak on November 30, 2015 transferred to the Foundation were $33,872,535.

As UMCOR has no controlling financial or economic interest in the Foundation and does not have the ability to directly or indirectly control the direction of management and the policies of the Foundation the accounts of the Foundation are not included in the consolidated financial statements of UMCOR.

Note 5—Investments in securities of United Methodist Development Fund

Investments in the United Methodist Development Fund (the "Development Fund") totaled $1,736,115 and $1,736,112 at December 31, 2015 and 2014, respectively, and include four-year term notes bearing interest at rates ranging from 1.75% to 6.00% per annum, payable semiannually on June 30 and December 31.

Investments in the Development Fund are carried at cost in the accompanying consolidated financial statements. Since no public market exists (or is expected to develop) for the Development Fund's investment obligations, an estimate of fair value is not practicable to obtain. However, because of the relatively short duration of the obligations and annual reset of rates for new obligations, fair value is not believed to be significantly different than carrying value.

The principal amount of the notes is repaid at the maturity date; however, in accordance with the provisions of the notes, the Development Fund reserves the right to repay the principal amount in five annual installments beginning 30 days after the maturity date. The Development Fund may pay up to a 1.50% premium on the face amount of the notes to recall the notes after 30 days written notice to the investor.

Note 6—Investments

At December 31, 2015 and 2014, the cost and fair value of investments are as follows:

	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Short-term securities	$ 100,512	$ 100,512	$ 100,512	$ 100,512
Multiple Asset Funds	47,627,472	53,317,823	55,116,217	63,527,442
Fixed Income Funds	25,647,367	25,852,773	30,459,861	31,667,976
Total investments	$ 73,375,351	$ 79,271,108	$ 85,676,590	$ 95,295,930

	2015	2014
Net appreciation (depreciation) of investments:		
Realized gains on sales of investments	$ 1,474,028	$ 4,056,880
Unrealized (losses) gains on investments	(3,558,048)	(264,052)
Net appreciation (depreciation) in fair value of investments	(2,084,020)	3,792,828
Total return on investments	(2,084,020)	3,792,828
Investment management expenses	(77,298)	(113,490)
Return on investments, net	$ (2,161,318)	$ 3,679,338

Note 7—Program loans to customers

Loans to customers relate entirely to Aregak. Program loans to customers as of December 31, 2014 are as follows (in thousands):

	2014 ('000)
Business loans to small companies and sole entrepreneurs	$ 2,370
Loans to Individuals:	
Micro and medium loans*	26,893
Consumer loans	3,507
Total Loans to Individuals	30,400
Gross loans to customers	32,770
Impairment allowance	(607)
Net loans to customers	$ 32,163

*Micro and medium loans are loans provided to individuals in rural areas mainly for agricultural and trade purposes.

Movements in the loan impairment allowance by classes of loans to customers for the year ended December 31, 2014 are as follows (in thousands):

	Business Loans ('000)	Loans to Individuals ('000)	Total ('000)
Balance, beginning of year	$ 18	$ 350	$ 368
Reversal of provision for loan losses	19	419	438
Write-offs	(46)	(651)	(697)
Recoveries	52	531	583
Effect of foreign currency translation	(5)	(80)	(85)
Balance, end of year	$ 38	$ 569	$ 607

Note 7—Program loans to customers (continued)

Credit Quality of Loans to Customers – The following table provides information on the credit quality of loans to customers at December 31, 2014 (in thousands):

	Gross Loans ('000)	Impairment Allowance ('000)	Net Loans ('000)	Impairment Allowance to Gross Loans, %
Business Loans:				
Loans to Small Companies and Sole Entrepreneurs:				
Not overdue	$ 2,317	$ 12	$ 2,305	0.5%
Overdue less than 30 days	26	5	21	19.2%
Overdue 30-89 days	9	4	5	44.4%
Overdue 90-180 days	6	5	1	83.3%
Overdue more than 180 days	12	12	-	100.0%
Total Business Loans	2,370	38	2,332	1.6%
Loans to Individuals:				
Micro and Medium Loans:				
Not overdue	26,327	184	26,143	0.7%
Overdue less than 30 days	187	34	153	18.2%
Overdue 30-89 days	140	82	58	58.6%
Overdue 90-180 days	150	132	18	88.0%
Overdue more than 180 days	89	89	-	100.0%
Total Micro and Medium Loans	26,893	521	26,372	1.9%
Consumer Loans:				
Not overdue	3,453	27	3,426	0.8%
Overdue less than 30 days	20	2	18	10.0%
Overdue 30-89 days	20	6	14	30.0%
Overdue 90-180 days	9	8	1	88.9%
Overdue more than 180 days	5	5	-	100.0%
Total Consumer Loans	3,507	48	3,459	1.4%
Total Loans to Individuals	30,400	569	29,831	1.9%
Total Business Loans	$ 32,770	$ 607	$ 32,163	1.9%

Note 7—Program loans to customers (continued)

Key Assumptions and Judgments for Estimating the Loan Impairment:

Business Loans – Aregak does not have individually significant loans, therefore management estimates loan impairment for business loans based on its past loss experience. In determining the impairment allowance for business loans, management makes the following key assumptions:

- Loss migration rates are constant and can be estimated based on the historic loss migration pattern for the past 36 months.
- Business loans overdue for more than 180 days are allocated 100% probability of loss.

Loans to Individuals – Aregak estimates loan impairment based on its past historical loss experience on loans to individuals. In determining the impairment allowance for loans to individuals, management makes the following key assumptions:

- Loss migration rates are constant and can be estimated based on the historic loss migration pattern for the past 36 months.
- Loans to individuals overdue for more than 180 days are allocated 100% probability of loss.

Analysis of Collateral and Other Credit Enhancements:

Business Loans – The following tables provide information on collateral and other credit enhancements securing business loans, net of impairment, by types of collateral at December 31, 2014 (in thousands) :

	Loans to Customers, Carrying Amount ('000)	Fair Value of Collateral Assessed as of Loan Inception Date ('000)
December 31, 2014		
Loans Without Individual Signs of Impairment		
Real estate	$ 210	$ 210
Other collateral	9	1
Guarantees	2,086	-
Total Loans Without Individual Signs of Impairment	2,305	211
Overdue or Impaired Loans	1	1
Guarantees	26	-
Total Overdue or Impaired Loans	27	1
Total Loans to Corporate Customers	$ 2,332	$ 212

The table above excludes overcollateralization. For loans secured by multiple types of collateral, collateral that is most relevant for impairment assessment is disclosed.

Note 7—Program loans to customers (continued)

Loans to corporate customers that are neither past due nor impaired, the fair value of collateral was estimated at the inception of the loans and was not adjusted for subsequent changes to the reporting date. The recoverability of these loans is primarily dependent on the creditworthiness of the borrowers rather than the value of collateral, and the organization does not necessarily update the valuation of collateral at each reporting date.

Loans to Individuals – The following tables provides information on collateral and other credit enhancements securing loans to individuals, net of impairment, by types of collateral at December 31, 2014 (in thousands):

December 31, 2014	Loans to Customers, Carrying Amount ('000)	Fair Value of Collateral Assessed as of Loan Inception Date ('000)
Loans Without Individual Signs of Impairment		
Guarantees	$ 28,582	$ -
No collateral or other credit enhancement	987	-
Total Loans Without Individual Signs of Impairment	29,569	-
Overdue or Impaired Loans		
Guarantees	262	-
Total Overdue or Impaired Loans	262	-
Total Loans to Individuals	$ 29,831	$ -

The tables above exclude overcollateralization. For loans secured by multiple types of collateral, collateral that is more relevant for impairment assessment is disclosed.

Reprocessed Collateral – During the year ended December 31, 2014, the Organization obtained certain assets by taking possession of collateral for loans to customers with a net carrying amount of $1,000.

Note 8—Borrowings for program loans

Terms and conditions of borrowings for program loans are as follows at December 31, 2014:

2014	Loan Denomination Currency	Nominal Interest Rate	Year of Maturity	December 31,
Unsecured loans from banks	AMD	14.75%	2014	$ 855,000
Unsecured loans from other entities	AMD	10.00%	2014	$ 3,000
Unsecured loan from shareholders	AMD	15.00%	2016	$ 5,571,000

No bank loans are secured by term deposits pledged at banks at December 31, 2014.

Note 9—Buildings and equipment

Buildings and equipment consist of the following at December 31:

	2015	2014
Equipment	$ 1,226,313	$ 2,361,682
Buildings	1,453,954	2,361,684
Leasehold improvements	986,899	990,029
Construction in progress	1,362,789	74,128
	5,029,955	5,787,523
Less accumulated depreciation	(2,772,488)	(3,384,148)
Total buildings and equipment, net	$ 2,257,467	$ 2,403,375

Note 10—Temporarily restricted and permanently restricted net assets

Temporarily restricted net assets were available for the following purposes at December 31:

	2015	2014
Harry R. Kendall Fund - health, housing and training grants	$ 11,173,050	$ 11,689,057
Haiti Emergency	8,108,388	12,712,372
United Methodist Global AIDS Fund	67,984	86,319
Hope for the Children of Africa	94,655	94,655
Material Resource Ministry	352,036	311,675
USA National Disaster Fund	4,920,443	7,943,227
Disaster Response International	2,794,446	1,991,931
World Hunger/Poverty	502,368	64,735
Japan Emergency	313,012	813,012
Hurricane 2012	1,664,815	3,543,650
Philippines Emergency	4,732,330	6,707,662
Other funds and projects	20,112,786	20,273,948
Total temporarily restricted net assets	$ 54,836,313	$ 66,232,243

Permanently restricted net assets as of December 31, 2015 and 2014 were $4,025,306 and $3,540,931, respectively, related to endowments for which the earnings are primarily used for hunger relief.

Net assets of $28,021,304 and $21,774,665, for the years ended December 31, 2015 and 2014, respectively, were released from donor restrictions by incurring costs and expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. The purpose restrictions accomplished were for program services.

Note 11—Employee benefits

Retirement Benefits – Full-time laypersons and clergy employed by UMCOR participate in the Retirement Plan for General Agencies ("RPGA"). This defined contribution plan is administered by the General Board of Pension and Health Benefits of the United Methodist Church (GBOPHB).

UMCOR makes semi-monthly contributions to each eligible employee's account held by GBOPHB based on 8% of annual employee compensation. Additionally, UMCOR matches up to 2% of each employee's contribution to their United Methodist Personal Investment Plan (UMPIP). Total contributions made by UMCOR for both components during 2015 and 2014 were $257,323 and $213,086, respectively.

Health, Life, and Other Employee Benefits – UMCOR provides health, life, and other employee benefits for its active employees and health, dental, and life benefits to retirees through a group plan which qualifies for treatment as a multi-employer plan under ASC 715, *Compensation-Retirement Benefits.* Substantially all retired employees are eligible to participate in the plan if they have attained normal retirement age while in the employ of UMCOR.

The General Agencies of the United Methodist Church Benefit Plan (the "Plan") provides medical, dental, life, and long-term and short-term disability defined benefits to participants of the General Agencies. The Plan's unfunded accumulated postretirement benefit obligation was approximately $104,744,000 and $110,000,000 and the Plan's unfunded expected postretirement benefit obligation was approximately $145,163,500 and $151,000,000 as of December 31, 2015 and 2014, respectively.

All of UMCOR's active employees are covered by the Plan. The cost of the benefit is recognized as expense as premiums are paid. The total cost of benefits for active employees was $377,604 and $363,925 for the years ended December 31, 2015 and 2014, respectively.

Note 12—Lease commitments

UMCOR has non-cancelable operating leases for its West Coast office and depot, which expire through 2017. NJFON has a non-cancelable lease, which expires March 31, 2018. The future minimum rental payments under these operating leases are as follows for years ending December 31:

Year Ending December 31,		
2016	$	130,482
2017		133,431
2018		13,270
Total	$	277,183

UMCOR shares the New York office space with Global Ministries. Total rent expense incurred by UMCOR totaled $225,340 and $206,618 for the years ended December 31, 2015 and 2014, respectively.

Note 13—Endowment

Interpretation of Relevant Law – The Board of Directors of UMCOR has interpreted the applicable state law as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, UMCOR classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Endowment net asset composition by type of fund as of December 31, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 184,011	$ -	$ 842,095	$ 1,026,106
Perpetual trusts held by others	-	-	3,183,211	3,183,211
Total funds	$ 184,011	$ -	$ 4,025,306	$ 4,209,317

Changes in endowment net assets for the year ended December 31, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, January 1, 2015	$ 559,288	$ -	$ 3,540,931	$ 4,100,219
Investment return:				
Investment income	-	-	-	-
Net depreciation (realized and unrealized)	(50,709)	-	(119,219)	(169,928)
Total investment return	(50,709)	-	(119,219)	(169,928)
Contributions	-	-	603,594	603,594
Appropriation of endowment assets for expenditure and other	-	-	-	-
Adjustments	(324,568)	-	-	(324,568)
Endowment net assets, December 31, 2015	$ 184,011	$ -	$ 4,025,306	$ 4,209,317

Note 13—Endowment (continued)

Endowment net asset composition by type of fund as of December 31, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 559,288	$ -	$ 842,095	$ 1,401,383
Perpetual trusts held by others	-	-	2,698,836	2,698,836
Total funds	$ 559,288	$ -	$ 3,540,931	$ 4,100,219

Changes in endowment net assets for the year ended December 31, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, January 1, 2014	$ 398,379	$ -	$ 3,048,920	$ 3,447,299
Investment return:				
Investment income	-	-	6,104	6,104
Net appreciation (realized and unrealized)	160,909	-	-	160,909
Total investment return	160,909	-	6,104	167,013
Contributions	-	-	485,907	485,907
Appropriation of endowment assets for expenditure and other	-	-	-	-
Endowment net assets, December 31, 2014	$ 559,288	$ -	$ 3,540,931	$ 4,100,219

Funds with Deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the applicable state law requires UMCOR to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2015 and 2014.

Return Objectives and Risk Parameters – UMCOR has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that UMCOR must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index and the Merrill Lynch 1-3 yr Treasury Index while assuming a moderate level of investment risk. UMCOR expects its endowment funds, over time, to provide an average rate of return of between 6 - 8 percent annually. Actual returns in any given year may vary from this amount.

Note 13—Endowment (continued)

Strategies Employed for Achieving Objectives – To satisfy its long-term rate-of-return objectives, UMCOR relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). UMCOR targets a diversified asset allocation that places a greater emphasis on fixed-income based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy – UMCOR has no formal spending policy. Distributions are made at the discretion of the Board of Directors when determining the annual budget. UMCOR considers the long-term expected return on its endowment. Accordingly, over the long term, UMCOR expects the current spending policy to allow its endowment to grow at an average of 1 - 3 percent annually. This is consistent with UMCOR's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Note 14—Fair value of financial instruments

Required disclosures concerning the estimated fair value of financial instruments are presented below. The estimated fair value amounts have been determined based on UMCOR's assessment of available market information and appropriate valuation methodologies. The following table summarizes required fair value disclosures and measurements at December 31, 2015 and 2014 for assets measured at fair value on a recurring basis under ASC 820, *Fair Value Measurements and Disclosures:*

	Fair Value Measurements at Reporting Date Using			
December 31, 2015	**Assets Measured at Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets:				
Investments:				
Multiple asset funds *	$ 53,317,823	$ -	$ -	$ -
Fixed income funds *	25,852,773	-	-	-
Total Investments	$ 79,170,596	$ -	$ -	$ -
Perpetual trusts held by others	$ 1,739,146	$ 1,739,146	$ -	$ -

* In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

Note 14—Fair value of financial instruments (continued)

	Fair Value Measurements at Reporting Date Using			
December 31, 2014	**Assets Measured at Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets:				
Investments:				
Multiple asset funds *	$ 63,527,442	$ -	$ -	$ -
Fixed income funds *	31,667,976	-	-	-
Total Investments	$ 95,195,418	$ -	$ -	$ -
Perpetual trusts held by others	$ 1,479,489	$ 1,479,489	$ -	$ -

* In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

Note 15—Subsequent events

Management has evaluated subsequent events through August 5, 2016, the date the consolidated financial statements were available for issuance, and has determined that there are no subsequent events requiring disclosure.

SUPPLEMENTAL SCHEDULES

UNITED METHODIST COMMITTEE ON RELIEF OF THE GENERAL BOARD OF GLOBAL MINISTRIES OF THE UNITED METHODIST CHURCH AND AFFILIATES

SCHEDULE OF COMPUTATION OF THE INDIRECT COST RATE

YEAR ENDED DECEMBER 31, 2015

Relief Projects Indirect Costs:		
General Ministries/Support Services:		
Financial services	$	342,273
Computer services		59,326
Salaries and wages		820,862
Fringe benefits		264,139
Rent and utilities		66,804
Telephone		16,187
Postage and freight		5,249
Printing and duplication		1,853
Office supplies		609
Equipment - repair/replace		2,937
Depreciation expense		7,076
Insurance expense		46,357
Audit fees		12,647
Consultant fees		37,990
Membership/meeting expense		31,321
Travel		81,690
Miscellaneous		15,659
Total Relief Projects Indirect Costs	$	1,812,979
Relief Projects Direct Costs:		
Relief projects expense	$	13,446,273
Add other allocable costs		138,427
Less non-allocable costs *		(1,624,943)
Total Allocable Direct Costs	$	11,959,757
Indirect Cost Rate		15.16%

* Includes donated commodities, capital expenditures, and pass-through funds.

UNITED METHODIST COMMITTEE ON RELIEF OF
THE GENERAL BOARD OF GLOBAL MINISTRIES OF
THE UNITED METHODIST CHURCH AND AFFILIATES

SCHEDULE OF RELIEF PROJECT EXPENSES

YEAR ENDED DECEMBER 31, 2015

Grantor	
US Agency for International Development	$ 499,238
US Bureau of Population Refugees and Migration	100,395
US Department of State	3,994
US Office of Foreign Disaster Assistance	2,103,193
Department for International Development (DFID)	1,371,435
Food and Agricultural Organization of the United Nations	221,899
Food Resource Bank	185,936
In-Kind Commodity	992,094
Interchurch Organization for Development Co-operation (ICCO)	43,614
International Organization for Migration	145,368
Other Donors	30,676
SANRU Program	388,999
SNV Netherlands Development Organization	164,103
The State Migration Services of the RA	38,375
UMCOR	6,030,992
United Nations Development Program	773,649
World Bank	99,327
World Food Program	252,986
Total grant funded expenses	13,446,273
Less grant expenses funded by UMCOR - GBGM	(5,109,176)
Total grant funded expenses after elimination	8,337,097
Non-grant funded expenses	-
Less non-grant expenses funded by UMCOR	-
Non-grant funded expenses after elimination	-
Total relief projects expenses	**$ 8,337,097**

UNITED METHODIST COMMITTEE ON RELIEF OF
THE GENERAL BOARD OF GLOBAL MINISTRIES OF
THE UNITED METHODIST CHURCH AND AFFILIATES

SCHEDULE OF RELIEF PROJECT EXPENSES – DETAIL

YEAR ENDED DECEMBER 31, 2015

Grantor	DRC	Sudan	South Sudan	Zimbabwe	Armenia	Georgia	Haiti	Afghanistan	Sri Lanka	HQ/Others	Total (USD)
US Agency for International Development	$ -	$ -	$ -	$ -	$ 118,375	$ -	$ 380,864	$ -	$ -	$ -	$ 499,239
US Bureau of Population Refugees and Migration	-	105	(13,673)	-	-	107,734	-	6,230	-	-	100,396
US Department of State	-	-	-	-	(2,695)	6,689	-	-	-	-	3,994
US Office of Foreign Disaster Assistance	-	2,109,721	(8,739)	-	-	-	-	2,210	-	-	2,103,192
Department for International Development (DFID)	-	855,832	515,604	-	-	-	-	-	-	-	1,371,436
Food & Agricultural Organization of United Nations	-	34,794	187,105	-	-	-	-	-	-	-	221,899
Food Resource Bank	71,739	-	-	-	114,197	-	-	-	-	-	185,936
In-Kind Commodity	-	-	98,232	77	207,650	134,596	551,539	-	-	-	992,094
Interchurch Organization for Development Co-operation (ICCO)	-	-	-	-	-	-	43,614	-	-	-	43,614
International Organization for Migration	-	145,368	-	-	-	-	-	-	-	-	145,368
Other donors	-	-	-	-	-	-	30,673	-	-	-	30,673
SANRU Program	388,999	-	-	-	-	-	-	-	-	-	388,999
SNV Netherlands Development Organization	-	-	164,103	-	-	-	-	-	-	-	164,103
The State Migration Services of the RA	-	-	-	-	38,375	-	-	-	-	-	38,375
UMCOR	644,266	340,625	803,019	494,930	732,477	110,528	3,342,807	-	116,872	(554,531)	6,030,993
United Nations Development Program	-	773,649	-	-	-	-	-	-	-	-	773,649
World Bank	-	-	99,327	-	-	-	-	-	-	-	99,327
World Food Program	5,000	-	-	247,986	-	-	-	-	-	-	252,986
Total grant funded expenses	1,110,004	4,260,094	1,844,978	742,993	1,208,379	359,547	4,349,497	8,440	116,872	(554,531)	13,446,273
Less grant expenses funded by UMCOR-GBGM	-	-	-	-	-	-	-	-	-	-	(5,109,176)
Total grant funded expenses after elimination	1,110,004	4,260,094	1,844,978	742,993	1,208,379	359,547	4,349,497	8,440	116,872	(554,531)	8,337,097
Non-grant funded expenses	-	-	-	-	-	-	-	-	-	-	-
Less non-grant expenses funded by UMCOR	-	-	-	-	-	-	-	-	-	-	-
Non-grant funded expenses after elimination	-	-	-	-	-	-	-	-	-	-	-
Total relief project expenses	$ 1,110,004	$ 4,260,094	$ 1,844,978	$ 742,993	$ 1,208,379	$ 359,547	$ 4,349,497	$ 8,440	$ 116,872	$ (554,531)	$ 8,337,097

UNITED METHODIST COMMITTEE ON RELIEF OF THE GENERAL BOARD OF GLOBAL MINISTRIES OF THE UNITED METHODIST CHURCH AND AFFILIATES

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2015

	Management & General	Fund Raising	Programs: Advance Projects	Programs: Relief Projects	Programs: Aregak	Programs: Health Programs	Programs: Specialized Ministries	Programs: Total Programs	Total
Expenses:									
Salaries and wages	$ 386,348	$ -	$ -	$ 2,627,559	$ -	$ 507,201	$ 1,862,353	$ 4,997,113	$ 5,383,461
Fringe benefits	126,750	-	-	790,349	-	157,560	513,400	1,461,309	1,588,059
Rent	235,809	-	-	452,720	-	-	152,305	605,025	840,834
Utilities	-	-	-	61,828	-	-	96,116	157,944	157,944
Telephone	92,574	-	-	98,626	-	-	2,520	101,146	193,720
Postage and freight	21,031	-	-	15,799	-	-	176	15,975	37,006
Printing and duplication	2,480	-	-	3,202	-	-	-	3,202	5,682
Office supplies	37,385	-	-	45,941	-	-	48,866	94,807	132,192
Equipment maintenance	218	-	-	556,964	-	-	128,020	684,984	685,202
Other office expense	25,020	-	-	5,459	-	-	-	5,459	30,479
Audit and legal fees	210,168	-	-	169,490	-	-	-	169,490	379,658
Grants/contributions and other direct programs	-	-	25,078,223	2,812,964	6,309,459	2,712,735	3,308,174	40,221,555	40,221,555
Consultant fees	37,990	30,000	-	47,490	-	138,489	1,657	187,636	255,626
Data processing rental and service	155,022	-	-	16,622	-	-	30,504	47,126	202,148
Services rendered by other agencies	1,857,377	523,706	-	(17,366)	-	-	1,135,671	1,118,305	3,499,388
Meeting expense	27,468	-	-	-	-	-	6,581	6,581	34,049
Travel - staff	67,850	-	-	175,366	-	77,337	444,886	697,589	765,439
Promotional and Informational Materials	64,099	-	-	(8,891)	-	-	-	(8,891)	55,208
All other insurance	102,233	-	-	(10,063)	-	-	87,319	77,256	179,489
Special Promotion	33,482	-	-	-	-	-	-	-	33,482
Miscellaneous	36,169	-	-	184,852	-	-	1,033	185,885	222,054
Depreciation expense	81,411	-	-	-	151,186	-	70,860	222,046	303,457
In-Kind Commodity distribution	-	-	-	308,186	-	-	-	308,186	308,186
Total Expenses	$ 3,600,884	$ 553,706	$ 25,078,223	$ 8,337,097	$ 6,460,645	$ 3,593,322	$ 7,890,441	$ 51,359,728	$ 55,514,318