

Building Hope

2017 UMCOR Annual Report



UMCOR

® Global Ministries | The United Methodist Church



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Thank you to New World Outlook for permission to edit and republish the stories within this report.



Letter from the President and Executive Directors

Bishop Thomas J. Bickerton,
Thomas Kemper and Roland Fernandes

UMCOR: BUILDING HOPE

Imagine seeing the contents of your home swept away by floodwaters or a hurricane, escaping wildfires and not knowing if you would have a home left to return to, or being afraid to return because your home has been booby-trapped with mines intended to kill you and those you love.

This was a reality for many people in 2017 as a record hurricane season devastated communities in Florida, Louisiana, Texas and Puerto Rico. On the other side of the world, a different kind of disaster arose for those who once called Mosul, Iraq home. Families faced life-or-death choices as they returned to find land mines and explosives in their homes. These are only a few examples of places where UMCOR and our partners are on the ground.

When a disaster overwhelms a community, the United Methodist Committee on Relief is one of the first agencies in and the last out. As the humanitarian relief and development agency of The United Methodist Church, we put the beliefs of the church into action and make a real difference in the world. This often means rebuilding lives, homes and hope.

Photo: Mike DuBose, UMNS

This is true for **2017 when UMCOR's work touched 425,046 lives in more than 30 countries through disaster response, humanitarian relief, sustainable development and migration programs.** This would not be possible without the generosity of those who give to UMCOR. Our work would also not be possible without strong partnerships with United Methodist annual conferences, central conferences and other Methodist bodies internationally, along with aid organizations, relief agencies, communities and local nongovernmental organizations worldwide.

UMCOR has been rebuilding hope for nearly 80 years, and we thank you for being a part of this legacy.

In Mission Together,

Bishop Thomas J. Bickerton, President
Thomas Kemper, Executive Director
Roland Fernandes, Executive Director

Who We Are

The United Methodist Committee on Relief, or UMCOR, is the humanitarian relief and development agency of the United Methodist Church. UMCOR seeks to transform people and communities in ways that support an abundant life. Compelled by Christ, UMCOR staff work globally to alleviate suffering and advance hope and healing. To realize this mission, UMCOR is organized into programmatic areas focused on U.S. disaster response and recovery, international disaster response and recovery, sustainable development, and migration. Each programmatic area is founded on the belief that positive, sustainable change is best done alongside and in support of communities.





Where We Work

Africa

Country

Cote D'Ivoire
DRC (Democratic
Republic of Congo)

Ethiopia

Gambia

Ghana

Kenya

Liberia

Madagascar

Malawi

Mozambique

Nigeria

Sierra Leone

Somalia

South Sudan

Sudan

Uganda

Zambia

Zimbabwe

Program Area

WASH

Field Office, Food Security, IDR

IDR

Food Security

WASH, Integrated

IDR, WASH

WASH, Integrated

IDR

WASH

IDR, WASH

IDR, Livelihood

IDR, WASH, Integrated

IDR

Field Office, Food Security, WASH

Field Office, WASH

WASH

Food Security, WASH

Field Office, Food Security, IDR, Integrated

Asia

Country

Bangladesh

Cambodia

China

India

Laos

Myanmar

Nepal

Philippines

Sri Lanka

Program Area

IDR

Integrated

IDR

Food Security

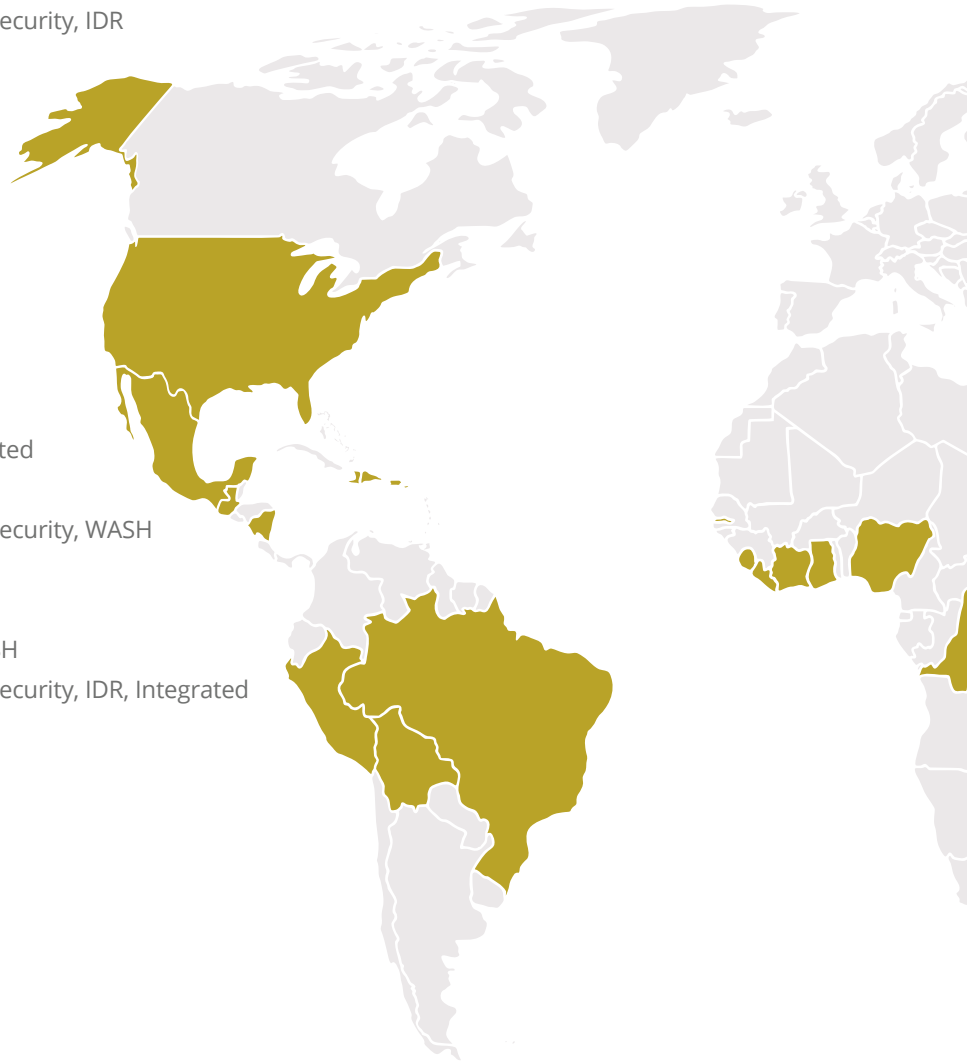
Food Security

IDR

Food Security, IDR, Integrated

IDR

IDR

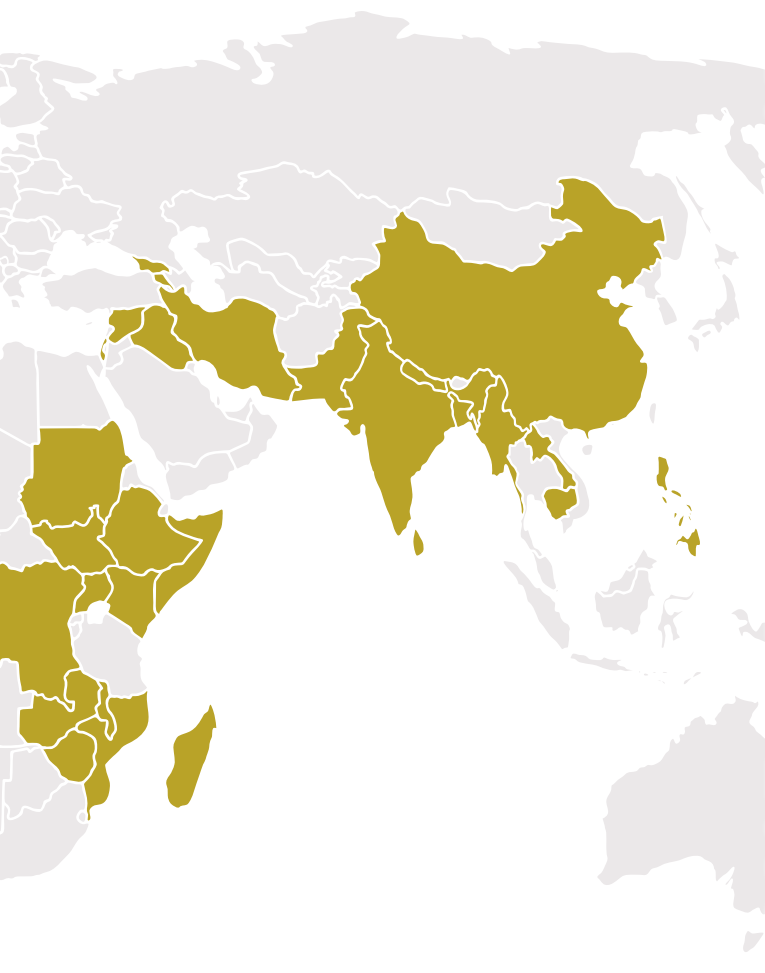


By the Numbers

Building Hope in 2017

In 2017, UMCOR worked
with partners in over

30 COUNTRIES.



Europe

Country

Armenia
Georgia

Program Area

Food Security
Integrated

Latin America and Caribbean

Country

Bolivia
Brazil
Guatemala
Haiti
Mexico
Nicaragua
Peru

Program Area

WASH
Food Security
Integrated, WASH
Field Office, Food Security, IDR, WASH
IDR
IDR, WASH
IDR

Middle East

Country

Iran
Iraq
Pakistan
Palestine
Syria

Program Area

IDR
IDR
WASH
Food Security
IDR

North America


Country

United States
and Puerto Rico

Program Area

Food Security, USDR, WASH

Dollar amount of **approved UMCOR grants** in 2017 totaled **\$31,529,971.**



"We have this hope, a sure and steadfast anchor of the soul."

Hebrews 6:19a NRSV

Photo: Kathleen Barry

USDR in action as debris is cleared following Hurricane Harvey in Houston, Texas.

The Story Begins with You



Photo: Mike DuBose

An UMCOR volunteer delivers supplies in hurricane-ravaged Puerto Rico.



International Disaster Relief helps those living in Bangladesh.

Photo: Paul Jeffrey

One hundred percent of your gift helps UMCOR stay until recovery is complete, building hope. Your prayers, support and generosity enable UMCOR to respond when disaster strikes and be the last to leave. Together, we are rebuilding hope in the lives of those in need all over the world.



Photo: Paul Jeffrey



Volunteers work to clean up after a flood in Virginia.

Photo: Mike DuBose



A child smiles in South Sudan.

Photo: Paul Jeffrey

Where Your Support Goes

Total of UMCOR Grants Approved in 2017 by Region



Grants Expenses by Region

USDR
50.1%



IDR
12.1%

SDU
16.2%

Health
21.6%

USDR

What is United States Disaster Response?

When disasters happen, local churches provide the first response to their communities. This basic understanding – that disaster response is local – forms the foundation for UMCOR's U.S. disaster training and response.

When responding to a disaster in the United States, UMCOR works with the conference disaster response ministries to provide financial assistance, disaster expertise and connections with nongovernmental organizations, volunteers, experts, local government and other organizations that can help communities recover from disaster.

**In 2017 UMCOR awarded
27 U.S. DISASTER
RESPONSE GRANTS.**

Photo: Misael D. Rodriguez Quijano

Despite Massive Hurricane, Puerto Rican Methodists Find Strength in God

by Thomas Kemper

On September 20, 2017, Hurricane Maria tore through La Iglesia Metodista Peña de Horeb in Palo Seco, Puerto Rico, destroying the structure but not the church – the community of faith who would rally to worship God in another space and minister to their neighbors.

After the wind subsided, members crept into what was left of the gutted, roofless sanctuary to find a miracle. The lectern stood upright, and on it, the Bible was open to Psalm 84, NRSV, which begins, "How lovely is your dwelling place, O Lord of hosts! ... my heart and my flesh sing for joy to the living God."

The hope and faith voiced in Psalm 84 became the anthem of Peña de Horeb and other Methodist congregations in the wake of one of the most devastating hurricanes ever to hit the island, a storm leaving millions without electric power for weeks.

“We often find, as have the Methodists of Puerto Rico, that when we unite, humanity can respond creatively to adversity.”

Two months after Maria struck, I visited Maunabo, on the southeastern coast, with a team from the United Methodist Committee on Relief. We followed an UMCOR advance team that had launched our work only days after air travel was restored to the island.

The people at every stop expressed frustration with the slow federal and state response. Rather than lament their plight or complain about neglect, however, Methodists rallied to the occasion and organized to provide food, clothing and emergency services. They were sustained by the assurance of Psalm 84:5a, “Happy are those whose strength is in you.” We found a spirit of trust in God and appreciation of the global Methodist family for prayers and relief supplies.

The Methodist Church of Puerto Rico became autonomous (self-governing) in 1992 but maintains strong ties to The United Methodist Church and Global Ministries. Today, it has some 12,000 members in more than 100 congregations spread across the island.

RECOVERING BY REACHING OUT

I was deeply impressed by the fortitude, resilience and initiative of the people we met. Two of them were Haydee and Samuel who, as the storm approached their home, put a few belongings in their car and fled. Their home was completely gone when they returned. Their response was to join a community kitchen ministry through their church in Arecibo, cooking and serving 200 meals three days per week.

Bishop Thomas J. Bickerton and I joined Bishop Hector Ortiz, our missionaries and others from Puerto Rico in Brigades of Hope and Love, an UMCOR/Puerto Rico church program. The ministry distributes food, water, cleaning supplies and items for children, both in communities with Methodist congregations and those without. One of the latter was Playita Cortada in Santa Isabela. On a windy morning in the hurricane-ravaged town, Ortiz stopped to explain how Methodists share hope and love with everyone.

I have seldom before experienced the reality of how contemporary societies everywhere depend on electric power. Life virtually comes to a standstill when the power goes off. Cooking, sanitation, health care, transportation and other essential activities are affected. People are pushed back on their natural abilities and resources. We often find, as have the Methodists of Puerto Rico, that when we unite, humanity can respond creatively to adversity.

I am left with a sense of optimism and concern for the future of the island and our work there. The Puerto Rican people are resilient, but we saw the need for the government to act swiftly to restore power and infrastructure, paving the way for humanitarian organizations to do their jobs. I also am left with the indelible image of the Bible in La Iglesia Metodista Peña de Horeb, surviving the storm intact and left open to Psalm 84, which ends with this promise: “O Lord of hosts, happy is everyone who trusts in you.”

IDR

What is International Disaster Response?

When a natural or human-caused disaster strikes outside of the United States, UMCOR serves as the primary channel for United Methodist assistance. In the short term, UMCOR provides funds to our partners for food, hygiene supplies, shelter and other basic needs to ease human suffering. In the long term, we work with local partners toward recovery and reconstruction.

Even as UMCOR administers disaster response grants, UMCOR pays attention to systemic issues related to community health, sustainable agriculture, water and sanitation, education, economic justice and reconstruction.

In its programming approach, UMCOR adheres to Sphere Minimum Standards in humanitarian response and the International Committee of the Red Cross Humanitarian Code of Conduct, requiring our partners to do the same.

Photo: International Orthodox Christian Charities

Responding to Flood-Affected Villages in Ancash Region, Peru

Throughout his earthly life, Jesus told his followers to reach out to those whom society often ignores. That's what the United Methodist Committee on Relief does whenever a natural or human-induced disaster strikes. Through International Disaster Response, UMCOR collaborates with and funds on-the-ground partners outside the United States to implement relief and recovery programming. IDR's role is to train and equip the church in disaster response.

El Niño Costero in Peru offers an example. The March 2017 storm developed rapidly and with no warning, resulting in torrential rains, heavy flooding and landslides across districts of northern Peru still recovering from drought. Flooding continued for nearly three months, affecting 1.7 million people and damaging homes. The effects were the worst in almost 100 years.

In the Ancash region, one of the hardest hit, UMCOR partnered with a local nongovernmental organization, Diaconia Peru, to respond to urgent water, food, hygiene and sanitation needs. Starting in May, Diaconia began outreach efforts with 12 villages, identifying those families most affected by floods and landslides. By August, UMCOR-funded activities had reached 500 families and 3,278 beneficiaries.

UMCOR provided a 178-pound food package – including rice, quinoa, barley and lentils – for 200 families, meeting their nutrition needs for a full month. A total of 375 families received water filters and drums to reduce the spread of water-borne illness. UMCOR also distributed hygiene kits – 500 for families, 1,000 for children and 750 for women – plus 1,000 blankets. In addition, UMCOR supplied kitchen kits, including stoves and pots, for four communities with communal cooking situations. And finally, UMCOR arranged for 12 cleaning operations to remove debris from the streets and 24 fumigation campaigns to prevent further illness spread by insects.

UMCOR's work in the wake of El Niño Costero illustrates how we follow Jesus' mandate to reach out to the most vulnerable. Post-disaster, UMCOR implements relief and recovery projects designed to return people to their homes, ensure they rebuild better structures and gain a restored sense of normalcy. In areas at high-risk of recurring disasters, UMCOR focuses on preparedness measures such as early-warning systems and evacuation-coordination training.

In its programming approach, UMCOR helps partners to follow international best practices to ensure work is done with impartiality, assistance is given on need and need alone, and humanitarian aid does good, not harm.

In 2017, UMCOR awarded 41 grants, exceeding \$2.5 million; completed 28 international relief and recovery projects in 20 countries, including four in Latin America, 12 in Africa, nine in Asia and three in the Middle East; and reached an estimated 212,339 beneficiaries directly and indirectly, including 3,778 in Latin America, 136,811 in Africa, 53,389 in Asia and 18,361 in the Middle East.



Sustainable Development

What Is Sustainable Development?

UMCOR's Sustainable Development Unit works to facilitate long-term community development and empowerment in areas of great need. Many development issues and opportunities are interrelated. Because of this, UMCOR uses integrated solutions to address the root causes of specific problems. This is done by working with UMCOR country offices and our extensive partner networks alongside local communities to develop their assets in water, sanitation, and hygiene (WASH), sustainable agriculture and food security, livelihoods and resilience, climate change adaptation and mitigation (including EarthKeepers), and education and health.

Photo: El Porvenir

In Nicaragua, Safe Water Means a Healthy, Happy Future

by Rob Bell*

Teófila Rivas is a single mother of three in Payacuca, Nicaragua. "My childhood was tough," she admitted. "I didn't learn to read and write. I only went a few days to school. It was a three-hour walk for us in those days. Also, the teacher made me clean the school and hit me. That's why I dropped out."

The Rivas family is one of about 100 in the Terrabona region of Matagalpa that benefited from a United Methodist Committee on Relief partnership with El Porvenir. A nonprofit agency, El Porvenir works to improve the standard of living of rural families through water, sanitation, health education and watershed-management projects.

Through an UMCOR grant, El Porvenir has worked with two communities, Payacuca and Ocotillo, to help them construct 100 household latrines. The families learned to use the new facilities and improve their hygiene practices. El Porvenir provided training for the Potable Water Committees as well as for trainers, who shared what they learned with the community. Hygiene and environmental training are ongoing in the communities, and trainers receive annual incentives to motivate them to continue.

Rivas said her family endured sad times before the pit latrines were installed. "We had to carry water for about three hours, and we had to get up very early," she recalled. "The trail was difficult, and we walked barefoot." Sometimes, they had to wait for people who had arrived before them.

“Sometimes, there wasn’t enough water for all of us,” Rivas said, “and we had to drink water from a stream, even though we knew the water was dirty.”

Very few people had latrines, so the outdoors was the only option for bodily elimination. Women and girls suffered the most, worried for their safety. Contamination from human waste affected water sources, and sickness was common.

Today, thanks to El Porvenir, UMCOR and their own contributions, the families of Payacuca and Ocotillo have running potable water and latrines. The community is safer and healthier. Rivas has clean water and a latrine in her humble home.

PARTNERSHIPS MAKE A DIFFERENCE

Water, sanitation and hygiene, known together as WASH, are essential for good health and well-being. Water is used for drinking, bathing, cooking, cleaning, waste disposal and agriculture. Yet, 783 million people around the world lack reliable access to clean drinking water, and even more people have no access to water for agriculture and other household tasks to meet basic needs. Globally, 2.4 billion people lack adequate sanitation facilities. This lack of access to basic services results in more than 1,000 children dying daily from diseases, many of which are entirely preventable when WASH is addressed and sustained at the community level.

Many of Global Ministries’ WASH programs are accomplished through grants coordinated by its Global Health unit, supporting the work of partners, while others are implemented through UMCOR country offices. Grants support integrated programs whose solutions account for the need for behavioral changes while increasing access to improved water sources and sanitation facilities in the most vulnerable and disadvantaged communities. Every U.S. dollar spent on water, sanitation and hygiene generates U.S. \$4.30 in increased productivity and decreased health care costs.

The WASH program supports projects implemented by local organizations whose staff and project personnel, including local engineering companies, are recruited locally to enable project sustainability and maintenance. Priority is extended to partners who can engage with selected communities for three to five years to build partnership and provide opportunities for yearly evaluations to assess progress. Global Health WASH grants extend beyond UMCOR country offices to partners around the world.

The WASH program helps communities rehabilitate existing water infrastructure or develop new sources of clean water and may also provide water filters or encourage new behaviors for treating water, such as solar disinfection or chlorination.

At one time, Teófila Rivas of Nicaragua dreamed of becoming a teacher. Today she serves her community as the local health promoter, teaching people about the importance of hygiene and living in a clean community. “You can’t give up,” Rivas said. “You need to keep struggling in life for a better future.”

**Bell is the executive director for El Porvenir in Managua, Nicaragua.*

Migration

What Is Migration?

Millions of refugees and migrants are fleeing war, persecution, and violence in their homelands, often running with just the clothes on their backs. Other migrants are escaping from untenable situations of hardship and poverty in their home countries. Refugees and migrants are crisscrossing the world. They are traversing borders in Africa, Europe, the Americas, and Asia, in search of safety, protection, and a chance at life.

But from start to finish, their journey is treacherous. Those who embark on it include Syrians, Iraqis, and Afghanis running for their lives from war and repression; Central American youth fleeing the threat of gang recruitment or death; and Africans escaping poverty and conflict, thousands of whom have died while crossing the Mediterranean Sea in the ill-equipped boats of smugglers. In Asia, Bangladeshis and Rohingyas from Myanmar flee repression and poverty, only to be turned away in the rickety boats in which they came in hope of finding safety.

Those who make it to a new place are not necessarily assured they can stay, and many are turned back. UMCOR and Global Ministries are addressing the global refugee and migration contexts guided by four principles: the right to stay and flourish in one's country of origin; safe passage for those with no viable alternative but to leave; welcoming and belonging, a process wherein migrants, refugees, and receiving communities work together to meet the needs of new arrivals; and support for the returned to help them reintegrate with dignity into their home countries after deportation.

UMCOR
Reading
3rd Year

Go Ahead, You Are Free Now

by Jack Amick

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A MIRACLE IS HAPPENING IN THE DESERT

It began with a call from U.S Immigration and Customs Enforcement to Bishop Robert T. Hoshibata of the Desert Southwest Annual Conference of The United Methodist Church. They called to ask if the church could help provide transition services to families that had been detained at the Arizona border and were ready for release.

Local pastors replied that not only could they help, but also to BE the church, they must help. The first congregation involved named this work the INN Project (since it was Advent), declaring they would make room in the inn for released families.

Once released into the care of the church, families are provided with food, shower and laundry facilities, lodging, and assistance in contacting relatives in the United States. Families can then travel to be with their relatives before appearing in court.

The churches involved in the INN Project try to anticipate a released family's physical needs. However, what may be more important is the attention they give to restoring human dignity for detained family members, even before conducting intake interviews. The most powerful example of this act involves wristbands. Family members arrive at INN Project locations wearing wristbands with their alien number, also known as A-0 Number or USCIS#, stamped on the bands. Volunteers then have the honor of giving them a pair of scissors to cut off these bands, saying, "Go ahead. You are free now."

Staff and volunteers work closely with bus and airport officials who provide extra assistance and instructions on navigating the U.S. transportation network. Immigrants travel with documents that are properly prepared and provided by ICE, so that they can then take them to other ICE officials in the meetings scheduled near their relatives' residence. With the United Methodist Committee on Relief's support, the INN project has already reunited 664 families.



Photo: Sarah Soto

Overview of UMCOR Finances

Letter from the Treasurer

REVENUE

Operating revenue of \$66.6 million in 2017 reflected an increase from \$21 million or 46 percent from 2016. This increase was driven by the huge increase of gifts received in the U.S. Disaster Response Advance in response to Hurricanes Harvey, Irma and Maria. Receipts from the UMCOR Sunday Offering (formerly One Great Hour of Sharing) were \$2.2 million, a decrease of 10 percent from 2016 and 18 percent from 2015. This was more than made up by the increase in Undesignated Gifts, which at \$9.8 million were higher by \$2.7 million or 37 percent from 2016. This was also the first time this income source exceeded \$9 million. Operating revenue recorded under Grants and Contracts for our field offices was \$7 million for 2017, \$2.2 million less than 2016.

EXPENDITURE

Total operating expenditures were \$45.3 million in 2017, slightly higher than 2016. The UMCOR Advance Special Projects expenditures of \$19.4 million were about \$1.1 million or 6 percent more than 2016. UMCOR has approved large grants in response to the 2017 hurricanes, and we are likely to see significantly higher disbursements during 2018 based on this.

NET ASSETS

Due to the high volume of gifts received in response to the hurricanes in 2017, the net assets of UMCOR have increased significantly. The Undesignated Fund increased from \$36.4 million at the end of 2016 to \$45.4 million at the end of 2017. The main reasons for this were investment performance and increased undesignated gifts income. UMCOR investments showed an appreciation of \$11.8 million in value during 2017. This is shown as non-operating income on the Statement of Activities. Over the past few years, the UMCOR Board has approved the use of reserves to fund current budgets in order to spend down some of the reserves.

The Donor Restricted Fund balances as of Dec. 31, 2017, primarily consisted of Advance project balances of \$54.6 million, the Anne Ryckman Fund of \$1.9 million, Substance Abuse and Related Violence funds of \$1.3 million, the Harry R. Kendall fund of \$14.2 million and Imagine No Malaria fund of \$8.3 million. Significant Advance project balances are for the Haiti Response at \$4.4 million, International Disaster Response at \$2.9 million, U.S. Disaster Response at \$37.5 million, UMCOR Philippines at \$3.5 million, Global Material Resources at \$4.17 million and Abundant Health at \$1.6 million.

UMCOR is building hope because of your faithful generosity. Thank you for your trust in UMCOR as we work on your behalf to serve others and rebuild hope.



Roland Fernandes, Treasurer

Board of Directors

UMCOR is a not-for-profit corporation whose directors are elected by the General Board of Global Ministries. UMCOR operates in a manner consistent with the policies set by the General Board of Global Ministries and in accordance with the bylaws of the General Board of Global Ministries and UMCOR.

President:

Bishop Thomas J. Bickerton

Vice President:

Rev. Sara Ann White

Recording Secretary:

Rev. Katie Dawson

Treasurer:

Roland Fernandes (Ex-Officio)

Rev. Frank Aichele, Germany

Bishop Thomas J. Bickerton,
New York

Rev. Dan C. Bryant, East Ohio

Rev. Katie Dawson, Iowa

Bishop Jonathan Holston,
South Carolina

Thomas Michael Junk,
Oklahoma

Ann Koroma, Sierra Leone

Celestin Malamba Lohalo,
East Congo

Molly Rebecca McEntire,
Florida

Dr. Glenn Roy Villa Paraso,
Philippines

Carol Toney (United Methodist
Women), North Alabama

Carmen Vianese,
Upper New York

Rev. Sara Ann White,
South Carolina

Bishop John K. Yambasu,
Sierra Leone



Report of Independent Auditor

The Board of Directors of the United Methodist Committee on Relief
of the General Board of Global Ministries of The United Methodist Church

The Audit Committee of the General Board of Global Ministries
of The United Methodist Church

The Committee on Audit and Review of the General Council on Finance
and Administration of The United Methodist Church

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 nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities, functional expenses, 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 \$1,929,733 and \$1,770,709 as of December 31, 2017 and 2016, respectively, and total support and revenues of \$3,111,129 and \$2,260,803 for the years then ended, respectively. These statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to amounts included for UMCOR at Sager Brown, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. The financial statements of UMCOR at Sager Brown were not audited in accordance with *Government Auditing Standards*.

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. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 as of December 31, 2017 and 2016, and the changes in its net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CHANGES IN FINANCIAL STATEMENT PRESENTATION

As discussed in Note 1, UMCOR adopted Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The ASU has been applied retrospectively to all periods presented with the exception of the disclosure of liquidity and availability of resources, which has been implemented prospectively as allowed under the provisions of ASU 2016-14. Our opinion is not modified with respect to this matter.

OTHER MATTERS

Supplementary and Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of computation of the indirect cost rate, schedule of relief project expenses, and schedule of relief project expenses – detail is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is 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 schedule of expenditures of federal awards and the other supplemental schedules are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2018, on our consideration of UMCOR's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UMCOR's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Atlanta, Georgia
July 18, 2018

Audited Financial Statements

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, 2017 and 2016

	2017	2016
ASSETS		
Cash and Cash Equivalents	\$ 8,601,518	\$ 11,047,735
Investments	107,476,557	78,739,396
Investments in Securities of United Methodist Development Fund	1,736,126	1,736,126
Receivables:		
Advance Special Gifts	15,642,687	6,715,043
Grants and Contracts	617,364	1,363,923
Other	3,319,455	3,547,749
Due from General Board of Global Ministries and Related Entities	73,128	437,998
Inventory and Other Assets	23,317	119,757
Buildings and Equipment, Net	2,627,895	2,616,490
Endowment Funds Held by the General Board of Global Ministries	1,722,159	1,550,558
Perpetual Trusts Held by Others	1,404,701	1,789,711
TOTAL ASSETS	143,244,907	109,664,486
LIABILITIES AND NET ASSETS		
Liabilities:		
Due to General Board of Global Ministries and Related Entities	\$ 1,364,867	\$ 62,564
Accounts Payable and Accrued Expenses	4,574,372	5,374,128
Accounts Held on Behalf of Others	1,902,544	1,341,096
Deferred Revenue and Amounts Held Under Grants and Contracts	747,407	1,310,632
TOTAL LIABILITIES	8,589,190	8,088,420
Net Assets:		
Without Donor Restrictions:		
Invested in Buildings and Equipment	2,627,895	2,616,490
UMCOR at Sager Brown	1,819,655	1,748,456
National Justice for Our Neighbors, Inc.	203,628	215,722
Undesignated	43,309,291	34,472,836
TOTAL WITHOUT DONOR RESTRICTIONS	47,960,469	39,053,504
With Donor Restrictions:		
Subjected to Purpose Restrictions	82,505,448	58,340,198
Endowments and Other Perpetual Gifts	4,189,800	4,182,364
TOTAL WITH DONOR RESTRICTIONS	86,695,248	62,522,562
TOTAL NET ASSETS	134,655,717	101,576,066
TOTAL LIABILITIES AND NET ASSETS	\$ 143,244,907	\$ 109,664,486

United Methodist Committee on Relief of the General Board
of Global Ministries of the United Methodist Church and Affiliates
Consolidated Statement of Functional Expenses
Year Ended December 31, 2016

	PROGRAM SERVICES					SUPPORTING SERVICES			TOTAL
	SPECIALIZED MINISTRIES	ADVANCE PROJECTS	RELIEF PROJECTS	HEALTH PROGRAMS	TOTAL PROGRAMS	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL SUPPORTING	
Grants/Contributions and Other Direct Programs	\$ 1,231,246	\$18,246,408	\$ 2,740,796	\$ 1,537,008	\$23,755,458	\$ 192,721	\$ -	\$ 192,721	\$23,948,179
Services Rendered by Other Agencies	4,923,415	-	-	-	4,923,415	\$ 2,140,192	\$ 509,150	\$ 2,649,342	\$ 7,572,757
Salaries and Wages	1,685,809	-	3,996,884	709,965	6,392,658	\$ 427,973	\$ -	\$ 427,973	\$ 6,820,631
Fringe Benefits	508,140	-	970,028	222,451	1,700,619	\$ 122,469	\$ -	\$ 122,469	\$ 1,823,088
Rent and Maintenance	151,933	-	447,795	-	599,728	\$ 211,715	\$ -	\$ 211,715	\$ 811,443
Equipment Maintenance	-	-	705,152	-	705,152	\$ 17,632	\$ -	\$ 17,632	\$ 722,784
Travel – Staff	260,694	-	202,660	55,599	518,953	\$ 21,358	\$ -	\$ 21,358	\$ 540,311
Miscellaneous	157,646	-	158,642	2,963	319,251	\$ 9,628	\$ -	\$ 9,628	\$ 328,879
Utilities	176,842	-	93,770	-	270,612	\$ -	\$ -	\$ -	\$ 270,612
In-kind Commodity Distribution	-	-	246,206	-	246,206	\$ -	\$ -	\$ -	\$ 246,206
Office Supplies	49,864	-	139,549	-	189,413	\$ 48,688	\$ -	\$ 48,688	\$ 238,101
Telephone	4,993	-	152,339	-	157,332	\$ 74,142	\$ -	\$ 74,142	\$ 231,474
Moving Expenses	-	-	2,930	-	2,930	\$ 226,707	\$ -	\$ 226,707	\$ 229,637
Audit and Legal Fees	87,664	-	40,018	-	127,682	\$ 45,674	\$ -	\$ 45,674	\$ 173,356
Meeting Expense	108,428	-	34,654	-	143,082	\$ 26,685	\$ -	\$ 26,685	\$ 169,767
Consultant Fees	-	-	30,118	24,874	54,992	\$ 86,089	\$ 15,000	\$ 101,089	\$ 156,081
Depreciation Expense	-	-	-	-	-	\$ 149,746	\$ -	\$ 149,746	\$ 149,746
All Other Insurance	72,651	-	1,670	-	74,321	\$ 25,456	\$ -	\$ 25,456	\$ 99,777
Promotional and Informational Materials	1,694	-	-	-	1,694	\$ 44,964	\$ -	\$ 44,964	\$ 46,658
Postage and Freight	288	-	9,345	-	9,633	\$ 12,293	\$ -	\$ 12,293	\$ 21,926
Data Processing Rental and Service	-	-	-	-	-	\$ 16,749	\$ -	\$ 16,749	\$ 16,749
Printing and Duplication	-	-	4,404	-	4,404	\$ 657	\$ -	\$ 657	\$ 5,061
TOTAL EXPENSES	\$ 9,421,307	\$18,246,408	\$ 9,976,960	\$ 2,552,860	\$40,197,535	\$ 3,901,538	\$ 524,150	\$ 4,425,688	\$44,623,223



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