OUR MISSION IS TO IMPROVE THE HEALTH AND LIVES OF PEOPLE AFFECTED BY POVERTY OR EMERGENCY SITUATIONS BY MOBILIZING AND PROVIDING ESSENTIAL MEDICAL RESOURCES NEEDED FOR THEIR CARE.

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FISCAL YEAR 2015 ANNUAL REPORT
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Right: Mother and daughter receive care at the Direct Relief-supported Santa Barbara Neighborhood Clinics in Santa Barbara, California. (Photo: Andrew Coelho/2015)

Cover: A Nepali family greets a World Food Programme helicopter as it delivers Direct Relief medical supplies to an earthquake-affected Himalayan village. (Photo: Mohammad Ali/2015)
MESSAGE FROM THE BOARD CHAIR AND THE PRESIDENT + CEO

W e are pleased to share Direct Relief’s annual report for Fiscal Year 2015, during which Direct Relief was again able to respond more expansively than ever before to requests for humanitarian assistance. As has been the case since Direct Relief’s founding in 1948, all the organization’s humanitarian activities occurred only because of the generosity, participation, and support of the businesses, individuals, and organizations listed in this report. On behalf of the board and staff of Direct Relief, we are deeply grateful for the inspiring generosity demonstrated each day and to have the privilege of seeing how it translates into meaningful assistance for people facing hardship or crisis. The fiscal year was marked by two major humanitarian crises—the Ebola outbreak in West Africa and the devastating Nepal earthquakes—that led to the largest-scale efforts in the organization’s 67-year history. In both instances, Direct Relief’s rapidly scaled efforts were undertaken only because of pre-existing partnerships with key organizations in the affected countries. This, in turn, resulted in Direct Relief being among the world’s largest providers of humanitarian material aid to help people in Nepal, Liberia, and Sierra Leone impacted by these devastating events.

In part because of the massive efforts devoted to emergencies, the measures of Direct Relief’s support and assistance grew substantially during the fiscal year. The organization provided more assistance than ever before: $610 million of support in the form of humanitarian medical material aid, delivering over 1,800 tons of medications, vaccines, and supplies—each requested and approved—through 7,213 deliveries to partner organizations in all 50 U.S. states and more than 70 countries worldwide.

In addition, Direct Relief provided financial assistance to several partner organizations in the form of direct cash grants and awards totaling $26 million for a variety of emergency-related recovery and rebuilding efforts internationally and, in the U.S., to community health centers and clinics doing innovative preventive, care, and treatment programs for vulnerable persons in their communities.

Direct Relief’s expanded efforts in emergencies and on a day-to-day basis were enabled by significant progress on long-term efforts to strengthen the organization’s operating capacity, efficiencies, and reach, as well as strategic partnerships with both businesses and colleague organizations.

The organization again earned the distinction it first earned in 2009 as the only nonprofit organization to receive accreditation as a “ Verified Accredited Wholesale Distributor in the U.S. and licensed to distribute prescription medications in all 50 U.S. states. Direct Relief’s ongoing commitment to meet the highest standards with regard to inventory handling, storage, tracking, and distribution have been essential to the continued, expanding efforts to support patients at U.S. community health centers and clinics, including during emergencies. But the benefits of efficient, transparent systems to meet stringent U.S. standards extend to all Direct Relief’s international activities as well. This fiscal year, the organization formally established Direct Relief Mexico and began leveraging these systems to assist people and partner organizations in Mexico more expansively and efficiently by providing medications and supplies from within the country, a trend that will be increasingly important globally in the years ahead.

Among other advances over the course of the year was the expanded partnership with the International Confederation of Midwives (ICM), which helped develop and formally approve as a global standard the Direct Relief Midwife Kit, 500 of which have now been furnished to midwives in Africa and Asia who have safely delivered 25,000 babies.

Fiscal Year 2015 showed once again that what seems like a sharp distinction between Direct Relief’s emergency-response activities and ongoing efforts to strengthen care for vulnerable people is often a false one. Those who are most vulnerable in obvious emergencies, such as the Ebola outbreak or Nepal earthquakes, are the same people who were vulnerable immediately before. That’s why Direct Relief remains committed to supporting the partners and the people on an ongoing basis—so their health and lives are less vulnerable, and they can enjoy the wonders of life and reach their inherent potential. Thank you for being part of Direct Relief and this important effort.
You may be familiar with the adage “the urgent displaces the important.” The events of Fiscal Year 2015 (July 1, 2014 through June 30, 2015) challenged that preconception, from the outset with the Ebola outbreak in West Africa to the April earthquake in Nepal, the urgent rather shaped the important.

These momentous fiscal-year bookends—neither anticipated in the operating plan nor any budget—prompted the largest-ever responses mounted by Direct Relief, including the unprecedented September 2014 chartering of a 747 aircraft dedicated entirely to getting aid to people combating Ebola when alternatives were nonexistent. At the 2015 Annual Meeting of the Clinton Global Initiative, President Clinton noted the effort as “the largest private aid delivery ever organized.”

By the fiscal-year end, four such charters had been deployed by Direct Relief—once again to Sierra Leone and Liberia, and three times to Nepal (two of which FedEx generously donated). Direct Relief is the largest provider of medical material aid to both crises—not because that was a goal but rather for the simple reasons that assistance was needed and Direct Relief was able to mobilize the resources.

These events also spurred significant public financial support and visibility, while requiring extensive programmatic adjustments to respond to very particular, critically-important needs. Direct Relief’s efforts were among many conducted by numerous groups and governments, but they earned high marks and heightened credibility from the public, nonprofit rating agencies, affected countries, partner organizations, and the UN and other international institutions. In urgent matters, Direct Relief responded at a greater scale than ever before in its 67-year history.
OF the many severe, chronic health problems Direct Relief’s longtime partners in West Africa were seeking to address at the beginning of 2014, the Ebola virus was not among them. The countries were deep into dedicated efforts to expand and improve health services for people and build back health systems decimated by civil wars that ended a decade ago.

When Ebola arrived, Direct Relief’s partner organizations were on the front lines of what became the worst, deadliest outbreak in history. They asked for help, and Direct Relief responded—at aggressively and expansively as possible.

Direct Relief’s Response Efforts Included a Series of Emergency Airlift Deliveries, Including the Unrivaled Charter of a 747 to Deliver 100 Tons of Urgently Needed Supplies, and Mobilizing Additional Resources and Arranging Logistics Globally to Deliver Essential Aid. These material infusions, the largest from any private source, were mostly made up of basic personal protective equipment (gowns, gloves, masks, and suits) as well as essential medications and supplies, and were delivered to more than 1,000 facilities in Liberia and Sierra Leone. However, they are only one type of a broad set of resources—including human, financial, and others to build physical infrastructure—that were essential and mobilized by other public and private groups with which Direct Relief worked in close coordination.

Direct Relief’s partner organizations—including Last Mile Health and the ELWA hospital in Liberia, and Medical Research Centre and Wellbody Alliance in Sierra Leone—were featured for several years on Direct Relief’s website and in other communications because of the important work that was—and remains—critical for the long-term. Combatting Ebola required a large-scale response, and Direct Relief will continue to bring as many resources as possible to bear on it—but with the recognition that the crisis had been exacerbated by the problems that Direct Relief and its extraordinary partners were working hard to address before Ebola appeared.

WHAT IS EBOLA?

Ebola is an infectious and often fatal disease that results in fever and severe internal bleeding. There are no medications effective in fighting the virus, but supportive hospital care can significantly increase survival. Ebola is highly contagious through infected bodily fluids like sweat, blood, and saliva and remains infectious even after the victim has died.

A mother waits to be seen by the doctor at the Wellbody Alliance Clinic in Kono, Sierra Leone. Wellbody has been supported by Direct Relief since 2013 with over $13 million in requested medical supplies.

Direct Relief’s largest single shipment in its 67-year history: 100 tons of medical aid being loaded, en route to medical partners in Liberia & Sierra Leone responding to the crisis.

100% of donations for Ebola response were used exclusively for that effort.

Direct Relief ranked among the 10 Most Innovative Nonprofits in 2015 for its use of mapping technology in response to the Ebola outbreak in Liberia & Sierra Leone.

“The Direct Relief shipment was absolutely critical, as we were almost out of our existing stock of gloves and gowns.”

– RAPHAEL FRANKFURTER, Executive Director, WELLBODY ALLIANCE, Sierra Leone
As of 11:55 a.m. local time on April 25, 2015, health indicators in Nepal were trending in the right direction. Maternal mortality had decreased in the country by 70 percent in the 17 years between 1993 and 2010. And compared to a child in 1996, a child in 2011 was twice as likely to live past the age of five.

薹 8,600 people died from what emerged as the most devastating earthquake in Nepal’s history.

薹 750,000 people lost their homes, 17,000 people suffered injuries, and 1,700,000 people are being used earthquake-affected Himalayan village.

薹 Direct Relief responded fast, effectively, and efficiently to the earthquake, focusing immediate (emergency response), short-term (disaster recovery), and long-term (disaster mitigation and preparedness).

薹 Direct Relief worked rapidly to mobilize medicines and medical supplies for international emergency teams and Nepalese-based organizations and health facilities responding to the disaster.

薹 The outpouring of generosity following the earthquake—combined with guidance from local organizations and support from Nepal’s National Drug Administration, Director of International Partnership for the Ministry of Health and Population, and the Director of the Department of Health Services Logistics Management Division—enabled Direct Relief to fast-track 145 tons—more than 12 million Defined Daily Doses (DDDs)—of high-priority medications, supplies, and medical equipment valued at $29 million to 33 recipient health facilities and organizations in Nepal.

薹 Those medical resources were donated by more than 60 healthcare companies and transported, in large part, aboard humanitarian charter flights donated by FedEx.

薹 To visualize the earthquakes’ impact, obtain updated information on local needs and conditions, and help identify critical issues requiring consideration in short- and long-term recovery efforts, Direct Relief used specialized Geographic Information System (GIS) software to develop a series of maps.

薹 Direct Relief used a variety of data sources to understand the changing needs and conditions in Nepal. The mapping tool provided valuable insight into earthquake-related needs and circumstances and enabled Direct Relief to make more informed decisions regarding response efforts.

薹 View the map at DIRECTRELIEF.ORG/MAPS.

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薹 OPEN DATA: Direct Relief used a variety of data sources to understand the changing needs and conditions in Nepal. Attributes included the location and intensity of aftershocks; where the greatest numbers of injuries occurred; the extent of damage to roads; airports, health facilities, and other infrastructure; physical locations of vulnerable populations; environmental concerns such as landslides and flooding; and the presence of health facilities and organizations.

薹 The mapping tool provided valuable insight into earthquake-related needs and circumstances and enabled Direct Relief to make more informed decisions regarding response efforts.

薹 A precise projection of health needs requires assessments that are not always possible while an emergency is still unfolding. However, the rapid provision of healthcare-related resources and support is critical to ensure that disaster survivors receive appropriate and adequate care, and to prepare for the rehabilitation of the healthcare infrastructure.

薹 Patients with severe injuries require effective care throughout the treatment and rehabilitation period. People suffering from chronic medical conditions must resume their medication and testing regimens. Those living in temporary shelters must contend with crowded and unsanitary conditions that can lead to outbreaks of life-threatening respiratory and waterborne diseases. Moreover, in the case of Nepal, living conditions and access to medical care and resources had been significantly impacted by monsoon season rains.

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SUSTAINING AND REBUILDING THE HEALTH INFRASTRUCTURE

A major emergency often requires substantial repairs to infrastructure, and this need is particularly acute within the health sector as disasters often severely damage infrastructure and medical facilities throughout the health system. After the 2010 Haiti earthquake, Hurricane Sandy, Japan earthquake and tsunami, and the Ebola crisis—Direct Relief observed local groups doing great work to help survivors, but rarely did these groups even make it onto the radars of international donors. In each instance, as in Nepal, Direct Relief identified and provided such groups with cash grants to cover response-related expenses.

One determining factor in the selection of grantees is whether they focus on the long-term treatment and care of people with disabilities. Direct Relief’s experience in post-disaster situations has reinforced the importance of supporting the institutions and services that provide specialized care for people who have suffered severe traumatic injuries.

NEPAL EARTHQUAKE RECOVERY GRANTS

Through the end of the fiscal year—Direct Relief granted $283,631 and made commitments of $5,127,776 to these local groups and organizations in Nepal providing essential services for earthquake survivors:

$181,131 DOCTORS FOR YOU
Emergency operations, equipment procurement, and support for Nuwakot District Healthcare

$475,035 ONE HEART WORLDWIDE
Neonatal Health System Rebuild in Sindhupalchok and Dhading Districts

$283,631 NEPAL REHABILITATION CENTRE FOR DISABLED CHILDREN (HRDC), NEPAL
Direct Relief-supported Hospital and Rehabilitation Centre for Disabled Children, HRDC, Nepal.

PHOTO: GORDON WILLCOCK

THE YEAR IN REVIEW

Direct Relief recognizes that the generous supporters who made financial contributions to Direct Relief following the earthquake in Nepal did so for the clear purpose of assisting people in Nepal. In accepting funds for Nepal, Direct Relief understands that both those who contributed and the people in Nepal (for whose benefit the contributions were made) deserve to know, in detail, how Direct Relief is using these funds.

Of the $5,207,575 in Nepal-designated donations received, as of June 30, 2015, Direct Relief has committed $2,703,203 or 52 percent on the following earthquake response activities:

$709,117 to mobilize, transport, and deliver to health facilities more than 145 tons of specifically requested medical material valued at $28,983,150—a ratio of $41 in medical aid for each $1 spent. This expense would be significantly higher, were it not for the emergency airlifts donated by FedEx and in-country logistics provided free-of-charge by the World Food Programme and the UN Humanitarian Air Service.

$197,679 to purchase critically-needed, specialized medical equipment and supplies (including ventilators, digital x-ray machines, and surgical kits for orthopedic repairs) requested by the Government of Nepal or individual facilities.

$1,796,407 in financial grants to organizations and health facilities in Nepal providing urgently needed services in the immediate term and to begin rebuilding or expanding essential services needed in the months and years ahead.

$0 Zero dollars spent on fundraising or marketing activities.

HOW are the NEPAL EARTHQUAKE FUNDS being used?

WHO contributed the $5.2 MILLION* to Direct Relief for Nepal?

C O R P O R A T E + F O U N D A T I O N S U P P O R T E R S

A big thank you to the corporate and foundation supporters who have helped enable this response:

$7,575,000

$210,000

$63,904

$3,218,495

$1,715,176

$117 BUSINESSES

16,381 INDIVIDUALS

57 OTHER ORGANIZATIONS

from

from

from

$201,000

$3,218,495

$1,715,176

$63,904

11 FOUNDATIONS

117 BUSINESSES

57 OTHER ORGANIZATIONS

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11 FISCAL YEAR 2015 ANNUAL REPORT
Direct Relief helped more people than ever before this year. While the urgent events in West Africa and Nepal shaped the year’s activities, they did not displace the important matters anticipated in the operating plan and budget. Rather, the crises and related responses reinforced the importance of several goals and accelerated progress toward them.

Here are a few factors contributing to innovative solutions for chronic challenges facing people who need help here in the U.S. and around the world—challenges that don’t make the headlines like emergencies but are no less urgent and important. The basic approach internationally and in all 50 U.S. states is the same: to identify, support, and strengthen the committed, local health workers and facilities that serve people who need care but do not have the resources to pay.

DIRECT RELIEF’S BIGGEST YEAR EVER

$558 million in product contributions, $30+ million in financial contributions, 5,000+ press stories, more than $610 million and 278 million defined daily doses of aid delivered to partners in 76 countries and all 50 U.S. states.

Partnerships THAT MATTER

Since 1948, Direct Relief has improved the health and lives of people affected by poverty or emergency situations by mobilizing and providing essential medical resources needed for their care—both within the United States and throughout the world.

How Direct Relief was able to provide more help to more people than ever before this fiscal year was due in large part to partnerships with some of the world’s leading companies and organizations—taking their rich expertise and highly efficient and effective tools and aiming them at some of the most vexing health issues facing people today. Neither the Ebola response nor the Nepal response would have been well-considered or viable without excellent, existing local partners, upon which the scaled responses were built.

The formal endorsements in FY2015 from the INTERNATIONAL CONFEDERATION OF MIDWIVES, the National Association of Community Health Centers, and the National Association of Free and Charitable Clinics have been instrumental in both the formation and execution of plans to scale respective activities with their members.

In Sierra Leone, all graduates of the School of Midwifery Makeni are equipped with a Direct Relief Midwife Kit that contains everything a midwife needs to deliver babies safely.

PHOTO: WILLIAM VAZQUEZ

EQUIPPING MIDWIVES to save the lives of Moms And Babies

Working with the International Confederation of Midwives, Direct Relief developed what is now the global standard “Midwife Kit” and has equipped 500 midwives throughout Africa and Asia who have safely delivered 25,000 babies. Direct Relief is committed to ensuring that all midwives who have training also have the tools they need, as this basic step can avert the still far-too-common loss of life of women during childbirth.
Robust SYSTEMS, Big DATA, & CREDENTIALS

Information and systems serve as critical foundational elements for programmatic expansion, while providing the ability to report to and communicate with the public upon whose support Direct Relief relies exclusively. Direct Relief’s substantial investments in SAP technology for managing its supply chain has instilled an ability to meet the highest commercial standards. Public expectations, encouraged by nonprofit rating groups, increasingly refer to “data, measures, and outcomes,” which must be synthesized with the traditional and still essential elements of a compelling mission, narrative, and presentation. The data available to Direct Relief through its technology infrastructure makes such insights readily available, as seen in the numerous map applications available on DirectRelief.org.

In addition to its sophisticated infrastructure and advancements in transparency, Direct Relief upholds operational standards that are unprecedented in the nonprofit sector. DIRECT RELIEF IS THE ONLY NONPROFIT LICENSED TO DISTRIBUTE PRESCRIPTION MEDICINES IN ALL 50 U.S. STATES, AND IT IS THE ONLY NONPROFIT THAT IS VERIFIED-ACCREDITED WHOLESALE DISTRIBUTORS (VAD) CERTIFIED. Both allow Direct Relief to support more than 1,200 nonprofit health centers and clinics nationwide caring for many of the nation’s 23 million uninsured people every year.

In FY2015, MORE DELIVERIES to U.S. clinics THAN EVER BEFORE

6,472 shipments valued at $64.8 million to 1,136 clinic and health center partners across 50 states

- Facilitated the Helping Build Healthy Communities program with BD – 7 awards for health centers focused on innovative programs to prevent and treat people with diabetes
- Expanded kids health camp activities with BD (providing needles and syringes for 177 diabetes camps), Pfizer (providing clotting treatment for 7 hemophilia camps), and Sanofi (providing epinephrine for 26 camps for kids with diabetes or asthma)
- Enhanced the nation’s largest charitable Hurricane Prep Program—8th year; 50 emergency preparedness packs prepositioned in 10 states
- Delivered 5 million insulin needles and syringes from BD
- Received TWO awards from the National Association of Community Health Centers
  - Worked with CVS to provide thousands of hygiene items for Family Emergency Kits, free flu shots valued at $2 million to 14 states
  - Delivered 400 emergency medical packs to clinics for outreach programs and mobile medical teams
- Expanded the distribution of Teva medicines into the U.S.
- Worked with Pfizer to combat the meningitis outbreak at University of Oregon
- Supplied needles and syringes for an HIV outbreak in Indiana
- Provided TENS OF THOUSANDS of books to people diagnosed with breast cancer

A little after 5:00 pm, ten years ago, I cold-called a number a colleague gave me. Hurricane Katrina had just made landfall in New Orleans. Malvane Scott, the Senior Vice President of the National Association of Community Health Centers (NACHC), answered the phone. Direct Relief had just concluded a successful pilot program to provide medications free-of-charge to community health centers and clinics in California. I asked Malvane if this service might benefit similar health facilities in the hurricane’s path. Direct Relief had responded for decades to disasters internationally, but the organization had never mounted a broad-scaled relief effort in the U.S. After a thorough vetting, Malvane connected with me with state leaders in Louisiana, Mississippi, and Texas. In the six months after that phone call, Direct Relief provided more than $50 million (wholesale) in medical assistance to community health centers throughout the Gulf. Not only was it the response among the largest in Direct Relief’s history, but it shaped the organization’s next ten years.

Katrina made it clear that community health centers served a critical role in emergencies. So, to be ready for the next disaster, Direct Relief set out to establish relationships with a nationwide network of safety-net providers.

Ten years later, Direct Relief supports more than 1,200 health centers, free clinics, public health departments, and other social service agencies in all 50 states. These providers, in turn, operate more than 4,000 clinical delivery sites and care for an estimated 12 million people annually. The network is the largest of its kind.

Building this national support network required Direct Relief to evolve its operations in ways unique for nonprofits. In 2009, Direct Relief became the only nonprofit in the U.S. accredited by the National Association of Boards of Pharmacy—a prerequisite for delivering prescription medicines to health facilities in all 50 states.

Since 2005, Direct Relief has delivered $500 million in medical aid and more than $10 million in financial support to U.S. health centers and clinics treating those in need. It wouldn’t have happened without support from the private sector.

Dozens of companies have provided the resources and means to deliver needed medicines to patients who couldn’t afford them otherwise. Abbott Fund provided the seed funding to establish a Hurricane Preparedness Program that prepositioned medical supplies with health facilities in disaster-prone areas; BD provided millions of insulin needles and syringes to low-income patients to help them manage their diabetes. Teva provided $500,000 in medications for people with asthma, and FedEx helped get those medications and supplies to hundreds of thousands of low-income patients throughout the U.S.

The same is true of NACHC—a partnership that’s been ten years in the making. On that call with Malvane a decade back, it all I could think about were the lives in the balance. Today, that call carries additional significance. It represents a nationwide network that’s helped countless individuals recover from or avoid a crisis like Hurricane Katrina.
The increased financial support seen in FY2015, of which nearly one-third was designated for Ebola or Nepal, reflected increases from all sources (individuals, companies, and foundations), and the sources were vastly different in character.

Online communities, such as Reddit, and online gaming communities and businesses (Bungie, HumbleBundle, Zeldaathon, Zynja) generated major financial support from their members and players.

Expanded foundation support came from both small community foundations and large national ones, such as the Peter and Carmen Lucia Buck Foundation, Paul G. Allen Family Foundation, and the Wallace Genetic Foundation.

And expanded corporate financial support also came from companies of all types, both for programmatic and general activities (AbbVie Foundation, Bank of NY Mellon, Bayer, BD, Covidien, Sire, Unibov, and Virgin Airlines).

Despite the profound differences in character of these new and existing supporters whose support increased, they all communicated a strikingly similar message in explaining why they were supporting Direct Relief. Uniformly, the message was that they had done their homework, were impressed by the numbers, and concluded that Direct Relief was doing important work and doing it well. It’s their trust in Direct Relief to do the right thing that makes the work possible.

The solutions described in this report, and many others Direct Relief strives to affect every day, are all designed to serve the basic mission of helping people access needed health services so they can live healthy, productive lives. Those efforts were recognized multiple times in FY2015 and Direct Relief remained among the most trusted and innovative nonprofits according to business and charity evaluators.

**FAST COMPANY**

Fast Company ranked Direct Relief among the 10 MOST INNOVATIVE NONPROFITS IN 2015 for its use of mapping technology in response to the Ebola outbreak in Liberia and Sierra Leone.

**Forbes**

Forbes recognized Direct Relief as 100% EFFICIENT in fundraising among nonprofit organizations in the United States, and among the MOST EFFICIENT large charities in the U.S.

**The Better Business Bureau**

Give.org Wise Giving Alliance has noted Direct Relief’s efficiency and found that Direct Relief meets the “STANDARDS FOR CHARITY ACCOUNTABILITY.”

**BenefitCorps**

National Association of Community Health Centers (NACHC) awarded Direct Relief the POWER THROUGH PARTNERSHIP AWARD for UNWAVERING COMMITMENT for its support of health centers across the United States that care for the nation’s most vulnerable people.
EXPANDING ACCESS + QUALITY HEALTH CARE FOR MILLIONS OF PEOPLE AROUND THE WORLD

FISCAL YEAR 2015

<table>
<thead>
<tr>
<th>Region</th>
<th>Total Wholesale Value</th>
<th>Defined Daily Dose*</th>
<th>Total Weight (in Pounds)</th>
<th>Total Volume (in Cubic Feet)</th>
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<tr>
<td>CARIBBEAN</td>
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<td>651,984 DDD*</td>
<td>486,337 lbs.</td>
<td>42,196 cu. ft.</td>
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<td>881,068 lbs.</td>
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<td>968,684 lbs.</td>
<td>123,084 cu. ft.</td>
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<tr>
<td>SOUTH ASIA</td>
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<td>404,353 lbs.</td>
<td>42,229 cu. ft.</td>
</tr>
<tr>
<td>EAST &amp; SOUTHEAST ASIA</td>
<td>$185,527,228</td>
<td>52,546,184 DDD*</td>
<td>968,684 lbs.</td>
<td>123,084 cu. ft.</td>
</tr>
</tbody>
</table>

*THE DEFINED DAILY DOSE (DDD) is a measure of drug utilization developed by the World Health Organization (WHO) and maintained by the WHO Collaborating Center for Drug Statistics Methodology at the University of Norway in Oslo. The DDD value — essentially a daily treatment measure — indicates “the assumed average maintenance dose per day for a drug used for its main indication in adults.” It is intended as an international average, for the sake of standardization and comparison between national contexts, not as a guide to actual prescriptions. For more information: www.whocc.no/ddd.

$610.6 million in medical aid amounting to 278.6 million defined daily doses*, 7,213 deliveries weighing 1,826 tons and taking up 370,649 cubic feet in volume.

FY15 ASSISTANCE TOTALS
Direct Relief had the strongest year in its 67-year history in all areas of activities and finances. In Fiscal Year 2015 the organization received a record $897 million in public support and provided a record $613 million in assistance around the world (including $2.6 million in cash grants). Direct Relief’s financial position and balance sheet continue to be strong thanks to the steadfast support from generous donors and the Board of Directors.

**CASH AND IN-KIND CONTRIBUTIONS**

To fulfill its mission and program objectives, Direct Relief has long sought partnerships with businesses and organizations with particular expertise that is needed and can be leveraged for humanitarian purposes. This approach has led to 175+ health-care manufacturers and other corporations, in sectors ranging from technology to transportation, providing in-kind contributions in the form of needed goods (primarily medical products) and services that would otherwise have to be purchased. Direct Relief also solicits and receives cash contributions, which are used to cover internal costs and for goods and services to advance the organization’s mission and that cannot be obtained through in-kind donations.

The strategic pursuit of in-kind resources enables Direct Relief to provide far more humanitarian assistance than would be possible in a model that relied entirely upon raising cash and then converting the cash into goods and services. It makes little economic sense to incur the expense involved in raising funds to then purchase something that a business may be willing and able to provide directly and more efficiently as its charitable contribution.

Direct Relief’s financial statements must account for both cash and in-kind contributions that are entrusted to the organization to fulfill its humanitarian mission. In Fiscal Year 2015, over 96 percent of our total public support of $897 million was received in the form of in-kind medical products and certain other donated services (such as transportation services from FedEx, online advertising from Google, and donated software services from the GSK PULSE Volunteer Partner Program in which senior professionals volunteer to be seconded to work at Direct Relief at no cost to Direct Relief). The previous pages explain where and why the in-kind medical products were provided by the organization to its partners around the world and in the United States.

We recognize that merging cash and in-kind contributions in accordance with Generally Accepted Accounting Principles (GAAP) can be confusing to non-accountants. The notes following the financial statements are to assist you in understanding how our program model is financed and works, to explain the state of our organization’s financial health, and to inform you about how we spent the money generously donated to Direct Relief in FY2015 by individuals, businesses, organizations, and foundations.

Direct Relief’s activities are planned and executed on an operating (or cash) budget that is approved by the Board of Directors prior to the onset of the fiscal year. The cash budget is not directly affected by the value of in-kind medical product contributions. Cash support—as distinct from the value of contributed products—is used to pay for the logistics, warehousing, transportation, program oversight, program and administrative staff salaries, purchasing of essential medical products, acquisition of donated medical products, and all other program expenses.

When taking an annual snapshot at the end of a fiscal year, several factors can distort a realistic picture of our (or any nonprofit organization) financial health and activities. Since the purpose of this report is to inform you, we think it is important to call your attention to some of these factors.
First is the timing of donations being received and the expendi- ture of those donations, whether in the form of cash or in-kind medical products. Donations—including those received to con- duct specific activities—are recorded as revenue when they are received or promised, even if the activities are to be conducted in a future year. The in-kind product donations are also recorded in inventory upon receipt. Direct Relief’s policy is to distribute products at the earliest practicable date, consistent with sound programmatic principles. While the distribution often occurs in the same fiscal year of receipt, it may occur in the following fis- cal year. An expense is recorded and inventory is reduced when the products are shipped to customers.

In the fiscal year ended June 30, 2015, Direct Relief received more value in product donations than we shipped out to our partner network. When the fiscal year ended, the product inven- tories that had not been “spent” were reported as an increase in net assets or a “surplus.” The opposite was true in Fiscal Year 2014, when the value of humanitarian aid distributed exceeded what was received during the year. This resulted in a decrease in net assets (or net operating “loss”) for this year.

For the fiscal year ended June 30, 2015, the organization reported a change in net assets of $177.2 million. As described above, this was driven by a higher value of donated product re- ceived, $864.8 million, than value of product distributed, $610.6 million and is purely a function of the timing of the receipts from donor companies and shipments sent out to our healthcare partner network.

POLICY ON DESIGNATED CONTRIBUTIONS

Direct Relief has adopted a strict policy to ensure that 100 percent of all designated contributions (e.g. donations for the “Nepal earthquake relief”) are used only on expenses related to supporting that program. This is consistent with other policies for all of our disaster responses in the last few years, in- cluding our responses to the Ebola outbreak in Western Africa, Hurricanes Sandy, Katrina and Rita, and earthquakes in Japan, Haiti, Pakistan, Peru, China, and Chile.

We believe this is appropriate for two reasons: first, to honor precisely the clear intent of generous donors who responded to these tragedies and to preserve the maximum benefit for the survivors for whom the funds were entrusted to Direct Relief.

VALUATION OF IN-KIND RESOURCES

Direct Relief is the only nonprofit organization in the United States that has received accreditation from the National Asso- ciation of Boards of Pharmacy as a Verified-Accredited Whole- sale Distributor (VAWD) licensed to distribute pharmaceutical products in all 50 U.S. states, and is among the largest-volume providers of medical donations to its partners worldwide. Direct Relief’s programs involve skilled staff, some of which require specialized expertise and licensing. Among these functions are identifying key local providers of health services in such areas, working to identify the unmet needs of people in the areas; mobilizing essential medicines, supplies, and equipment; and identifying potential gifts for the organization. We also work to determine what is needed and managing the many details inherent in storing, transporting, and distributing such goods to the partner organizations in the most efficient manner possible.

When Direct Relief receives an in-kind donation, account- ing standards require a “fair market value” to be assigned to the donation. Donations of medicines, medical equipment, and medical supplies have long been an integral part of Direct Relief’s humanitarian assistance programs. In assigning a fair market value to the in-kind medical donations received, Direct Relief uses careful, conservative approaches to determine the relevant accounting standards, and the spirit and purpose of disclosure, transparency, and accountability to the public.

Specifically, Direct Relief uses the following methodology in determining the fair market value of in-kind medical donations: U.S. Food and Drug Administration approved pharmaceuticals, branded and generic, are recorded at estimated wholesale val- ue, which approximates fair value, on the date received, based on the Wholesale Acquisition Cost (WAC) as published in the Thomson Reuters RedBook®. The RedBook® is an industry rec- ognized drug and pricing reference guide for pharmaceuticals in the United States. For the Fiscal Year 2015, the organization adopted a policy of using monthly pricing information available from the Thomson Reuters RedBook® online service provid- ed by Truven Health Analytics. This is a change from the prior years, and that used an annual RedBook® WAC as the basis of valuing contributed pharmaceuticals for an entire one-year period. Because prices fluctuate over the course of a year, this new policy provides a more accurate and current value of pharmaceuticals that are donated to the organization.

WAC is the standard used by many U.S. states as the Federal Upper Limit pricing for drugs purchased under the Medicaid program. Alternative methods of valuing a drug donation would result in a higher valuation. For example, the commonly cited Average Wholesale Price (AWP), which also is published in the RedBook®, is approximately twenty percent higher than WAC for a particular product according to the RedBook®. Direct Re- lief determined that WAC is the more appropriate measure. Because pricing differences exist for generic and branded products, it is important to note Direct Relief applies WAC value to each specific product’s National Drug Code, which relates to the specific manufacturer and formulation of a drug. This distinction is significant because it reflects, for example, the lower price for a generic drug relative to that of a branded product received through donation, compared to higher-priced branded product.

For non-FDA-approved pharmaceuticals, for example, prod- ucts manufactured for use in non-U.S. markets, the organization uses independent pricing guides to determine the fair market value of the particular manufacturer’s specific formulation. As is the case with FDA-approved formulations, the value relates to the specific product from the specific manufacturer. The sourc- es of such pricing information vary, but relevant information may include the price paid by wholesalers or other third-party buyers, a favorable price negotiated by an organization (such as the Clinton Foundation) for a particular drug, or other such reasonable bases.

For medical supplies and equipment, the organization de- termines valuation through reviewing the pricing information on the specific item listed for sale in trade publications, through online pricing, and through its own procurement history. Purchasing such valuations are lower typically than published retail prices.

Different prices for similar products or services in different geographic areas can cause confusion. The specifics of Direct Relief’s valuation methodology are noted here in recognition of the challenge that can arise with the value of contributed goods and services.

One source of confusion stems from the significant pricing (and therefore valuation) differences that exist in different parts of the world for similar products. With regard to pharmaceuti- cals, significant differences exist between a branded drug and a generic equivalent formulation even within the same market, including the U.S. Because Direct Relief operates on a global scale, such differences must be considered and reflected in the accounting and reporting of contributions.

Of course, similar pricing and valuation differences also exist for other commodities and services beyond pharmaceuticals. In the U.S., for example, 12 ounces of water is free from a public tap but can be several dollars if it comes in a branded bottle. Similar pricing differences exist for services as well. The organization’s approach to the thorny valuation challenge that comes from highly skilled services—surgery, computer programming, research con- ducted by Ph.D.s—are done at vastly different prices in different countries.

Direct Relief’s internal processes, information systems, and purchasing practices have been developed to ensure that such differences are identified and appropriately accounted for. This approach is intended to produce results that provide a reasonable balance between the quest for growth and the need to protect principal.

The Foundation expects its BRIF funds, over time, to provide an average after-tax rate of return of about seven percent annually. Actual returns in any given year may vary from this amount. The Foundation, to satisfy its long-term rate-of-return object- tives, relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current income (interest and dividends). The orga- nization targets a diversified asset allocation balanced between equity and fixed income investments to achieve its short-term spending needs as well as long-term objectives within prudent risk constraints.

In some instances, the Board may decide to appropriate a higher rate due to policy if it is specifically deemed prudent to do so. For the fiscal year ended June 30, 2015, the Foundation Trustees approved a distribution of funds to pay for Direct Relief’s fundraising expenses and the salary of the Presi- dent and CEO. Upon a majority vote by the Board, the BRIF may also be utilized to meet other general operational costs, extra-ordinary capital expenses, and advance emergency relief funding as determined by the President and CEO.

In 1998, Direct Relief’s Board of Directors established a Board-Restricted Investment Fund (“BRIF”) to help secure the organization’s financial future and provide a reserve for future operations. The BRIF, established with assets valued at $774 thousand, draws resources from Board-designated unrestricted bequests and gifts, and returns on portfolio assets.

In October 2006, the Direct Relief Foundation was formed and the organization’s assets were separated out for a separate, wholly controlled, supporting organization of Direct Relief. Effective April 1, 2007, assets in the BRIF were transferred to the Founda- tion. The Foundation’s investments are managed by SEI Private Trust Company, an investment firm under the direction of the Board of Directors and the BRIF assets are invested in a manner that is intended to produce returns that provide a reasonable balance between the quest for growth and the need to protect principal. The Foundation expects its BRIF’s funds, over time, to provide an average after-tax rate of return of about seven percent annually. Actual returns in any given year may vary from this amount.

The Foundation has a policy of appropriating for distribution each year an amount up to five percent of the assets of the BRIF. In some instances, the Board may decide to appropriate an amount greater than its stated policy if it is specifically deemed prudent to do so. For the fiscal year ended June 30, 2015, the Foundation Trustees approved a distribution of funds to pay for Direct Relief’s fundraising expenses and the salary of the Presi- dent and CEO. Upon a majority vote by the Board, the BRIF may also be utilized to meet other general operational costs, extra-ordinary capital expenses, and advance emergency relief funding as determined by the President and CEO.
### Combined Statement of Activities

<table>
<thead>
<tr>
<th>For the fiscal years ending June 30, 2015, and June 30, 2014</th>
<th>FY 2015</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td>$1,026</td>
<td>$1,026</td>
</tr>
</tbody>
</table>

**PUBLIC SUPPORT & REVENUE**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2015</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions of goods and services</td>
<td>$844,985</td>
<td>$844,985</td>
</tr>
<tr>
<td>Contributions of cash and securities—other</td>
<td>$61,059</td>
<td>$61,059</td>
</tr>
<tr>
<td><strong>TOTAL PUBLIC SUPPORT</strong></td>
<td>$906,044</td>
<td>$906,044</td>
</tr>
</tbody>
</table>

**REVENUE**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2015</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings from investments and other income</td>
<td>$1,555</td>
<td>$1,555</td>
</tr>
<tr>
<td><strong>TOTAL PUBLIC SUPPORT AND REVENUE</strong></td>
<td>$908,079</td>
<td>$908,079</td>
</tr>
</tbody>
</table>

**EXPENSES**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2015</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$3,948</td>
<td>$2,681</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$2,331</td>
<td>$1,704</td>
</tr>
<tr>
<td><strong>TOTAL SUPPORTING SERVICES</strong></td>
<td>$6,279</td>
<td>$4,395</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$720,859</td>
<td>$550,603</td>
</tr>
</tbody>
</table>

**INCREASE (DECREASE) IN NET ASSETS**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2015</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net increase in cash</strong></td>
<td>$177,240</td>
<td>$145,044</td>
</tr>
</tbody>
</table>

### Statement of Cash Flows

<table>
<thead>
<tr>
<th>For the fiscal years ending June 30, 2015, and June 30, 2014</th>
<th>FY 2015</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td>$1,026</td>
<td>$1,026</td>
</tr>
</tbody>
</table>

**CASH FLOWS FROM OPERATING ACTIVITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2015</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash collected from public support</td>
<td>$27,015</td>
<td>$19,649</td>
</tr>
<tr>
<td>Cash paid for goods and services</td>
<td>(21,994)</td>
<td>(18,481)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(35)</td>
<td>(38)</td>
</tr>
<tr>
<td>Dividend and interest income</td>
<td>$559</td>
<td>$477</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY OPERATING ACTIVITIES</strong></td>
<td>$5,545</td>
<td>$1,607</td>
</tr>
</tbody>
</table>

**CASH FLOWS FROM INVESTING ACTIVITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2015</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of investments</td>
<td>(27,963)</td>
<td>(12,957)</td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>29,768</td>
<td>10,934</td>
</tr>
<tr>
<td>Purchase of capital assets</td>
<td>(659)</td>
<td>(264)</td>
</tr>
<tr>
<td><strong>NET CASH USED BY INVESTING ACTIVITIES</strong></td>
<td>1,066</td>
<td>(2,387)</td>
</tr>
</tbody>
</table>

**CASH FLOWS FROM FINANCING ACTIVITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2015</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments on long-term debt</td>
<td>(43)</td>
<td>(48)</td>
</tr>
<tr>
<td><strong>NET CASH USED FOR FINANCING ACTIVITIES</strong></td>
<td>(43)</td>
<td>(48)</td>
</tr>
</tbody>
</table>

**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2015</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and cash equivalents - beginning of year</strong></td>
<td>$593</td>
<td>$1,421</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents - end of year</strong></td>
<td>$2,761</td>
<td>$593</td>
</tr>
</tbody>
</table>
FINANCIALS

FISCAL YEAR (FY) 2015 RESULTS

The overall assistance furnished by Direct Relief in the form of medical materials and cash grants in FY 2015 was a record $613 million. These resources were obtained from private sources and amounted to $817 million. Direct Relief provided 7,213 shipments of humanitarian medical material aid, including pharmaceuticals, medical supplies, and medical equipment. The more than 1,826 tons (nearly 3.7 million pounds) of material aid were furnished to local health programs in 76 countries, including the United States, and had a combined wholesale value of $610.6 million. The pharmaceuticals contained in these aid shipments were sufficient to provide over 278 million Defined Daily Doses (DDD). DDD is a measure of drug utilization developed by the World Health Organization (WHO) and maintained by the WHO Collaborating Center for Drug Statistics Methodology at the University of Norway in Oslo. Direct Relief uses this as a measure of pharmaceutical aid provided.

In addition, the organization provided $2.6 million in the form of cash grants to locally-run health centers in the United States and internationally. Recipients include seven community health facilities in the United States running innovative diabetes care and treatment programs, capacity building improvements at the Deenanath Mangeshkar Hospital in India, funds to support the relief and recovery efforts in areas affected by the Nepal Earthquake in April 2015, and Typhoon Haiyan in November 2013, and numerous other partners providing health services in other non-disaster areas.

CASH GRANTS

In addition to the medical material assistance program, Direct Relief also provided financial assistance of $2.6 million through cash grants to numerous partners providing health services in both disaster and non-disaster areas.

In FY 2015, cash grants made by the organization included $700 thousand to support community clinics in the United States running innovative care and treatment programs, $290 thousand to build capacity at the Deenanath Mangeshkar Hospital in India, $287 thousand for the Typhoon Haiyan response, and $284 thousand for relief and recovery efforts in Nepal. These funds were granted to support essential recovery efforts conducted by local, grassroots non-governmental and community groups in the affected areas.

STAFFING

These activities were accomplished by a staff which, as of June 30, 2015, comprised 69 positions (65 full-time, 4 part-time). Measured on a full-time equivalent (FTE) basis, the total staffing over the course of the year was 65.2. This figure is derived by dividing the total hours worked by 2,080, the number of work hours of a full-time employee in one year. Two persons each working half-time, for example, would count as one FTE.

In general, staff functions relate to three basic business functions: programmatic activity, fundraising, and general administration. The following sections describe the financial cost of our organizational activities, how resources are spent, and how donor funds are leveraged to provide assistance to people in need throughout the world.

COMPARISON TO PREVIOUS YEAR’S RESULTS

All financial statements presented in this report show both the results for FY 2015 and those of FY 2014 for comparison purposes.

LEVERAGE

In FY 2015, for every $1 contributed and spent for our humanitarian medical material assistance program (including emergency responses), the organization provided $35 worth of wholesale medical material assistance. These expenses totaled $19.8 million. The expenditure of these funds enabled Direct Relief to furnish $610.6 million (wholesale value) of contributed medical material resources to 76 countries for the support of ongoing health needs and emergencies.

协调发展

在2015财政年度，每投入1美元，我们的人道主义医疗物资援助项目（包括紧急响应）为组织提供了35美元的批发医疗物资援助。这些费用总额为1980万美元。这些资金的支出使得直接援助能够提供61060万美元（批发价值）的贡献医疗物资资源到76个国家，为支持持续的医疗需要和紧急情况。
In FY 2015, Direct Relief’s expenditure on program activities totaled $19.8 million, $4.4 million of which paid for salaries, related benefits (health, dental, long-term disability insurance, and retirement-plan matching contributions), and mandatory employer paid taxes (Social Security, Medicare, workers’ compensation, and state unemployment insurance) for 40 full-time and two part-time employees engaged in programmatic functions.

**PROGRAM EXPENSES**

- **Cash grants to partner organizations providing health services in both disaster and non-disaster areas, $2.6 million.**
- **Ocean/air freight and trucking for outbound shipments to partners, in-country transportation and rebrand product donations ($6 million, of which $2.1 million was donated).**
- **Travel for oversight and evaluation ($495 thousand); contract services ($3.4 million, of which $2.1 million was donated); packing materials and supplies ($324 thousand); and disposal costs for expired pharmaceuticals ($137 thousand).**
- **The value of expired products donated; pharmaceuticals ($137 thousand).**
- **A pro-rata portion of other allocable costs (see page 31).**

**PROGRAM EXPENSES ALSO INCLUDE:**

- **Donated freight**
- **Admin expenses**
- **Donated freight**
- **Disaster response**
- **Program expenses**
- **Fundraising expenses**

**FUNDRAISING EXPENSES**

Direct Relief spent a total of $2.3 million on fundraising in FY 2015. These expenses (other than donated services) were paid from funds received out of the assets of the Direct Relief Foundation. A total of $1.2 million was spent for salaries, related benefits, and taxes for nine full-time employees engaged in resource acquisition and fundraising.

**FUNDRAISING EXPENSES ALSO INCLUDE:**

- **$44 thousand for the production, printing, and mailing of newsletters, the annual report, tax-receipt letters to contributors, fundraising solicitations, and informational materials.**
- **$17 thousand in advertising and marketing costs.**
- **$31 thousand in travel and mileage-reimbursement expenses.**
- **$752 thousand in contract services ($255 thousand of which were donated services).**
- **$19 thousand in supplies in support of the fundraising staff.**
- **$38 thousand in outside computer services related to fundraising.**
- **A pro-rata portion of other allocable costs (see page 31).**

It should be noted that Direct Relief does not classify any mailing expenses or costs for informational materials as “jointly incurred costs”—an accounting practice that permits, for example, the expenses of a newsletter containing information about programs and an appeal for money to be allocated partially to “fundraising” and partially to “public education,” which falls under program costs. The $40 thousand that was incurred for such expenses was only allocated between fundraising and administration expenses.
MANAGEMENT + GENERAL EXPENSES

Direct Relief spent a total of $3.9 million on administration. Administration expenses are those that relate to financial and human resource management, information technology, communications, public relations, and general office management. A total of $1.7 million was for salaries, related benefits, and taxes for 16 full-time employees and 2 part-time employees engaged in administration and financial management.

MANAGEMENT + GENERAL EXPENSES ALSO INCLUDE

- $12 thousand in credit card and banking fees
- $37 thousand for copying and printing
- $15 million in contract services ($922 thousand of which were donated services, including GSK PULSE volunteers and continuous quality improvement consulting)
- $218 thousand in accounting fees for the annual CPA audit, payroll processing and reporting, and other financial services, ($52 thousand of which were donated services)
- $129 thousand in legal fees, of which $34 thousand was provided pro bono for legal representation related to general corporate matters
- $7 thousand in taxes, licenses, and permits (Direct Relief is registered as an exempt organization in each U.S. state requiring such registration)

A pro-rata portion of other allocable costs (see page 31)

EQUIPMENT/SOFTWARE RENTAL + MAINTENANCE $12K
CONTRACT SERVICES $392K
TRAVEL $65K
PRINTING, POSTAGE, MAIL, ETC. $53K
SALARIES + BENEFITS $1.45M
OTHER $339K
DONATED GOODS/SERVICES $169K
FACILITY/UTILITY/WEB HOSTING $215K
MANAGEMENT + GENERAL EXPENSES BY FUNCTION

MANAGEMENT + GENERAL EXPENSES

42% SALARIES & BENEFITS $1.3M
14% CONTRACT SERVICES $572K
11% OTHER $62K
5% FACILITY/UTILITY/WEB HOSTING $20K
3% TRAVEL $10K
1% EQUIPMENT/SOFTWARE RENTAL + MAINTENANCE $2K
23% DONATED GOODS/SERVICES $392K
1% PRINTING, POSTAGE, MAIL, ETC. $43K

“Other Allocation Costs”

Direct Relief owns and operates a 40 thousand square-foot warehouse facility that serves as its headquarters and leases another 38 thousand square-feet of warehouse space. Costs to maintain these facilities include mortgage interest, depreciation, utilities, insurance, repairs, maintenance, and supplies. These costs are allocated based on the square footage devoted to respective functions (e.g. fundraising expenses described earlier include the proportional share of these costs associated with the space occupied by fundraising staff). The cost of information technology services are primarily related to the activities of the respective functions described above. These costs are allocated based on the headcount devoted to the respective functions.

EXECUTIVE COMPENSATION

The President and CEO’s compensation is paid from funds provided by Direct Relief Foundation. His compensation is allocated 50 percent to administration and 50 percent to fundraising.

“In the shadow of Mount Everest, Emergency Response Manager Gordon Willcock carries Direct Relief’s Emergency Medical Pack into the earthquake-affected mountain village of Phaplu, Nepal.”

PHOTO: DAN HOVEY

“We efficiently and effectively use the resources entrusted to us by our donors to provide extraordinary value for money so that we can help more people and fulfill our mission of a healthier world.”

– BHUPI SINGH
Executive VP, COO, & CFO
INVESTORS

Our deepest thanks to Direct Relief’s investors, whose generosity has enabled service to millions of people throughout the world.
FOUNDERS’ SOCIETY

We are honored to recognize members of Direct Relief’s Founders’ Society. Through their LEADERSHIP + COMMITMENTS over the years of $100,000 or more, these extraordinary individuals and family foundations have championed Direct Relief and enabled program innovation and expansion.

Judy and Bruce Anticouni
Mr. and Mrs. Philip Barber
Mrs. Beatrice (Brownie) Borden
Mr. and Mrs. Tim Bradley
Francis and Sheila Johnson Brütsch
Mr. Bruce Campbell
Dickies and Robert Calhoun / Calhoun Millennium Foundation Inc.
Mr. and Mrs. William G. Coates II
Ms. Lauren Converse
Mr. and Mrs. John D. Curtis
Mr. and Mrs. Thomas H. Cottimer
Peggy and Steve Dow
Mr. and Mrs. James Ondoro
Christine and Dan Outland
Tom and Nancy Elswesser / Tom and Nancy Elswesser Foundation
Dr. and Mrs. Thomas G. Everhart
Peggy and Gary Finefrock
Mrs. Edmaras-Kim Foster / The Foster Foundation
Mr. and Mrs. Martin Gore
Dr. Bert Green and Ms. Alexandra Brookshire / Brookshire Green Foundation
Dr. Catherine Grotelueschen and Mr. James H. Grotelueschen
Mr. and Mrs. William T. Hammond
Mr. Chip Hartov / Precision Strip
Mrs. Mary Harvey
Betty and Ed Raacke
Mr. Richard E. Lunquist
Mr. Ken MacKay / Fred MacKay Family Foundation
The Nurture Foundation
Mr. and Mrs. Hera Mitchell
Mr. and Mrs. Robert Nakao / Nakao Family Foundation
Mr. and Mrs. Gary S. Newman
Mrs. Mark B. Parker
Donald D. and Jo Anna Peterson / The Donald D. and Jo Anna Peterson Foundation
Alan S. Porter
Mr. John Powell and Ms. Melinda Lerner
Mr. and Mrs. Alexander N. Prewer
Mr. and Mrs. Michael E. Pulitzer
Mr. and Mrs. Steven W. Rapp
Mr. Randy Rettig and Mrs. Ashley Williams Rettig
Mr. and Mrs. James J. Roehrig / Roehrig Family Foundation
Barbara and Gerrit Rubin / Barbara H. Rubin Foundation
Mr. Jim Rychel
Mrs. Mary Alice Scholl
Mrs. Nancy B. Schoisser / Nancy B. & C. William Schoisser Family Foundation
Mrs. Nichole Schmidt-Petersen
Mr. and Mrs. Edgar H. Schollmaier / Schollmaier Foundation
Mrs. Nan Schow / The Schow Foundation
Mr. Rachael Schultz
Patricia and Jim Selbert
Mr. William Sheard / The Sheardan Family Foundation
Mrs. Harold Simmons / Harold Simmons Foundation
Mr. Thomas G. Simondi
Mrs. Michiyo Schmidt-Petersen
Mr. and Mrs. Karl Weis
Mr. Dana White
Mr. and Mrs. Cooper Williams
Mr. and Mrs. Fred H. Wilson II
Mr. David A. Yusch

FISCAL YEAR 2015 ANNUAL REPORT
The Legacy Society exclusively recognizes those caring individuals who have included Direct Relief in their estate plans. Their commitment and dedication are shining examples of generosity that will help Direct Relief continue its efforts to improve health and lives of people affected by poverty or emergency situations by mobilizing and providing essential medical care resources needed for their care.
GUIDING PRINCIPLES

► SERVE PEOPLE
Improve the health of people living in high-need areas by strengthening fragile health systems and increasing access to quality health care.

► LIFT FROM THE BOTTOM, PULL FROM THE TOP
Focus on serving the most medically underserved communities in the U.S. and abroad, working with the world’s leading companies, greatest thinkers, and best institutions.

► BUILD UPON WHAT EXISTS
Identify, qualify, and support existing health-care providers over the long-term and serve as a catalyst for other resources.

► REMOVE BARRIERS
Create transparent, reliable, and cost-effective channels to enable medically underserved communities access to essential medical resources (particularly medicines, supplies, and equipment).

► PLAY TO STRENGTHS. PARTNER FOR OTHER NEEDS
Engage in activities that address a compelling need and align with our core competencies and areas of excellence. Ally with an expanded network of strategic partners who are working on related causes and complementary interventions to leverage resources.

► BE A GOOD PARTNER
► ADVOCATE
Give credit where due, listen carefully, and respect those served and those contributing resources.

► RESPOND FAST WHILE LOOKING AHEAD
Support the immediate needs of survivors by working with local partners best situated to assess, respond, and prepare for the long-term recovery.

► DO NOT DISCRIMINATE
Deliver aid without regard to race, ethnicity, political or religious affiliation, gender, sexual orientation, or ability to pay.

► AIM HIGH
Combine the best of business, technology, and public policy approaches for the benefit of people in need.

OUR MISSION IS TO IMPROVE THE HEALTH AND LIVES OF PEOPLE AFFECTED BY POVERTY OR EMERGENCY SITUATIONS BY MOBILIZING AND PROVIDING ESSENTIAL MEDICAL RESOURCES NEEDED FOR THEIR CARE.