



Letter from the CFO

Financial results for 2019
(Fiscal year ended September 30)

Doug Treff
Chief Financial Officer
World Vision U.S.

Over the past year, World Vision saw God's powerful and mighty work taking us further than we ever imagined, bringing hope to children and families across the globe. We are deeply grateful to the many generous partners who came alongside us in ministry, including those who helped ensure care for over 1 million children through our sponsorship programs. Because of our community-focused solutions, for every child helped, four more children benefited, too. With God's provision and the gifts of our faithful donors, we reached \$1.138 billion in operating revenue. This enabled us to invest \$89 million *more* than the prior year in programs that help children and families build better futures.

2019 financial results

Program and support services

Program services. Support from World Vision to its affiliates and programming partners worldwide grew 10% in 2019 to \$996 million. Through child sponsorship we work in eight of the 10 poorest places in the world as measured by the United Nations' Multidimensional Poverty Index. In these challenging contexts, our holistic, community-focused approach is equipping kids and families to transform their own lives. We took a giant leap this year by welcoming kids into their development journey in a new way with the launch of Chosen®, our new sponsorship invitation. Chosen flips the script, empowering children in our programs to choose their own sponsor! Sponsored children and sponsors alike have shown great excitement about this simple yet powerful switch, and we look forward to seeing the impact as kids live into their potential and help bring lasting change to their families and communities.

Fundraising and administrative support services. In 2019 our overhead rate remained at 14%. We continue to focus on efficient fundraising and management activities, while also providing room for innovation in our fundraising—such as Chosen—to bring greater awareness to issues of poverty around the world and invite more donors to partner with us.

Contributions, grants, and other revenue

Private cash revenue. Revenue from private cash donations decreased 1% to \$547 million. Revenue from individual sponsors decreased slightly in 2019 but allowed us to sustain programming at levels comparable to the prior year. Donations from other sources increased slightly, primarily reflecting increased contributions from high net worth donors.

Grants and gifts-in-kind. Grants from the U.S. government and the United Nations World Food Programme (of which we continued to be the largest implementation partner) increased 19% to nearly \$393 million, due primarily to an increase in cash grant programs. Grant funds are an important resource to expand our ability to serve the most vulnerable children in fragile and difficult places. Gift-in-kind revenue grew 13% in 2019 to \$190 million.

Increase in net assets. Net assets from operations without donor restrictions remained flat during the year. Maintaining appropriate balances in net assets strengthens financial capacity and provides stability to meet future program commitments and other obligations. World Vision has sufficient financial liquidity and reserves for the next year to fulfill our ongoing commitments as we distribute resources for program services quickly and effectively.

Summary financial results (Year ended September 30; \$ millions)	Fiscal 2019	Fiscal 2018	% Change
Operating revenue			
Private cash	\$547	\$552	(1%)
Public grants	393	329	19%
Gifts-in-kind	190	168	13%
Interest, dividends, and other	8	7	14%
Total operating revenue	\$1,138	\$1,056	8%
Program services			
Cash for international, domestic, and advocacy programs	\$660	\$635	4%
GIK & food commodities for international and domestic programs	336	272	24%
Total program services	\$996	\$907	10%
Total fundraising & administrative expenses	\$154	\$147	5%
Surplus (change from operations in net assets without donor restrictions)	\$0	\$7	
Overhead rate (overhead expenses as a percent of operating revenue)	14%	14%	

Financial accountability, governance, and stewardship

World Vision is committed to the wise use of resources entrusted to us by God and our donors, partners, and grantors. We strive to model excellent stewardship and governance, understanding that strong governance, accountability, and transparency help us achieve the greatest impact with these resources. As part of this commitment, we adhere to the standards of independent third parties including the Evangelical Council for Financial Accountability, the BBB Wise Giving Alliance, and InterAction.

We believe impact is one of the most important measures of the effectiveness of a charity in carrying out its mission. We tailor programs for each context to deliver the greatest impact, continually monitor and evaluate programs to determine how children are benefiting, and measure the impact our programs have on child well-being, including access to clean water, health and nutrition levels, and educational achievement. We take an integrated, holistic approach in tackling the root causes of poverty, enabling us to achieve greater effectiveness and sustainability in our programming. To learn more about our approach to designing, monitoring, and evaluating programs, visit worldvision.org/DME.

World Vision is dedicated to maximizing the impact of the cash contributions we receive. We leverage those contributions to obtain additional individual contributions, grants, gifts-in-kind, and food resources—making even greater transformation possible through community and sponsorship program activities. Each dollar of cash donated to World Vision yields more than a dollar of value for the communities we serve, even after factoring in fundraising and administrative costs. For more about how World Vision leverages financial donations for maximum impact, visit worldvision.org/stewardship.



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