



Letter from the CFO

Financial results for 2018

(Fiscal year ended September 30)

Doug Treff
Chief Financial Officer
World Vision U.S.

Over the past year, World Vision rejoiced to see God's miraculous power bringing hope to children and families across the globe. We are deeply grateful to the many generous partners who joined 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 incredible provision and the gifts of our faithful donors, we reached \$1.056 billion in operating revenue. This enabled us to invest \$52 million more in the lives and futures of millions of people in 2018.

2018 financial results

Program and support services

Program services. Support from World Vision to its affiliates and programming partners worldwide grew 6% in 2018 to \$907 million. In one vital area of our work—response to the global refugee crisis—we provided support to 5.3 million refugees and internally displaced people. This was part of our broader response to global disasters, through which we assisted approximately 16 million people, along with many in the U.S. affected by Hurricanes Maria and Florence.

Fundraising and administrative support services. In 2018 our overhead rate remained at 14%. We continue to focus on efficient fundraising and management activities, exemplified by the deployment of a new enterprise resource planning system that will improve organizational effectiveness and efficiency.

Contributions, grants, and other revenue

Private cash revenue. Revenue from private cash donations decreased 3% to \$552 million. Revenue from individual sponsors remained constant in 2018, allowing us to sustain resources to this programming similar to the prior year. Donations from other sources decreased, primarily reflecting lower contributions from estate giving and large foundations (which vary more from year to year than other private cash revenues).

Grants and gifts-in-kind. Grants from the U.S. government and the United Nations World Food Program (of which we continued to be the largest distribution partner) increased 9% to nearly \$329 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 6% in 2018 to \$168 million.

Increase in net assets. Net assets from unrestricted operating activities grew \$7 million during the year. This growth in net assets strengthens financial capacity and provides stability to meet future program commitments and other obligations. World Vision U.S. 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 2018	Fiscal 2017	% Change
Operating revenue			
Private cash	\$552	\$572	(3%)
Public grants	329	303	9%
Gifts-in-kind	168	158	6%
Interest, dividends, and other	7	11	(36%)
Total operating revenue	\$1,056	\$1,044	1%
Program services			
Cash for international, domestic, and advocacy programs	\$608	\$567	7%
GIK & food commodities for international and domestic programs	299	288	4%
Total program services	\$907	\$855	6%
Total fundraising & administrative expenses	\$147	\$146	1%
Surplus (change in unrestricted net assets from operations)	\$7	\$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's lives are improving, 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 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. If you would like to learn more about World Vision's financial integrity, see the brief video on stewardship found at worldvision.org/stewardship.



Douglas J. Treff
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