



Letter from the CFO

Financial Results for 2014
(Fiscal year ended September 30)

Larry Probus
Chief Financial Officer

Fiscal 2014 was a positive financial year for World Vision, as total revenue grew 6%, our overhead rate improved from 17% to 15%, and a surplus for the year helped replenish depleted reserves.

We continue to feel God's hand firmly fixed on our work, and can see how He used times of economic challenge to make us an even more effective and efficient organization. Above all, we continue to pray, acknowledging our dependence on God as we steadfastly minister to those He has called us to serve.

2014 Financial Results

Private Cash Revenue. Revenue from private cash donations, the most important measure of World Vision's financial health, grew slightly in 2014 to \$600 million. Donations to World Vision's core child sponsorship program increased 1%, exceeding \$400 million for the first time.

Grants and GIK. Grants from the U.S. government increased 9% in 2014 to \$195 million, while gift-in-kind revenue rose 18% to \$232 million. These important channels add valuable resources to the communities of World Vision sponsored children.

Fundraising, Management & General Expenses. Fundraising, management, and general expenses (sometimes called overhead) declined 5% in 2014. Our overhead rate (overhead expenses as a percent of total revenue) improved from 17% to 15%. This improvement is attributable to tight control of administrative costs, as well as lower fundraising expenditures.

Program Services. Funding to World Vision affiliates around the world, as well as U.S. ministry partners, grew 8% in fiscal 2014. This \$64 million increase in program services was made possible by higher revenues and a reduction of overhead costs.

World Vision made a conscious decision in fiscal 2011 and 2012 to increase cash funding to communities of our sponsored children despite donation shortfalls, resulting in an organizational deficit for those years. These deficits have been partially restored by surpluses realized in 2013 and 2014. World Vision's plans call for a similar surplus in coming years to fully restore depleted reserves.

Change in Net Assets (Surplus/Deficit). Total net assets for World Vision U.S. improved \$14 million during the year, largely reflecting a decision to restore reserves following deficits incurred in 2011 and 2012. World Vision's objective for financial liquidity and reserves is to operate in a prudent range of stability, while recognizing the imperative of distributing maximum funds to mission as quickly as possible. World Vision U.S. remains financially strong, with sufficient liquid assets to discharge ongoing ministry commitments and other obligations. Most of our short-term investments are held in liquid marketable securities. Our investment strategy for long-term assets (primarily pensions, donor advised funds, and endowments) would generally be considered a conservative one.

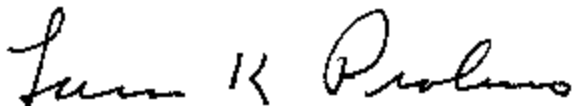
Summary Financial Results (Year ended September 30; \$ millions)	Fiscal 2013	Fiscal 2014	% Change
Revenue			
Private cash	\$599	\$600	-
Public grants	179	195	9%
Gifts-in-kind	196	232	18%
Other (interest & rental)	8	11	38%
Total revenue	\$982	\$1,038	6%
Program services			
Cash	\$557	\$572	3%
GIK & food commodities	248	297	20%
Total program services	\$805	\$869	8%
Fundraising, management & general expenses			
Fundraising	\$114	\$107	(6%)
Management & general	52	50	(4%)
Total fundraising, management & general expenses	\$166	\$157	(5%)
Surplus (change in net assets)	\$19	\$14	
Overhead rate	17%	15%	

Financial Accountability and Stewardship

World Vision is dedicated to the highest standards of financial stewardship—because we understand that the resources we receive are a sacred trust from God, through our donors, on behalf of those we serve.

We believe that a charity must be judged on its *efficiency* of stewarding funds, and even more importantly, on its *effectiveness* in accomplishing its mission. We continually monitor and evaluate World Vision's programs to determine how the lives of children are being improved, using measures of child well-being such as access to clean water, health and nutrition levels, and educational achievement. Our effectiveness has earned the trust and support of more than one million donors, thousands of churches, and hundreds of corporations, institutions, and government agencies around the globe.

World Vision is able to multiply the cash gifts we receive by adding gifts-in-kind and food resources to sponsorship programs and other community activities funded with cash donations. Each dollar of private 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'd like to learn more about World Vision's economics of mission, please see the 3-minute video on financial stewardship located on our website under the **About Us/Financial Accountability** tab.



Larry Probus
Chief Financial Officer, World Vision

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