



## Letter from the CFO

Financial results for 2017  
(Fiscal year ended September 30)

**Doug Treff**  
Chief Financial Officer  
World Vision U.S.

Throughout 2017, World Vision witnessed God's faithfulness in bringing hope to those we serve. We also experienced the continued support of many donors and partners who share our commitment to work alongside the poor to enable fuller lives for children, families, and communities. Together, these donors and partners made possible an increase in programming activities, as operating revenue for the year rose to \$1.044 billion.

## 2017 financial results

### Program and Support Services

**Program services.** Funding to World Vision affiliates and programming partners around the world grew \$20 million in 2017 to \$855 million. In one important programming area, we helped provide access to clean water for 3.2 million people, continuing our pace of reaching one new person with clean water every 10 seconds. Another important 2017 effort was our response to global disasters, including the delivery of critical emergency assistance and supplies to communities affected by Hurricanes Harvey, Irma, and Maria.

**Fundraising and administrative support services.** In 2017, we improved operating efficiencies and better leveraged our fundraising and management and general expenses (typically referred to as overhead expenses). As a result, overhead expenses declined by 5%, and as revenue increased 3%, our overhead rate (overhead expenses as a percent of operating revenue) decreased to 14%.

### Contributions, Grants, and Other Revenue

**Private cash revenue.** Revenue from private cash donations increased 4% to \$572 million as we joined with individual and corporate partners to deliver increased resources to communities. Revenue from individual donors grew in response to domestic and international disasters, more than offsetting a slight decline in revenue from sponsorship.

**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 38% to nearly \$303 million, due primarily to an increase in cash grant programs. At the same time, changes in global market prices contributed to a 33% decline in gift-in-kind revenue in 2017. These revenue streams add valuable resources to children and their communities where World Vision and our implementation partners work.

**Increase in net assets.** Net assets from unrestricted operating activities grew \$16 million during the year. Growth in net assets improves financial health and builds liquidity to meet future program commitments and other obligations. World Vision seeks to maintain adequate levels of financial liquidity and reserves while recognizing the imperative to distribute funds for program services quickly and prudently. World Vision U.S. remains financially strong, with sufficient liquid assets to fulfill its commitments and obligations.

<b>Summary financial results</b> (Year ended September 30; \$ millions)	Fiscal 2017	Fiscal 2016	% Change
<b>Operating revenue</b>			
Private cash	\$572	\$550	4%
Public grants	303	220	38%
Gifts-in-kind	158	236	(33%)
Interest, dividends, and other	11	8	38%
<b>Total operating revenue</b>	<b>\$1,044</b>	<b>\$1,014</b>	<b>3%</b>
<b>Program services</b>			
Cash for international, domestic, and advocacy programs	\$573	\$501	14%
GIK & food commodities for international and domestic programs	282	334	(16%)
<b>Total program services</b>	<b>\$855</b>	<b>\$835</b>	<b>2%</b>
<b>Total fundraising &amp; administrative expenses</b>	<b>\$146</b>	<b>\$153</b>	<b>(5%)</b>
<b>Surplus (change in net assets from operations)</b>	<b>\$16</b>	<b>\$26</b>	
<b>Overhead rate (overhead expenses as a percent of operating revenue)</b>	<b>14%</b>	<b>15%</b>	

## Financial accountability, governance, and stewardship

World Vision adheres to the highest standards of financial stewardship and governance. We recognize that the resources we receive are a sacred trust from God and our donors, grantors, and partners on behalf of those we serve. World Vision is committed to strong governance in all programming and is accountable to our Board of Directors and independent third parties including the Evangelical Council for Financial Accountability, BBB Wise Giving Alliance, InterAction, and CharityWatch. Our accountability to our donors and third parties helps ensure transparency and that the resources entrusted to us serve our mission and achieve the greatest impact.

We believe one of the most important measures of a charity is the results it achieves. That is why we continually monitor and evaluate World Vision's programs to determine how the lives of children are being improved. We measure the impact our programs have on child well-being, including access to clean water, health and nutrition levels, and educational achievement. We use standard program models to implement a holistic approach to tackle the root causes of poverty, enabling us to achieve greater effectiveness in our programming. To learn more about our approach to designing, monitoring, and evaluating programs, visit [worldvision.org/DME](http://worldvision.org/DME).

Our commitment to and effectiveness in tackling the root causes of poverty have earned the trust and support of nearly one million donors, including individuals, churches, corporations, and government agencies. To learn more about the impact of our work in communities around the world, visit [worldvision.org/our-work](http://worldvision.org/our-work).

World Vision is committed to wise stewardship and maximizing the impact of the cash contributions it receives. Those contributions are leveraged to obtain additional gifts-in-kind and food resources — bringing even greater resources to bear on community and sponsorship program activities. As a result, 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 [worldvision.org/stewardship](http://worldvision.org/stewardship).



**Douglas J. Treff**  
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