



Letter from the CFO

Financial results for 2020

(Fiscal year ended September 30)

Doug Treff
Chief Financial Officer
World Vision U.S.

At this time last year, we could not have predicted that in 2020 we would launch the first global and largest-ever emergency response in World Vision's 70-year history. Between March and September, the end of our fiscal year, World Vision impacted the lives of more than 51 million people affected by the COVID-19 crisis globally, 22 million of them children. In this year of unprecedented events, we saw God at work as He inspired us to unite in compassion to support these children and families. We are deeply grateful for the generosity of our donors and partners who have invested in the lives of millions of people in extreme poverty who are now more resilient to the devastating secondary effects of the COVID-19 pandemic. Due primarily to our donors' generous support of our COVID-19 response in over 70 countries, including the U.S., our operating revenue grew 8% in 2020 to a record \$1.2 billion. As a result, we were able to invest \$1.1 billion in programs to empower children and families, providing lasting hope and opportunity to build a better future.

2020 financial results

Program and support services

Program services. Support from World Vision to its affiliates and programming partners worldwide grew 7% in 2020 to \$1.1 billion. Through our COVID-19 response in over 70 countries, we've reached more than 51 million people by scaling up preventive measures to limit the spread of the virus, strengthening health systems and workers, and supporting children and families impacted by the secondary consequences of the pandemic, such as school closures, job loss, and reduced access to healthcare. Our efforts included establishing or maintaining nearly 79,000 public handwashing stations, supporting healthcare systems and workers with more than 6 million masks and 4 million glove sets, and reaching over 6 million people with food security assistance.

Fundraising and administrative support services. In 2020, we lowered our overhead rate (overhead expenses as a percent of operating revenue) even further to 11%. During this global crisis, we wisely managed our overhead expenses to maximize program services. We continue to focus on efficient fundraising and management activities while also providing innovative and virtual ways for more donors to partner with us.

Contributions, grants, and other revenue

Private cash revenue. Revenue from private cash donations increased 2% to \$559 million, primarily in support of our COVID-19 response. Revenue from individual sponsors was flat in 2020, making it possible to sustain programming at levels comparable to the prior year.

Grants and gifts-in-kind. Grants from the U.S. government and the United Nations World Food Programme increased 8% to \$426 million, due primarily to an increase in U.S. government grant programs. In 2020, World Food Programme (WFP) received the Nobel Peace Prize, reflecting the global community's growing awareness of the needs of the most vulnerable. As WFP's largest implementation partner, World Vision recognizes these grant funds are an important resource to expand our ability to serve children in the world's most fragile and difficult places. Gift-in-kind revenue grew 28% in 2020 to \$243 million, primarily as a result of our partnership with the U.S. government's Farmers to Families Food Box Program. Through this partnership we supported 6.4 million children and adults in the U.S. in need of food assistance, many as a result of the pandemic.

Increase in net assets. Net assets from operations without donor restrictions increased 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 2020 | Fiscal 2019 | % Change |
|--|----------------|----------------|--------------|
| Operating revenue | | | |
| Private cash | \$559 | \$547 | 2% |
| Public grants | 426 | 393 | 8% |
| Gifts-in-kind | 243 | 190 | 28% |
| Interest, dividends, and other | 5 | 8 | (38%) |
| Total operating revenue | \$1,233 | \$1,138 | 8% |
| Program services | | | |
| Cash for international, domestic, and advocacy programs | \$672 | \$660 | 2% |
| GIK & food commodities for international and domestic programs | 391 | 336 | 16% |
| Total program services | \$1,063 | \$996 | 7% |
| Total fundraising & administrative expenses | \$140 | \$157 | (11%) |
| Surplus/(deficit) (change from operations in net assets without donor restrictions) | \$16 | (\$2) | |
| Overhead rate (overhead expenses as a percent of operating revenue) | 11% | 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 leverage the cash contributions we receive to obtain additional grants, gifts-in-kind, and food resources—making even greater transformation possible through community and sponsorship program activities. For more about how World Vision leverages financial donations for maximum impact, visit [worldvision.org/stewardship](https://www.worldvision.org/stewardship).

We believe impact is one of the most important measures of the effectiveness of a charity in carrying out its mission. We strive to model excellent stewardship and governance to help us achieve the greatest impact. Our integrated, holistic approach in tackling the root causes of poverty also enables us to achieve greater effectiveness and sustainability in our programming. To learn more about our approach to designing, monitoring, measuring, and evaluating programs, visit [worldvision.org/DME](https://www.worldvision.org/DME).



Douglas J. Treff
Chief Financial Officer, World Vision U.S.

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