



WORLD NEIGHBORS

Inspiring People • Strengthening Communities

Annual Report 2015



OUR MISSION

World Neighbors inspires people and strengthens communities to find lasting solutions to hunger, poverty, and disease and to promote a healthy environment.

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World Neighbors

Letter from Kate

The year 2014-2015 was an eventful year for World Neighbors (WN). It was my first full year at the helm and I had the opportunity to travel to 10 of the 13 countries where we work. Like everyone who has traveled on one of our “Journeys” to see WN communities in action, I have been inspired, awed and deeply impressed by the work going on in the field.

Only one month after I led a Journey of women to visit our work in Nepal, two devastating earthquakes hit Nepal, killing thousands and shattering the serenity of this beautiful, mountainous South Asian country. Tragically, many of the villages we visited were destroyed by the earthquakes. Thanks to the response from many of you, our devoted donors, we were able to send sorely needed relief funds within a few days of the first earthquake. The WN team joined forces with disaster-relief organizations to bring supplies and help as quickly as possible to the villagers.

Thanks to decades of work in Nepal, (we have been working there since 1973) many of the villages recovered quickly and were able to replant and rebuild with assistance from our team and our partners. Of course, the recovery is still going on as we approach the one-year anniversary on April 25th.

For the last three years, WN has operated under the umbrella of Feed the Children, a partnership that has helped WN rebuild its financial security. In fiscal year 2015, WN leadership decided we were able to begin transitioning to independence. We are incredibly grateful for the support of Feed the Children, but equally excited about the transition and are working toward our goal of full independence by July, 2016.

As I travel to the WN locations in some of the poorest places on earth, I am often reminded of our founder, John L. Peters’ belief in the inherent capacity of every person to improve his or her lot in life, given a chance. Through this year of challenges and triumphs, I’ve been humbled over and over again by your devotion in supporting our efforts, regardless of the circumstances. It reminds me of our late founder’s statement, “... being my brother’s brother carries some inescapable obligations. I’ve got to respect his differences, esteem his dignity and do everything I can to help him help himself. I cannot be a brother and do less.”

With deep gratitude,



Kate Schecter, Ph.D.
President and Chief Executive Officer
The May Ayers Milburn Chair



Farmer from the Vila Vila Municipality in Bolivia.

Board of Trustees

Mindy Roe Galoob
Chair

Vlad Sambaiew
Vice Chair and Treasurer

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Kemp Skokos, M.D.
Marnie Taylor
Christy Tharp, CPA

Leadership Team

Kate Schechter, Ph.D.
President and CEO

Robert Lachance
Vice President of Finance

Chris Macooloo, Ph.D.
Regional Director for Africa

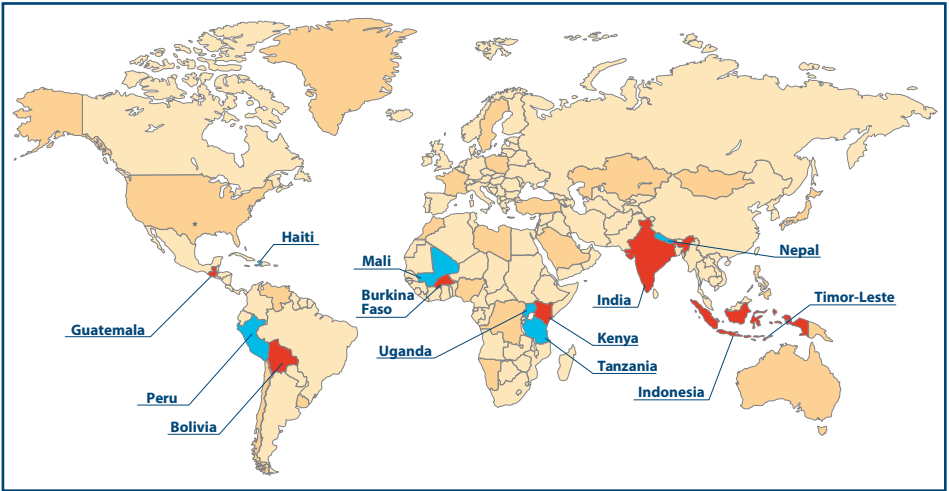
James Morley
Senior Development Officer

Srijana Karki
Regional Director for South Asia

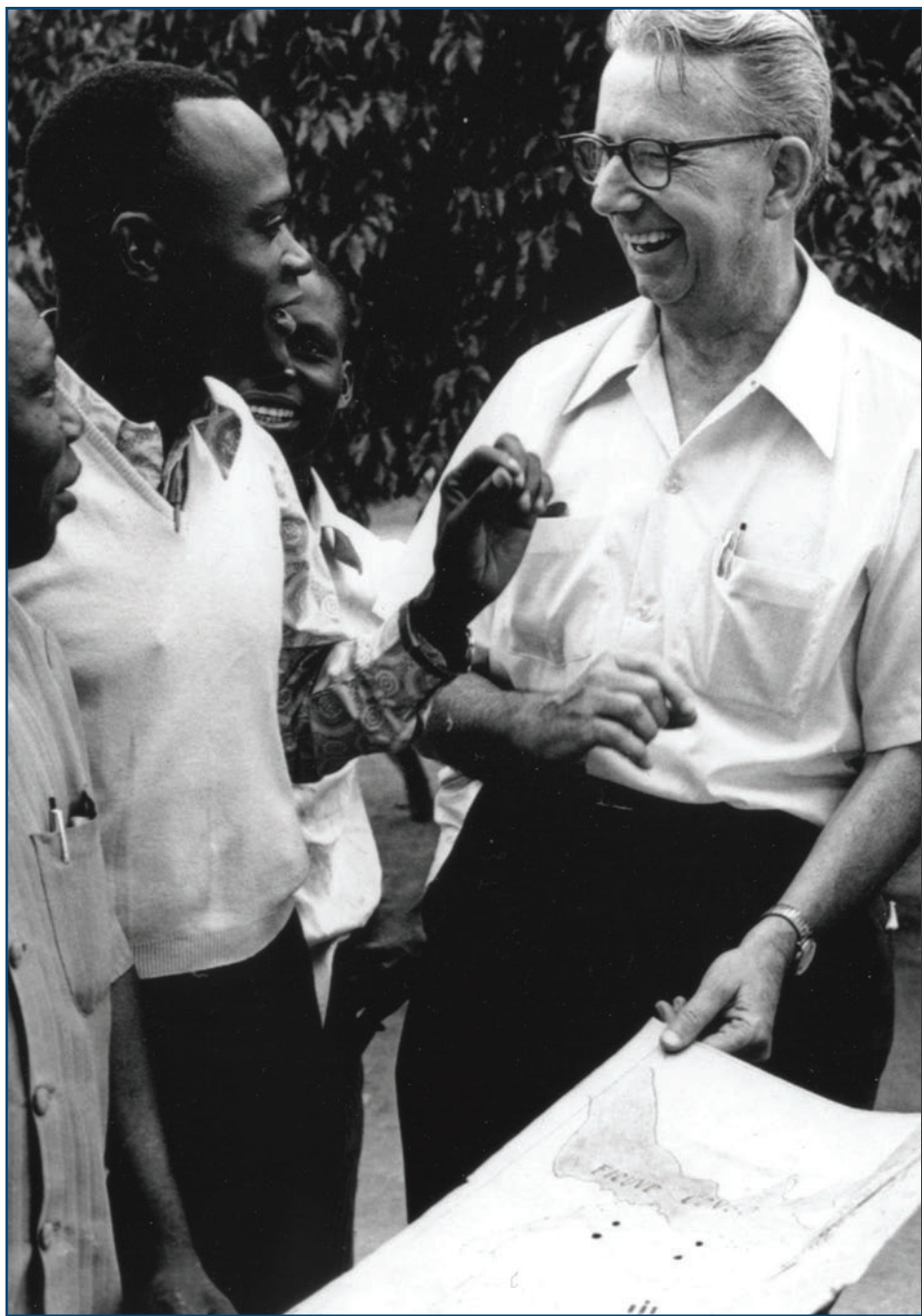
Lionel Vigil
Regional Director for
Latin America and
the Caribbean

Edd Wright
Regional Director for
South East Asia

Where We Work and Overview



- **46** local partner organizations are currently supported. These local organizations, formed and managed by local communities with our help, carry on the work of WN after we transition out of an area.
- **904** villages and communities served by WN programming.
- **95,805** people received training, technical assistance or guidance from WN staff and volunteers.
- **522,834** people benefited from WN programs. This includes program participants as well as their children and other members of their households.
- **8,181** volunteers worldwide. These volunteers act as community mobilizers in their villages – they are trusted members of their communities who operate as change models and innovation leaders.



Dr. Peters meeting with villagers in the Democratic Republic of Congo.



One Man's Vision

World Neighbors was founded by Dr. John Peters, who, after serving in the Philippines in World War II, was determined to help end the suffering caused by poverty.

On Sunday, April 22, 1951, Dr. Peters gave a guest sermon at St. Luke's United Methodist Church in Oklahoma City. He spoke of his vision to create programs that would address the root causes of poverty and despair throughout the world. These programs would acknowledge the dignity and self-respect of community members – providing

assistance as they themselves both identified their greatest needs and worked to solve them.

Since 1951, through our non-sectarian methodology, WN has worked in 45 countries, benefiting more than 26 million people. At present, our programs benefit close to 523,000 people living in rural, marginalized communities in 13 countries in ecologically fragile areas of Africa, Asia, Latin America and the Caribbean. WN programs are currently being delivered with and through the help of local partner organizations and some 8,200 community-based volunteers, involving about 96,000 program participants (the total number of 523,000 served includes family members and individuals directly impacted by community projects).

Thematic Areas

Sustainable Agriculture and Rural Livelihoods (SARL)

- Savings and credit groups
- Farmers' groups
- Women's groups
- Sustainable and improved agriculture practices
- Livelihood development and sustainability

Community Based Natural Resources Management (CBNRM)

- Disaster-risk reduction
- Climate-change adaptation
- Climate-change abatement

Community and Reproductive Health (CRH)

- Nutrition
- Water and sanitation for health (WASH)
- Sanitation
- Clean water

Gender Equity

- Cross-cutting in all areas

World Neighbors in Latin America and the Caribbean

In 2014-2015, WN worked with nearly 10,000 people in the Latin America and the Caribbean (LAC) region, serving 318 communities in four nations: Bolivia, Guatemala, Haiti and Peru.

Nearly 40,000 men, women and children received benefits from WN programming in the LAC region. Programming included training, capacity-building of partner organizations and technical support.

Highlights of accomplishments include:

- In drought-ravaged areas of **Guatemala**, WN helped 614 families install home gardens that can produce a variety of fresh vegetables, even during periods of food scarcity.
- In **Guatemala**, 1,130 people in 24 communities have improved living conditions and 500 women are active in savings and credit groups.
- Thanks to a grant from the Starbucks Foundation, WN worked to establish four new partner organizations in **Guatemala** last year. These community-led organizations serve 37 communities and will sustain the work of WN after we have transitioned out of the area.
- In **Bolivia**, WN serves seven different communities with 304 households, helping local leaders develop and implement strategies to improve nutrition and sustainable agriculture.
- In **Haiti**, WN worked with local partners to distribute medicine to treat symptoms of chikungunya fever in 31 communities with a total population of 3,595.
- Three hundred people in **Haiti** have better access to clean water, thanks to 50 water filters WN helped communities install.
- With a focus on disaster-risk reduction in **Haiti**, WN helped partners secure and distribute gear and training for 59 local responders from 21 communities in preparation for the storm season.
- Each month, WN visits 200 **Peruvian** farms to provide technical assistance in the production of organic fertilizers.



Growing cocoa beans in Artibonite, Haiti.



Bolivia
Guatemala
Haiti
Peru

14
Local partner organizations
developed or strengthened

318
Communities served

1,204
Volunteers

7,455
Households reached

9,992
People participating

37,990
People benefited



Mother and child in Burkina Faso.



Mother and her daughters in Haiti.

World Neighbors in South Asia

In 2014-2015, WN worked with 5,619 people in the South Asia region, serving 311 villages and communities in two nations: India and Nepal.

More than 70,000 men, women and children benefitted from WN programming in the South Asia region. Programming included training, capacity-building of partner organizations and technical support.

Highlights of accomplishments include:

- In **Nepal**, April's devastating earthquake and equally devastating aftershocks killed thousands. Of the five districts served by WN, three were destroyed by the quakes, wiping out 95% of the homes.
- After the **Nepal** earthquakes, WN was able to utilize its existing partnerships and resources to help distribute relief in areas that other organizations could not access.
- In **Nepal**, WN trained 516 people in kitchen gardening to ensure year-round food security. Although many gardens were damaged, families were still better able to survive the winter.
- In **India**, WN works in the state of Bihar in coordination with an existing non-governmental organization (NGO) called GPSVS and with an NGO we helped establish in the area, called KMM, which recently achieved legal status as an NGO.
- In just one year, rates of childhood intestinal illnesses in our **India** program decreased from 34% to 22%, resulting in an average healthcare savings equal to \$67 per family each year (Bihar's annual per capita income is equal to \$86.84).
- By the end of last year, 15 villages we serve in **India** were on track to receive the government's "clean village" award for adopting sanitary practices community-wide.



Last spring, WN was able to mobilize its existing resources to speed earthquake relief efforts to 4,500 households in remote areas of Nepal.

We still don't know the full impact of the earthquake in Nepal, but we do know the skills and resources that we helped communities develop will allow them to rebuild faster.



India Nepal

5
Local partner organizations
developed or strengthened

311
Communities served

2,430
Volunteers

5,619
Households reached

24,495
People participating

71,161
People benefited

World Neighbors in **Africa**

In 2014-2015, WN worked with 55,075 people in Africa, serving 192 villages and communities in five nations: Burkina Faso, Kenya, Mali, Tanzania and Uganda.

Nearly 400,000 men, women and children benefited from WN programming in the Africa region. Programming included training, capacity-building of partner organizations and technical support.

Highlights of accomplishments include:

- Last year, WN established new partnerships with four organizations – one in **Kenya**, one in **Burkina Faso** and two in **Mali** – this will increase the reach of our work to 21 additional communities/villages.
- WN successfully phased out of three program areas in **Kenya**, **Mali** and **Burkina Faso**, as communities transitioned to sustainable self-sufficiency.
- In **Kenya**, 50 community-health volunteers were trained on how to teach food preparation and nutrition classes in their home communities.
- In **Mali**, WN was officially admitted to the national network of NGOs, which will support networking, sharing information and avoiding duplication of efforts.
- WN helped sponsor three school-based health camps for more than 400 students and their teachers in **Tanzania**.
- In **Tanzania**, WN trained 40 community-health volunteers in providing home-based care, increasing health-care access to hundreds of families.
- In **Uganda**, 22 community members were trained to teach functional literacy in their villages.
- WN began working in three new parishes (counties) in **Uganda** last year and increased the number of savings and credit groups from nine to 21.



Threshing sorghum in Kisumu, Kenya.



Burkina Faso
Kenya
Mali
Tanzania
Uganda

14

Local partner organizations
developed or strengthened

192

Communities served

4,095

Volunteers

23,655

Households reached

55,075

People participating

392,946

People benefited



Woman farmer in Bihar, India.



A student in Bihar, India.

World Neighbors in South East Asia

In 2014-2015, WN worked with 6,243 people in South East Asia, serving 83 villages and communities in two nations: Indonesia and Timor-Leste.

More than 20,000 men, women and children benefited from WN programming in the South East Asia region. Programming included training, capacity-building of partner organizations and technical support.

Highlights of accomplishments include:

- In **Indonesia**, WN trained 200 people on climate change and risk management practices – people who subsequently trained an additional 2,900 in their own communities. Of those who attended, 1,061 have already implemented an action plan that aligns with a community action plan.
- WN signed agreements with the governments of both **Indonesia** and **Timor-Leste** last year, ensuring our work is formally approved and certified by these national governments.
- In **Indonesia**, WN is training rapid response teams in all seven districts where we work, composed of 315 people who represent their communities in developing and implementing disaster-preparedness plans.
- In **Timor-Leste**, a farmer collective became a government-certified seed producer and can now sell seeds throughout the Oecusse region.
- In **Indonesia** last year, WN helped form 67 savings and credit groups with 1,088 members across 35 villages. Members have contributed to capital funds valued at \$8,000 (the per capita annual income in Indonesia is \$3,630).
- Last year in **Timor-Leste**, a group of 22 farmers borrowed from a local funder to open a rice-import business. They were able to pay off half their debt the first year and will be debt-free by the second year.



Climate change adaptation through the development of local food crops (taro) in East Sumba-East Nusa Tenggara, Indonesia.



Indonesia Timor-Leste

13

Local partner organizations developed or strengthened

83

Communities served

452

Volunteers

5,338

Households reached

6,243

People participating

20,737

People benefited

FINANCIAL HIGHLIGHTS

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

REVENUES, GAINS AND OTHER SUPPORT	2015	2014
Contributions	\$ 1,011,083	\$ 799,869
Grants	1,939,656	419,485
Contribution from Feed the Children	1,246,728	1,055,301
Gain on the sale of assets	–	644,549
Other revenue	<u>114,176</u>	<u>781,744</u>

TOTAL REVENUES, GAINS AND OTHER SUPPORT	\$ 4,311,643	\$ 3,700,948
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EXPENSES

Field program	\$ 2,888,571	\$ 2,359,166
Public education	299,530	232,137
Fundraising	494,848	418,911
Management and general	<u>303,896</u>	<u>284,013</u>

TOTAL EXPENSES	\$ 3,986,845	\$ 3,294,227
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NET ASSETS

Unrestricted	\$ 397,720	\$ 383,968
Temporarily restricted	4,193,854	3,882,808
Permanently restricted	<u>2,796,564</u>	<u>2,796,564</u>

TOTAL NET ASSETS	\$ 7,388,138	\$ 7,063,340
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Please consider World Neighbors in your will and/or estate planning.

World Neighbors audited financial statements for the years ended June 30, 2015 and 2014 are available at www.wn.org or upon request.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2015 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

ASSETS

	2015	2014
Unrestricted cash and cash equivalents	\$ 96,893	\$ 83,670
Restricted cash and cash equivalents	236,243	278,614
Contributions receivable, net	192,927	246,463
Grants receivable, net	581,419	—
Federal funds receivable	16,098	11,878
Investments	4,127,488	4,360,130
Investments held in trusts	987,310	1,009,142
Beneficial interest in remainder trusts	1,726,093	1,719,182
Land, building and equipment, net	503,141	486,014
Beneficial interest in assets held by others	35,135	33,571
Other assets	67,941	54,386
	<u>8,570,688</u>	<u>8,283,050</u>
TOTAL ASSETS	\$ 8,570,688	\$ 8,283,050

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable	\$ 19,011	\$ 16,919
Federal funds payable	19,963	—
Accrued liabilities	31,057	24,817
Amounts payable under gift annuities	906,533	967,310
Amounts payable under split-interest trust agreements	205,986	210,664
	<u>1,182,550</u>	<u>1,219,710</u>
TOTAL LIABILITIES	1,182,550	1,219,710

NET ASSETS:

Unrestricted	397,720	383,968
Temporarily restricted	4,193,854	3,882,808
Permanently restricted	2,796,564	2,796,564
	<u>7,388,138</u>	<u>7,063,340</u>
TOTAL NET ASSETS	7,388,138	7,063,340

TOTAL LIABILITIES AND NET ASSETS	\$ 8,570,688	\$ 8,283,050
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STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015 (WITH COMPARATIVE TOTALS FOR 2014)

REVENUES, GAINS AND OTHER SUPPORT	Unrestricted
Contributions	\$ 1,011,083
Subsidy from parent, net	1,246,728
Federal funds	537,655
Grants	–
Investment income (losses)	225,374
Net investment (losses) gains	(294)
Change in value of split-interest agreements	–
Gain on sale of assets	–
Other income	65,708
Net assets released from restrictions and transfers	<u>914,343</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>4,000,597</u>
EXPENSES	
Program services:	
Field program	2,888,571
Public education	299,530
Supporting activities:	
Management and general	303,896
Fundraising	<u>494,848</u>
TOTAL EXPENSES	<u>3,986,845</u>
CHANGE IN NET ASSETS	<u>13,752</u>
NET ASSETS, BEGINNING OF YEAR	383,968
NET ASSETS, END OF YEAR	<u>\$ 397,720</u>

Temporarily Restricted	Permanently Restricted	Total 2015	Total 2014
\$ -	\$ -	\$ 1,011,083	\$ 799,869
-	-	1,246,728	1,055,301
-	-	537,655	154,643
1,402,001	-	1,402,001	264,842
(236)	-	225,138	169,706
(197,670)	-	(197,964)	412,579
21,294	-	21,294	119,106
-	-	-	644,549
-	-	65,708	80,353
<u>(914,343)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>311,046</u>	<u>-</u>	<u>4,311,643</u>	<u>3,700,948</u>
-	-	2,888,571	2,359,166
-	-	299,530	232,137
-	-	303,896	284,013
<u>-</u>	<u>-</u>	<u>494,848</u>	<u>418,911</u>
<u>-</u>	<u>-</u>	<u>3,986,845</u>	<u>3,294,227</u>
<u>311,046</u>	<u>-</u>	<u>324,798</u>	<u>406,721</u>
3,882,808	2,796,564	7,063,340	6,656,619
<u>\$ 4,193,854</u>	<u>\$ 2,796,564</u>	<u>\$ 7,388,138</u>	<u>\$ 7,063,340</u>

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2015 (WITH COMPARATIVE TOTALS FOR 2014)

	Program Services		
	Field Program	Public Education	Total Program Services
Salaries and related expenses:			
Salaries	\$ 995,142	\$ 120,434	\$ 1,115,576
Payroll taxes	42,832	5,461	48,293
Benefits	<u>161,235</u>	<u>19,038</u>	<u>180,273</u>
	1,199,209	144,933	1,344,142
Field program	1,044,500	–	1,044,500
Disaster relief	63,195	–	63,195
Contract services	18,344	8,063	26,407
Legal and accounting services	34,832	4,418	39,250
Recruitment	–	–	–
Travel	170,123	44,256	214,379
Office supplies	39,301	9,816	49,117
Telephone	26,066	6,590	32,656
Postage	2,162	681	2,843
Rent and occupancy	166,013	41,420	207,433
Office equipment and software	11,030	1,817	12,847
In-kind advertising	–	22,425	22,425
Printing and publications	12,321	3,141	15,462
Depreciation	35,662	–	35,662
Dues	3,653	1,025	4,678
Training and meetings	31,139	7,809	38,948
Financial expenses	<u>31,021</u>	<u>3,136</u>	<u>34,157</u>
TOTAL EXPENSES	<u>\$ 2,888,571</u>	<u>\$ 299,530</u>	<u>\$ 3,188,101</u>

Supporting Activities

Management and General	Fundraising	Total Supporting Activities	Total 2015	Total 2014
\$ 165,313	\$ 213,565	\$ 378,878	\$ 1,494,454	\$ 1,304,499
11,802	14,317	26,119	74,412	56,178
<u>17,237</u>	<u>13,558</u>	<u>30,795</u>	<u>211,068</u>	<u>199,046</u>
194,352	241,440	435,792	1,779,934	1,559,723
-	-	-	1,044,500	545,399
-	-	-	63,195	-
3,705	78,816	82,521	108,928	130,773
14,782	4,299	19,081	58,331	89,127
-	-	-	-	84,847
22,121	46,409	68,530	282,909	218,103
2,713	6,596	9,309	58,426	33,320
1,340	1,517	2,857	35,513	44,673
372	4,343	4,715	7,558	8,462
976	1,368	2,344	209,777	197,971
5,368	14,777	20,145	32,992	36,671
11,213	78,488	89,701	112,126	121,057
102	1,660	1,762	17,224	25,616
30,276	7,913	38,189	73,851	53,509
2,020	2,406	4,426	9,104	10,809
460	495	955	39,903	67,962
<u>14,096</u>	<u>4,321</u>	<u>18,417</u>	<u>52,574</u>	<u>66,205</u>
<u>\$ 303,896</u>	<u>\$ 494,848</u>	<u>\$ 798,744</u>	<u>\$ 3,986,845</u>	<u>\$ 3,294,227</u>



WORLD NEIGHBORS

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