

Annual Report
2016



WORLD NEIGHBORS

Inspiring People • Strengthening Communities



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

Last April, World Neighbors (WN) staff, board members and friends gathered for a special evening at St. Luke's United Methodist Church to celebrate the 65th anniversary of the seminal sermon given by Dr. John Peters. In that sermon, Dr. Peters outlined his vision for an endeavor that would address the root causes of poverty throughout the world.

Since that morning in 1951, WN has worked to achieve Dr. Peters' dream. In 2016, we achieved several significant goals designed to strengthen the organization for its next 65 years.

After three years of operating with the help and under the umbrella of Feed the Children, WN successfully achieved our goal of becoming an independent nonprofit organization again. We relocated our headquarters to a lovely office space in Oklahoma City, where our small team of U.S. staff support the hard work of our regional offices around the world.

Both domestically and globally, WN staff are energetic and passionate about improving the lives of people living in difficult situations in some of the world's poorest and most vulnerable nations. Dedicated to the WN model of strengthening communities, the staff and I daily bear witness to the universal human desire of achieving a better life – a desire that, with our help, becomes a powerful catalyst for lasting change. It is our honor to facilitate and support that change while respecting the dignity and knowledge of those we serve.

In this, my third year as CEO, I am grateful for the guidance of our dedicated board members and the generosity of our donors. As illustrated in this annual report, WN stewards that guidance and support in working to fulfill our mission. We've made a lot of changes in the last few years and, today, WN stands as a strong, lean and nimble organization that maintains the focus Dr. Peters originally envisioned, making a significant difference in hundreds of communities and thousands of lives.

With warm regards,

A handwritten signature in blue ink that reads "Kate Schecter". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

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



A farmer in Timor – Leste.

Board of Trustees

Vlad Sambaiew
Chair

Tiffany Stevens, J.D.
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Marla Persky
Nani Pybus, Ph.D., CRA
Kate Schecter, Ph.D.*
Kemp Skokos, M.D.
Marnie Taylor

* *ex officio*

Leadership Team

Kate Schecter, Ph.D.
President and CEO

Robert Lachance, CPA
Chief Financial Officer

Chris Macoloo, Ph.D.
Regional Director for Africa

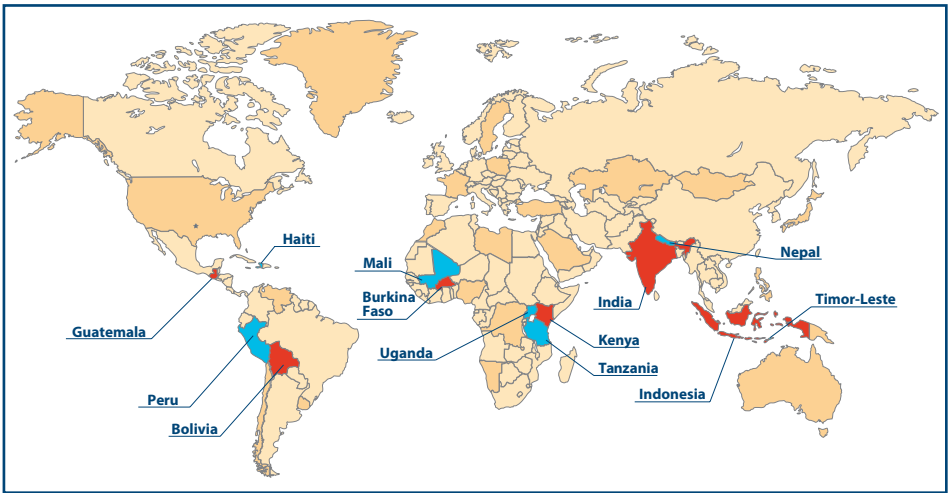
Jim Morley
Senior Development Officer

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



- **45** 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.
- **662** villages and communities served by WN programming.
- **88,350** people received training, technical assistance or guidance from WN staff and volunteers.
- **261,235** people benefited from WN programs. This includes program participants as well as their children and other members of their households.
- **7,785** 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 in the Republic of Zaire (now the Democratic Republic of Congo), 1973.



Dr. Peters in Jemma, Ethiopia in 1973.



One Man's Vision

World Neighbors was founded by Dr. John Peters in 1951, who, after serving in the Philippines in World War II, was determined to help end the suffering caused by poverty.

Since then, through our non-sectarian methodology, WN has worked in 45 countries, benefiting more than 26 million people. At present, our programs benefit close to 261,000 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 7,800 community-based

volunteers, involving about 88,000 program participants (the total number of 261,000 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, sanitation and hygiene (WASH)
- Sanitation
- Clean water

Gender Equity

- Cross-cutting in all areas



A savings and credit group in Haiti.

Bolivia
Guatemala
Haiti
Peru



In Haiti, WN successfully transitioned out of two communities, allowing our local partners to take over operations to sustain programs for 783 households. These programs will become models for future programs.

12

Local partner organizations developed or strengthened

316

Communities served

1,169

Volunteers

6,672

Households reached

9,231

People participating

32,660

People benefited

World Neighbors in Latin America and the Caribbean

In 2015-2016, WN worked with nearly 10,000 people in the Latin America and Caribbean (LAC) region, serving 316 communities in four nations: Bolivia, Guatemala, Haiti and Peru.

Nearly 33,000 men, women and children received benefits from WN programming in the LAC region. Programming included: supervision, monitoring and technical support.

Highlights of accomplishments include:

- In **Guatemala**, WN is working towards the installation of two bio-sand water filter production plants in Atitlan and Jocotán. Local volunteers will receive training on filter production and maintenance, and manage the projects as income generation activities.
- The **Guatemalan** partners have provided training, technical assistance and support to a record number of 1,623 participants.
- In **Bolivia**, progress is being made in Sikimira and Vila Vila, as three potential local partners have been identified: it will be these local partner organizations who will sustain the work in the communities after WN transitions from the areas.
- In **Haiti**, WN fostered the production and use of bio-sand water filters to efficiently purify water for human consumption. Fifty bio-sand water filters and three artisanal water tanks have been installed.
- In **Haiti**, nearly 600 local farmers (241 men and 315 women) have received technical support and training on conservation of soil, adequate domestic waste disposal, risk management and distribution of improved seeds.
- In **Haiti**, WN assisted local communities in the consolidation and formalization of community organizations and savings and credit groups, benefiting 581 people (356 men and 225 women).
- In **Peru**, WN provided sustainable agriculture training and technical assistance to local farmers and their families in 32 communities, serving 2,862 people.



A woman sifting grain in Nepal.



A woman waters her garden in Nepal.



A health class in 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



8
Local partner organizations
developed or strengthened

82
Communities served

2,457
Volunteers

5,821
Households reached

24,747
People participating

72,073
People benefited

World Neighbors in South Asia

In 2015-2016, WN worked with 72,073 people in South Asia, serving 82 villages and communities in two nations: India and Nepal.

This number represents the thousands of men, women and children who benefited from WN programming in the South Asia region. Programming included: sustainable agriculture, livelihood development, agroforestry, community and reproductive health, water and sanitation, waste water management, capacity building of women, linking groups with local line agencies for accessing resources, making communities aware of public entitlements, creating awareness on HIV/AIDS, strengthening savings and credit groups and developing federations.

Highlights of accomplishments include:

- In **India**, Ghogardiha Prakhand Swarajya Vikas Sangh, our local partner, trained 1,743 men, women and children on effective ways to influence policies and practices that are supportive to development of their community. Topics ranged from water, sanitation and hygiene for adolescent girls to how to advocate for women's rights.
- In **Nepal**, along with the Government's District Agriculture Development Department, we introduced a new technology known as the System of Rice Intensification to increase the productivity of rice for small landholders, which resulted in 30 to 50% higher yields compared to traditional rice production.
- In **India**, more than 34,500 people benefited from an orientation on HIV/AIDS and reproductive health. The result of regular orientation/awareness sessions in groups has led to changed attitudes and behavior towards people living with HIV/AIDS; knowledge about the prevention of HIV; and openly sharing reproductive problems and seeking professional help.
- In **Nepal**, WN has expanded to new communities, adding 251 households through the formation of 13 new savings and credit groups in all the program areas.



Vegetables grown in WN communities.

Burkina Faso
Kenya
Mali
Tanzania
Uganda



Last year, WN successfully transitioned out of two areas (one in Mali and one in Burkina Faso), where our partner organizations support 21 communities benefiting more than 250,000 people. These sustaining programs will become models for future programs.

12

Local partner organizations
developed or strengthened

171

Communities served

3,830

Volunteers

27,145

Households reached

47,326

People participating

138,338

People benefited

World Neighbors in Africa

Nearly 140,000 men, women and children benefited from WN programming on the continent of Africa. WN worked in 171 communities in the following countries: Burkina Faso, Kenya, Mali, Tanzania and Uganda. Programming included training, capacity-building of partner organizations and technical support.

Highlights of accomplishments include:

- In **Burkina Faso**, WN is helping women to learn sheep and cow fattening techniques and small-scale poultry farming. These new, marketable skills are allowing them to contribute financially to household expenses, many for the first time, and therefore, improve their socio-economic status.
- In **Kenya**, a community established a cereal bank to allow farmers to stock and negotiate prices for their grain through the Friends of the Katuk Odeyo Community Development Program. The goal is to improve food supplies during food deficient seasons, especially during extended drought periods and to enable farmers to obtain better prices for their produce.
- In **Mali**, WN facilitated the purchase of fingerlings for organized fish farming groups to decrease the threat of food insecurity. In addition, WN facilitated the acquisition of 100 baobab seedlings to be planted in the villages of Siraba and Djelizangasso to fight deforestation.
- In **Tanzania**, the Kinga partners launched four new savings and credit groups and another partner group introduced six similar groups in new villages.
- In **Uganda**, eight new savings and credit groups were established in new communities as well.



*A handful of Ipil-ipil (*Leucaena leucocephala*) seeds in Nepal.*



Climbing a tree to pick fruit in Indonesia.



Planting mangroves in Indonesia.

Indonesia Timor-Leste



In Indonesia, WN completed a large project funded by the Ford Foundation, which helped 4,600 farmers attain forestry licenses.

13

Local partner organizations
developed or strengthened

93

Communities served

329

Volunteers

6,080

Households reached

7,046

People participating

18,164

People benefited

World Neighbors in South East Asia

In 2015-2016, WN worked with approximately 18,200 people (12,864 in Indonesia and 5,300 in Timor-Leste) in South East Asia, serving 93 villages and communities in two nations: Indonesia and Timor-Leste.

This number represents the thousands of men, women and children who 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**, the Disaster Risk Reduction Program in Nusa Tenggara has served more than 19,000 people, exceeding the original estimate of 10,000. The project is expected to end in April 2018.
- In **Timor-Leste**, WN has assisted local residents in the Oecusse enclave in the protection of 31 springs, the fencing of 35 hectares of land and the planting of more than 80,000 trees.
- In **Indonesia**, WN continues to work with 36 villages (2,070 households) to obtain Social Forestry Permits to gain the legal right to access and use 7,200 hectares of land productively.
- In **Timor-Leste**, 48 farmer groups have been formed and trained in several agricultural activities such as terracing, organic composting, liquid composting, herb pesticides and local crop cultivation.
- In **Indonesia**, WN trained 2,607 residents on the cultivation of local food crops that are more adaptive to climate change.

FINANCIAL HIGHLIGHTS

FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

REVENUES, GAINS AND OTHER SUPPORT

	2016	2015
Contributions	\$ 1,295,340	\$ 1,011,083
Contributions from supporting organization, net	948,062	1,246,728
Grants	1,464,182	1,939,656
Other revenue, net	<u>(237,587)</u>	<u>114,176</u>

TOTAL REVENUES, GAINS AND OTHER SUPPORT	\$ <u>3,469,997</u>	\$ <u>4,311,643</u>
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EXPENSES

Program services:		
Field program	\$ 2,989,227	\$ 2,888,571
Public education	311,441	299,530
Supporting activities:		
Management and general	321,706	303,896
Fundraising	<u>535,945</u>	<u>494,848</u>

TOTAL EXPENSES	\$ <u>4,158,319</u>	\$ <u>3,986,845</u>
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NET ASSETS

Unrestricted	\$ 477,991	\$ 397,720
Temporarily restricted	3,425,261	4,193,854
Permanently restricted	<u>2,796,564</u>	<u>2,796,564</u>

TOTAL NET ASSETS	\$ <u>6,699,816</u>	\$ <u>7,388,138</u>
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World Neighbors' audited financial statements for the years ended June 30, 2016 and 2015 are available at www.wn.org or upon request.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2016 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)

ASSETS

	2016	2015
Unrestricted cash and cash equivalents	\$ 244,656	\$ 96,893
Restricted cash and cash equivalents	411,781	236,243
Contributions receivable, net	92,682	192,927
Grants receivable, net	270,153	581,419
Federal funds receivable	58,613	16,098
Investments	3,654,877	4,127,488
Prepaid expenses and other assets	46,984	67,941
Assets held in trusts	773,808	987,310
Beneficial interests in remainder trusts	1,681,012	1,726,093
Land, building and equipment, net	492,580	503,141
Beneficial interests in assets held by others	31,470	35,135
TOTAL ASSETS	\$ 7,758,616	\$ 8,570,688

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable	\$ 38,178	\$ 19,011
Federal funds payable	-	19,963
Accrued liabilities	46,376	31,057
Amounts payable under gift annuities	795,558	906,533
Amounts payable under split-interest trust agreements	178,688	205,986
TOTAL LIABILITIES	1,058,800	1,182,550

NET ASSETS:

Unrestricted	477,991	397,720
Temporarily restricted	3,425,261	4,193,854
Permanently restricted	2,796,564	2,796,564
TOTAL NET ASSETS	6,699,816	7,388,138

TOTAL LIABILITIES AND NET ASSETS	\$ 7,758,616	\$ 8,570,688
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STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

REVENUES, GAINS AND OTHER SUPPORT

	Unrestricted
Contributions	\$ 1,224,266
Contribution from supporting organization, net	879,992
Federal funds	945,681
Grants	—
Investment income gains (losses)	221,212
Net investment gains (losses)	(21)
Change in value of split-interest agreements	—
Other income	84,867
Net assets released from restrictions and transfers	<u>882,593</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>4,238,590</u>

EXPENSES

Program services:

Field program	2,989,227
Public education	311,441

Supporting activities:

Management and general	321,706
Fundraising	<u>535,945</u>

TOTAL EXPENSES	<u>4,158,319</u>
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CHANGE IN NET ASSETS	<u>80,271</u>
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NET ASSETS, BEGINNING OF YEAR	<u>397,720</u>
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NET ASSETS, END OF YEAR	<u><u>\$ 477,991</u></u>
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Temporarily Restricted	Permanently Restricted	Total 2016	Total 2015
\$ 71,074	\$ —	\$ 1,295,340	\$ 1,011,083
68,070	—	948,062	1,246,728
—	—	945,681	537,655
518,501	—	518,501	1,402,001
(33,369)	—	187,843	225,138
(491,256)	—	(491,277)	(197,964)
(19,020)	—	(19,020)	21,294
—	—	84,867	65,708
<u>(882,593)</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>(768,593)</u>	<u>—</u>	<u>3,469,997</u>	<u>4,311,643</u>
—	—	2,989,227	2,888,571
—	—	311,441	299,530
—	—	321,706	303,896
<u>—</u>	<u>—</u>	<u>535,945</u>	<u>494,848</u>
<u>—</u>	<u>—</u>	<u>4,158,319</u>	<u>3,986,845</u>
<u>(768,593)</u>	<u>—</u>	<u>(688,322)</u>	<u>324,798</u>
<u>4,193,854</u>	<u>2,796,564</u>	<u>7,388,138</u>	<u>7,063,340</u>
<u>\$ 3,425,261</u>	<u>\$ 2,796,564</u>	<u>\$ 6,699,816</u>	<u>\$ 7,388,138</u>

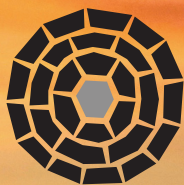
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

	Program Services		
	Field Program	Public Education	Total Program Services
Salaries and related expenses:			
Salaries	\$ 996,852	\$ 118,291	\$ 1,115,143
Payroll taxes	30,854	3,772	34,626
Benefits	178,324	21,614	199,938
	1,206,030	143,677	1,349,707
Field program	1,186,193	—	1,186,193
Contract services	27,441	15,978	43,419
Legal and accounting services	38,318	5,863	44,181
Travel	174,775	45,074	219,849
Office supplies	45,967	12,377	58,344
Telephone	24,031	6,095	30,126
Postage	3,963	692	4,655
Rent and occupancy	147,820	36,890	184,710
Office equipment and software	10,115	1,777	11,892
In-kind advertising	—	23,670	23,670
Printing and publications	10,053	2,764	12,817
Depreciation	34,003	—	34,003
Dues	4,170	1,161	5,331
Training and meetings	51,518	12,893	64,411
Financial expenses	24,830	2,530	27,360
TOTAL EXPENSES	\$ 2,989,227	\$ 311,441	\$ 3,300,668

Supporting Activities

Management and General	Fundraising	Total Supporting Activities	Total 2016	Total 2015
\$ 166,252	\$ 198,349	\$ 364,601	\$ 1,479,744	\$ 1,494,454
11,783	12,879	24,662	59,288	74,412
<u>19,291</u>	<u>29,712</u>	<u>49,003</u>	<u>248,941</u>	<u>211,068</u>
197,326	240,940	438,266	1,787,973	1,779,934
—	—	—	1,186,193	1,107,695
7,188	119,839	127,027	170,446	108,928
20,344	6,444	26,788	70,969	58,331
21,728	37,055	58,783	278,632	282,909
3,196	7,152	10,348	68,692	58,426
1,124	1,963	3,087	33,213	35,513
2,635	3,260	5,895	10,550	7,558
1,027	1,425	2,452	187,162	209,777
6,239	15,944	22,183	34,075	32,992
11,835	82,843	94,678	118,348	112,126
306	5,291	5,597	18,414	17,224
35,593	7,545	43,138	77,141	73,851
2,216	2,523	4,739	10,070	9,104
215	278	493	64,904	39,903
<u>10,734</u>	<u>3,443</u>	<u>14,177</u>	<u>41,537</u>	<u>52,574</u>
<u>\$ 321,706</u>	<u>\$ 535,945</u>	<u>\$ 857,651</u>	<u>\$ 4,158,319</u>	<u>\$ 3,986,845</u>



WORLD NEIGHBORS

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