

ANNUAL REPORT 2017



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.

Front cover image - woman farming in Kenya

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Letter from Kate

Our founder, Dr. John L. Peters, believed in the transformative powers of the human spirit to break the cycle of poverty, hunger and disease. Dr. Peters envisioned villagers around the world lifting themselves out of their own dire circumstances through education and training.

Sixty-six years later, World Neighbors (WN) is staying true to his vision of creating lasting changes rather than a short-term fix. We practice his model – not only in our work with villagers around the globe – but within the WN organization itself.

It is no secret that, when I began at WN in 2014, our organization had been through a few tough years. While we never stopped fulfilling our mission around the world, we had to work hard to regain our independence and financial stability. **I have had the honor of watching as our dedicated board members, valiant staff and loyal stakeholders worked together to continue our work while strengthening the organization.**

The accomplishments of the last year have been a clarion bell, announcing that WN once again stands strong and independent, fulfilling its mission with a dedication to best practices and hard work.

Our staff around the globe continue to fulfill our mission by helping communities identify and solve problems through cooperative relationships and sustainable solutions. As an organization, we are gaining public recognition through media coverage of our work, invitations to speak and participate at events, and through improved third-party evaluations of our practices.

- In 2017, WN was featured or referenced in the news around the world 47 times.
- Last year, WN staff spoke at over ten events and gatherings, including Lionel Vigil, our Regional Director for Latin America and the Caribbean, speaking at the Water Conference at the University of Oklahoma in September, 2017.
- Out of the 1.5 million nonprofit organizations in the US, fewer than 4,000 (0.3%) have a 4-Star rating from Charity Navigator and a Platinum rating from GuideStar. This year, WN joined those elite nonprofits, thanks to our dedication to best practices and transparency.

Just as Dr. Peters believed, it is the dauntless human spirit of our leaders, staff and volunteers that has helped WN achieve tremendous goals. The continued strength of our organization will support and enhance the transformative work we do in some of the world's most at-risk communities.

May we count on your continued financial support of WN for the remainder of fiscal year 2018?

With warm regards,



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



An Indonesian farmer with his produce

Board of Trustees

Vlad Sambaiew
Chair

Tiffany Stevens, J.D.
Vice Chair

Tommy Barrow
Treasurer

Emily Estes
Secretary

Carol Blackwood
Susan Chambers, M.D.
Mara Tshibaka Cichocki
Becky Collins
Stephanie Conduff, J.D.
Edna Daniel, M.D.
Anthea George
Wayne Moyer, Ph.D.
Marla Persky
Nani Pybus, Ph.D., CRA
Kate Schecter, Ph.D.*
Jay Shanker, J.D.
Kemp Skokos, M.D.
Marnie Taylor

* *ex officio*

Leadership Team

Kate Schecter, Ph.D.
President and CEO

Robert Lachance, CPA
Chief Financial Officer

Patrick Evans
Director of External Relations

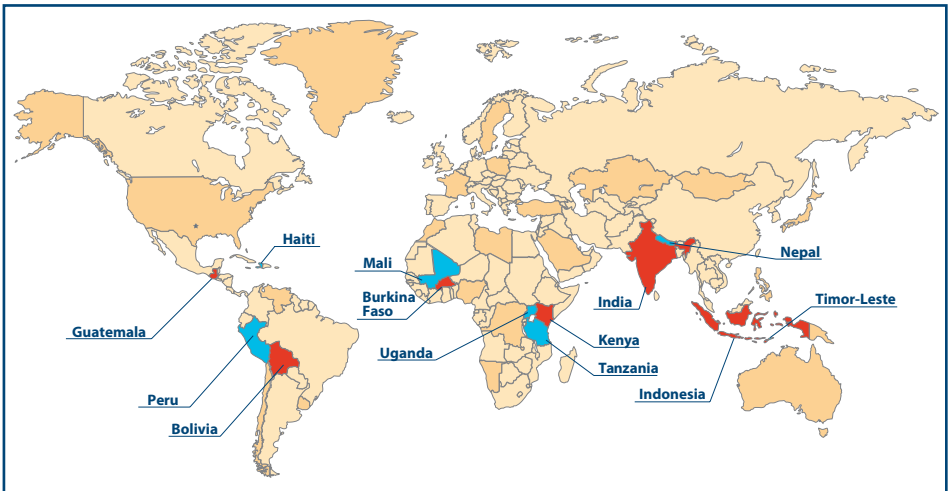
Srijana Karki
Regional Director for South Asia

Chris Macoloo, Ph.D.
Regional Director for Africa

Lionel Vigil
Regional Director for
Latin America and
the Caribbean

Edd Wright
Regional Director for
Southeast Asia

Where We Work and Overview



- **40** 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.
- **531** villages and communities served by WN programming.
- **83,729** people received training, technical assistance or guidance from WN staff and volunteers.
- **472,351** people benefited from WN programs. This includes program participants as well as their children and other members of their households.
- **6,433** 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 with Walter Ossai in Asaba, Nigeria



Dr. Peters in Ahmednagar, India in December 1968



One Man's Vision

WN 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 472,350 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 6,400 community-based

volunteers, involving about 84,000 program participants (the total number of 472,350 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 farmer with mangoes in Bolivia

Bolivia
Guatemala
Haiti
Peru



11
Local partner organizations
developed or strengthened

126
Communities served

1,090
Volunteers

11,118
Households reached

6,810
People participating

51,425
People benefited

World Neighbors in Latin America and the Caribbean

In 2016-2017, WN worked with more than 51,420 people in the Latin America and Caribbean (LAC) region, serving 126 communities in four nations: Bolivia, Guatemala, Haiti and Peru.

Programming focus points included: sustainable agriculture and farming innovations, community and reproductive health, capacity building, clean water, water conservation, waste water management and sanitation.

Highlights of accomplishments include:

- In **Bolivia**, WN helped local volunteers install 62 bio-sand water filters in homes and schools, launched an ecological pest and disease control training program, constructed 19 circular wells and started three savings and credit (S&C) groups.
- In **Guatemala**, nearly 7,000 families are consuming clean water after last year's completion of two bio-sand water filter production plants in Atitlan and Jocotan.
- In **Haiti**, program participants were trained on the principles of basic micro businesses, learning how to manage small credits for agricultural activities and trade.
- Participants in **Haiti** learned how to purify and store clean water to prevent waterborne diseases, thanks to the installation of 50 bio-sand water filters and three artisanal water tanks this year.
- In **Peru**, with the help of 40 community volunteers, WN provided training and technical assistance to improve sustainable agriculture, community health and the environment to local farmers and their families in 32 communities, serving 2,862 people.
- Longtime WN **Peru** partner, Cooperative Los Chankas, has become an independent, sustainable organization, completing the WN five stages of development. WN is gradually ending funding, but will continue to provide technical support. Los Chankas has a membership of 835 associates (326 women and 509 men), who have access to savings, credit and financial literacy services that guarantee a self-sustaining income for the organization.



A Kenyan farmer with his goat



Watering crops in Kenya



A farmer in Nepal growing an assortment of vegetables

India Nepal



5
Local partner organizations
developed or strengthened

125
Communities served

1,595
Volunteers

3,983
Households reached

14,890
People participating

30,921
People benefited

World Neighbors in South Asia

In 2016-2017, WN worked with 30,921 people in South Asia, serving 125 villages and communities in two nations: India and Nepal.

Holistic development programs included: sustainable agriculture, livelihoods, agroforestry, community and reproductive health, water and sanitation, waste water management, capacity building of women, linking groups with local line agencies for accessing resources, increasing awareness about HIV/AIDS and strengthening S&C groups.

Highlights of accomplishments include:

- In **India**, the local reproductive health clinic re-opened in June, 2016 in partnership with Ghoghardiha Prakhand Swarajya Vikas Sangh, a local partner. The clinic has created access, availability, and affordability of quality reproductive health services to rural residents, especially women and adolescent girls, who are often affected by fear of stigmatization, violence or discrimination.
- In **India**, WN worked with 55 WASH committees (including 20 new WASH committees), to continue training and education for 2,500 households on safe drinking water, hygiene and sanitation, advocacy, nutrition and reproductive health.
- In **Nepal**, 1,030 community members received services at four health camps in Kavre, Sindupalchok, Tanahu and Udaypur districts. These health camps generated mass awareness of the importance of regular health checkups.
- In **Nepal**, 834 households have expanded the area near their homes for fodder grass and trees and have planted more than 55,000 plants and trees. More than 1,180 households grew vegetable kitchen gardens for better nutrition for their families, while 148 of those households upgraded their kitchen gardens to grow enough vegetables to sell on a commercial scale.



Bananas in Kenya are an important staple crop

Burkina Faso
Kenya
Mali
Tanzania
Uganda



11

Local partner organizations
developed or strengthened

159

Communities served

3,444

Volunteers

45,659

Households reached

41,407

People participating

270,687

People benefited

World Neighbors in **Africa**

More than 270,600 men, women and children benefited from WN's programming on the continent of Africa in 2017. WN worked in 159 communities in the following countries: Burkina Faso, Kenya, Mali, Tanzania and Uganda. Programming included: sustainable agriculture and rural livelihoods, community-based natural resource management, community and reproductive health and organizational strengthening.

Highlights of accomplishments include:

- In **Burkina Faso**, WN helped organize educational talks to groups on hygiene and sanitation in seven villages, serving a population of more than 14,000 community members.
- In **Kenya**, WN worked with local organizations to provide health services to 2,709 patients from 22 villages. The services included cancer screenings, child growth monitoring, sensitization on preventable diseases such as cholera and malaria, voluntary counseling and testing for HIV and family planning.
- In **Mali**, the fishing cooperatives we work with were able to pay back a \$738 cooperative loan to purchase fingerlings in 2015-16.
- In **Tanzania**, two programs continued to expand and strengthen livestock production (dairy goats, poultry and pigs) through the "passing on the gift" model. In one program, 45 piglets were passed on to other community members. This program has 72 farmers with more than 1,000 pigs.
- In **Uganda**, we coordinated 27 S&C groups with 842 active members that include vulnerable members of the community such as guardians of orphans and vulnerable children, the elderly, widows and people living with HIV.



Preserving a water source in Timor-Leste



A woman using a grey water filter in Guatemala



A tree nursery in Indonesia

Indonesia Timor-Leste



13

Local partner organizations
developed or strengthened

121

Communities served

304

Volunteers

30,236

Households reached

20,622

People participating

119,318

People benefited

World Neighbors in Southeast Asia

In 2016-2017, WN worked with approximately 119,300 people in Southeast Asia, serving 121 villages and communities in two nations: Indonesia and Timor-Leste.

The Southeast Asia program focuses on building the resilience of the communities we work with so that they are more able to respond to the increased hardships they face from climate change. In both countries, WN's core approaches to sustainable agriculture, improving food security, and S&C are applied. In Indonesia, the focus is also on building the capacity of both the community and the local government in disaster risk reduction (DRR), while in Timor-Leste, WN is working to protect and conserve natural water sources.

Highlights of accomplishments include:

- In **Indonesia**, the DRR project funded by the United States Agency for International Development's Office of U.S. Foreign Disaster Assistance in Nusa Tenggara directly benefited more than 35,000 community members, substantially exceeding the original target of 17,820.
- About 60% of **Indonesia's** total land mass is classified as State Forests that cannot be bought or sold. A multi-year WN project funded by the Ford Foundation supported residents of forest-based villages to gain legal access to their surrounding forests so that they can be used to increase both their economic status and improve their food security. When the project ended in mid-2017, it had exceeded its goals with 2,783 households (150% of the target) obtaining permits for 10,975 hectares (152% of the target).
- In **Timor-Leste**, WN has helped improve access to clean water for over 10,000 people across 30 communities.
- In **Timor-Leste**, slash and burn farming practices are still rife. This year, to prevent this practice, WN completed a series of community trainings in contour farming/terracing, soil and water conservation, organic farming and local food crop production for over 100 farmer groups with a membership of over 2,150.

FINANCIAL HIGHLIGHTS

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

REVENUES, GAINS AND OTHER SUPPORT

	2017	2016
Contributions	\$ 1,818,035	\$ 1,295,340
Contributions from supporting organization, net	–	948,062
Grants	2,602,250	1,464,182
Other revenue, net	<u>971,160</u>	<u>(237,587)</u>

TOTAL REVENUES, GAINS AND OTHER SUPPORT	\$ <u>5,391,445</u>	\$ <u>3,469,997</u>
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EXPENSES

Program services:		
Field program	\$ 3,127,451	\$ 2,989,227
Public education	270,600	311,441
Supporting activities:		
Management and general	198,502	321,706
Fundraising	<u>543,436</u>	<u>535,945</u>

TOTAL EXPENSES	\$ <u>4,139,989</u>	\$ <u>4,158,319</u>
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NET ASSETS

Unrestricted	\$ 877,478	\$ 477,991
Temporarily restricted	4,276,280	3,425,261
Permanently restricted	<u>2,797,514</u>	<u>2,796,564</u>

TOTAL NET ASSETS	\$ <u>7,951,272</u>	\$ <u>6,699,816</u>
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World Neighbors' audited financial statements for the years ended June 30, 2017 and 2016 are available at www.wn.org or upon request.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2017 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2016)

ASSETS:

	2017	2016
Unrestricted cash and cash equivalents	\$ 65,822	\$ 244,656
Restricted cash and cash equivalents	127,365	411,781
Accounts receivable:		
Pledges, net	—	92,682
Grants, net	243,637	270,153
Federal funds	9,436	58,613
Bequests	660,000	—
Investments, at fair value	4,184,744	3,654,877
Prepaid expenses and other assets	66,027	46,984
Assets held in trusts	807,894	773,808
Beneficial interests in remainder trusts	1,751,806	1,681,012
Beneficial interests in assets held by others	34,779	31,470
Property and equipment, net	<u>529,263</u>	<u>492,580</u>
TOTAL ASSETS	<u><u>\$ 8,480,773</u></u>	<u><u>\$ 7,758,616</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable	\$ 20,576	\$ 38,178
Accrued liabilities	75,849	46,376
Actuarial liability for gift annuities	259,321	795,558
Obligations under split-interest agreements	<u>173,755</u>	<u>178,688</u>
TOTAL LIABILITIES	<u>529,501</u>	<u>1,058,800</u>

NET ASSETS:

Unrestricted	877,478	477,991
Temporarily restricted	4,276,280	3,425,261
Permanently restricted	<u>2,797,514</u>	<u>2,796,564</u>
TOTAL NET ASSETS	<u>7,951,272</u>	<u>6,699,816</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 8,480,773</u></u>	<u><u>\$ 7,758,616</u></u>
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STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017 (WITH COMPARATIVE TOTALS FOR 2016)

REVENUES, GAINS AND OTHER SUPPORT

Unrestricted

Contributions	\$ 1,689,687
Contributions from supporting organization, net	—
Federal funds	1,343,611
Grants	—
Investment income gains (losses)	232,350
Net investment gains (losses)	6,113
Change in value of split-interest agreements	—
Other sources	80,906
Net assets released from restrictions and transfers	<u>1,186,809</u>

TOTAL REVENUES, GAINS AND OTHER SUPPORT

4,539,476

EXPENSES

Program services:

Field program	3,127,451
Public education	270,600

Supporting activities:

Management and general	198,502
Fundraising	<u>543,436</u>

TOTAL EXPENSES

4,139,989

CHANGE IN NET ASSETS

399,487

NET ASSETS, BEGINNING OF YEAR

477,991

NET ASSETS, END OF YEAR

\$ 877,478

Temporarily Restricted	Permanently Restricted	Total 2017	Total 2016
\$ 127,398	\$ 950	\$ 1,818,035	\$ 1,295,340
—	—	—	948,062
59,757	—	1,403,368	945,681
1,198,882	—	1,198,882	518,501
(83,512)	—	148,838	187,843
656,266	—	662,379	(491,277)
79,037	—	79,037	(19,020)
—	—	80,906	84,867
(1,186,809)	—	—	—
<u>851,019</u>	<u>950</u>	<u>5,391,445</u>	<u>3,469,997</u>
—	—	3,127,451	2,989,227
—	—	270,600	311,441
—	—	198,502	321,706
—	—	543,436	535,945
<u>—</u>	<u>—</u>	<u>4,139,989</u>	<u>4,158,319</u>
<u>851,019</u>	<u>950</u>	<u>1,251,456</u>	<u>(688,322)</u>
<u>3,425,261</u>	<u>2,796,564</u>	<u>6,699,816</u>	<u>7,388,138</u>
<u>\$ 4,276,280</u>	<u>\$ 2,797,514</u>	<u>\$ 7,951,272</u>	<u>\$ 6,699,816</u>

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017 (WITH COMPARATIVE TOTALS FOR 2016)

	Program Services		
	Field Program	Public Education	Total Program Services
Salaries and related expenses:			
Salaries	\$ 949,907	\$ 105,977	\$ 1,055,884
Payroll taxes	27,253	2,666	29,919
Benefits	<u>155,761</u>	<u>18,309</u>	<u>174,070</u>
	1,132,921	126,952	1,259,873
Field program	1,274,505	–	1,274,505
Contract services	30,020	6,151	36,171
In-kind contract services	–	–	–
Legal and accounting services	77,466	12,184	89,650
Travel	172,804	43,197	216,001
Office supplies	31,631	6,819	38,450
Telephone	23,986	5,102	29,088
Postage	4,926	800	5,726
Rent and occupancy	172,015	42,577	214,592
Office equipment and software	21,050	2,921	23,971
In-kind advertising	–	–	–
Printing and publications	17,777	3,980	21,757
Depreciation	62,296	–	62,296
Dues	4,646	1,344	5,990
Training and meetings	42,310	10,817	53,127
Financial expenses	<u>59,098</u>	<u>7,756</u>	<u>66,854</u>
TOTAL EXPENSES	<u>\$ 3,127,451</u>	<u>\$ 270,600</u>	<u>\$ 3,398,051</u>

Supporting Activities

Management and General	Fundraising	Total Supporting Activities	Total 2017	Total 2016
\$ 94,846	\$ 150,026	\$ 244,872	\$ 1,300,756	\$ 1,479,744
6,155	11,613	17,768	47,687	59,288
13,507	23,615	37,122	211,192	248,941
114,508	185,254	299,762	1,559,635	1,787,973
—	—	—	1,274,505	1,186,193
2,067	108,701	110,768	146,939	142,946
—	42,500	42,500	42,500	27,500
15,389	2,795	18,184	107,834	70,969
15,111	24,753	39,864	255,865	278,632
2,713	2,426	5,139	43,589	68,692
2,176	1,352	3,528	32,616	33,213
800	4,952	5,752	11,478	10,550
1,172	2,207	3,379	217,971	187,162
3,680	12,901	16,581	40,552	34,075
—	118,043	118,043	118,043	118,348
1,346	21,252	22,598	44,355	18,414
23,772	5,943	29,715	92,011	77,141
1,899	3,048	4,947	10,937	10,070
2,470	3,620	6,090	59,217	64,904
11,399	3,689	15,088	81,942	41,537
<u>\$ 198,502</u>	<u>\$ 543,436</u>	<u>\$ 741,938</u>	<u>\$ 4,139,989</u>	<u>\$ 4,158,319</u>

Back cover image - crop cultivation in Tanzania



WORLD NEIGHBORS

Inspiring People • Strengthening Communities

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