

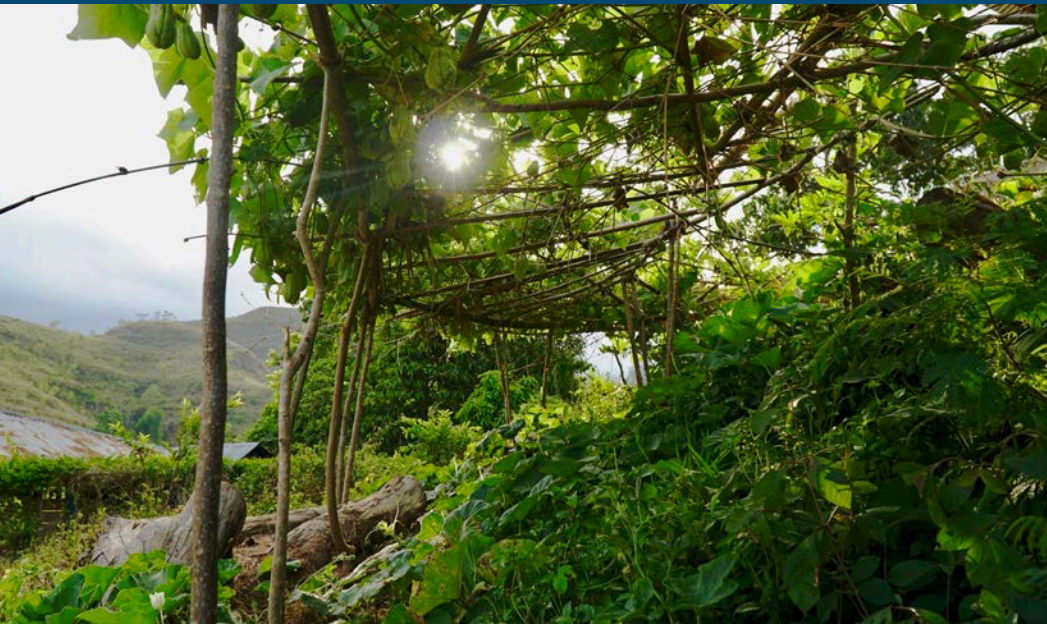


2022 Annual Report



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.



On the cover: Farmers in Oecusse, Timor-Leste, planting tomato seedlings

Letter from Kate

For 71 years, World Neighbors (WN) has helped some of the poorest people on earth lift themselves out of poverty. As our mission states, we “inspire people and strengthen communities.” In the past year, in the 14 countries where we work, we have seen earthquakes, flooding, drought, political unrest, outbreaks of cholera, Ebola and, of course, COVID-19. Through it all, we have held onto our core values and they have helped guide us through these difficult times. Dr. Peters, our founder, began WN with a simple, yet essential premise — that we must respect the inherent capacity of every human being to try to improve their lot in life. It is that core belief and respect for human dignity that guides us even during difficult times.



This annual report celebrates the enduring importance of our work in the face of growing global poverty and highlights stories of resilience and innovation. You will read about the rapid growth of savings and credit groups around the world, creating safe, clean water for every family and the entrepreneurial spirit that is engendered when people have opportunities to start their own businesses.

As we prepare this Annual Report, I am planning my first trip to the field in three years. I will be visiting Nepal where I have met wonderful partners who are inspirational in their passion to improve their lives and those of their communities. Through this year of challenges and triumphs, all of us at WN have been humbled by your devotion in supporting our efforts. Your commitment to our mission, your steadfastness and your generosity have had an impact on your neighbors at the farthest reaches of the earth. Thank you all for your generosity and for staying involved.

With deep gratitude,

Kate Schecter, Ph.D.

President and Chief Executive Officer
The May Ayers Milburn Chair

Thematic Areas

WN focuses on training and educating communities to find lasting solutions to the challenges they face. We invest in local leadership and organizations that continue and expand program activities after we end our support.

Our big-picture, integrated approach focuses on the entire community rather than on one issue. WN understands that issues are often interrelated and you cannot solve one problem in isolation. While our programs are always changing to adapt to evolving needs, WN's current programs fall under these thematic areas:



Sustainable Agriculture

WN helps communities develop forms of food production that are economically viable, ecologically sound, socially just and supportive of rural culture.



Rural Livelihoods

WN supports communities in creating diversified livelihood strategies, which includes savings and credit (S&C) groups and entrepreneurial ventures.



Community and Reproductive Health

WN works together with the community to improve access to clean water, sanitation, health services and health education.



Natural Resource Management

WN helps communities build sustainable programs to conserve a community's natural resources (water, soil, trees and local biodiversity) and adapt to climate change.



Gender

WN helps communities change social patterns to include women and other vulnerable groups in development opportunities.

"We can change the world if we care enough to get involved with our brothers in programs that respect their dignity, that do not violate their self-respect, that help them stand on their feet and participate in their own development."

— WN's Founder, Dr. John L. Peters



Dr. Peters in the Democratic Republic of the Congo visiting a program community

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and the Caribbean

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Edd Wright, Chris Macoloo, Srijana Karki and Lionel Vigil (2016)

4 Continents, 14 Countries, 874 Rural Communities

Latin America and the Caribbean (Bolivia, Guatemala, Haiti and Peru)

Beneficiaries: **26,722** current, **11,020** recently graduated

Communities: **135** active, **38** new

Partner Agencies: **25**

Volunteers: **811**

West Africa (Burkina Faso and Mali)

Beneficiaries: **53,804** current, **76,631** recently graduated

Communities: **69** active, **12** new

Partner Agencies: **4**

Volunteers: **876**

East Africa (Kenya, Malawi, Tanzania and Uganda)

Beneficiaries: **45,361** current, **20,892** recently graduated

Communities: **77** active, **4** new

Partner Agencies: **6**

Volunteers: **527**

South Asia (India and Nepal)

Beneficiaries: **16,018** current, **20,892** recently graduated

Communities: **65** active, **22** new

Partner Agencies: **4**

Volunteers: **279**

Southeast Asia (Indonesia and Timor-Leste)

Beneficiaries: **291,391** current

Communities: **528** active, **1** new

Partner Agencies: **8**

Volunteers: **382**



Latin America and the Caribbean

In Latin America and the Caribbean, WN works in **Bolivia, Guatemala, Haiti** and **Peru**.

The communities where WN and its partners work often do not have access to health care and lack education on the importance of nutrition, hygiene and sanitation. Limited access to clean water is also a major challenge for many WN's communities, especially in Haiti.

Cholera is one of many diseases spread through contaminated water. A recent cholera epidemic in Haiti necessitated the acceleration of the production of water filters. WN is working with local partners to build a bio-sand water filter for each household in its program communities. As families begin to use the filters and drink the clean water, the health center staff is already reporting a significant drop in cases related to waterborne illnesses, especially among children.

One beneficiary of a new water filter was Savius Saincir, whose wife suffered frequently from diarrhea, vomiting and stomach aches. After drinking the safe water from their new filter, she is no longer suffering from these afflictions.

Moret Fénéus, from one of WN's partner agencies, said, "Our community, which has about 17,000 residents, wants to have drinking water at home using the bio-sand water filters as its battle horse to prevent and eradicate cholera and typhoid, the main cause of deaths in our community."



Bio-sand water filter workshop in Haiti



Women farmers in Guatemala sharing a laugh



Claudia Ramos in La Cruz, Guatemala has clean water from her bio-sand water filter



A school health club patron training children on basic health skills in Uganda



Planting trees in Bihar, India



Bio-sand water filters are used throughout Latin America like this one here in San Ignacio, Cajamarca in Peru

West Africa

In West Africa, WN works in **Burkina Faso** and **Mali**.

WN supports communities around the world in identifying diversified livelihood strategies to find additional sources of income and to mobilize their assets, natural resource base, individual knowledge and organizational capacity to improve their well-being.

In the commune of Fada in Burkina Faso, the communities asked WN to help them address the issue of food security. WN prioritized trainings in agricultural production, land reclamation, the use of organic manure and improved seeds and animal production activities. Through the trainings, the communities learned to diversify their production and pursue new income-generating activities.

Mr. Boari Namoano is a farmer from the village of Bougui in Burkina Faso and the father of 11 children. Mr. Namoano has benefited from several WN's training sessions and has started traditional beekeeping after learning to make Kenyan beehives as part of a WN's program. He now harvests 100 kilos of raw honey every quarter!

WN also supports community members in developing entrepreneurship ventures. This includes expanding access to markets and improving bargaining power. Mr. Namoano was connected to the market in the city of Fada, which allowed him to increase his selling price by 70%, generating even more income.

In addition to honey production, Mr. Namoano also invested in fattening livestock and poultry farming. Now, with such diverse sources of income, he is no longer dependent on a single source of income, providing hope and strength for the future.

Mr. Namoano said, "I thank WN for this lamp that has lit my life."



Community members in Burkina Faso pose with their new maize seeds that will increase crop yield and maximize profits

Apiculture (beekeeping) is a lucrative business for our partners in East and West Africa



East Africa

In East Africa, WN works in **Kenya, Malawi, Tanzania** and **Uganda**.

Many communities in East Africa have difficulty accessing financial services due to rigid regulations, lack of assets for collateral and long farming seasons. With WN's S&C groups, communities can mobilize their resources at the local level. Members come together to form these groups, each contributing a small sum of money. From this pooled fund, small loans are made and repaid with interest, providing an increasing source of funding for income-generating activities, education or other family needs.

In Tanzania, for example, the Upendo Kunkenyi S&C group has 40 members, all women. These members were trained by WN in recordkeeping and accounting, and the group was able to increase their savings and improve the group's management.

Yasinta Chacha, after joining the Upendo Kenkenyu S&C group, was determined to save every penny she earned from doing odd jobs to provide for her six children. Through WN's training in the keeping of poultry, Yasinta began keeping ducks to improve and diversify her household's nutrition and income.

In 2022, the group collected \$11,000 and Yasinta used her share (\$392) to build a house for her family.



A meeting of a S&C group in Uganda

In FY2022, WN formed or supported 705 S&C groups within its 874 active communities.

Yasinta standing in front of a house she is now building with income from her S&C group



"I once told my husband that I will one day build a house where my children will settle in comfortably. He laughed at me and asked where I would get the money. Now he is helping me construct the roof of our three bedroom house, which has a corridor and a spacious living room!"

— Yasinta Chacha

South Asia

In South Asia, WN works in **India** and **Nepal**.

WN's programs help farmers yield more from their crops, livestock and fish farming operations, while adapting to climate change conditions.

In Nepal, for example, Lal Sher Rai was working as a daily wage laborer. During this time, Lal Sher joined a S&C group supported by WN. The group provided trainings in kitchen gardening where he learned to grow a variety of vegetables through intercropping. He later learned about organic fertilizers, nursery management and organic pesticides. Because of WN's training and his newfound confidence, Lal Sher began vegetable farming on a commercial scale, leasing land from his neighbor.

When his neighbor decided to sell the land, Lal Sher thought all was lost. However, through the support of the S&C group, Lal Sher was able to buy the land. Lal Sher put all of his new training to use, growing vegetables using plastic tunnels and drip irrigation. He also added livestock and grew fodder grass in the unused land around the property.

Lal Sher's annual income has now doubled from what he earned as a day laborer. Lal Sher said, "I had an opportunity to rise beyond my imagination as a farmer in my own community. I tell youths in my village that with knowledge, skill and hard work, one can be self-reliant in a place where one is rooted."



Lal Sher in front of his commercial vegetable farm

"I really feel fortunate to be part of the WN's program as it is for the long term — the program supports grass roots people like us till they are independent and ensures that we learn properly through regular training, follow up and exposure visits."

— Lal Sher



Women farmers in Nepal

Southeast Asia

In Southeast Asia, WN works in **Indonesia** and **Timor-Leste**.

Many WN's communities in Southeast Asia are made up of family farms. These farms are usually small, on sloping land and worked using dryland farming techniques. This means the incomes of thousands of farmers depend on how they best exploit the annual rain.

In 2015, WN introduced a new technology-based rainfall prediction program in Indonesia. This technology is now accessible through an app on mobile phones and helps over 25,000 farmers adapt their cropping patterns to the changing climate. One such farmer, Mr. Musmuliadi, has seen great improvements in his agricultural output now that he can better predict when the rain will come.

Mr. Musmuliadi has a rice field of half a hectare. Before using the app, his maximum yield was six to seven sacks of rice a year. Since using the app, his harvests yield 23 sacks in a year. Musmuliadi no longer has to buy rice but can fully support his family through the rice he sows from his field.

Mr. Musmuliadi said, "With the assistance of WN, we, who usually live quite separately, now really live like brothers, taking care of each other, helping each other. We now know what to do when disasters strike, whereas previously we didn't know what to do if a flood came. Our humanity has become much better. We really care about living together as a society."



Rice field in Indonesia



Farmer in Indonesia showing her good rice harvest after using the rainfall prediction app

Financial Highlights

For the Years Ended June 30, 2022 And 2021



■ Contributions **22%**
■ Grants **46%**
■ Other Revenue **32%**



■ Contributions **43%**
■ Grants **25%**
■ Other Revenue **32%**



■ Program Services **84%**
■ Support Activities **16%**



■ Program Services **84%**
■ Support Activities **16%**



■ With Donor Restrictions **70%**
■ Without Donor Restrictions **30%**



■ With Donor Restrictions **68%**
■ Without Donor Restrictions **32%**

Statements of Financial Position

June 30, 2022 and 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 613,335	\$ 446,154
Accounts receivable:		
Grants, net	650,750	49,767
Government	4,447	—
Prepaid expenses and other assets	57,585	61,735
Total current assets	1,326,117	557,656
Non-current assets:		
Investments, at fair value	5,695,372	7,497,146
Assets held in trusts	776,107	918,351
Beneficial interest in remainder trusts	2,534,625	3,104,405
Beneficial interest in assets held by others	2,593,398	2,227,652
Finance lease right-of-use assets, net	—	226
Operating lease right-of-use assets	276,874	109,970
Property and equipment, net	171,525	239,318
Total non-current assets	12,047,901	14,097,068
Total assets	\$13,374,018	\$14,654,724
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 4,891	\$ 2,514
Payroll and related accrued liabilities	88,210	91,942
Deferred revenue	44,967	32,623
Finance lease liabilities	—	226
Operating lease liabilities	67,616	51,302
SBA PPP loan payable	—	19,693
Total current liabilities	205,684	198,300
Non-current liabilities:		
Operating lease liabilities	212,051	58,668
SBA PPP loan payable	—	49,707
Actuarial liability — charitable gift annuities	68,402	109,221
Obligations — charitable remainder trusts	167,110	190,675
Total non-current liabilities	447,563	408,271
Total liabilities	653,247	606,571
Net assets:		
Without donor restrictions	3,807,397	4,488,508
With donor restrictions	8,913,374	9,559,645
Total net assets	12,720,771	14,048,153
Total liabilities and net assets	\$13,374,018	\$14,654,724

Statement of Activities

For the Year Ended June 30, 2022 (with Comparative Totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Total 2021
Operating activities:				
Revenues, gains and other support:				
Contributions of cash and other financial assets	\$ 945,197	\$ 223,565	\$ 1,168,762	\$ 1,287,149
Contributions of nonfinancial assets	10,905	—	10,905	31,631
Government funds	536,942	20,000	556,942	807,121
Private grants	485,633	1,452,550	1,938,183	728,612
Investment income and gains utilized	272,465	(187,000)	85,465	70,915
SBA PPP loan forgiveness	69,735	—	69,735	70,759
IRS employee retention credit	19,181	—	19,181	—
Other sources	16,334	—	16,334	24,149
Net assets released from restrictions	766,184	(766,184)	—	—
Total revenues, gains and other support	3,122,576	742,931	3,865,507	3,020,336
Expenses:				
Program services:				
Field programs	2,507,068	—	2,507,068	2,432,949
Public education	215,114	—	215,114	204,230
Supporting activities:				
Management and general	249,532	—	249,532	231,775
Fundraising	276,099	—	276,099	269,721
Total expenses	3,247,813	—	3,247,813	3,138,675
Change in net assets from operating activities	(125,237)	742,931	617,694	(118,339)
Non-operating activities:				
Endowment contributions	—	3,100	3,100	29,145
Remainder trust contributions	—	—	—	1,376,493
Investment return, net	60,311	99,510	159,821	176,303
Net investment gains (losses)	(467,214)	(692,112)	(1,159,326)	1,450,739
Change in value of split-interest agreements	(148,971)	(799,700)	(948,671)	239,173
Change in net assets from non-operating activities	(555,874)	(1,389,202)	(1,945,076)	3,271,853
Change in net assets	(681,111)	(646,271)	(1,327,382)	3,153,514
Net assets at beginning of year	4,488,508	9,559,645	14,048,153	10,894,639
Net assets at end of year	\$3,807,397	\$8,913,374	\$12,720,771	\$14,048,153

Statement of Functional Expenses

For the Year Ended June 30, 2022 (with Comparative Totals for 2021)

	Program Services				Supporting Activities				
	Field Programs	Public Education	Subtotal Program Services		Management and General	Fundraising	Subtotal Supporting Activities	Total 2022	Total 2021
Salaries and related expenses:									
Salaries	\$1,007,037	\$112,226	\$1,119,263		\$135,574	\$131,577	\$267,151	\$1,386,414	\$1,293,402
Payroll taxes	58,039	5,923	63,962		10,651	10,754	21,405	85,367	80,619
Benefits	170,445	19,157	189,602		21,318	18,995	40,313	229,915	223,208
	1,235,521	137,306	1,372,827		167,543	161,326	328,869	1,701,696	1,597,229
Field programs	835,695	—	835,695		—	—	—	835,695	851,197
Contract services	24,732	5,518	30,250		2,810	62,948	65,758	96,008	87,432
Legal and accounting services	48,461	7,734	56,195		13,886	2,165	16,051	72,246	63,273
Travel	98,542	24,590	123,132		1,324	1,981	3,305	126,437	110,053
Office supplies	13,243	3,135	16,378		1,394	2,144	3,538	19,916	21,706
Telecommunications	24,407	4,761	29,168		3,626	1,275	4,901	34,069	29,081
Postage	3,423	458	3,881		996	2,016	3,012	6,893	6,468
Rent and occupancy	84,903	20,989	105,892		1,185	1,517	2,702	108,594	109,928
Office equipment and software	21,602	1,814	23,416		8,244	8,146	16,390	39,806	44,896
Advertising	—	—	—		—	7,237	7,237	7,237	8,378
Printing and publications	7,328	1,335	8,663		1,246	10,633	11,879	20,542	18,271
Depreciation and amortization	53,524	—	53,524		30,758	6,346	37,104	90,628	89,024
Dues	2,553	712	3,265		815	3,055	3,870	7,135	7,060
Training and meetings	10,649	2,663	13,312		5	7	12	13,324	23,151
Financial expenses	42,485	4,099	46,584		15,700	5,303	21,003	67,587	71,528
Total expenses	\$2,507,068	\$215,114	\$2,722,182		\$249,532	\$276,099	\$525,631	\$3,247,813	\$3,138,675



WORLD NEIGHBORS

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