



UNBOUND™

STEWARDSHIP REPORT

2017



YOU CAN BELIEVE IN UNBOUND

A MESSAGE FROM OUR DIRECTOR OF FINANCE

From the moment we were founded in 1981, Unbound has never stopped working to make sure you can believe in us.

That belief is important because it allows us to do what we need to do to help the hardworking, resourceful families we serve lift themselves out of debilitating poverty. Without your confidence in us, we wouldn't be able to invest our confidence in them.

Yes, we are confident in our sponsored members and their families — in their creativity, in their steadfast spirit and in their ability to find their own solutions when given opportunity. For more than 36 years we've seen that confidence bear fruit in improved living conditions, better jobs and happier, healthier families.

Whenever I visit Unbound programs around the world I'm impressed with the ingenuity families demonstrate in making use of resources available to them through

sponsorship. In partnership with Unbound staff, the families are continually innovating, constantly working to make sure they take full advantage of the opportunities provided to them through the generosity of sponsors like you.

We know that your confidence is not something we can take for granted, and that's why we're pleased to present you with this, the latest version of our annual Unbound Stewardship Report. In these pages you'll find updated data and financial reporting as well as testimonials to the effectiveness of our commitment to empowering families.

They're also testimonials to the generosity and vision of Unbound sponsors. We thank you for being part of our community of compassion and we pledge that when it comes to earning your confidence, we'll never rest.



Martin

Martin Kraus
DIRECTOR OF FINANCE

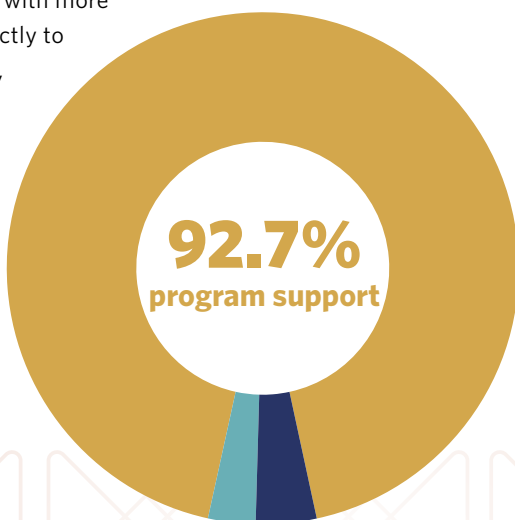


PUTTING FAMILIES FIRST

RESPONSIBLE, TRANSPARENT FINANCIAL MANAGEMENT IS A HALLMARK OF UNBOUND. WE PUT A PREMIUM ON PUTTING SPONSORED FRIENDS AND THEIR FAMILIES FIRST.

Unbound's total contributions and revenue reached \$136 million for the 2017 calendar year, with more than \$108.3 million disbursed directly to our field projects in Latin America, Asia and Africa.

Unbound is immensely grateful to our sponsors and donors, whose support helps the families in our programs bring about change in their own lives and communities.



3.4% administration 3.9% fundraising

SOURCE: 2017 FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017

Public support and revenue

Sponsorships	\$121,928,461	
Contributions.....	11,760,417	
Total Public Support	\$133,688,878	
Other Revenue	1,330,244	
Unrealized Gain on Investments	\$1,000,913	
Total Public Support and Revenue.....	\$136,020,035	

Expenses

Program		
Funding to Projects	\$108,329,027	(84.6%)
Program Support Services	10,345,833	(8.1%)
Total Program Expenses.....	\$118,674,860	(92.7%)
Fundraising.....	\$4,956,632	(3.9%)
Administration	4,409,871	(3.4%)
Total Supporting Services	\$9,366,503	(7.3%)
Total Expenses	\$128,041,363	(100%)

Net asset increase \$7,978,672*

*Change in Net Assets from Operations

Advance payments from donors received in 2017 for distribution in 2018	\$2,472,347	
Net additions/reductions to Management-Designated reserves and property and equipment.....	\$5,506,325	
Total Net Asset Increase	<u>\$ 7,978,672</u>	

STATEMENT OF FINANCIAL POSITION

As of December 31, 2017

Assets

Cash and Cash Equivalents.....	\$11,931,578
Investments	37,274,287
Receivables	425,210
Other Assets	796,330
Property and Equipment, Net.....	<u>3,510,097</u>

Total assets..... **\$53,937,502**

Liabilities and net assets

Accounts Payable.....	\$190,261
Accrued Expenses and Deferred Revenue.....	1,226,550
Annuity Obligations.....	<u>461,733</u>

Total liabilities..... **\$1,878,544**

Net assets

Without Donor Restrictions	\$20,284,746
With Donor Restrictions.....	<u>31,774,212</u>
Total Net Assets	<u>\$52,058,958</u>

Total liabilities and net assets..... **\$ 53,937,502**

Note: Each year the independent accounting firm of BKD, LLP conducts an audit of Unbound's financial statements and accounting practices in accordance with auditing standards generally accepted in the United States of America. A copy of this audit report is available upon request or online at www.unbound.org.

Unbound is a 501(c)(3) nonprofit corporation, federal EIN: 43-1243999.
Contributions are tax-deductible as allowed by law unless otherwise noted.

HOW WE WORK

We believe the surest path out of poverty is a self-directed one. In our programs around the world, children, youth, elders and families partner with local staff to develop individual and family goals based on their distinct challenges, needs and skills. In 2017, more than 310,000 sponsored friends and their families partnered with Unbound to chart their paths out of poverty.



PERSONALIZED BENEFITS

At Unbound, we make sponsorship benefits highly personalized. This gives families the flexibility to use their benefits for what they really need. Social workers and other field staff work with families to identify and work toward goals. For many families, goals focus on their children's education, but parents may also choose to use funds for other needs such as housing, developing new livelihoods or providing food for the family.



3 WAYS UNBOUND HELPS

SUPPORT FOR MOTHERS

We believe in the wisdom of mothers, which is why they're at the heart of our programs. Mothers in Unbound form support networks through small groups. From taking microloans to start businesses and build economic security for their families, to creating their very own credit cooperatives, mothers lead the way.

A 2017 evaluation involving 700 mothers at 26 program sites focused on three empowerment indicators: increased choices in life, positive change and greater personal control. A key finding was that more women in Unbound programs have their own businesses and fewer are unemployed than mothers whose children were on the waiting list for sponsorship. Half of Unbound mothers surveyed reporting having complete choice in deciding or changing their occupations, compared with just more than 40 percent of mothers on the waiting list.

EDUCATION FOR YOUTH

Unbound supports children and young adults in achieving their full potential, which is why being in school is a requirement of the sponsorship program. We help sponsored youth achieve a level of education that prepares them to compete with their peer groups for jobs and be educated community members, parents and leaders. Educational attainment data being collected from Unbound programs around the world show positive results. For example, sponsored children in Madagascar in 2017 achieved an average of 7.5 years of schooling compared to 5.4 years in 2012.

A COMMUNITY FOR ELDERS

Elders around the world face challenges related to nutrition, access to health care and isolation. Unbound helps elders overcome these challenges through benefits such as food assistance, support for health care, home visits and group activities. In 2018, we set out to measure our impact in an evaluation covering a broad range of elders' concerns, with a particular focus on the effects of loneliness and isolation on their health and well-being. At this writing, data was being collected at 25 program sites in 14 countries throughout Latin America, Asia and Africa.

BEYOND SPONSORSHIP

SPONSORSHIP ISN'T THE ONLY WAY TO SUPPORT UNBOUND'S MISSION AND MEET CHARITABLE GIVING GOALS.

The Unbound Scholarship Program helps form role models and future leaders. As Unbound scholars, students learn the importance of service, attain skills related to their fields of study and serve as mentors to children in the sponsorship program. In 2017, Unbound awarded more than \$3.1 million in scholarships to 10,472 students, helping them continue in secondary, vocational and university education.

Visit unbound.org/donate for information about targeting donations for scholarships or other giving opportunities.

PLANNED GIVING

PLANNED GIVING ADDRESSES A DONOR'S WISHES TO:

- Make immediate or future contributions to benefit a sponsored friend in the Unbound program
- Give to a specific program such as scholarships or disaster response
- Support the general mission of Unbound

In 2017, gifts received through planned giving options totaled more than \$2.3 million and primarily supported scholarships for youth, urgent needs of families, sponsorship of children and youth, and grants to assist the work of Unbound programs around the world.



"The biggest reason we are so committed to Unbound ... is because Unbound inspires both sponsors and their sponsored friends to make a difference in each other's lives."

— Mimi Murray,
Unbound sponsor



CHARITY WATCHDOGS GIVE UNBOUND HIGH RATINGS

Unbound earns high rankings by meeting and exceeding standards set by respected third-party organizations that evaluate charities. The recognition demonstrates the work Unbound puts into solid financial stewardship.

CHARITY NAVIGATOR

Charity Navigator rates charities based on factors in two main areas: financial health and accountability and transparency. It awarded Unbound 4 out of 4 stars, with the highest score of 100 in the area of accountability and transparency.



CHARITYWATCH

CharityWatch gave Unbound an A+, its highest ranking. CharityWatch evaluates charities on how much of their budgets are spent on programs, fundraising costs, governance practices and financial transparency.



BBB WISE GIVING ALLIANCE

The BBB Wise Giving Alliance requires that a charity meet 20 rigorous standards for accountability in order to qualify for its charity seal. Unbound met all 20 standards, which evaluate how the charity spends its money and governs itself.



GREATNONPROFITS

GreatNonprofits provides a forum to rate more than 1.6 million nonprofits. Unbound earned a spot on the GreatNonprofits Top-Rated List based on reviews from sponsors, donors and volunteers. Check out what they said at GreatNonprofits.org.



GOVERNING BOARD

The Unbound Governing Board represents sponsored individuals, their families and sponsors. The board operates under a policy governance model that determines and demands appropriate organizational performance. Transparency and clear communication allow the board to work positively with the Unbound staff in providing direction and inspiration for the organization while holding management accountable.

David Herbison

Chief Governing Officer

Alison Avayu

Joe Barker

Vicki Berger

Dennis Bernardo

Emma Higgins

Cindy Ricks

Rich Swan

Mónica Gómez

Program Coordinator (non-voting)

Peter Ndungu

Program Coordinator (non-voting)

Rev. Mike Rieder

Unbound preacher (non-voting)

William Hansen

Secretary (non-voting)

Martin Kraus

Treasurer (non-voting)

Scott Wasserman

President and CEO (non-voting)



WHERE WE WORK

Bolivia • Chile • Colombia • Costa Rica • Dominican Republic • Ecuador
El Salvador • Guatemala • Honduras • India • Kenya • Madagascar
Mexico • Nicaragua • Peru • Philippines • Tanzania • Uganda



OUR MISSION

UNBOUND'S MISSION IS
TO WALK WITH THE POOR
AND MARGINALIZED OF
THE WORLD.



UNBOUND™

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UNBOUND.ORG

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