



UNBOUND™

STEWARDSHIP REPORT

2020



A LIFELINE FOR FAMILIES

A MESSAGE FROM OUR DIRECTOR OF FINANCE

At Unbound we're consistently inspired by the dedication of our sponsors. But it must be said that your steadfast support during the past year has been more than inspiring. It's provided a lifeline of hope.

COVID-19 created difficulties for all of us, yet you've continued to generously support Unbound's work. We never take that support for granted, especially now when the need is so great for the families we serve, most of whom have been severely limited in their ability to earn a living during the pandemic.

Fortunately, we've been able to respond to the crisis. In 2020, with direct cash transfers we provided families with immediate access to needed funds, plus we sent significant additional support for pandemic relief.



Still, while so far we've been able to maintain a high level of service, we know the path ahead will be steep. Acquiring new sponsors has become a major challenge during the pandemic, which makes the support of our current sponsors even more important.

Unbound and the families we serve rely on you, and we hope this stewardship report helps show you the positive difference you're making. As always, it reflects our commitment to the responsible management of the funds you so generously entrust to us.

Thank you for your continued support and for the vital role you play in bringing hope to hardworking families around the world. They are deeply grateful and so are we.

Thank you for your generous support.

Martin

Martin Kraus
DIRECTOR OF FINANCE

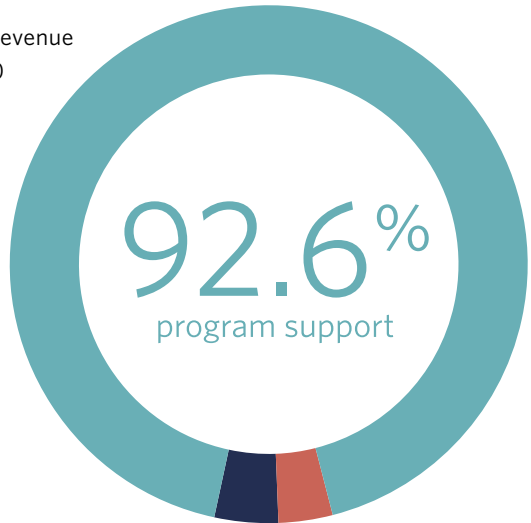


FAMILIES AT THE FOREFRONT

Responsible, transparent financial management is a core value of Unbound and key to operating an efficient, effective organization. When deciding how to allocate and spend resources, we put the needs of the families participating in our programs first.

Unbound's total contributions and revenue reached \$142.2 million for the 2020 calendar year, with more than \$114 million disbursed directly to our projects in Latin America, Asia and Africa.

Unbound is deeply grateful to our sponsors and donors, whose support gives families in our programs around the world the resources to better their lives and communities.



4% fundraising
3.4% administration
SOURCE: 2020 FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

Public support and revenue

Sponsorships	\$124,565,165
Contributions.....	<u>14,838,362</u>
Total Public Support	\$139,403,527

Other Revenue	2,028,855
Unrealized loss on Foreign Currency Exchanges.....	(818)
Unrealized gain on Investments.....	<u>\$770,965</u>
Total Public Support and Revenue.....	\$142,204,165

Expenses

Program		
Funding to Projects	\$114,065,923	(85.3%)
Program Support Services	<u>9,745,098</u>	<u>(7.3%)</u>
Total Program Expenses.....	\$123,811,021	(92.6%)
Fundraising.....	\$5,348,385	(4%)
Administration	<u>4,525,212</u>	<u>(3.4%)</u>
Total Supporting Services	\$9,873,597	(7.4%)
Total Expenses	\$133,684,618	(100%)

Net asset increase **\$8,519,547**



STATEMENT OF FINANCIAL POSITION

As of December 31, 2020

Assets

Cash and Cash Equivalents.....	\$17,426,373
Investments	55,915,365
Receivables	491,938
Other Assets	1,174,658
Property and Equipment, Net.....	<u>3,089,208</u>

Total assets..... **\$78,097,542**

Liabilities and net assets

Accounts Payable.....	\$893,602
Accrued Expenses and Deferred Revenue.....	1,381,392
Annuity Obligations.....	636,619
Paycheck Protection Program Loan	2,386,100

Total liabilities..... **\$5,297,713**

Net assets

Without Donor Restrictions	\$40,146,228
With Donor Restrictions.....	<u>32,653,601</u>
Total Net Assets	<u>\$72,799,829</u>

Total liabilities and net assets..... **\$78,097,542**

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. Individuals and families participating in our programs determine how they'll use financial resources to meet their immediate needs and long-term goals. Along the way, they receive critical support and encouragement from the Unbound community.

SPONSORSHIPS

At year's end, 288,867 children, youth and elders had the support of a sponsor through Unbound. Sponsored individuals and their families have resources and a support network to meet their immediate needs and begin forging their paths out of poverty.

Sponsorship provides a platform for a one-to-one, personal relationship to develop through financial support and correspondence. Over time, a special bond can form as a child, youth or elder and their sponsor "walk together" to make a positive difference in each other's lives.

PERSONALIZED BENEFITS

Sponsored individuals and their families have flexibility to use their sponsorship benefits for what they need most. About 94% receive their benefits through cash transfers. With the support of social workers and other local staff, families set goals and create budgets for how they'll use sponsorship support. They typically focus on their children's education, but they may choose to use funds for food, housing, medical care, developing livelihoods or other needs.

Cash transfers have been a lifeline for families during the COVID-19 pandemic. Food vendors, drivers, day laborers and others earning their living in the informal economy saw their jobs shut down or significantly restricted. Many used their



Unbound benefits to stay afloat until they could find different work. Some started or adapted a small business to meet local needs arising from the pandemic.

In 2020, Unbound teams conducted 41 local-level evaluations, with many focusing on adapting the program to the quickly evolving context created by the pandemic. Results largely showed the strengths of the cash transfer model in times of economic crisis.

Evaluations in the early months of the pandemic showed food insecurity as an emerging crisis impacting families. In Guatemala, the top three difficulties reported were lack of economic resources, loss of jobs and lack of sufficient food. The flexibility in using sponsorship funds provided families with immediate relief for their most urgent needs.

Evaluations in Guatemala, Mexico, Colombia, Peru and Honduras showed a change in families' use of benefit dollars from their original plans to purchasing food instead. In Peru, 77% of families who received additional assistance were able to eat three or more meals a day compared to just 33% in a comparison group that did not receive the assistance.

When the pandemic hit, education went online in many parts of the world. Unbound programs report that digital learning has been a major challenge, and some are doing more in-depth surveys to better understand the obstacles faced by sponsored students. In some cases, students have had the option to use additional assistance from Unbound to purchase tools needed to continue studying, such as laptops or internet access.

The COVID-19 crisis has made disparities in internet access more pronounced, especially for students who lack tools for remote learning. Unbound estimates that just 50% of families of sponsored students and 25% of sponsored elders have regular access to a smartphone. Many of those phones include some apps but no internet browsers, or internet access is intermittent.





HOW WE WORK

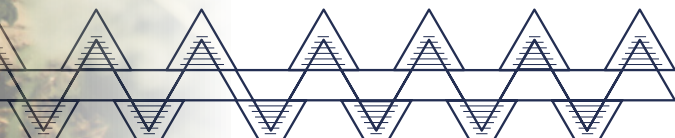
PARENT GROUPS

Unbound harnesses the collective wisdom of parents, particularly mothers, to make our programs effective and efficient. Mothers groups are the primary way families participate in our programs. Organized and supported by local Unbound staff, these small groups meet regularly to encourage learning and growth in a spirit of collaboration. Many promote entrepreneurship by establishing group savings accounts to offer access to microloans and start-up capital.

There are more than 13,000 mothers groups across the 19 countries served by Unbound. Each group comprises 15 to 30 mothers who are from the same community and have children sponsored through Unbound. The groups help women break a cycle of isolation, gain confidence through leadership opportunities and become more financially independent. Mutual accountability among mothers within the groups ensures they are supported and working to achieve their family and group goals.

While in-person meetings and activities were disrupted in the pandemic, local Unbound teams stayed connected with parent groups by communicating with group leaders and other members who have access to technology. Local teams focused on COVID prevention strategies and used cell phones, free messaging apps, social media platforms, radio broadcasts and other means to pass along important health and safety information to families.

Evaluation results indicate the messages had a positive impact. In Peru, for example, 77% of Unbound families reported practicing three key preventative actions: mask wearing, social distancing and handwashing, compared to a control group in which 60% reported taking these actions. In the study, 48% of families reported learning about the information from the local team's efforts.



3 MORE WAYS UNBOUND HELPS

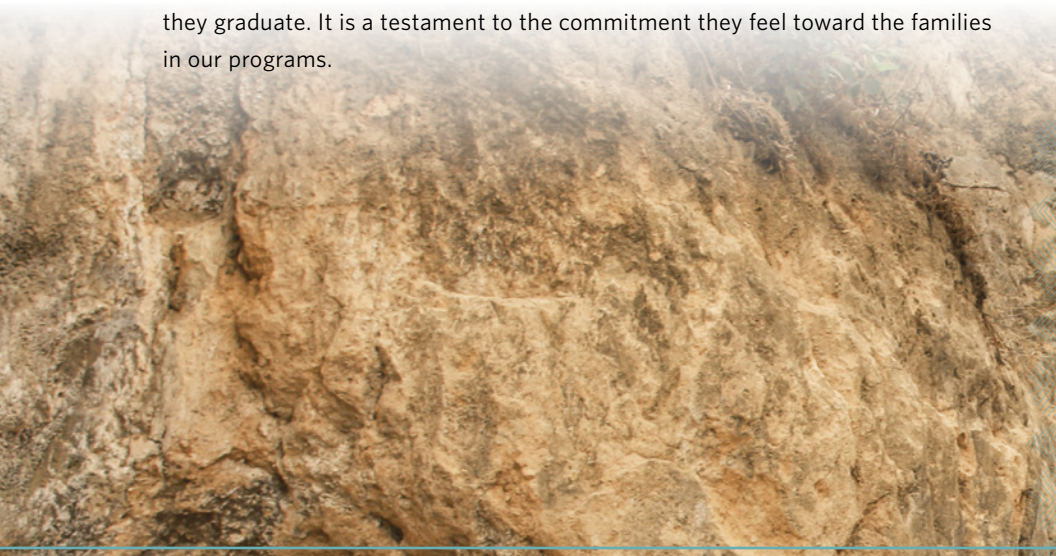
SCHOLARSHIPS

Unbound scholarships make a direct investment in students who want to continue their formal education. The funds bridge a gap in resources needed to cover tuition, books, fees and transportation. In 2020, scholarship grants to Unbound field offices totaled more than \$3.6 million. Scholarships were awarded to 9,312 students.

Students in our scholarship program develop as leaders through community service. Scholars volunteer to tutor younger children, organize clubs and activities for the community, teach literacy and health workshops for Unbound mothers groups, plan celebrations for elders, and help with correspondence between sponsored children and their sponsors.

COVID-19 created a disruption in the scholarship program in 2020 as education moved online. Scholarship students were encouraged to use funds for technological needs related to schooling. The required community service component was also adapted to allow for completion of requirements remotely. Many scholars focused on COVID-19 prevention initiatives in the community, while some continued with tutoring assistance and programing to sponsored members using virtual methods.

Former scholars continue to participate in the Unbound community because of the values they took away from the program. Nearly half of Unbound's global team includes former scholars who have chosen to serve the community after they graduate. It is a testament to the commitment they feel toward the families in our programs.



CRITICAL NEEDS

Natural disasters, health crises and other unexpected setbacks in developing countries take a disproportionate toll on people living in poverty, often destroying any headway families have made in improving their situations. Families and Unbound staff use emergency funding to address needs such as housing repairs, nutrition assistance, rescue equipment and medical support. In 2020, Unbound sent \$2.4 million to the field specifically to help families in dire need because of the pandemic, and an additional \$370,000 was disbursed for relief and recovery after catastrophic storms.

AGENTS OF CHANGE

Agents of Change is an innovative platform that awards grants to Unbound parent groups to make improvements in their communities. It supports people's investment in the towns, villages and neighborhoods where their families are rooted, and helps support the kind of stable, safe and life-giving communities where people thrive instead of just survive.

Once a group identifies a common need — a bathroom at a school, streetlights in a dark neighborhood, a well to safeguard a community's water source — they complete the Agents of Change application, which includes an analysis of projected costs and existing resources as well as a comprehensive plan for completion. Initiatives paused because of the pandemic, however, Unbound did disburse \$11,500 in Agents of Change funds in 2020. Initiatives will resume as local conditions and restrictions allow.

Visit unbound.org/donate for information about targeting donations for scholarships, Agents of Change, critical needs or other giving opportunities.





WHERE WE WORK

Bolivia

Chile

Colombia

Costa Rica

Dominican Republic

Ecuador

El Salvador

Guatemala

Honduras

India

Kenya

Madagascar

Mexico

Nicaragua

Peru

Philippines

Rwanda

Tanzania

Uganda

“If I did not have sponsorship then it would have been impossible to achieve my aim. It changed my life a lot.”

— Pinky, sponsored youth and nursing intern in India who has taken care of COVID-19 patients

PLANNED GIVING

HELP SUPPORT OUR WORK

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 a fund such as critical needs.
- Support the general mission of Unbound.

In 2020, gifts received through planned giving options including estate gifts, stock donations and charitable gift annuities totaled nearly \$2.7 million and primarily supported scholarships, urgent needs of families, sponsorship of children and youth, and grants to assist the work of Unbound programs around the world.

Learn more at unbound.org/plannedgiving.

“I have a deep belief that if we can help to empower the next generation with love and respect for them and their home countries, we will help to save this world. It all starts with the children.”

— Gwen Fleace of Minnesota, who sponsors Anusha in India





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 an organization spends its money and governs itself.



GUIDESTAR

Unbound holds the Platinum Seal of Transparency, the highest level of recognition offered by GuideStar.





BOARD OF DIRECTORS

The Unbound Governing Board represents sponsored individuals and their families, sponsors and donors. 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
Banking and Financial Services
Tigard, Oregon

Emma Miller

Deputy Chief Governing Officer
Marketing Manager
Chicago, Illinois

Joe Barker

Executive Director
Atlanta, Georgia

Dennis Bernardo

Information Technology Consultant
Chicago, Illinois

Abby Marie J. Rohr

Corporate Paralegal
Denver, Colorado

Cindy Ricks

Judicial Law Clerk
Salt Lake City, Utah

Lisa Phillip

Senior Enterprise Data Architect
Miami, Florida

Ana Mencini

Attorney
Addison, Illinois

Hugo Plaza Beltran

Unbound Coordinator (non-voting)
Cochabamba, Bolivia

Vincent Murmu

Unbound Coordinator (non-voting)
Dumka, India

Rev. Dennis Martin

Unbound Preacher (non-voting)
West Liberty, Iowa

Martin Kraus, Treasurer

Director of Finance, Unbound (non-voting)
Kansas City, Kansas

William Hansen, Secretary

Finance Manager, Unbound (non-voting)
Kansas City, Kansas

Scott Wasserman

President/CEO, Unbound (non-voting)
Kansas City, Kansas



OUR MISSION

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



1 ELMWOOD AVENUE, KANSAS CITY, KS 66103

800.875.6564

UNBOUND.ORG

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