



UNBOUND™

STEWARDSHIP REPORT

2021



THE GIFT OF HOPE

A MESSAGE FROM OUR DIRECTOR OF FINANCE

Bob Hentzen, Unbound's late co-founder, said that we should be at our best for the poor because they deserve it. Those of us who continue the work he and the other founders began take those words to heart. Every day we do our best to wisely utilize, and be accountable for, the funds you entrust to us. This, our annual stewardship report, is part of that accountability.

The families we serve walk a narrow path between collapse and carrying on, and the pandemic has only made their challenges greater. These obstacles make it hard to see beyond the needs of the moment, and this is where your support makes a big difference.

The funds you and other caring individuals provide through Unbound help families overcome the pressure of immediate need so they can begin to envision a more promising future. Your support gives them the precious space

they need to plan, to build and to hope. That's an incredible gift.

Whenever I travel to visit one of our Unbound programs, I'm moved by the gratitude of people I meet who've made their lives better through sponsorship. They're always eager to send a message of thanks to their sponsors. They want you to know that, with your help, they're doing more than surviving. They're moving closer to a reality where they can achieve their full potential and thrive.

All of us at Unbound join the families in our program in thanking you for your support. We know that words alone aren't adequate, so we'll express our gratitude every day through our dedication and diligence. You can be confident that we'll continue to be good stewards of your financial contributions.

May God bless you for your compassion and generosity.

Sincerely,



Martin Kraus
DIRECTOR OF FINANCE



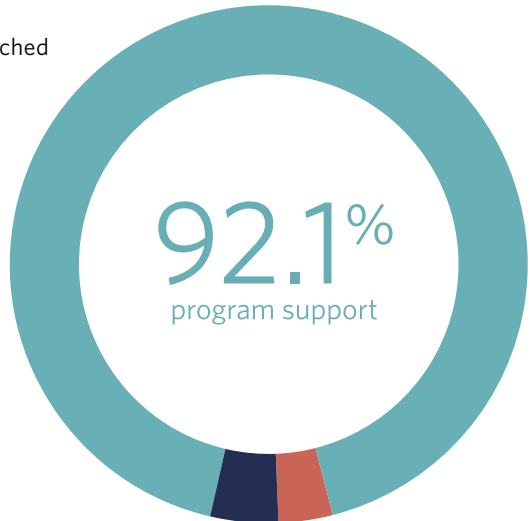


FAMILIES AT THE FOREFRONT

Responsible, transparent financial management is a core value of Unbound and key to operating an efficient, effective organization. When allocating and spending resources, we put the needs of families first.

Total contributions and revenue reached \$145.8 million in 2021, with \$135.4 million in total expenses. Of those expenses, \$124.8 million was earmarked for programs, including more than \$116.1 million disbursed directly to our projects in Latin America, Asia and Africa.

We're deeply grateful to our sponsors and donors, whose support gives families resources to better their lives and communities.



4.6% fundraising
3.3% administration

SOURCE: 2021 FINANCIAL STATEMENTS

FINANCIAL STATEMENTS 2021

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

Public support and revenue

Sponsorships	\$123,475,921	
Contributions.....	<u>16,755,861</u>	
Total Public Support.....	\$140,231,782	

Other Revenue	5,169,726	
Unrealized loss on Foreign Currency Exchanges.....	(3,625)	
Unrealized gain on Investments.....	<u>\$465,350</u>	
Total Public Support and Revenue.....	\$145,863,233	

Expenses

Program

Funding to Projects	\$116,197,516	(85.7%)
Program Support Services	<u>8,635,708</u>	<u>(6.4%)</u>
Total Program Expenses.....	\$124,833,224	(92.1%)

Fundraising.....	\$6,187,649	(4.6%)
Administration	<u>4,466,916</u>	<u>(3.3%)</u>
Total Supporting Services	\$10,654,565	(7.9%)

Total Expenses	\$135,487,789	(100%)
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Net asset increase **\$10,375,444***

*Change in Net Assets from Operations

Advance payments from donors received in 2021 for distribution in 2022	\$1,583,582	
Net additions/reductions to Management-Designated reserves and property and equipment.....	\$8,791,862	
Total Change in Net Assets.....	\$10,375,444	

STATEMENT OF FINANCIAL POSITION

As of December 31, 2021

Assets

Cash and Cash Equivalents.....	\$14,114,839
Investments	66,219,636
Receivables	993,917
Other Assets	1,130,232
Property and Equipment, Net.....	<u>2,956,519</u>

Total assets..... **\$85,415,143**

Liabilities and net assets

Accounts Payable.....	\$393,987
Accrued Expenses and Deferred Revenue.....	1,165,407
Annuity Obligations.....	680,476

Total liabilities..... **\$2,239,870**

Net assets

Without Donor Restrictions	\$48,938,090
With Donor Restrictions.....	<u>34,237,183</u>
Total Net Assets	<u>\$83,175,273</u>

Total liabilities and net assets..... **\$85,415,143**

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

At Unbound, 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, 280,800 children, youth and elders had the support of a sponsor through Unbound. Sponsored individuals and their families had financial resources and a support network to help them meet immediate needs and create their paths to overcome poverty.

Sponsorship provides a platform for a one-to-one, personal relationship to develop through correspondence. Over time, a special bond can form as a child, youth or elder and 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 to individual bank accounts. 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 may choose to use funds for food, housing, medical care, developing livelihoods or other needs.



With the adoption of individual bank account models in Unbound programs around the world, families now have more direct access to their benefits. A concern surrounding cash transfer programs in general has been the potential for misuse of funds, and Unbound responds to such concerns by conducting evaluations focusing on purchasing choices of families participating in the sponsorship program.

During the pandemic, local teams saw families using funds for immediate consumption — such as purchasing food. Families also utilized funds for items such as tablets, laptops and mobile devices needed for children to continue with virtual schooling, or to pay for cell phone bills or internet services.

Having flexibility to use funds for urgent needs often meant the difference between families having food or going hungry and is a testament to the resiliency of Unbound's program model in a crisis. We were able to support families when organizations that relied on in-person benefit delivery struggled to provide services.

In 2021, 59 local-level evaluations were conducted, with many focused on continued needs to adapt the Unbound program to the ongoing pandemic.

A need that has emerged in evaluation results from India, Ecuador and Mexico is sufficient technology. In times of disaster, when physical connection becomes the most challenging, virtual connection to others is crucial for receiving necessary services. Although most families have at least access to a basic cell phone, this is insufficient to meet their needs. Thanks to these evaluation results, local program sites have been able to adapt to help families meet technology needs.






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 teams, 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.



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, technology and transportation. In 2021, scholarship grants to Unbound field offices totaled more than \$3.3 million. Scholarships were awarded to 8,586 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 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.

Former scholars continue to participate in the Unbound community because of the values they took away from the program. A number have joined Unbound as staff members after they graduated. In addition, some, because of their experiences in the scholarship program, have been inspired to choose career paths that are service-oriented, such as those in the fields of social work, psychology, education, health care and the nonprofit sector.



CRITICAL NEEDS

Disasters, health crises and other unexpected setbacks take a disproportionate toll on people living in poverty, often erasing any headway families have made in improving their circumstances. Unbound's Critical Needs Fund provides direct cash assistance and other emergency relief to individuals and families in times of crisis. Donations to the fund help those affected by:

- Severe storms, earthquakes, fires and other disasters
- Crises resulting in loss of income, lack of shelter and food insecurity
- The COVID-19 pandemic and other health emergencies

Unbound is present in communities before, during and after crises, helping families remain resilient and continue their paths out of poverty. In 2021, Unbound sent \$5.5 million to the field for pandemic assistance alone, thanks to the Critical Needs Fund and other sources. Families recovering from the pandemic and other emergencies used cash assistance for immediate needs such as food, water, shelter and medical care. They also made home repairs and replaced equipment or supplies to restore their sources of livelihood.

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 villages, neighborhoods, towns and cities 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. In 2021, Unbound disbursed \$306,000 in Agents of Change funds to parent groups around the world.





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

“I have this happy feeling when I do something for others ... despite [my] own struggles. I will continue to grow despite my personal limitations and the limitations set to me by society.”

— Rica, sponsored youth and civil engineering student in the Philippines who's pursuing an interest in urban planning and sustainable development

PLANNED GIVING HELPS SUPPORT OUR WORK

Our planned giving options address 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 2021, gifts received through planned giving options including estate gifts, stock donations and charitable gift annuities totaled \$3.5 million and primarily supported scholarships, critical 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.

“Our relationships with these precious elders have taught me lasting lessons about what I take for granted. Clean, running water. Electricity. Knowing where my next meal is coming from. Reliable health care. But they’ve also opened my eyes to the value I misplace on things that are insignificant from an eternal perspective.”

— Alissa Heirigs, sponsor of elders through Unbound since 2013



CHARITY WATCHDOGS GAVE UNBOUND HIGH RATINGS

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

CHARITY NAVIGATOR

Charity Navigator rated 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 received 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 Consultant
Chicago, Illinois

Joe Barker

Executive Director
Atlanta, Georgia

Dennis Bernardo

Information Technology Consultant
Chicago, Illinois

Lissa Haag

Global Procurement Manager
Prairie Village, Kansas

Susan Johnson

Chief People and Communications Officer
Kansas City, Missouri

Cindy Jones

Judicial Law Clerk
Salt Lake City, Utah

Lisa Phillip

Senior Enterprise Data Architect
Miami, Florida

Abby Marie J. Rohr

Corporate Paralegal
Denver, Colorado

Rev. Dennis Martin

Unbound Preacher (non-voting)
West Liberty, Iowa

Hugo Plaza Beltrán

Unbound Coordinator (non-voting)
Cochabamba, Bolivia

Vincent Murmu

Unbound Coordinator (non-voting)
Dumka, India

Scott Wasserman

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

Martin Kraus, Treasurer

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

William Hansen, Secretary

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

*Current board members as of June 10, 2022



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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