

## How Helpful Are Charity Watchdog Ratings?

**Patricia Hatfield  
Bradley University**

*Over 25 percent of adults volunteered for a non-profit organization (NPO) in 2014 with private giving by individuals and corporations of over \$390.05 billion (Giving USA, 2016). Sarbanes-Oxley compliance requires more financial oversight of donations contributed by corporations to NPOs than ever before. This creates a demand for finance and accounting graduates to understand NPOs unique financial and operational challenges. Consequently, students should be exposed to NPO financial statements and analysis. This case exposes students to basic financial and operational challenges encountered by NPOs using the financial data of World Vision and Compassion International.*

### **INTRODUCTION<sup>1</sup>**

Samantha Nichols, the Executive Director of World Vision, stared at the 2015 fiscal year-end financial results with disappointment. For the past five years World Vision's financial ratings score have been low compared to their competitors, earning them only a 2-star rating (out of 4) by Charity Navigator. Samantha is passionate about the organization and its mission and fears that this year's financials will result in fewer donations. Donors look to charity watchdogs to determine where they should allocate their resources. Thus, Samantha feels that boosting their ratings is critical in increasing the level of donations from private donors.

Samantha had been impressed with the insight and commitment of board member, Maggie Jenson. Maggie graduated 3 years ago with her MBA and works in an entry-level position in the finance department of a small manufacturing firm in the area. Maggie has been eager to take on more responsibility and possesses a strong desire to contribute in more meaningful ways. Her entry-level position paid the bills but lacked any significant challenges. Therefore, the timing couldn't be better when a year ago, Maggie received a call from Samantha offering her a position on World Vision's board of directors. Maggie eagerly accepted the offer understanding board members of nonprofit organizations (NPOs) are unpaid. However, she expected it would provide her the opportunity to contribute to society and allow her to take on new responsibilities gaining valuable knowledge and experience that would likely help further her career.

### **BACKGROUND**

Maggie and Samantha met four years ago when Samantha was the keynote speaker at an Executive Series sponsored by the university Maggie was attending. Maggie was impressed with World Vision's mission and goals and she felt that Samantha was a strong leader and a great role model for women who sought leadership positions. Maggie talked with Samantha at the reception following the speech and expressed interest in the organization. They exchanged contact information. Maggie followed up by

sending her resume to Samantha and began to actively volunteer at World Vision. Two years after Maggie graduated, Samantha offered Maggie a position on the board. Samantha explained that with increasing financial scrutiny and competition for philanthropic dollars, the board needed more members with financial acumen and an enthusiasm for their mission. Samantha and the rest of the board felt Maggie would be a perfect fit.

Maggie sought to learn as much about World Vision as she could. She felt fortunate that her undergraduate financial analysis course and one of her MBA accounting courses included coverage of NPO financials as well as the traditional coverage of for-profit financials. This exposure provided her with a sense of some of the distinctive financial and operational issues faced by NPOs. Now she wanted to focus on understanding the financials and the environment in which World Vision operated.

### **World Vision and Industry**

World Vision is the largest of the Christian humanitarian organizations with the primary mission of raising money to support impoverished children, families and communities throughout the world.<sup>2</sup> World Vision was created in 1950 by Robert Pierce. He had traveled to Asia and was shocked by the conditions children had to endure in orphanages. He was so moved by the experience, he created an organization and made documentaries to educate the public on the difficult environment children suffered in Asia. By 1953 he created a child sponsorship program to improve living conditions for orphaned children. He began his campaign in China, later expanded to include children orphaned in Korea due to the Korean War and by the end of the 1950's he was sending support to care for children in five countries. In the 1960's World Vision grew to care for children in orphanages in over eighteen countries. In the following decade sponsorship donations continued to grow and World Vision served children living in poverty in twenty-five countries. In the 1980's they expanded their mission to relief efforts, particularly the Ethiopian famine as well as continuing support for impoverished children. They began partnering with countries in ventures to improve the life of impoverished communities, such as projects to support clean water. Since the 1990's World Vision has supported children and families after the fall of communism in Eastern Europe. World Vision provided funds for health care during the aids crisis, focused on political and humanitarian efforts during the Rwanda genocide as well as other world events. Today the organization continues to advocate for justice of the exploited, unprotected and impoverished as well as helping people find their way out of poverty through education. They also provide micro-financing to encourage self-sufficiency. Ultimately, they advocate for justice and assistance to local governmental entities of countries on behalf of impoverished families.

There are a number of child sponsorship organizations that compete for donor dollars in this realm. Compassion International, ChildFund International, Save the Children, Christian Relief Fund and others are all humanitarian organizations that seek to help impoverished children and families through a sponsorship program. They are all rated by Charity Navigator and all consistently receive higher financial ratings than World Vision. Samantha wanted to compare World Vision's financials to that of their leading competitor, Compassion International. Compassion also has a global presence and focuses on a holistic approach to help children, families and communities escape the cycle of poverty. Both World Vision and Compassion are Christian-based organizations that provide nondiscriminatory emergency relief response worldwide.

Specifically, Samantha wanted to study a five-year trend of data for World Vision with a report of strengths and weaknesses of the organization and see how this compares to Compassion. Samantha asked Maggie to perform the analysis for World Vision and compare the results to that of Compassion, International. Samantha hopes to use the financial assessment to determine how they can improve their financial strength as well as the Charity Navigator ratings or find new ways to market their financial efficiency to show that despite the ratings, they are financially strong.

### **Charity Navigator**

Charity Navigator is an independent NPO with a mission "to guide intelligent giving. By guiding intelligent giving, we aim to advance a more efficient and responsive philanthropic marketplace, in which

givers and the charities they support work in tandem to overcome our nation's and the world's most persistent challenges."<sup>3</sup> Other charity watchdog organizations exist and use similar metrics to evaluate NPOs, such as Guidestar and BBB Wise Giving Allowance. They provide financial and governance information on charities but much of the free information is limited. Guidestar provides some information at no charge but detailed financials require a fee. Guidestar also does not provide an overall quality rating of an NPO. They are a neutral data collection service and leave overall assessment to the donor. BBB Wise Giving Allowance is an NPO like Charity Navigator and provides its reports at no charge but their coverage is not nearly as detailed as the latter. While they do provide badges of approval, they do not provide an overall rating score. As a result, Charity Navigator is the most widely used of the charity watchdog organizations attracting more visitors than all the other charity watchdogs combined.<sup>4</sup> *The New York Times* (2013) referred to it as the most user friendly of the various charity watchdogs. They currently rate roughly 8,000 charities and over seven million people have visited the site to learn more about the various organizations.<sup>5</sup> Charity Navigator provides an overall score ranging from one to one hundred and uses a two-tiered rating system providing a score for financial strength and another for accountability and transparency. The higher the score, the better the rating. They also provide an overall rating based on a 4-star scale that is directly correlated to the numerical scores. It is important for NPOs to keep their ratings as high as possible since donors often look to Charity Navigator as a means of discerning which competing organization would use their donations most efficiently.

Charity Navigator rates both, World Vision and Compassion International, high (in the 90's) on accountability and transparency. Strong accountability and transparency suggests the NPOs are willing to make important information about the organization readily available so that donors, board members and other stakeholders can easily access information and make sound judgements. Charity Navigator states, "We believe that charities that are accountable and transparent are more likely to act with integrity and learn from their mistakes because they want donors to know that they're trustworthy." The IRS requires charities that receive more than \$50,000 in donations to file Form 990. An example of Form 990 for World Vision can be found on the organization's website within the financial accountability link. Charity Navigator uses information obtained from the NPO's website as well as the IRS Form 990 to determine if the board is an independent governing body; the financials have been audited by an independent accounting firm; there is a conflict of interest policy; a whistleblower policy; and disclosure of CEO salary, to name a few. The full list of data used can be found on Charity Navigator's website. The goal of inspecting this data is to determine if the NPO is ethical and practices quality governance and makes information easily accessible to its stakeholders. World Vision and Compassion rate high when it comes to accountability and transparency. Thus, they are viewed as being highly ethical organizations that make every effort to follow best practices in governance and make information accessible to its constituents.

Charity Navigator also provides financial ratings based on the publicly available Form 990 to determine the proportion of funds spent on different operating activities. Donors tend to emphasize the proportion of funds spent on program expenses since this is the money spent to fulfill the mission of the NPO. Conversely, donors tend to prefer to see smaller proportions of money spent on administrative expenses (Callen, 1994; Posnett and Sandler, 1989; and Weisbrod and Dominguez, 1986). Their preference is to see NPOs operate as lean as possible. Money spent for fundraising is important as long as the NPO uses those funds efficiently.

Since Compassion consistently receives the highest scores from Charity Navigator, Samantha chose them as the basis of comparison for World Vision. Charity Navigator has given World Vision and Compassion the following ratings over the past 5 years:

**TABLE 1**  
**CHARITY NAVIGATOR RATINGS**

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
World Vision	81.43	78.65	77.66	83.01	86.89
Compassion	91.40	95.33	95.35	95.27	95.23

Since both organizations score high on accountability and transparency, the major difference in the scores is due to their respective financial ratings. It is important to note, charities in different industries may require different financial metrics. Charity Navigator recognizes this and takes that into consideration to determine different thresholds based on the charity classification. World Vision and Compassion fall into the category of Humanitarian Relief Supplies. To summarize, Charity Navigator examines the proportion of funding spent on program expenses; the charity's annual deficit (whether they spend more than they take in); the proportion of money spent on administrative expenses; the proportion of money spent on fundraising expenses; fundraising efficiency (defined as how much it cost to bring in one dollar of donations); primary revenue growth (for World Vision and Compassion this would include public and private donations); program expense growth; working capital ratio. Additional information regarding these measures can be found on the Charity Navigator website: [http://www.charitynavigator.org/index.cfm?bay=content.view&cpid=48#.Vy4\\_SIQrJD8](http://www.charitynavigator.org/index.cfm?bay=content.view&cpid=48#.Vy4_SIQrJD8)

## **NON-PROFIT FINANCIAL STATEMENTS**

Maggie obtained the financial statements for World Vision and Compassion for the five-year period beginning in 2011 on each organization's website. All NPO organizations are required under Generally Accepted Accounting Principles (GAAP) to file three financial statements that are similar to those of for-profit firms; The Consolidated Statement of Financial Position, The Consolidated Statement of Activities and the Consolidated Statement of Cash Flows. In addition, NPOs that are classified as voluntary health and welfare organizations (VHWO) are also required to file a fourth financial statement, The Consolidated Statement of Functional Expenses. NPOs must also provide financial notes to explain the accounts in the various statements. It is critical to read through the financial notes to gain an understanding of the accounts in order to perform an accurate analysis. All financial statements and notes are audited by an independent accounting firm.

### **The Consolidated Statement of Financial Position**

This statement is similar to the balance sheet of a for-profit firm. For both organization types, assets and liability accounts are shown first on the statement. A for-profit firm then lists equity in the last portion of the statement whereas NPOs lists net assets. Net assets represent a sort of equity base for an NPO. There are three categories of net assets: unrestricted, temporarily restricted and permanently restricted. Financial notes describe the type of assets held in each category but it is important to understand the differences of each asset category. Unrestricted assets are those assets that are available to the NPO to use whenever the board or management of the NPO considers it necessary to do so. These are assets that are held without any restrictions and may serve as a buffer to help the NPO navigate seasons when expenses exceed revenues, additional funds are necessary to run operations or if the NPO requires funds to make a capital investment. Temporarily restricted net assets are tied to a specific use and are not available for the NPO to use freely for any purpose until the restrictions have expired. An example of a temporarily restricted asset may be an automobile purchased for the purpose of transporting supplies for a five-year period. At the end of the five-year period, the automobile may be sold and the proceeds from the sale can be used by the NPO. Thus, after the time period expires the temporarily restricted asset is transferred to the unrestricted asset account and can be used or liquidated as determined by the management of the NPO. Permanently restricted assets are those assets that never become unrestricted in nature. They are donated for a specific purpose with no expiration. Endowments are often donated as a permanently restricted asset requiring that the monies from the endowment be used for a specific purpose, such as funding scholarships. The financial notes for Compassion show that restricted assets are held for child sponsorship endowments, leadership development endowments and gift annuities. World Vision indicates their permanently restricted assets are endowments where the income is intended to support World Vision programs.

### **The Consolidated Statement of Activities**

This statement is essentially the income statement of an NPO. It shows the accounts for each source of revenue and classifies expenditures as operating expenses or non-operating expenses. Operating expenses are those that go directly to program services. Generally, the majority of expenses of an NPO appear in this category. Another category of operating expenses consists of supporting activity expenditures and are classified as administrative and fundraising expenses. NPOs are required to separate their expenditures into these three categories to make it easy to observe the level of expenditures going toward overhead and those going toward mission expenses. Non-operating expenses can include many different items. An example of some of the accounts for World Vision and Compassion include interest expense, unrealized gains (or losses) on investments and disposition of assets and pension losses.

### **The Consolidated Statement of Cash Flows**

This statement is similar to the Cash Flow Statement produced by for-profit firms. NPOs are also required to file this statement in the same format classifying cash flows resulting from operating, investing and financing activities.

### **Consolidated Statement of Functional Expenses**

This statement provides a matrix of program and support expenses categorized by significant accounts within the three functional expense classifications: program services, supporting services and program and supporting services. The statement shows the allocation of funds to each of the significant accounts and to each of the functional expense classifications. It provides a transparent view of exactly how much money is being directed to each of its mission programs and specifically how the money is spent. For example, Compassion supports two major programs: child development and sponsor/donor ministries. A glance of the statement reveals that a large majority of funds are directed toward child development programs with most of those funds going toward program grants. World Vision has three primary program services: international programs, domestic programs, and public awareness and education. The majority of their funds are invested in international programs with the largest amounts spent on child sponsorship and community development.

Each of four financial statements for both organizations are provided in Exhibit 1. Maggie decided to run a five-year trend analysis for both of the organizations so she could detect the strengths and weaknesses for a more complete comparison. After studying the nonprofit literature, she chose common ratios to measure liquidity, leverage, functional expenses, revenues and financial stability. The formulas of the ratios she used to perform her analysis are in Exhibit 2. The results of the ratio calculations for Compassion are in Exhibit 3. Next, she will compute the same ratios for World Vision, compare the results and provide an analysis and report.

**TABLE 2**  
**FINANCIAL STATEMENTS FOR WORLD VISION AND COMPASSION INTERNATIONAL**

World Vision, Inc and Affiliates					
Consolidated Statement of Financial Position					
September 30,					
(In thousand of dollars)					
Assets	2015	2014	2013	2012	2011
<b>Current Assets:</b>					
Cash and cash equivalents	\$12,242	\$5,946	\$8,920	\$4,983	\$7,655
Accounts receivable from United States Agency for International Development (USAID)	-	-	\$17,058	17,311	22,745
Grants receivable	11,950	18,005	-	-	-
Accounts, notes and other receivables, net	5,612	2,550	2,332	1,700	700
Marketable securities (note 3)	10,194	12,461	12,325	13,043	10,409
Investments in pooled funds (note 3)	20,502	32,500	32,987	38,101	86,279
Prepaid funding	-	-	-	-	1,544
Other assets	11,573	8,342	10,135	10,501	13,470
Inventory, net (note 5)	53,817	56,966	60,512	54,948	57,420
<b>Total Current Assets</b>	<b>125,890</b>	<b>136,770</b>	<b>144,269</b>	<b>140,587</b>	<b>200,222</b>
<b>Noncurrent Assets:</b>					
Marketable securities (note 3)	7,503	7,412	7,304	6,682	-
Investments in pooled funds (note 3)	8,597	7,980	8,270	12,606	-
Real Estate held as investment	-	-	2,504	3,049	2,006
Donated real estate	2,482	2,685	-	-	-
Fixed assets, net (note 6)	52,815	55,473	59,219	59,217	60,979
Other assets	1,481	8,265	4,352	1,561	-
Charitable trusts receivable (note 3)	10,025	10,432	9,680	10,403	10,244
Assets held in trust (note 3)	12,411	12,682	9,904	15,108	14,392
<b>Total Noncurrent Assets</b>	<b>95,314</b>	<b>104,929</b>	<b>101,233</b>	<b>108,626</b>	<b>87,621</b>
<b>Total assets</b>	<b>221,204</b>	<b>241,699</b>	<b>245,502</b>	<b>249,213</b>	<b>287,843</b>
<b>Liabilities and Net Assets</b>					
<b>Current Liabilities:</b>					
Accounts payable and accrued expenses	\$27,943	\$25,263	\$23,505	\$24,543	\$19,983
Due to World Vision International (note 7)	10,210	48,786	77,106	80,851	\$76,868
Deferred revenue	8,296	4,514	3,617	4,569	9,184
Notes payable (note 8)	4,317	5,528	-	-	-
<b>Total Current liabilities</b>	<b>50,766</b>	<b>84,091</b>	<b>104,228</b>	<b>109,963</b>	<b>106,035</b>
<b>Noncurrent Liabilities:</b>					
Deferred revenue	818	1,092	1,112	1,219	-
Charitable gift annuities	4,911	4,978	5,186	4,914	4,813
Amounts held for others (note 10)	8,957	9,037	6,328	11,022	10,269
Accrued pension liability (note 16)	9,890	-	-	7,826	13,070
Notes payable, net of current portion (note 8)	24,705	-	-	5,041	5,107
<b>Total Noncurrent liabilities</b>	<b>49,281</b>	<b>15,107</b>	<b>12,626</b>	<b>30,022</b>	<b>33,259</b>
<b>Total liabilities</b>	<b>100,047</b>	<b>99,198</b>	<b>116,854</b>	<b>139,985</b>	<b>139,294</b>
<b>Net Assets:</b>					
Unrestricted (note 11)	30,458	62,966	63,452	43,065	48,823
Temporarily restricted (note 11)	82,583	71,841	57,587	58,851	92,881
Permanently restricted (note 11)	8,116	7,694	7,609	7,312	6,845
<b>Total Net Assets</b>	<b>121,157</b>	<b>142,501</b>	<b>128,648</b>	<b>109,228</b>	<b>148,549</b>
<b>Total liabilities and net assets</b>	<b>\$221,204</b>	<b>\$241,699</b>	<b>\$245,502</b>	<b>\$249,213</b>	<b>\$287,843</b>

World Vision, Inc and Affiliates Consolidated Statement of Activities									
Year Ended September 30,									
(In thousand of dollars)									
	Unrestricted	Temporarily restricted	Permanently restricted	Totals					
				2015	2014	2013	2012	2011	
<b>Operating support and revenue:</b>									
Contributions, primarily private cash	\$ 47,038	523,866	202	571,106	599,761	598,803	566,726	556,366	
Public cash and food commodity grants (note 12)	171,950	-	-	171,950	194,551	178,684	174,520	198,654	
Gifts-in-kind (note 13)	53,894	200,748	-	254,642	232,226	196,000	259,347	290,899	
Other income, net	3,650	723	220	4,573	8,205	8,411	18,116	12,428	
Net assets released from restriction:									
Due to expiration of time (split-interest agreements)	469	(469)	-	-	-	-	-	-	
Due to satisfaction of program restrictions	714,126	(714,126)	-	-	-	-	-	-	
<b>Total operating support and revenue</b>	<b>991,107</b>	<b>10,742</b>	<b>422</b>	<b>1,002,271</b>	<b>1,034,743</b>	<b>981,898</b>	<b>1,018,709</b>	<b>1,058,347</b>	
<b>Operating Expenses:</b>									
<b>Program services (note 1):</b>									
International programs	760,340	-	-	760,340	793,832	745,037	813,710	828,438	
Domestic programs	75,007	-	-	75,007	70,102	54,383	83,932	92,405	
public awareness and education	4,062	-	-	4,062	4,451	5,035	4,954	6,310	
<b>Total program services</b>	<b>839,409</b>	<b>-</b>	<b>-</b>	<b>839,409</b>	<b>868,385</b>	<b>804,455</b>	<b>902,596</b>	<b>927,153</b>	
<b>Supporting activities (note 2):</b>									
Management and general	58,109	-	-	58,109	50,175	52,003	52,688	50,200	
Fundraising	96,006	-	-	96,006	107,302	114,441	106,977	101,702	
<b>Total supporting services</b>	<b>154,115</b>	<b>-</b>	<b>-</b>	<b>154,115</b>	<b>157,477</b>	<b>166,444</b>	<b>159,665</b>	<b>151,902</b>	
<b>Total operating expenses</b>	<b>993,524</b>	<b>-</b>	<b>-</b>	<b>993,524</b>	<b>1,025,862</b>	<b>970,899</b>	<b>1,062,261</b>	<b>1,079,055</b>	
<b>Change in net assets from operating activities</b>	<b>(2,417)</b>	<b>10,742</b>	<b>422</b>	<b>8,747</b>	<b>8,881</b>	<b>10,999</b>	<b>(43,552)</b>	<b>(20,708)</b>	
<b>Non-Operating activities:</b>									
Investment and other income	2,776	-	-	2,776	1,787	-	-	-	
Unrealized loss on investments	(13,697)	-	-	(13,697)	1,320	-	-	-	
Interest expense	(330)	-	-	(330)	33	-	-	-	
Pension actuarial loss (note 16)	(18,840)	-	-	(18,840)	1,832	8,421	4,231	(5,145)	
<b>Change in net assets</b>	<b>(32,508)</b>	<b>10,742</b>	<b>422</b>	<b>(21,344)</b>	<b>13,853</b>	<b>19,420</b>	<b>(39,321)</b>	<b>(25,853)</b>	
Net assets, at beginning of year	62,966	71,841	7,694	142,501	128,648	109,228	148,549	174,402	
<b>Net assets, at end of year</b>	<b>30,458</b>	<b>82,583</b>	<b>8,116</b>	<b>121,157</b>	<b>142,501</b>	<b>128,648</b>	<b>109,228</b>	<b>148,549</b>	

World Vision, Inc and Affiliates					
Consolidated Statement of Cash Flows					
Year Ended September 30,					
	(In thousand of dollars)				
	2015	2014	2013	2012	2011
Cash flows from operating activities:					
Change in net assets	\$ (21,344)	13,853	19,420	(39,321)	(25,853)
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Pension actuarial (gain)/loss	18,840	(1,832)	(8,421)	(4,231)	5,145
Depreciation and amortization	5,915	6,265	6,099	7,652	8,664
Net realized and unrealized (gain)/loss on marketable securities and investment in pooled funds	14,554	(2,033)	(108)	(4,673)	943
Loss on disposal of equipment	131	367	48	52	197
Loss on sale of donated real estate	117	-	-	-	-
Noncash contributions	(13,703)	(20,000)	(11,523)	(16,506)	(7,987)
Proceeds from the sale of donated marketable securities	6,192	17,101	9,162	-	-
Noncash decrease in inventory, net	3,149	3,546	(5,564)	2,472	20,932
Accrued pension contribution increase	(2,429)	(1,865)	595	(1,013)	(1,685)
Contributions restricted for investment in endowment	(202)	-	(234)	(484)	(1,363)
Other Changes in operating assets and liabilities:					
Grant receivable	6,055	(947)	253	5,434	(1,198)
Accounts and other receivables	844	(521)	566	(1,002)	211
Other Assets	(2,954)	1,867	(2,470)	2,750	(6,380)
Prepaid funding	-	-	-	287	159
Charitable trusts receivable	1,697	1,426	2,409	927	2,175
Assets held in trust	271	(2,778)	163	(716)	571
Accounts payable and accrued expenses	2,680	1,758	(1,038)	4,560	(2,163)
Due to World Vision International	(38,576)	(28,320)	(3,745)	3,983	21,605
Charitable gift annuities	(67)	(208)	272	101	55
Deferred revenue	3,508	877	(1,059)	(3,396)	(5,510)
Amount held for others	(80)	2,709	347	753	21
<b>Net cash provided by operating activities</b>	<b>(15,402)</b>	<b>(8,735)</b>	<b>5,172</b>	<b>(42,371)</b>	<b>8,539</b>
Cash flows from investing activities:					
Purchase of marketable securities	(2,685)	(6,402)	(7,053)	(15,203)	(1,021)
Proceeds from sales of marketable securities	3,457	6,836	7,267	20,427	6,655
Purchase of investment in pooled funds	(29,379)	(102,000)	(199,465)	(191,765)	(184,969)
Proceeds from sale of investment in pooled funds	28,761	104,377	203,466	230,513	171,625
Acquisition of fixed assets	(3,434)	(2,933)	(6,176)	(5,942)	(7,444)
Proceeds from sale of equipment	46	47	27	-	9
Proceeds from sales of donated real estate	886	244	463	1,249	178
Principal collected on notes receivable	345	64	2	2	84
<b>Net cash used in investing activities</b>	<b>(2,003)</b>	<b>233</b>	<b>(1,469)</b>	<b>39,281</b>	<b>(14,883)</b>
Cash flows from financing activities:					
Contributions restricted for investment in endowment	202	-	234	484	1,363
Proceeds from notes payable	30,330	5,639	-	-	-
Principal payments on notes payable	(6,831)	(111)	-	(66)	(188)
<b>Net cash provided by financing activities \$</b>	<b>23,701</b>	<b>5,528</b>	<b>234</b>	<b>418</b>	<b>1,175</b>
Net increase (decrease) in cash and cash equivalents	6,296	(2,974)	3,937	(2,672)	(5,169)
Cash and cash equivalents at beginning of year	5,946	8,920	4,983	7,655	12,824
<b>Cash and cash equivalents at end of year</b>	<b>12,242</b>	<b>5,946</b>	<b>8,920</b>	<b>4,983</b>	<b>7,655</b>
<b>Cash paid during the year for interest</b>	<b>330</b>	<b>1</b>	<b>17</b>	<b>1</b>	<b>13</b>



World Vision, Inc and Affiliates												
Consolidated Statement of Functional Expenses												
Year Ended September 30,												
(In thousand of dollars)												
	Program services					Supporting services				Program and supporting services		
	International programs	Domestic programs	Public awareness and education	Total Program expenses	Management and general	Fund raising	Total Supporting services	2015	2014	2013	2012	2011
Funding of World Vision International and US domestic programs:												
Child Sponsorship	\$240,792	-	-	240,792	-	-	-	240,792	262,507	265,610	262,921	241,422
Relief and rehabilitation, community development, and Christian impact and leadership projects	262,284	-	-	262,284	-	-	-	262,284	290,879	281,060	308,006	319,411
Gifts-in-kind	179,275	56,226	-	235,501	-	-	-	235,501	224,563	160,654	215,556	239,699
Other international relief and development programs	49,510	-	-	49,510	-	-	-	49,510	37,478	43,731	63,244	73,580
Gifts to other ministries	-	8,525	-	8,525	-	-	-	8,525	8,279	6,071	7,691	5,345
Community development and subgrantee expenses	-	76	-	76	-	-	-	76	126	236	161	150
Salaries and benefits	19,641	6,133	2,761	28,535	30,666	48,895	74,561	103,096	100,271	102,420	101,333	97,839
Professional services	2,399	349	398	3,146	6,327	13,104	19,431	22,577	31,348	37,099	27,541	22,279
Media and advertising	20	17	155	192	4,790	12,213	17,003	17,195	14,713	14,516	14,435	15,689
Freight and postage	220	17	54	291	517	7,409	7,926	8,217	9,293	10,382	10,153	9,912
Printing	127	28	31	186	207	6,897	7,104	7,290	8,021	8,620	8,988	9,961
Travel	2,095	393	335	2,823	1,267	4,945	6,212	9,035	8,196	8,710	9,059	9,054
Telephone and communication	-	-	-	-	-	-	-	-	-	-	1,872	1,790
Occupancy	1,081	1,145	119	2,345	2,595	3,271	5,866	8,211	8,873	9,633	7,573	7,906
Supplies	-	-	-	-	-	-	-	-	-	-	4,656	4,345
Equipment, repairs, and maintenance	230	467	42	739	3,431	1,014	4,445	5,184	4,912	4,581	1,781	1,699
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-	4,154	3,967
Interest	-	-	-	-	-	-	-	-	-	-	1	13
Depreciation	485	1,081	3	1,569	2,316	2,030	4,346	5,915	6,265	6,099	7,652	8,664
Other	2,181	550	164	2,895	5,993	1,228	7,221	10,116	10,158	11,477	5,484	6,330
<b>Total</b>	<b>760,340</b>	<b>75,007</b>	<b>4,062</b>	<b>839,409</b>	<b>58,109</b>	<b>96,006</b>	<b>154,115</b>	<b>993,524</b>	<b>1,025,862</b>	<b>970,899</b>	<b>1,062,261</b>	<b>1,079,055</b>

Compassion International, Incorporated and Affiliates					
Consolidated Statement of Financial Position					
June 30,					
Assets	2015	2014	2013	2012	2011
<b>Current Assets:</b>					
Cash and cash equivalents	\$80,259,524	\$96,692,553	\$91,068,265	\$77,172,402	\$78,269,231
Investments	85,670,184	84,736,180	81,398,086	71,118,154	69,242,880
Receivable from Global Partner Alliance	10,399,291	10,906,326	11,158,125	9,934,503	8,424,775
Accounts receivable	452,339	790,965	584,220	638,533	791,918
Foreign exchange contracts, at fair value	-	-	-	657,204	237,308
Prepaid expenses and supplies	7,006,027	6,688,316	5,649,270	5,059,294	4,152,280
<b>Total Current Assets</b>	<b>183,787,365</b>	<b>199,814,340</b>	<b>189,857,966</b>	<b>164,580,090</b>	<b>161,118,392</b>
<b>Noncurrent Assets:</b>					
Property, plant and equipment, net	89,142,194	74,530,952	73,763,074	74,550,649	61,617,388
Intangible, net	1,790,567	1,996,000	-	-	-
<b>Total Noncurrent Assets</b>	<b>90,932,761</b>	<b>76,526,952</b>	<b>73,763,074</b>	<b>74,550,649</b>	<b>61,617,388</b>
<b>Restricted Assets:</b>					
Investments restricted for trust & annuity obligations	2,601,085	2,852,875	2,640,225	3,186,586	3,362,523
Investments restricted for long-term purposes	10,151,055	9,802,262	8,577,678	7,806,616	7,654,710
<b>Total Restricted Assets</b>	<b>12,752,140</b>	<b>12,655,137</b>	<b>11,217,903</b>	<b>10,993,202</b>	<b>11,017,233</b>
<b>Total assets</b>	<b>287,472,266</b>	<b>288,996,429</b>	<b>274,838,943</b>	<b>250,123,941</b>	<b>233,753,013</b>
<b>Liabilities and Net Assets</b>					
<b>Current Liabilities:</b>					
Accounts payable and accrued liabilities	\$24,472,561	\$18,822,615	\$16,326,256	\$12,208,579	\$13,724,622
Funds committed to sponsorship projects	46,448,528	45,196,307	43,121,339	38,336,709	\$35,806,819
Accrued severance/retirement benefits for national employees	1,390,260	1,241,129	1,090,691	902,665	792,315
Trust Obligations	35,508	41,205	37,482	49,960	35,632
Gift annuities payable	26,556	12,636	12,315	10,205	13,406
Revocable trust agreements	69,238	75,214	66,101	431,411	438,102
Foreign exchange contracts, at fair value	358,722	-	1,353,157	-	-
<b>Total Current Liabilities</b>	<b>72,801,373</b>	<b>65,389,106</b>	<b>62,007,341</b>	<b>51,939,529</b>	<b>50,810,896</b>
<b>Long-term Liabilities:</b>					
Funds committed to sponsorship projects, less current portion	381,524	-	-	-	-
Accrued severance/retirement benefits for national employees, less current	15,674,569	14,731,752	12,811,745	10,889,263	9,178,350
Trust Obligations, less current	773,179	926,682	880,608	969,275	1,047,524
Gift annuities payable, less current	443,391	428,035	414,102	398,257	363,716
Custodial funds held	325,997	328,394	332,277	291,162	294,426
<b>Total Long-term Liabilities</b>	<b>17,598,660</b>	<b>16,414,863</b>	<b>14,438,732</b>	<b>12,547,957</b>	<b>10,884,016</b>
<b>Total liabilities</b>	<b>90,400,033</b>	<b>81,803,969</b>	<b>76,446,073</b>	<b>64,487,486</b>	<b>61,694,912</b>
Commitments and Contingencies					
<b>Net Assets:</b>					
Unrestricted	91,265,524	89,150,040	78,816,254	75,058,522	66,025,702
Temporarily restricted	96,662,942	109,331,820	111,643,768	103,149,049	99,017,494
Permanently restricted	9,143,767	8,710,600	7,959,848	7,428,884	7,014,905
<b>Total Net Assets</b>	<b>197,072,233</b>	<b>207,192,460</b>	<b>198,419,870</b>	<b>185,636,455</b>	<b>172,058,101</b>
<b>Total liabilities and net assets</b>	<b>\$287,472,266</b>	<b>\$288,996,429</b>	<b>\$274,865,943</b>	<b>\$250,123,941</b>	<b>\$233,753,013</b>

Compassion International, Incorporated and Affiliates Consolidated Statement of Activities								
Year Ended June 30,								
	Unrestricted	Temporarily restricted	Permanently restricted	Totals				
				2015	2014	2013	2012	2011
<b>Revenue, gains, and other support:</b>								
Contributions	\$ 11,374,547	528,226,326	341,433	539,942,306	491,846,225	451,441,898	410,843,884	375,735,306
Gift in-kind	-	935,931	-	935,931	529,376	527,751	709,891	428,909
Contributions from Global Partner Alliance	35,752,399	188,386,929	-	224,139,328	220,460,966	204,733,304	184,292,645	171,236,911
Interest, dividends, and other income	1,698,427	62,944	41,937	1,803,308	2,133,562	2,092,766	2,453,189	1,290,448
Net realized and unrealized (losses) gains on investments and disposition of assets	(400,638)	470,378	49,797	119,537	2,755,583	875,670	(34,836)	2,983,357
Net unrealized (loss) gain on foreign exchange contracts	(358,722)	-	-	(358,722)	1,353,157	(2,010,361)	419,896	237,308
Changes in value of split interest agreements	(20,305)	(177,889)	-	(198,194)	212,506	87,718	(11,014)	51,938
Net assets released from restrictions in satisfaction of program restrictions	730,573,497	(730,537,497)	-	36,000	-	-	-	-
<b>Total Revenue, gains, and other support</b>	<b>778,619,205</b>	<b>(12,632,878)</b>	<b>433,167</b>	<b>766,419,494</b>	<b>719,291,375</b>	<b>657,748,746</b>	<b>598,673,655</b>	<b>551,964,177</b>
<b>Expenses:</b>								
<b>Program services:</b>								
Child development program	597,170,219	-	-	597,170,219	561,374,252	509,765,669	461,813,113	404,700,219
Sponsor/donor ministries	37,968,897	-	-	37,968,897	35,535,570	29,746,143	31,477,476	28,707,362
<b>Total program services</b>	<b>635,139,116</b>	<b>-</b>	<b>-</b>	<b>635,139,116</b>	<b>596,909,822</b>	<b>539,511,812</b>	<b>493,290,589</b>	<b>433,407,581</b>
<b>Supporting activities:</b>								
Fund-raising	83,926,854	-	-	83,926,854	67,746,851	62,606,835	52,527,975	49,430,298
Administration	57,437,751	-	-	57,437,751	45,862,112	42,846,684	39,276,737	37,574,803
<b>Total supporting services</b>	<b>141,364,605</b>	<b>-</b>	<b>-</b>	<b>141,364,605</b>	<b>113,608,963</b>	<b>105,453,519</b>	<b>91,804,712</b>	<b>87,005,101</b>
<b>Total expenses from operations</b>	<b>776,503,721</b>	<b>-</b>	<b>-</b>	<b>776,503,721</b>	<b>710,518,785</b>	<b>644,965,331</b>	<b>585,095,301</b>	<b>520,412,682</b>
<b>Change in net assets from operations</b>	<b>2,115,484</b>	<b>(12,632,878)</b>	<b>433,167</b>	<b>(10,084,227)</b>	<b>8,772,590</b>	<b>12,783,415</b>	<b>13,578,354</b>	<b>31,551,495</b>
Net assets, at beginning of year	89,150,040	109,331,820	8,710,600	207,192,460	198,419,870	185,636,455	172,058,101	140,506,606
<b>Net assets, at end of year</b>	<b>91,265,524</b>	<b>96,698,942</b>	<b>9,143,767</b>	<b>197,108,233</b>	<b>207,192,460</b>	<b>198,419,870</b>	<b>185,636,455</b>	<b>172,058,101</b>

**Compassion International, Incorporated and Affiliates**

**Consolidated Statement of Cash Flows**

**Year Ended June 30,**

	2015	2014	2013	2012	2011
Cash flows from operating activities:					
Change in net assets	\$ (10,120,227)	8,772,590	12,783,415	13,578,354	31,551,495
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation and Amortization	6,772,747	6,139,645	5,693,993	5,733,933	6,256,658
Net (gain) loss on disposition of equipment	(31,012)	6,313	(81,741)	(19,698)	(18,409)
Net realized and unrealized gain on investments	(88,525)	(2,761,896)	(793,929)	54,533	(2,964,949)
Net unrealized loss (gain) on foreign exchange contracts	358,722	(1,353,157)	2,010,361	(419,896)	(237,308)
Change in value of split-interest agreements	198,194	(212,506)	(87,718)	11,014	(51,938)
Funds received restricted for endowments	(433,167)	(750,752)	(530,964)	(413,979)	(267,600)
Change in assets and liabilities:					
Decrease in receivables	845,661	72,054	(1,196,309)	(1,356,343)	4,138,213
Increase in prepaid expenses and supplies	(317,711)	(1,039,046)	(589,976)	(907,014)	(770,351)
Increase in account payable and accrued liabilities	5,649,946	2,496,359	4,117,677	(1,516,043)	1,948,070
Increase in funds committed to sponsorship projects	1,633,745	2,074,968	4,784,630	2,529,890	492,637
Increase in accrued severance/retirement benefits for national employees	1,091,948	2,070,445	2,110,508	1,821,263	1,710,684
<b>Net cash provided by operating activities</b>	<b>5,560,321</b>	<b>15,515,017</b>	<b>28,219,947</b>	<b>19,096,014</b>	<b>41,787,202</b>
Cash flows from investing activities:					
Purchases of investments	(30,015,761)	(26,839,929)	(41,486,814)	(29,513,195)	(82,603,264)
Proceeds from sales of investments	28,875,085	25,039,003	31,863,828	27,596,405	23,013,614
Proceeds from sales of property and equipment	157,879	153,397	122,009	52,297	78,245
Purchases of intangibles	-	(1,996,000)	-	-	-
Purchases of property and equipment	(21,305,423)	(7,067,233)	(4,946,686)	(18,699,793)	(3,631,726)
<b>Net cash used in investing activities</b>	<b>(22,288,220)</b>	<b>(10,710,762)</b>	<b>(14,447,663)</b>	<b>(20,564,286)</b>	<b>(63,143,131)</b>
Cash flows from financing activities:					
Principal payments on capital lease obligations	-	-	-	-	(1,976)
Funds received restricted for endowments	433,167	750,752	530,964	413,979	267,600
Increase (decrease) in gift annuities payable	29,276	14,254	17,955	31,340	(53,618)
(Decrease) increase in revocable trust agreements	(5,976)	9,113	(365,310)	(6,691)	86,372
(Decrease) increase in trust obligations	(159,200)	49,797	(101,145)	(63,921)	(18,901)
Decrease in custodial funds held	(2,397)	3,883	41,115	(3,264)	40,255
<b>Net cash provided by financing activities \$</b>	<b>294,870</b>	<b>827,799</b>	<b>123,579</b>	<b>371,443</b>	<b>319,732</b>
Net increase (decrease) in cash and cash equivalents	(16,433,029)	5,632,054	13,895,863	(1,096,829)	(21,036,197)
Cash and cash equivalents at beginning of year	96,700,319	91,068,265	77,172,402	78,269,231	99,305,428
<b>Cash and cash equivalents at end of year</b>	<b>80,267,290</b>	<b>96,700,319</b>	<b>91,068,265</b>	<b>77,172,402</b>	<b>78,269,231</b>

Compassion International, Incorporated and Affiliates											
Consolidated Statement of Functional Expenses											
Year Ended June 30,											
	Program services			Supporting services			Program and supporting services				
	Child Development program	Sponsor/ donor ministries	Total Program expenses	Fund raising	Administration	Total Supporting services	2015	2014	2013	2012	2011
Program grants	\$511,567,951	1,760,205	513,328,156	-	-	-	513,328,156	478,480,221	438,568,832	395,573,677	344,116,665
Salaries and related taxes	36,755,413	11,079,296	47,834,709	23,648,605	21,136,065	44,784,670	92,619,379	84,330,233	78,296,873	72,313,903	66,165,292
Employee benefits	8,568,152	3,082,067	11,650,219	5,402,575	6,461,702	11,864,277	23,514,496	19,161,866	19,469,466	17,671,348	17,027,320
Travel and training	12,194,919	1,877,862	14,072,781	5,487,261	1,202,889	6,690,150	20,762,931	20,238,910	18,135,489	17,746,207	16,189,278
Data processing services	5,017,750	3,197,164	8,214,914	7,962,527	7,521,762	15,484,289	23,699,203	26,464,250	26,127,364	24,943,056	20,894,830
Professional fees	12,797,807	8,721,152	21,518,959	21,453,971	12,301,305	33,755,276	55,274,235	42,903,880	29,138,142	24,244,730	23,366,385
Occupancy	5,131,854	1,067,854	6,199,708	2,523,768	4,017,651	6,541,419	12,741,127	11,428,342	10,553,081	9,593,228	9,708,367
Office equipment and supplies	4,100,238	1,305,968	5,406,206	2,042,467	2,254,548	4,297,015	9,703,221	7,982,082	6,925,373	6,582,093	7,670,030
Postage and shipping	278,407	3,652,942	3,931,349	2,370,516	1,478,747	3,849,263	7,780,612	6,611,168	6,172,464	5,962,481	5,587,037
Photos and printing	408,924	1,987,350	2,396,274	2,423,372	795,951	3,219,323	5,615,597	3,468,899	4,060,888	3,515,148	3,287,827
Media	15,365	146,879	162,244	8,893,166	73,307	8,966,473	9,128,717	7,325,581	5,929,721	6,047,761	5,459,008
International expansion	-	-	-	1,220,068	-	1,220,068	1,220,068	1,187,439	555,937	273,976	414,629
Miscellaneous	333,439	90,158	423,597	498,558	193,824	692,382	1,115,979	935,914	1,031,701	627,693	526,014
<b>Total</b>	597,170,219	37,968,897	635,139,116	83,926,854	57,437,751	141,364,605	776,503,721	710,518,785	644,965,331	585,095,301	520,412,682

**TABLE 3**  
**KEY NONPROFIT FINANCIAL PERFORMANCE RATIOS**

**Liquidity Ratios**

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$\text{Net Working Capital} = \text{Current Assets} - \text{Current Liabilities}$$

**Leverage Ratio**

$$\text{Debt Ratio} = \frac{\text{Total Liabilities}}{\text{Total Assets}}$$

$$\text{Debt to Net Asset Ratio} = \frac{\text{Total Liabilities}}{\text{Total Net Assets}}$$

**Functional Expense Ratios**

$$\text{Program Expense Ratio} = \frac{\text{Mission-Related Expense}}{\text{Total Expense}}$$

$$\text{Administrative Expense Ratio} = \frac{\text{Administrative Expense}}{\text{Total Expense}}$$

$$\text{Fundraising Expense Ratio} = \frac{\text{Fundraising Expense}}{\text{Total Expense}}$$

$$\text{Fundraising Efficiency} = \frac{\text{Revenue From Donations}}{\text{Fundraising Expense}}$$

**Revenue and Income Ratios**

$$\text{Revenue Ratio} = \frac{\text{Revenue Source}}{\text{Total Revenue}}$$

(This should be performed for each type of revenue source the NPO has available to them.)

$$\text{Revenue Concentration Index} = \sum_{i=1}^n \left( \frac{\text{revenue}_i}{\text{total revenues}} \right)^2$$

$$\text{Self-Reliance Ratio} = \frac{\text{Revenue from Programs} + \text{Investment Income} + \text{Other earned Income}}{\text{Total Expense}}$$

$$\text{Operating Margin} = \frac{\text{Total Revenue} - \text{Total Operating Expenses}}{\text{Total Revenue}}$$

$$\text{Surplus Margin} = \frac{\text{Total Revenue} - \text{Total Operating and Nonoperating Expenses}}{\text{Total Revenue}}$$

$$\text{Defensive Interval Ratio} = \frac{\text{Cash} + \text{Marketable Securities}}{\text{Operational Expense}/365}$$

$$\text{Total Equity Ratio} = \frac{\text{Total Net Assets}}{\text{Total Revenue}}$$

**TABLE 4**  
**RATIOS FOR COMPASSION INTERNATIONAL**

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Current Ratio</b>	2.52	3.06	3.06	3.17	3.17
<b>Net Working Capital</b>	\$110,985,992	\$134,425,234	\$127,850,625	\$112,640,561	\$110,307,496
<b>Debt Ratio</b>	0.314	0.395	0.385	0.347	0.359
<b>Debt to Net Assets</b>	0.459	0.395	0.385	0.347	0.359
<b>Program Exp. Ratio</b>	0.818	0.840	0.836	0.843	0.833
<b>Admin. Exp. Ratio</b>	0.074	0.065	0.066	0.067	0.072
<b>Fundraising Ratio</b>	0.108	0.095	0.097	0.090	0.095
<b>Fundraising Efficiency</b>	\$9.104	\$10.514	\$10.481	\$11.330	\$11.066
<b>Contributions Ratio</b>	0.996	0.996	0.996	0.995	0.997
<b>In-Kind Gifts Ratio</b>	0.001	0.001	0.001	0.001	0.001
<b>Investment Revenue</b>	0.002	0.003	0.003	0.004	0.002
<b>Grant Revenue</b>	---	---	---	---	---
<b>Service Revenue</b>	---	---	---	---	---
<b>RCI</b>	0.99	0.99	0.99	0.99	0.99

**ENDNOTES**

1. Samantha Nichols and Maggie Jensen are fictional characters and part of a fictional case. However, other individuals mentioned in the case are real and all the data and facts concerning the organizations are real and drawn from publicly available information.
2. Watson, B. and M. Clarke (Editors), Child Sponsorship: Exploring Pathways to a Brighter Future, Copyright 2014, Palgrave Macmillan, a division of Macmillan Publishers Limited, pp.181.
3. <http://www.charitynavigator.org/index.cfm?bay=content.view&cpid=17#.VyDWJFYrJD8>
4. <https://www.guidestar.org/Articles.aspx?path=/rxa/news/news-releases/2013/2013-06-17-overhead-myth.aspx>
5. Charity ratings compared: Charity Navigator vs. CharityWatch vs. Guidestar vs. GreatNonprofits, Jan 22, 2015 Retrieved From: <http://www.socialraise.com/socialraise-blog/entry/charity-ratings-compared-charity-navigator-vs-charitywatch-vs-guidestar-vs-greatnonprofits/>

## REFERENCES

- Callen, J. L. (1994). Money donations, volunteering and organizational efficiency. *Journal of Productivity Analysis*, 5(3), 215-228.
- Finch, J. (2012). Survey: Do ratings from watchdog groups impact giving decisions? Retrieved from: <http://able-altruist.softwareadvice.com/survey-do-watchdog-ratings-impact-giving-0714/>
- Goggins Gregory, A. & Howard, D. (2009). The nonprofit starvation cycle. *Stanford Social Innovation Review*, pp.48-53. Retrieved from: [http://ssir.org/images/articles/2009FA\\_feature\\_Gregory\\_Howard.pdf](http://ssir.org/images/articles/2009FA_feature_Gregory_Howard.pdf)
- Hamilton, John Robert (1980). A historical study of Bob Pierce and World Vision's development of the evangelical social action film (Dissertation). University of Southern California.
- Lowell, S., Trelstad, B. & Meehan, B. (2005). The ratings game: evaluating the three groups that rate the charities. *Stanford Social Innovation Review*, 39-45. Retrieved from: [http://ssir.org/images/articles/2005SU\\_feature\\_lowell.pdf](http://ssir.org/images/articles/2005SU_feature_lowell.pdf)
- McKeever, B. S. (2015). The nonprofit sector in brief 2015. *The Center on Nonprofits and Philanthropy at the Urban Institute*.
- Nichols, L. J.K. (2013) BBB Wise Giving Alliance, Charity Navigator, and GuideStar join forces to dispel the charity "overhead myth." Retrieved from: <https://www.guidestar.org/Articles.aspx?path=/rxa/news/news-releases/2013/2013-06-17-overhead-myth.aspx>
- Okten, C. & Weisbrod, B. A. (2000). Determinants of donations in private nonprofit markets. *Journal of Public Economics*, 75(2), 255-272.
- Posnett, J. & Sandler, T. (1989). Demand for charity donations in private non-profit markets: The case of the UK. *Journal of Public Economics*, 40(2), 187-200.
- Primoff, W. (2012). Fiduciary financial management in nonprofit organizations. *The CPA Journal*, 82(11), 48-57.
- Tinkelman, D. (2006). The decision-usefulness of nonprofit fundraising ratios: some contrary evidence. *Journal of Accounting, Auditing & Finance*, 21(4), 441-462.
- USA. (2017). Giving USA 2017 total charitable donations rise to new high of 390.05 billion. Retrieved from <https://givingusa.org/giving-usa-2017-total-charitable-donations-rise-to-new-high-of-390-05-billion/>
- Wasik, J. F. (2013). How to choose a charity wisely. Retrieved from: <http://www.nytimes.com/2013/11/08/giving/how-to-choose-a-charity-wisely.html>
- Weisbrod, B. A. & Dominguez, N. D. (1986). Demand for collective goods in private nonprofit markets: can fundraising expenditures help overcome free-rider behavior? *Journal of public economics*, 30(1), 83-96.
- Wing, K. & Hagar, M.A. (2004a). Getting what we pay for: low overhead limits nonprofit effectiveness (nonprofit overhead cost project). Washington, DC: Urban Institute Center on Nonprofits and Philanthropy.
- Wing, K. & Hagar, M.A. (2004b). The quality of financial reporting by nonprofits: Findings and implications (nonprofit overhead cost project). Washington, DC: Urban Institute Center on Nonprofits and Philanthropy.