INSPIRING Families TO BE Better Than Yesterday

2016 ANNUAL REPORT

FOCUS on the FAMILY
Another year is behind us, and it was an eventful 12 months—both across the culture and here at Focus on the Family. As we reflect on all that God accomplished through Focus in 2016, we’re reminded that none of our efforts would be possible without the support of friends like you. I hope you’re encouraged to know of our unflagging commitment to the task God has entrusted to us: nurturing and defending families across the globe.

Here’s just a snapshot of some of our most notable accomplishments in 2016:

More than 356,000 students participated in Focus’ third annual Bring Your Bible to School Day®. This event offers students an opportunity to exercise their First Amendment rights at school in a respectful, non-disruptive way. Participation more than doubled over the previous year, and the event hashtag #BringYourBible garnered nearly 47 million impressions.

Focus saved an average of 355 marriages every day in 2016, and 588 couples attended a Hope Restored® marriage intensive at the Focus on the Family Retreat Center. Through this aspect of our work, we are intervening in marriages on the brink of divorce—and the success rate is remarkable. Nearly 85 percent of couples surveyed who have taken part in a Hope Restored marriage intensive remain married two years following their experience.

Every week, more than 6.3 million listeners tuned into our daily radio broadcast.

Our Raising Highly Capable Kids™ program continued equipping parents to nurture solid character traits in their children. This bilingual, values-based curriculum is geared specifically toward those in underprivileged communities—and, to date, more than 10,200 families in over 70 communities have participated in the program.

Our Option Ultrasound™ Program continued playing a life-saving role in the lives of expectant mothers and their preborn children. Since its inception in 2004, we estimate that as many as 382,000 babies have been saved as women have been given the opportunity to see their little ones on the sonogram screen.

Four Wait No More® events were held in 2016 that helped legally orphaned children find their forever families. To date, over 3,400 families have initiated the adoption process after attending a Wait No More conference.

We are keenly aware that we owe a debt of gratitude to all those who have chosen to stand with us so graciously and sacrificially. Thank you for your partnership! For additional details about our ministry milestones over the last year, I invite you to review the following pages. Abundant grace and peace to you throughout 2017!
# Consolidating Statement of Activities

For the fiscal years ended September 30, 2016 and 2015

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$79,670,015</td>
<td>$74,765,735</td>
</tr>
<tr>
<td>Sales</td>
<td>7,344,133</td>
<td>8,770,481</td>
</tr>
<tr>
<td>Royalty and licensing revenue</td>
<td>2,584,327</td>
<td>2,146,503</td>
</tr>
<tr>
<td>Investment income</td>
<td>455,086</td>
<td>180,131</td>
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<tr>
<td>Event revenue</td>
<td>2,634,957</td>
<td>2,143,266</td>
</tr>
<tr>
<td>Other revenue</td>
<td>788,166</td>
<td>542,272</td>
</tr>
<tr>
<td><strong>Total support and revenue</strong></td>
<td><strong>93,476,684</strong></td>
<td><strong>88,548,388</strong></td>
</tr>
</tbody>
</table>

| **EXPENSES**           |         |         |
| Program Services       |         |         |
| Marriage               | $26,250,923 | $22,225,328 |
| Parenting              | 23,609,512  | 26,872,511 |
| Evangelism and discipleship | 15,685,921  | 15,480,011 |
| Advocacy               | 5,847,904   | 7,602,788 |
| Citizenship            | 5,200,809   | 4,221,036 |
| **Total program services** | **76,595,069** | **76,401,674** |

| Supporting activities  |         |         |
| General and administrative | 7,474,466   | 6,349,210 |
| Fundraising             | 6,476,693   | 6,389,098 |
| **Total expenses**      | **90,546,228** | **89,139,982** |

| Change in net assets   | 2,930,456   | (591,594) |
| Net assets, beginning of year | 51,228,063 | 51,819,657 |
| Net assets, end of year | **$54,158,519** | **$51,228,063** |

To see Focus on the Family’s audited financial statements and Form 990, please go to FocusOnTheFamily.com/about

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**2016 Ministry Summary**

<table>
<thead>
<tr>
<th>Ministry</th>
<th>% of Total Revenue</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marriage</td>
<td>29%</td>
<td>($26.2 million)</td>
</tr>
<tr>
<td>Parenting</td>
<td>26%</td>
<td>($23.6 million)</td>
</tr>
<tr>
<td>Advocacy</td>
<td>7%</td>
<td>($5.9 million)</td>
</tr>
<tr>
<td>Culture</td>
<td>6%</td>
<td>($5.2 million)</td>
</tr>
<tr>
<td>Evangelism</td>
<td>17%</td>
<td>($15.7 million)</td>
</tr>
<tr>
<td>Admin/Fundraising</td>
<td>15%</td>
<td>($14.0 million)</td>
</tr>
</tbody>
</table>

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“I grew up in an abusive home environment with no mentors, no one to show what a Christian life should be like. The only source through which I learned God’s truth was *Adventures in Odyssey*. Thank you for giving me adults that showed what love is supposed to be, and what God’s love truly is.”

—Sophie
100,000 singles said we helped them prepare for the journey of marriage.

770,000 couples said that they built stronger marriages with the help of our resources.

130,000 couples in crisis reported that we played a role in saving their marriage.

200,000+ parents said we helped them successfully work through a parenting crisis.

870,000+ parents credited Focus with helping them build stronger, healthier, more God-honoring families.

1.1 million people told us we’ve inspired and equipped them to stand up for the preborn and the orphan.

An estimated 28,577 precious lives have been saved from abortion. A total of 382,000 precious lives have been saved since 2004.

1.1 million families stepped up to engage their communities for Christ because of the work of Focus on the Family.

1.3 million families say Focus on the Family has inspired them to transform the culture through civic engagement.

God has used Focus on the Family to help 210,000 people make decisions for Christ. That’s an average of 574 souls saved every single day!

1.1 million people reported that our programs helped them grow in their faith.

“Seven years ago our first child was born very premature and I felt so apprehensive about motherhood. I began devouring parenting books and rediscovered the Focus ‘radio broadcast’ online. It has been such a blessing to our marriage, our four young children, and our home!”

—Jeanette

Metrics are from the October 2016 Ministry Impact Survey.
Leadership and Good Governance

We are governed by an independent board of directors committed to the Lordship of Jesus Christ and His principles for the success of the traditional family.

BOARD OF DIRECTORS

GREG KING
Chairman of Board of Directors
Managing Partner for EnCap Flatrock Midstream
Former President of Valero Energy Corporation

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JAMES D. DALY
Chief Executive Officer, President of Focus on the Family

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CHRISTINE ARNZEN
Assistant Professor at Evangel University
Former Clinical Director of National Institute of Marriage

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JAMES DEWITT
Agriculture Professional and Business Owner

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PATRICIA ESSER
CEO of KTGY Group, Inc.

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KEN FENTRESS, PH.D.
Senior Pastor of Montrose Baptist Church
Chancellor of Montrose Christian School in Rockville, Maryland

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President of the Charlotte Chapter of Speedway Children’s Charities

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LEE B. TORRENCE
Former Managing Director for IBM; Senior State Executive for Georgia

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EXECUTIVE LEADERSHIP

JAMES D. DALY
Chief Executive Officer, President

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Chief Executive Officer, President

JOEL VAUGHAN
Chief of Staff

JOEL VAUGHAN
Chief of Staff

DAN MELLEMA
Chief Financial Officer, Treasurer

DAN MELLEMA
Chief Financial Officer, Treasurer

BOB WOOD
Chief Information Officer

BOB WOOD
Chief Information Officer

“When our marriage went through deep waters two years ago, I knew we needed help. I turned to your website and found resources that would change almost everything for us.”

—Anonymous

“—Anonymous
Guidelines for Fundraising

Here at Focus on the Family, we believe that the way an organization handles its finances is a reflection of its integrity and reliability in every arena. As a result, we have chosen to limit and regulate our methods of money management with great care. Here are the principles and policies that have guided us through the years:

1. We believe that this ministry belongs to God and that we are merely His managers and stewards. Our role can be summed up in a single phrase: to stay accountable to His objectives, interests and concerns.

2. The Lord gives and the Lord takes away (Job 1:21). As long as He supplies the means, we will continue to serve others in His name. If He closes the door and cuts off our support, we will regard this as an indication of His sovereign will. We understand that the future of His work in the world does not depend upon the survival of this organization.

3. God sustains this work through the generosity of His people. Focus’ continuation as a ministry is directly dependent upon their willingness and ability to give. It follows that our friends need to know about our financial circumstances. Accordingly, we will not hesitate to provide them with relevant information, both in the good times and in the bad. But we will not beg or resort to disrespectful or dishonorable methods of fundraising, since this would only be to insult their sensibilities and disavow our confidence in the Lord. Nor will we ever attempt to raise more money than we need.

4. In the same attitude of high regard for those who make our ministry possible, we will never sell or rent our donor database. On the contrary, we will treat our supporters’ personal information as a solemn trust and maintain the tightest security on our list of contributors and friends.

5. In view of the sacrificial nature of the contributions we receive—contributions which, in many cases, come from families who are struggling to pay the mortgage and keep food on the table—we are determined to steward our financial resources as carefully and conservatively as possible. There is no room for extravagant or unnecessary expenditures in Focus on the Family’s operating budget.

6. For similar reasons, we will resist the temptation to run the ministry at a deficit. If on occasion it becomes necessary to borrow funds to cover large and unforeseen expenditures, we will do our best to repay the loans as quickly as possible. When we make a purchase, we will pay the invoice within 30 days.

7. We believe that a Christian’s first financial obligation is to the church; we have no desire to come between our friends and the local congregations to which they belong and from which they derive their spiritual sustenance. As a result, we do not expect them to contribute to our ministry until after they have supported the work of God’s kingdom in their own faith communities.

8. We will implement measures to ensure fairness and accountability in all of our financial interactions with donors and supporters. To be specific, we will receipt all donations and show the fair market value of any materials requested and sent in order to help contributors determine the tax-deductible portion of their gifts.

9. As a way of holding ourselves accountable to the principles articulated above, we will conform to the standards established by the Evangelical Council for Financial Accountability (ECFA), an organization created to ensure ethical fundraising and administration practices.

These, then, are the principles that have defined our philosophy of financial stewardship and shaped our approach to fundraising. They are based upon a firm conviction that everything we are and everything we have comes to us by the grace of God. Provided we remain faithful, we are confident that the Lord will sustain us while His purposes for this ministry endure.