ELEVATING FAMILIES | Today and Tomorrow

2018 ANNUAL REPORT
We’ve wrapped up another eventful year of ministry at Focus on the Family, and we’re thankful for the countless opportunities we were given in fiscal year 2018 to minister to hurting people and help families thrive in Christ. We remain keenly aware that the success of our outreach efforts is possible only through the Lord’s faithful provision through our friends who have chosen to stand with us.

Following is a brief glimpse of Focus’ impact over the past year:

- Evangelism remains our overarching mission, and we are grateful that God has used our efforts to bring individuals to a saving knowledge of Christ as a result of Focus’ work. According to our research, our resources and outreach efforts have helped at least 259,000 people either commit their lives to Christ for the first time or recommit to Him. What’s more, of those individuals, 45,000 were children making first-time salvation decisions! Meanwhile, over the past 12 months we’ve helped an estimated 1 million people grow stronger in their faith.

- In our ongoing endeavors to save and strengthen marriages, we’re incredibly encouraged by the life-changing difference our Hope Restored marriage intensive program is making for couples in crisis. The Lord opened the door for us to establish a new Hope Restored facility in Michigan at the end of last year – and, through this location and our other two campuses, to date we’ve been able to help 5,500 couples find hope. In addition, through our various other marriage-building programs and resources, we have assisted over 132,000 married couples in resolving a major marital crisis at some point during the past 12 months. And, 610,000 couples indicate that our outreach has had a hand in helping them build stronger marriages.

- As we continue supporting and equipping parents in their vital roles, we’re pleased to report that our endeavors in this realm have enabled 187,000 parents to successfully navigate a crisis involving their children. Beyond that, our surveys reveal that 697,000 moms and dads have been able to build stronger, healthier, and more God-honoring families with Focus’ help.

- We’re in the process of rolling out our new Alive to Thrive curriculum and website. Because we’ve been greatly concerned about the skyrocketing suicide rate among teens, we launched this initiative with an eye toward equipping adults to help the kids in their lives become as healthy and resilient as possible. Toward that end, Alive to Thrive offers practical, biblically centered guidance to help teens avoid the kinds of thoughts, relationships, and activities that would place them at a higher risk for suicidal tendencies.

- The sanctity of human life has long been a guiding principle here at Focus – and our Option Ultrasound program is a significant aspect of our work in this arena. As we have equipped qualifying pregnancy resource centers with sonogram technology and training, expectant mothers have been given the opportunity to see their preborn babies on the ultrasound screen. As a result, we estimate that over 425,000 lives have been saved since this program was first launched in 2004! Over the next few years we aim to reach the one-million mark – a figure that is well within reach given the incredible momentum of this facet of our work.

- At a time when the culture is more divided than ever, one of our objectives is to equip families to participate in the public square in winsome, respectful, and effective ways that ultimately point people to Christ. Over the last year, we’ve helped equip and inspire approximately 12 million people to work toward transforming the culture through civic engagement.

It’s our hope that you’re encouraged by this overview of God’s life-changing work through Focus in 2018. It can never be said too often: the generosity of those who partner with us is instrumental in the success stories we’ve shared above. More examples of Focus’ impact are detailed throughout the pages of this report. May God continue to guide and bless you and your loved ones in the days ahead!
My grandmother fell in love with Focus on the Family years ago. As with most families, lots of things happened — terrible things, even tragedies, and Focus came alongside her as she prayed hard for our family. I never forgot it, and now, as an adult, I turn to Focus, too. Every time we’ve needed a good word, a good story, something to give us hope for the day, we’ve found it on your broadcast or website. Focus is a place of hope; it’s a place of restoring. We’re very thankful for it.

— Brandy
Virginia

2018 Ministry Summary

<table>
<thead>
<tr>
<th>Ministry</th>
<th>Percentage</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evangelism</td>
<td>17%</td>
<td>$17.4 million</td>
</tr>
<tr>
<td>Marriage</td>
<td>27%</td>
<td>$26.8 million</td>
</tr>
<tr>
<td>Parenting</td>
<td>29%</td>
<td>$28.9 million</td>
</tr>
<tr>
<td>Advocacy</td>
<td>8%</td>
<td>$7.6 million</td>
</tr>
<tr>
<td>Culture</td>
<td>4%</td>
<td>$4.1 million</td>
</tr>
<tr>
<td>Admin/Fundraising</td>
<td>15%</td>
<td>$14.6 million</td>
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</tbody>
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For the fiscal years ended September 30, 2018 and 2017

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$ 75,809,543</td>
<td>$ 75,239,409</td>
</tr>
<tr>
<td>Sales</td>
<td>8,617,568</td>
<td>7,860,320</td>
</tr>
<tr>
<td>Royalty and licensing revenue</td>
<td>2,032,465</td>
<td>2,241,550</td>
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<tr>
<td>Investment income</td>
<td>326,783</td>
<td>445,996</td>
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<tr>
<td>Event revenue</td>
<td>8,740,101</td>
<td>2,906,703</td>
</tr>
<tr>
<td>Change in value of annuities</td>
<td>91,098</td>
<td>322,781</td>
</tr>
<tr>
<td>Income from joint ventures</td>
<td>639,947</td>
<td>–</td>
</tr>
<tr>
<td>Other revenue</td>
<td>2,022,575</td>
<td>1,616,698</td>
</tr>
<tr>
<td><strong>Total support and revenue</strong></td>
<td><strong>98,280,080</strong></td>
<td><strong>90,633,457</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marriage</td>
<td>$ 26,792,746</td>
<td>$ 20,363,231</td>
</tr>
<tr>
<td>Parenting</td>
<td>28,853,502</td>
<td>29,331,110</td>
</tr>
<tr>
<td>Evangelism and discipleship</td>
<td>17,374,891</td>
<td>15,180,536</td>
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<tr>
<td>Advocacy</td>
<td>7,573,354</td>
<td>8,290,923</td>
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<tr>
<td>Citizenship</td>
<td>4,129,320</td>
<td>4,413,318</td>
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<tr>
<td><strong>Total program services</strong></td>
<td><strong>84,723,813</strong></td>
<td><strong>77,579,118</strong></td>
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<tr>
<td>Supporting activities</td>
<td></td>
<td></td>
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<tr>
<td>General and administrative</td>
<td>7,682,645</td>
<td>7,757,355</td>
</tr>
<tr>
<td>Fundraising</td>
<td>6,975,006</td>
<td>6,872,922</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>99,381,464</strong></td>
<td><strong>92,209,395</strong></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>(1,101,384)</td>
<td>(1,575,938)</td>
</tr>
<tr>
<td>Net assets, beginning of year</td>
<td>52,582,581</td>
<td>54,158,519</td>
</tr>
<tr>
<td><strong>Net assets, end of year</strong></td>
<td><strong>$ 51,481,197</strong></td>
<td><strong>$ 52,582,581</strong></td>
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</tbody>
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To see Focus on the Family’s audited financial statements and/or Form 990, please go to FocusOnTheFamily.com/about.

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In the last five years, God has gotten me through the divorces of my grandparents and parents, the struggles of being new marrieds and new parents, two rounds of postpartum depression, and the loss of a child. In the chaos, God has used Focus on the Family to help my husband and me learn and grow, especially when we were alone and had no mentors to turn to. A thousand times thank you. You bring hope to so many.

– Emily
Wisconsin
A Year of Impact
Ministry Highlights from 2018

Metrics are from the October 2018 Ministry Impact Survey

610,000 couples said that they built stronger marriages with the help of our resources.

187,000+ parents said that we helped them successfully work through a crisis.

1 million people told us that we’ve inspired and equipped them to stand up for the preborn and orphans.

God has used Focus on the Family to help 259,000 people make decisions for Christ. That’s an average of 709 souls saved every single day!

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

977,000 families stepped up to engage their communities for Christ because of the work of Focus on the Family.

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

123,000 singles said we helped them prepare for the journey of marriage.

132,000 couples in crisis reported that we played a role in saving their marriage.

An estimated 425,000 precious lives have been saved from abortion since 2004.

697,000 parents credited Focus on the Family with helping them build stronger, healthier, more God-honoring families.

Throughout our nearly 40 years of marriage, Focus has taught my husband and I so much: how to resolve issues in our marriage in a godly way; how to deal with teen rebellion; and how to provide biblical instruction and encouragement. I’ve called your counseling line when we’ve hit rough spots in raising our children, and I’ve always been blessed by the kindness, wisdom, and prayer of the wonderful counselors serving through your ministry.

– Donna
California
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

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Managing Partner for EnCap Flatrock Midstream
Former President of Valero Energy Corporation

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Chief Executive Officer, President of Focus on the Family

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

JAMES DEWITT
Agriculture Professional and Business Owner

PATRICIA ESSER
CEO of KTGY Group, Inc.

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Owner/CEO Foundation Building Materials

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President/CEO of the CEO Forum
Executive Director of the Lytle Center for Faith and Leadership Development at Abilene Christian University

MARCUS SMITH
President/CEO of Speedway Motorsports, Inc.; President/General Manager of Charlotte Motor Speedway
President of the Charlotte Chapter of Speedway Children’s Charities

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Former Managing Director for IBM; Senior State Executive for Georgia

DERYCK VAN RENSBURG
Dean of the Graziadio Business School at Pepperdine University
Former Senior Executive with the Coca-Cola Company and Unilever PLC

REV. DR. AL PITTMAN
Senior Pastor of Calvary Worship Center

MARK GUNDERSEN
Solar Capital, investment firm
Former Private Equity Analyst in Goldman Sachs

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Chief Executive Officer, President

KEN WINDEBANK
Chief Operating Officer

BOB WOOD
Chief Information Officer

JOEL VAUGHAN
Chief of Staff

DAN MELLEMA
Chief Financial Officer, Treasurer

I’ve been a listener to your ministry’s radio program for about 25 years. Without a doubt, I am the husband and father I am today by the grace of God, the love and support of my wife, and the influence of Focus on the Family.

– Rick

Maryland
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.