** PUBLIC DISCLOSURE COPY **

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2006

Open to Public Inspection

A For the 2006 calendar year, or tax year beginning JUL 1, 2006 **and ending** JUN 30, 2007

B Check if applicable: [ ] Address change [ ] Name change [ ] Initial return [ ] Final return [ ] Amended return [ ] Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: COMPASSION INTERNATIONAL, INCORPORATED

Number and street (or P.O. box if mail is not delivered to street address): 12290 VOYAGER PARKWAY | Room/suite:

City or town, state or country, and ZIP + 4: COLORADO SPRINGS, CO 80921-3668

D Employer identification number 36-2423707

E Telephone number 719-487-7000

F Accounting method: [ ] Cash [X] Accrual [ ] Other (specify) ▶

• **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).**

H and **I** *are not applicable to section 527 organizations.*

H(a) Is this a group return for affiliates? [ ] Yes [X] No

H(b) If "Yes," enter number of affiliates ▶ N/A

H(c) Are all affiliates included? N/A [ ] Yes [ ] No (If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling? [ ] Yes [X] No

I Group Exemption Number ▶ N/A

G Website: ▶WWW.COMPASSION.COM

J Organization type (check only one) ▶ [X] 501(c) (3) ◀ (insert no.) [ ] 4947(a)(1) or [ ] 527

K Check here ▶ [ ] if the organization is not a 509(a)(3) supporting organization **and** its gross receipts are normally **not** more than $25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

M Check ▶ [ ] if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 325,338,664.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Section	Line	Description	(A) Securities	Ref	Amount / (B) Other	Line	Total
Revenue	1	Contributions, gifts, grants, and similar amounts received:					
	a	Contributions to donor advised funds		1a			
	b	Direct public support (not included on line 1a)		1b	241,382,410.		
	c	Indirect public support (not included on line 1a)		1c	69,952,360.		
	d	Government contributions (grants) (not included on line 1a)		1d			
	e	**Total** (add lines 1a through 1d) (cash $ 310,944,190. noncash $ 390,580.)				1e	311,334,770.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)				2	
	3	Membership dues and assessments				3	
	4	Interest on savings and temporary cash investments				4	937,793.
	5	Dividends and interest from securities				5	132,100.
	6 a	Gross rents		6a			
	b	Less: rental expenses		6b			
	c	Net rental income or (loss). Subtract line 6b from line 6a				6c	
	7	Other investment income (describe ▶ SEE STATEMENT 1)				7	164,721.
	8 a	Gross amount from sales of assets other than inventory	12,721,540.	8a	29,639.		
	b	Less: cost or other basis and sales expenses	12,721,540.	8b	31,531.		
	c	Gain or (loss) (attach schedule)		8c	-1,892.		
	d	Net gain or (loss). Combine line 8c, columns (A) and (B)	STMT 2		STMT 3	8d	-1,892.
	9	Special events and activities (attach schedule). If any amount is from **gaming**, check here ▶ [ ]					
	a	Gross revenue (not including $ ________ of contributions reported on line 1b)		9a			
	b	Less: direct expenses other than fundraising expenses		9b			
	c	Net income or (loss) from special events. Subtract line 9b from line 9a				9c	
	10 a	Gross sales of inventory, less returns and allowances		10a	18,101.		
	b	Less: cost of goods sold		10b	8,718.		
	c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a			STMT 4	10c	9,383.
	11	Other revenue (from Part VII, line 103)				11	
	12	**Total revenue.** Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11				12	312,576,875.
Expenses	13	Program services (from line 44, column (B))				13	250,766,849.
	14	Management and general (from line 44, column (C))				14	22,702,737.
	15	Fundraising (from line 44, column (D))				15	27,000,461.
	16	Payments to affiliates (attach schedule)				16	
	17	**Total expenses.** Add lines 16 and 44, column (A)				17	300,470,047.
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12				18	12,106,828.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))				19	80,893,583.
	20	Other changes in net assets or fund balances (attach explanation)			SEE STATEMENT 5	20	1,458,002.
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20				21	94,458,413.

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash $ 0. noncash $ 0.) If this amount includes foreign grants, check here ▶ ☐	22a			STATEMENT 6	
22b Other grants and allocations (attach schedule) (cash $######## noncash $ 0.) If this amount includes foreign grants, check here ▶ [X]	22b	197,969,113.	197,969,113.		
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a	576,041.	87,502.	455,728.	32,811.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c				
26 Salaries and wages of employees not included on lines 25a, b, and c	26	29,504,484.	18,041,770.	6,167,262.	5,295,452.
27 Pension plan contributions not included on lines 25a, b, and c	27	3,265,367.	2,254,255.	553,131.	457,981.
28 Employee benefits not included on lines 25a - 27	28	5,702,624.	3,227,875.	1,482,191.	992,558.
29 Payroll taxes	29	2,396,671.	1,478,992.	478,479.	439,200.
30 Professional fundraising fees	30	9,000.			9,000.
31 Accounting fees	31	123,193.	38,048.	85,145.	
32 Legal fees	32	175,071.	100,186.	71,927.	2,958.
33 Supplies	33	5,666,377.	3,156,402.	1,974,308.	535,667.
34 Telephone	34	1,127,088.	631,548.	174,683.	320,857.
35 Postage and shipping	35	4,911,413.	1,895,938.	1,571,655.	1,443,820.
36 Occupancy	36	3,381,719.	2,313,864.	696,510.	371,345.
37 Equipment rental and maintenance	37	714,418.	258,809.	417,351.	38,258.
38 Printing and publications	38	3,676,290.	1,613,644.	298,017.	1,764,629.
39 Travel	39	8,298,916.	5,276,462.	490,901.	2,531,553.
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc. (attach schedule)	42	4,893,615.	2,239,350.	2,013,040.	641,225.
43 Other expenses not covered above (itemize):					
a DATA PROCESSING	43a				
b SERVICES	43b	14,487,647.	7,113,366.	4,644,290.	2,729,991.
c ADVERTISING MEDIA	43c	3,704,408.	137,436.	21,826.	3,545,146.
d CONTRACT LABOR	43d	8,590,849.	2,932,289.	1,106,293.	4,552,267.
e INTERNATIONAL	43e				
f EXPANSION	43f	1,295,743.			1,295,743.
g	43g				
44 **Total functional expenses.** Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	300,470,047.	250,766,849.	22,702,737.	27,000,461.

Joint Costs. Check ▶ ☐ if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in **(B)** Program services? ▶ ☐ Yes [X] No

If "Yes," enter **(i)** the aggregate amount of these joint costs $ N/A ; **(ii)** the amount allocated to Program services $ N/A ;
(iii) the amount allocated to Management and general $ N/A ; and **(iv)** the amount allocated to Fundraising $ N/A

Part III Statement of Program Service Accomplishments *(See the instructions.)*

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ CHRISTIAN CHILD DEVELOPMENT

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

	Description	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a	CHILD PROGRAM FUNDS ASSIST ALMOST 900,000 CHILDREN LOCATED IN 24 COUNTRIES. FUNDS ARE USED TO ENGAGE CHILDREN IN ACTIVITIES THAT BENEFIT THEM SPIRITUALY, ECONOMICALLY, PHYSICALLY AND SOCIALLY. (Grants and allocations $ 146,697,406.) If this amount includes foreign grants, check here ▶ [X]	146,697,406.
b	FUNDS CONTRIBUTED FOR DESIGNATED PROGRAMMATIC PURPOSES, INCLUDING BIBLES, DISASTER RELIEF, SPECIFIC MEDICAL AND EDUCATIONAL NEEDS, SPIRITUAL TRAINING, DEVELOPING CHURCH PARTNERS' KNOWLEDGE AND SKILLS IN CHILD DEVELOPMENT. (Grants and allocations $ 51,271,707.) If this amount includes foreign grants, check here ▶ [X]	52,342,525.
c	FUNDS USED TO SUPPORT FIELD STAFF WHO OVERSEE USAGE OF FUNDS, DEVELOP NEW PROJECTS AND MAINTAIN RELATIONSHIPS BETWEEN COMPASSION AND CHURCH PARTNER, ASSIST IN DEVELOPING AND ENHANCING RELEVANT CHILD DEVELOPMENT PROGRAMS. (Grants and allocations $ 0.) If this amount includes foreign grants, check here ▶ [ ]	32,925,554.
d	SPONSOR MINISTRY FUNDS USED TO GATHER AND DISSEMINATE INFORMATION TO SPONSORS CONCERNING THEIR SPONSORED CHILD, ENHANCES SPONSOR/CHILD RELATIONSHIP BY PROCESSING CORRESPONDENCE, COMMUNICATES CHALLENGES OF CHILD GROWTH IN VARIOUS ENVIRONMENTS, AND CHALLENGES ADVOCACY ON BEHALF OF CHILDREN. (Grants and allocations $ 0.) If this amount includes foreign grants, check here ▶ [ ]	18,801,364.
e	Other program services (attach schedule) (Grants and allocations $) If this amount includes foreign grants, check here ▶ [ ]	
f	**Total of Program Service Expenses** (should equal line 44, column (B), Program services) ▶	250,766,849.

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Part IV Balance Sheets *(See the instructions.)*

Note: *Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.*

				(A) Beginning of year		(B) End of year
Assets	45	Cash - non-interest-bearing			45	
	46	Savings and temporary cash investments		26,049,240.	46	39,462,503.
	47 a	Accounts receivable	47a 353,932.			
	b	Less: allowance for doubtful accounts	47b	433,130.	47c	353,932.
	48 a	Pledges receivable	48a			
	b	Less: allowance for doubtful accounts	48b		48c	
	49	Grants receivable			49	
	50 a	Receivables from current and former officers, directors, trustees, and key employees			50a	
	b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)			50b	
	51 a	Other notes and loans receivable	51a 4,333,197.			
	b	Less: allowance for doubtful accounts STMT 7	51b	3,302,818.	51c	4,333,197.
	52	Inventories for sale or use		904,444.	52	1,185,088.
	53	Prepaid expenses and deferred charges		2,089,358.	53	2,020,257.
	54 a	Investments - publicly-traded securities STMT 11 ▶ ☐ Cost ☒ FMV		17,152,787.	54a	18,701,998.
	b	Investments - other securities STMT 10 ▶ ☐ Cost ☒ FMV		524,276.	54b	411,503.
	55 a	Investments - land, buildings, and equipment: basis	55a			
	b	Less: accumulated depreciation	55b		55c	
	56	Investments - other			56	
	57 a	Land, buildings, and equipment: basis	57a 80,952,977.			
	b	Less: accumulated depreciation STMT 8	57b 19,601,961.	56,482,567.	57c	61,351,016.
	58	Other assets, including program-related investments (describe ▶)		470,000.	58	0.
	59	**Total assets** (must equal line 74). Add lines 45 through 58		107,408,620.	59	127,819,494.
Liabilities	60	Accounts payable and accrued expenses		23,046,545.	60	29,824,758.
	61	Grants payable			61	
	62	Deferred revenue			62	
	63	Loans from officers, directors, trustees, and key employees			63	
	64 a	Tax-exempt bond liabilities			64a	
	b	Mortgages and other notes payable			64b	
	65	Other liabilities (describe ▶ SEE STATEMENT 9)		3,468,492.	65	3,536,323.
	66	**Total liabilities.** Add lines 60 through 65		26,515,037.	66	33,361,081.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶** ☒ and complete lines 67 through 69 and lines 73 and 74.				
	67	Unrestricted		39,921,058.	67	46,295,702.
	68	Temporarily restricted		35,583,527.	68	42,339,951.
	69	Permanently restricted		5,388,998.	69	5,822,760.
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 70 through 74.				
	70	Capital stock, trust principal, or current funds			70	
	71	Paid-in or capital surplus, or land, building, and equipment fund			71	
	72	Retained earnings, endowment, accumulated income, or other funds			72	
	73	**Total net assets or fund balances.** Add lines 67 through 69 **or** lines 70 through 72. (Column (A) **must** equal line 19 and column (B) **must** equal line 21)		80,893,583.	73	94,458,413.
	74	**Total liabilities and net assets/fund balances.** Add lines 66 and 73		107,408,620.	74	127,819,494.

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Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return *(See the instructions.)*

a	Total revenue, gains, and other support per audited financial statements			a	314034877.
b	Amounts included on line **a** but not on Part I, line 12:				
1	Net unrealized gains on investments	b1	1,458,002.		
2	Donated services and use of facilities	b2			
3	Recoveries of prior year grants	b3			
4	Other (specify):	b4			
	Add lines **b1** through **b4**			b	1,458,002.
c	Subtract line **b** from line **a**			c	312576875.
d	Amounts included on Part I, line 12, but not on line **a:**				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify):	d2			
	Add lines **d1** and **d2**			d	0.
e	**Total revenue** (Part I, line 12). Add lines **c** and **d** ▶			e	312576875.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements			a	300470047.
b	Amounts included on line **a** but not on Part I, line 17:				
1	Donated services and use of facilities	b1			
2	Prior year adjustments reported on Part I, line 20	b2			
3	Losses reported on Part I, line 20	b3			
4	Other (specify):	b4			
	Add lines **b1** through **b4**			b	0.
c	Subtract line **b** from line **a**			c	300470047.
d	Amounts included on Part I, line 17, but not on line **a:**				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify):	d2			
	Add lines **d1** and **d2**			d	0.
e	**Total expenses** (Part I, line 17). Add lines **c** and **d** ▶			e	300470047.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) *(See the instructions.)*

(A) Name and address	**(B)** Title and average hours per week devoted to position	**(C)** Compensation (If not paid, enter -0-.)	**(D)** Contributions to employee benefit plans & deferred compensation plans	**(E)** Expense account and other allowances
SEE STATEMENT 12		521,447.	52,144.	2,450.

Part V-A Current Officers, Directors, Trustees, and Key Employees *(continued)*

			Yes	No
75 a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 8			
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b		X
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization."	75c		X
	If "Yes," attach a statement that includes the information described in the instructions.			
d	Does the organization have a written conflict of interest policy?	75d	X	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	**(B)** Loans and Advances	**(C)** Compensation (if not paid, enter -0-)	**(D)** Contributions to employee benefit plans & deferred compensation plans	**(E)** Expense account and other allowances
NONE				

Part VI Other Information *(See the instructions.)*

			Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS?	77		X
	If "Yes," attach a conformed copy of the changes.			
78 a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	78a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a		X
b	If "Yes," enter the name of the organization ▶ N/A and check whether it is ☐ exempt **or** ☐ nonexempt			
81 a	Enter direct or indirect political expenditures. (See line 81 instructions.) 81a 0.			
b	Did the organization file **Form 1120-POL** for this year?	81b		X

Part VI Other Information *(continued)*

			Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) **82b**			
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible? N/A	84a		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A	84b		
85	*501(c)(4), (5), or (6) organizations.* **a** Were substantially all dues nondeductible by members? N/A	85a		
b	Did the organization make only in-house lobbying expenditures of $2,000 or less? N/A	85b		
	If "Yes" was answered to either 85a or 85b, **do not** complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
c	Dues, assessments, and similar amounts from members **85c** N/A			
d	Section 162(e) lobbying and political expenditures **85d** N/A			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices **85e** N/A			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) **85f** N/A			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A	85g		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A	85h		
86	*501(c)(7) organizations.* Enter: **a** Initiation fees and capital contributions included on line 12 **86a** N/A			
b	Gross receipts, included on line 12, for public use of club facilities **86b** N/A			
87	*501(c)(12) organizations.* Enter: **a** Gross income from members or shareholders **87a** N/A			
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) **87b** N/A			
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88a		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI ▶	88b		X
89 a	*501(c)(3) organizations.* Enter: Amount of tax imposed on the organization during the year under: section 4911▶ 0. ; section 4912 ▶ 0. ; section 4955 ▶ 0.			
b	*501(c)(3) and 501(c)(4) organizations.* Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0.			
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ 0.			
e	*All organizations.* At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e		X
f	*All organizations.* Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f		X
g	*For supporting organizations and sponsoring organizations maintaining donor advised funds.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g		X

90 a List the states with which a copy of this return is filed ▶ SEE STATEMENT 13

b Number of employees employed in the pay period that includes March 12, 2006 **90b** 641

91 a The books are in care of ▶ THE ORGANIZATION Telephone no. ▶ 719-487-7000

Located at ▶ 12290 VOYAGER PARKWAY, COLORADO SPRINGS, CO ZIP + 4 ▶ 80921-3668

			Yes	No
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	91b	X	
	If "Yes," enter the name of the foreign country ▶ SEE STATEMENT 14			
	See the instructions for exceptions and filing requirements for **Form TD F 90-22.1,** Report of Foreign Bank and Financial Accounts.			

Part VI Other Information *(continued)*

			Yes	No
c	At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country ▶ SEE STATEMENT 15	91c	X	

92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of* **Form 1041-** Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the tax year ▶ | 92 | N/A

Part VII Analysis of Income-Producing Activities *(See the instructions.)*

Note: *Enter gross amounts unless otherwise indicated.*	Unrelated business income (A) Business code	(B) Amount	Excluded by section 512, 513, or 514 (C) Exclusion code	(D) Amount	(E) Related or exempt function income
93 Program service revenue:					
a					
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	937,793.	
96 Dividends and interest from securities			14	132,100.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income			14	164,721.	
100 Gain or (loss) from sales of assets other than inventory			18	-1,892.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					9,383.
103 Other revenue:					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		1,232,722.	9,383.
105 **Total** (add line 104, columns (B), (D), and (E)) ▶					1,242,105.

Note: *Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.*

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes *(See the instructions.)*

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
102	SALES OF INVENTORY USED TO FURTHER THE MISSION OF COMPASSION

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities *(See the instructions.)*

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
N/A	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts *(See the instructions.)*

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ **Yes** ☒ **No**
(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ **Yes** ☒ **No**

Note: *If "Yes" to* **(b)**, *file Form 8870* **and** *Form 4720 (see instructions).*

623163
01-18-07

Part XI **Information Regarding Transfers To and From Controlled Entities.** *Complete only if the organization is a controlling organization as defined in section 512(b)(13).* N/A

	Yes	No
106 Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.		

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

	Yes	No
107 Did the reporting organization **receive** any transfers **from** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.		

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

	Yes	No
108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?		

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer | Date

ED ANDERSON, SENIOR V.P.

Type or print name and title

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ▶ ☐	Preparer's SSN or PTIN (See Gen. Inst. X)
Firm's name (or yours if self-employed), address, and ZIP + 4	CAPIN CROUSE LLP 720 EXECUTIVE PARK DRIVE GREENWOOD, IN 46143	EIN ▶	
		Phone no. ▶ (317)885-2620	

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)

▶ MUST be completed by the above organizations and attached to their Form 990 or 990-EZ

OMB No. 1545-0047

2006

Name of the organization: COMPASSION INTERNATIONAL, INCORPORATED

Employer identification number: 36 2423707

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 2 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than $50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
BAMBANG BUDIJANTO FOTAN, N.T., HONG KONG	REG. VP - ASIA 40.00	164,811.	16,481.	
TONY NEEVES E SUSSEX, UNITED KINGDOM, ENGLAND, TN	VP INTL DEVELOPMENT 40.00	136,294.	13,629.	
MARK YEADON 12290 VOYAGER PKWY, CO SPRINGS, CO 80	SENIOR VP 40.00	135,103.	13,510.	
MARK HANLON 12290 VOYAGER PKWY, CO SPRINGS, CO 80	SENIOR VP 40.00	130,346.	13,035.	
JEFFREY WOOD 12290 VOYAGER PKWY, CO SPRINGS, CO 80	SENIOR VP 40.00	126,638.	12,664.	
Total number of other employees paid over $50,000 ▶	238			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than $50,000	(b) Type of service	(c) Compensation
MODIS, INC. 540 NORTH CASCADE, COLORADO SPRINGS, CO 80903	SOFTWARE DEVELOPMENT	1152898.
TEK SYSTEMS PO BOX 198568, ATLANTA, GA 30384	SOFTWARE DEVELOPMENT	920,585.
INSOLUTIONS, INC. 12295 ORACLE BOULEVARD, CO SPRINGS, CO 80921	SOFTWARE DEVELOPMENT	609,908.
ROBERT HALF TECHNOLOGY PO BOX 60000, SAN FRANCISCO, CA 94160	PROFESSIONAL STAFFING SERVICES	396,891.
SILVERTIDE SOFTWARE, INC. 2323 SOUTH TROY STREET, AURORA, CO 80014	SOFTWARE DEVELOPMENT	274,261.
Total number of others receiving over $50,000 for professional services ▶ 22		

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than $50,000	(b) Type of service	(c) Compensation
THE SIMPLE GROUP PO BOX 889, BEDFORD, TX 76095	EVENT SUPPORT	393,520.
SHARE MEDIA SERVICES PO BOX 46695, EDEN PRAIRIE, MN 55344	EVENT SUPPORT	304,339.
RJS, LLC 309 WEST MAIN STREET, FRANKLIN, TN 37064	EVENT SUPPORT	279,675.
SALEM RADIO NETWORK 6400 NORTH BELTLINE ROAD, IRVING, TX 75063	EVENT SUPPORT	263,690.
BHCC, LLC MITCH WHITE, BRENTWOOD, TN 37027	EVENT SUPPORT	249,125.
Total number of other contractors receiving over $50,000 for other services ▶ 39		

Part III Statements About Activities (See page 2 of the instructions.)

			Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ $ ______ $ ______ (Must equal amounts on line 38, Part VI-A, or line **i** of Part VI-B.)	1		X
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? *(If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)*			
a	Sale, exchange, or leasing of property?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities? SEE STATEMENT 17	2c	X	
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? SEE PART V-A, FORM 990	2d	X	
e	Transfer of any part of its income or assets?	2e		X
3 a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.) SEE STATEMENT 16	3a	X	
b	Dd the organization have a section 403(b) annuity plan for its employees?	3b	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement	3c		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a		X
b	Did the organization make any taxable distributions under section 4966?	4b		X
c	Did the organization make a distribution to a donor, donor advisor, or related person?	4c		X
d	Enter the total number of donor advised funds owned at the end of the tax year ▶			0
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶			0.
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶			0.
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year ▶			0.

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

5 [ ] A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).

6 [ ] A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)

7 [ ] A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).

8 [ ] A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).

9 [ ] A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ▶

10 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)

11a [ ] An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

11b [ ] A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

12 [X] An organization that normally receives: **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)

13 [ ] An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:

[ ] Type I [ ] Type II [ ] Type III-Functionally Integrated [ ] Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents? Yes	No	(e) Amount of support
Total ▶					

14 [ ] An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

Part IV-A **Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**
Note: *You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.*

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	256721703.	215846098.	173681409.	142493030.	788,742,240.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	847,502.	770,651.	250,205.	357,762.	2,226,120.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	257569205.	216616749.	173931614.	142850792.	790,968,360.
24 Line 23 minus line 17	257569205.	216616749.	173931614.	142850792.	790,968,360.
25 Enter 1% of line 23	2,575,692.	2,166,167.	1,739,316.	1,428,508.	

26 **Organizations described on lines 10 or 11: a** Enter 2% of amount in column (e), line 24 ▶ 26a N/A

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. **Do not file this list with your return.** Enter the total of all these excess amounts ▶ 26b N/A

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ 26c N/A

d Add: Amounts from column (e) for lines: 18 ______ 19 ______ 22 ______ 26b ______ ▶ 26d N/A

e Public support (line 26c minus line 26d total) ▶ 26e N/A

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ 26f N/A %

27 **Organizations described on line 12: a** For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." **Do not file this list with your return.** Enter the sum of such amounts for each year:

(2005) 42,321. (2004) 39,285. (2003) 0. (2002) 0.

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the **larger** of **(1)** the amount on line 25 for the year or **(2)** $5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) **Do not file this list with your return.** After computing the difference between the amount received and the larger amount described in **(1)** or **(2)**, enter the sum of these differences (the excess amounts) for each year:

(2005) 0. (2004) 0. (2003) 0. (2002) 0.

c Add: Amounts from column (e) for lines: 15 788,742,240. 16 ______ 17 ______ 20 ______ 21 ______ ▶ 27c 788,742,240.

d Add: Line 27a total 81,606. and line 27b total 0. ▶ 27d 81,606.

e Public support (line 27c total minus line 27d total) ▶ 27e 788,660,634.

f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶ 27f 790,968,360.

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ 27g 99.7082%

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ 27h .2814%

28 **Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. **Do not file this list with your return.** Do not include these grants in line 15.

NONE

Part V Private School Questionnaire (See page 9 of the instructions.)
N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

			Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31		
	If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
32	Does the organization maintain the following:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
33	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b	Has the organization's right to such aid ever been revoked or suspended?	34b		
	If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Part VI-A **Lobbying Expenditures by Electing Public Charities** (See page 10 of the instructions.) N/A
(To be completed **ONLY** by an eligible organization that filed Form 5768)

Check ▶ **a** ☐ if the organization belongs to an affiliated group. Check ▶ **b** ☐ if you checked "**a**" and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for **all** electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is - / **The lobbying nontaxable amount is -**			
Not over $500,000 — 20% of the amount on line 40			
Over $500,000 but not over $1,000,000 — $100,000 plus 15% of the excess over $500,000			
Over $1,000,000 but not over $1,500,000 — $175,000 plus 10% of the excess over $1,000,000	41		
Over $1,500,000 but not over $17,000,000 — $225,000 plus 5% of the excess over $1,500,000			
Over $17,000,000 — $1,000,000			
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

Caution: *If there is an amount on either line 43 or line 44, you must file Form 4720.*

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 13 of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period N/A

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B **Lobbying Activity by Nonelecting Public Charities**
(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.) N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines **c** through **h**.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines **c** through **h**.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 13 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of:			
(i) Cash	51a(i)		X
(ii) Other assets	a(ii)		X
b Other transactions:			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii) Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii) Rental of facilities, equipment, or other assets	b(iii)		X
(iv) Reimbursement arrangements	b(iv)		X
(v) Loans or loan guarantees	b(v)		X
(vi) Performance of services or membership or fundraising solicitations	b(vi)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received: N/A

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule: N/A

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

2006

Name of organization	Employer identification number
COMPASSION INTERNATIONAL, INCORPORATED	36-2423707

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.** (**Note:** *Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule-see instructions.)*

General Rule-

[ ] For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules-

[X] For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of $5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year.) .... ▶ $ ____________

Caution: *Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they* **must** *check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).*

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990, Form 990-EZ, and Form 990-PF.**

Name of organization	Employer identification number
COMPASSION INTERNATIONAL, INCORPORATED	36-2423707

Part I **Contributors** (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		$ 20,992,180.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2		$ 15,128,639.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3		$ 12,816,596.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

2006 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 2 990

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	LAND	VARIES	L			7178277.			7178277.			0.
2	BUILDING AND BUILDING IMPROVEMENTS	VARIES	SL	40.00	16	50263506.			50263506.	4804040.		1696896.
3	FURNITURE AND EQUIPMENT	VARIES	SL	10.00	16	19484525.			19484525.	8445630.		2766559.
4	VEHICLES	VARIES	SL	5.00	16	3299786.			3299786.	1458676.		430,160.
5	CONSTRUCTION IN PROGRESS	VARIES	L			21,513.			21,513.			0.
6	ASSETS IN PROGRESS	VARIES	L			705,370.			705,370.			0.
	* TOTAL 990 PAGE 2 DEPR					80952977.		0.	80952977.	14708346.	0.	4893615.

628102
07-28-06

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

FORM 990 OTHER INVESTMENT INCOME STATEMENT 1

DESCRIPTION	AMOUNT
CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENTS	164,721.
TOTAL TO FORM 990, PART I, LINE 7	164,721.

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 2

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
SALES OF VARIOUS INVESTMENTS	12,721,540.	12,721,540.	0.	0.
TO FORM 990, PART I, LINE 8	12,721,540.	12,721,540.	0.	0.

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 3

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
SALES OF VARIOUS FIXED ASSETS	08/01/97	06/30/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
OPEN SALE	29,639.	31,531.	0.	0.	-1,892.
TO FM 990, PART I, LN 8	29,639.	31,531.	0.	0.	-1,892.

FORM 990 INCOME AND COST OF GOODS SOLD INCLUDED ON PART I, LINE 10 STATEMENT 4

INCOME		
1. GROSS RECEIPTS	18,101	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		18,101
4. COST OF GOODS SOLD (LINE 13)	8,718	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		9,383
COST OF GOODS SOLD		
6. INVENTORY AT BEGINNING OF YEAR		
7. MERCHANDISE PURCHASED	8,718	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		8,718
12. INVENTORY AT END OF YEAR		
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12)		8,718

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT 5

DESCRIPTION	AMOUNT
UNREALIZED GAIN ON INVESTMENTS	1,458,002.
TOTAL TO FORM 990, PART I, LINE 20	1,458,002.

FORM 990	CASH GRANTS AND ALLOCATIONS TO OTHERS	STATEMENT 6

CLASS OF ACTIVITY/DONEE'S NAME AND ADDRESS	AMOUNT
CHILD SPONSORSHIP COMPASSION ETHIOPIA PO BOX 7736 ADDIS ABABA, ETHIOPIA	14,906,747.
CHILD SPONSORSHIP COMPASSION KENYA PO BOX 55379-00200 NAIROBI, KENYA	13,372,919.
CHILD SPONSORSHIP COMPASSION RWANDA B.P. 1200 KIGALI, RWANDA	8,836,312.
CHILD SPONSORSHIP COMPASSION TANZANIA PO BOX 3064 ARUSHA, TANZANIA	9,109,069.
CHILD SPONSORSHIP COMPASSION UGANDA PO BOX 8936 KAMPALA, UGANDA	13,020,822.
CHILD SPONSORSHIP COMPASSION BURKINA FASO 11 B.P. 499 CMS OUAGADOUGOU 11, BURKINA FASO	2,016,880.
CHILD SPONSORSHIP COMPASSION GHANA HSE NR 3 DR ISERT ST N RIDGE ACCRA, GHANA	1,196,347.

CHILD SPONSORSHIP COMPASSION EAST INDONESIA JL WOLTER MONGINSIDI KOMPLEK MANADO, 95115, INDONESIA	1,824,787.
CHILD SPONSORSHIP COMPASSION INDONESIA JL CIPAGANTI 140 BANDUNG, 40131, INDONESIA	9,469,256.
CHILD SPONSORSHIP COMPASSION PHILIPPINES PO BOX AC192 CUBAO, QUEZON CITY 3008 METRO MANILA, PHILIPPINES	8,780,875.
CHILD SPONSORSHIP COMPASSION THAILAND 57/7 THUNG HOTEL RD, SOI3 WATKAT A MUANG CHIAMAI, 50000, THAILAND	5,942,533.
CHILD SPONSORSHIP COMPASSION BANGLADESH FLAT NO. 101, 10 PARK ROAD BARIDHARA, GULSHAN, BANGLADESH, DHAKA 1212	1,775,260.
CHILD SPONSORSHIP COMPASSION SOUTH INDIA #128, BRIELIN ROAD PURASAWALKAM, CHENNAL, INDIA, 600010	12,602,280.
CHILD SPONSORSHIP COMPASSION EAST INDIA HB-35, SECTOR-III SALT LAKE CITY, KOLKATA, INDIA, 700091	5,378,242.
CHILD SPONSORSHIP COMPASSION DOMINICAN REPUBLIC CALLE ING. DAVID MASALLE #38, URBANIZACION FERNANDEZ SANTO DOMINGO, DOMINICAN REPUBLIC	8,179,514.
CHILD SPONSORSHIP COMPASSION EL SALVADOR AVENIDA SIERRA NEVADA, #38 COL MIRAMONTE SAN SALVADOR, EL SALVADOR C.A.	5,663,929.
CHILD SPONSORSHIP COMPASSION GUATEMALA 6A AVENIDA 11-08, ZONA 9 EDIFICIA TIVOLI 4TO NIVEL GUATEMALA CITY, GUATEMALA, 01009	6,441,358.

CHILD SPONSORSHIP COMPASSION HAITI 438 DELMAS PORT-AU-PRINCE, HAITI	12,360,773.
CHILD SPONSORSHIP COMPASSION HONDURAS CENTOR COMERICAL GALERIAS COL PALMIRA, CALLE MAIPU, BLVD MORAZAN ANTIGUO TEGUCIGALPA, HONDURAS C.A.	6,147,755.
CHILD SPONSORSHIP COMPASSION MEXICO AV CUAUHTEMOC #98 COLONIA DOCTORES DELEGACION CUAUHTEMCO MEXICO D.F., MEXICO, 06720	3,229,421.
CHILD SPONSORSHIP COMPASSION NICARAGUA KILOMETRO 4 1/2 CARRETERA MASAYA DE LA TEXACO 75 VARAS ABAIO MANAGUA, NICARAGUA	3,675,523.
CHILD SPONSORSHIP COMPASSION BOLIVIA EDIFICO LOS TIEMPOS TORRE 1 PISO 7 PLAZA QUINTANILL ZONA MUVURINA COCHABAMA, BOLIVIA, SOUTH AMERICA	8,960,438.
CHILD SPONSORSHIP COMPASSION BRAZIL RUA BARAO DE JAGUARA 1481-6 ANDAR-CENTRO 13.015-910 CAMPINAS, SP, BRAZIL	7,693,240.
CHILD SPONSORSHIP COMPASSION COLOMBIA PO BOX 050575 BOGOTA 2, COLOMBIA	8,124,637.
CHILD SPONSORSHIP COMPASSION ECUADOR CASILLA 1717005 C.C.N.U. QUITO, ECUADOR	9,662,229.
CHILD SPONSORSHIP COMPASSION PERU HORACIO CACHAY DIAZ 135-137 URB SANTA CATALINA LA VICTORIA LIMA 13, PERU	9,195,961.
YOUTH PROGRAM IN U.S.A. YOUTH PARTNERS NET PO BOX 11909 DENVER, CO 80211-0909	150,000.

CHURCH DEVELOPMENT GOSPEL OF GLORY PO BOX 62537 COLORADO SPRINGS, CO 80921	13,056.
WATER SANITATION PROGRAM HEALING WATERS INTERNATIONAL 534 COMMONS DRIVE GOLDEN, CO 80401	10,000.
CHILDREN PROGRAM NETWORKING VIVA NETWORK PO BOX 633 OXFORD OX20X2, UNITED KINGDOM	143,708.
CHILDREN PROGRAM NETWORKING AERDO 821 CHIPPEWA SE GRAND RAPIDS, MI 49506	15,000.
CHILD DEVELOPMENT VARIOUS CHRISTIAN AVENUES 12290 VOYAGER PARKWAY COLORADO SPRINGS, CO 80921	8,000.
CHILDREN PROGRAM NETWORKING THE MICAH NETWORK PO BOX 731 SURREY, GU214XW, UNITED KINGDOM	10,000.
CHILD DEVELOPMENT MALAYSIA BAPTIST THEOLOGICAL FOUNDATION 40 A-D-MK 17 BATU FERRINGHI 11100 PENANG, MALAYSIA	34,242.
CHILD SURVIVAL PROGRAM CARNET NEPAL GPO BOX 8975 EPC #2165 KATHMANDU, NEPAL	6,000.
CHILD DEVELOPMENT CHURCH ASSEMBLY OF GOD PUNTA DE RIELES PUNTA DE RIELES, URUGUAY	3,000.
CHILD DEVELOPMENT EVANGELICAL FELLOWSHIP OF ZAMBI PO BOX 33862 LUSAKA, ZAMBIA	9,000.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22B	197,969,113.

FORM 990	OTHER NOTES AND LOANS RECEIVABLE	STATEMENT 7

DESCRIPTION	DOUBTFUL ACCT ALLOWANCE	BALANCE DUE
AFFILIATE ORGANIZATIONS	0.	4,333,197.
TOTALS INCLUDED ON FORM 990, PART IV, LINE 51	0.	4,333,197.

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT 8

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
LAND	7,178,277.	0.	7,178,277.
BUILDING AND BUILDING IMPROVEMENTS	50,263,506.	6,500,936.	43,762,570.
FURNITURE AND EQUIPMENT	19,484,525.	11,212,189.	8,272,336.
VEHICLES	3,299,786.	1,888,836.	1,410,950.
CONSTRUCTION IN PROGRESS	21,513.	0.	21,513.
ASSETS IN PROGRESS	705,370.	0.	705,370.
TOTAL TO FORM 990, PART IV, LN 57	80,952,977.	19,601,961.	61,351,016.

FORM 990	OTHER LIABILITIES	STATEMENT 9

DESCRIPTION	AMOUNT
TRUST OBLIGATIONS	1,669,981.
GIFT ANNUNITY PAYABLE	516,402.
REVOCABLE TRUST AGREEMENTS	1,030,753.
LONG TERM CUSTODIAL FUNDS HELD	319,187.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	3,536,323.

FORM 990 OTHER SECURITIES STATEMENT 10

SECURITY DESCRIPTION	COST/FMV	OTHER SECURITIES
OTHER INVESTMENTS	FMV	411,503.
TO FORM 990, LINE 54B, COL B		411,503.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 11

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
CORPORATE STOCKS	FMV	10,031,093.			10,031,093.
MUTUAL FUNDS	FMV	3,709,967.			3,709,967.
CORPORATE BONDS AND GOVERNMENT OBLIGATIONS	FMV		4,960,938.		4,960,938.
TO FORM 990, LINE 54A, COL B		13,741,060.	4,960,938.		18,701,998.

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 12

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
WESLEY STAFFORD 12290 VOYAGER PARKWAY COLORADO SPRINGS, CO 80921	PRESIDENT 40.00	196,639.	19,664.	2,450.
EDWARD ANDERSON 12290 VOYAGER PARKWAY COLORADO SPRINGS, CO 80921	VP/CFO 40.00	166,095.	16,609.	0.
DAVID DAHLIN 12290 VOYAGER PARKWAY COLORADO SPRINGS, CO 80921	VP/COO 40.00	158,713.	15,871.	0.
RONALD A. LEHMANN 12290 VOYAGER PARKWAY COLORADO SPRINGS, CO 80921	CHAIRMAN 1.00	0.	0.	0.
JULIE A. WELLER 12290 VOYAGER PARKWAY COLORADO SPRINGS, CO 80921	SECRETARY 1.00	0.	0.	0.
FRANCISCO J. BATRES 12290 VOYAGER PARKWAY COLORADO SPRINGS, CO 80921	GENERAL DIRECTOR 1.00	0.	0.	0.
JUDY B. GOLZ 12290 VOYAGER PARKWAY COLORADO SPRINGS, CO 80921	GENERAL DIRECTOR 1.00	0.	0.	0.
ROBERT L. HAWKINS 12290 VOYAGER PARKWAY COLORADO SPRINGS, CO 80921	GENERAL DIRECTOR 1.00	0.	0.	0.
THOMAS M. SHEW 12290 VOYAGER PARKWAY COLORADO SPRINGS, CO 80921	GENERAL DIRECTOR 1.00	0.	0.	0.
KAREN K. WESOLOWSKI 12290 VOYAGER PARKWAY COLORADO SPRINGS, CO 80921	GENERAL DIRECTOR 1.00	0.	0.	0.
TERRY MCBRIDE 12290 VOYAGER PARKWAY COLORADO SPRINGS, CO 80921	LIMITED DIRECTOR 1.00	0.	0.	0.

J. DAVID FISCHER 12290 VOYAGER PARKWAY COLORADO SPRINGS, CO 80921	LIMITED DIRECTOR 1.00	0.	0.	0.
PAUL SCHAFER 12290 VOYAGER PARKWAY COLORADO SPRINGS, CO 80921	LIMITED DIRECTOR 1.00	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		521,447.	52,144.	2,450.

FORM 990 LIST OF STATES RECEIVING COPY OF RETURN STATEMENT 13
PART VI, LINE 90

STATES

AK,AZ,CA,CO,FL,GA,IL,KY,MD,ME,MN,NC,NH,NM,OR,SC,TN,UT,VA,WI,WV

FORM 990 NAME OF FOREIGN COUNTRY IN WHICH STATEMENT 14
ORGANIZATION HAS FINANCIAL INTEREST

NAME OF COUNTRY

BURKINA FASO
ETHIOPIA
GHANA
KENYA
RWANDA
TANZANIA
UGANDA
BANGLADESH
INDIA
INDONESIA
PHILIPPINES
THAILAND
DOMINICAN REPUBLIC
EL SALVADOR
GUATEMALA
HAITI
HONDURAS
MEXICO
NICARAGUA
BOLIVIA
BRAZIL
COLOMBIA
ECUADOR
PERU
HONG KONG

FORM 990 NAME OF FOREIGN COUNTRY IN WHICH ORGANIZATION HAS AN OFFICE STATEMENT 15

NAME OF COUNTRY

BURKINA FASO
ETHIOPIA
GHANA
KENYA
RWANDA
TANZANIA
UGANDA
BANGLADESH
INDIA
INDONESIA
PHILIPPINES
THAILAND
DOMINICAN REPUBLIC
EL SALVADOR
GUATEMALA
HAITI
HONDURAS
MEXICO
NICARAGUA
BOLIVIA
BRAZIL
COLOMBIA
ECUADOR
PERU
HONG KONG

SCHEDULE A EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS PART III, LINE 3A STATEMENT 16

SCHOLARSHIPS ARE PROVIDED TO INDIVIDUALS IN COMPASSION'S LEADERSHIP DEVELOPMENT PROGRAM (LDP). THROUGH THE PROVISION OF LDP, CHRISTIAN YOUNG PEOPLE WILL HAVE THE OPPORTUNITY TO GET AN UNDERGRADUATE DEGREE AND DEVELOP AND ENHANCE CHRISTIAN LEADERSHIP SKILLS AND ABILITIES, ALL WHILE PROMOTING AND MODELING WORLD CITIZENSHIP. REQUIREMENTS TO GET INTO THE PROGRAM: DEMONSTRATE STRONG CHRISTIAN CHARACTER; CONTRIBUTE SIGNIFICANTLY IN SECONDARY SCHOOL, PROJECT AND COMMUNITY; MAINTAIN OUTSTANDING ACADEMIC PERFORMANCE, ALONG WITH EXTRACURRICULAR ACTIVITIES; BE ENDORSED BY BOTH SCHOOL AND CHURCH; CONTRIBUTE TO SCHOOL AND COMMUNITY NEEDS; GRADUATE FROM SECONDARY SCHOOL; GRADUATE FROM COMPASSION'S SPONSORSHIP PROGRAM; LIVING IN EXTREME POVERTY IN A THIRD WORLD COUNTRY.

SCHEDULE A EXPLANATION OF TRANSACTIONS STATEMENT 17
PART III, LINE 2C

COMPASSION INTERNATIONAL [CI] PAID $131 FOR SERVICES RENDERED TO A COMPANY OWNED BY CI'S BOARD CHAIRMAN. THE TRANSACTION WAS APPROVED BY THE BOARD OF DIRECTORS AND DID NOT EXCEED FAIR MARKET VALUE.