

MINISTRY HIGHLIGHTS



Compassion Receives HIGHEST MARKS FOR FINANCIAL INTEGRITY

For the 13th consecutive year, Compassion earned Charity Navigator's four-star rating. This is the highest rating for U.S. charities given by Charity Navigator, recognizing Compassion's outstanding commitment to sound fiscal management, accountability and transparency. This rating places Compassion in the top 1 percent of nonprofit organizations reviewed by the nation's largest independent evaluator of charities.



Compassion Among TOP WORKPLACES IN THE WORLD

The Gallup organization recognized Compassion as having one of the most engaged workforces in the world for the third straight year. The Gallup Great Workplace Award, based upon the most rigorous workplace research ever conducted, is a prestigious achievement demonstrating extraordinary levels of employee engagement. "This award is a testimony to our hardworking, dedicated staff," says Compassion President Jimmy Mellado.

Haiti Recovery Efforts BRING HOPE FIVE YEARS AFTER QUAKE

Compassion is on track to complete construction of 30 new earthquake-resistant school buildings in Haiti by January 2015. The construction is funded by Compassion's Disaster Relief Fund in response to the 2010 earthquake. Children, babies and mothers enrolled in Compassion's programs will gather in these locations to learn, grow, and find safety and care for years to come. Without these new schools and other relief efforts, Compassion would have lost the ability to serve an estimated 25,500 beneficiaries in Haiti. Compassion's disaster relief efforts, which began the day the earthquake hit and continue to date, have helped serve more than 60,000 Haitian families.



LEARN MORE ONLINE!

Find out from Jimmy Mellado, Compassion's President and CEO, how the ministry is preparing for the future. And hear more highlights from the year from Vice President of Finance Dawn Williams. Watch their videos at

compassion.com/AnnualReport

COMPASSION AT WORK

Thank you for helping transform lives!

During the last fiscal year (July 2013-June 2014):

1,461,116

children, babies, mothers and students received life-changing care.



CHILD SPONSORSHIP PROGRAM

More than **1.4 million** sponsored children were offered hope.



CHILD SURVIVAL PROGRAM

29,084 babies and their moms received lifesaving help.



LEADERSHIP DEVELOPMENT PROGRAM

3,077 students attended college.



Compassion partnered with **6,514 churches** in developing countries.



Of eternal value, **122,588 children and adults** gave their lives to Jesus.

WHERE COMPASSION WORKS

Thanks to your generous commitment, babies, children and college-age students living in extreme poverty are receiving Christ-centered, life-changing care in 26 countries. The following numbers represent the lives being transformed in each region (as of June 30, 2014).



AFRICA
496,947

- ♦ Burkina Faso
- ♦ Ethiopia
- ♦ Ghana
- ♦ Kenya
- ♦ Rwanda
- ♦ Tanzania
- ♦ Togo
- ♦ Uganda



CENTRAL AMERICA & THE CARIBBEAN
329,728

- ♦ the Dominican Republic
- ♦ El Salvador
- ♦ Guatemala
- ♦ Haiti
- ♦ Honduras
- ♦ Mexico
- ♦ Nicaragua



ASIA
360,999

- ♦ Bangladesh
- ♦ India
- ♦ Indonesia
- ♦ the Philippines
- ♦ Sri Lanka
- ♦ Thailand



SOUTH AMERICA
273,442

- ♦ Bolivia
- ♦ Brazil
- ♦ Colombia
- ♦ Ecuador
- ♦ Peru



MISSION STATEMENT

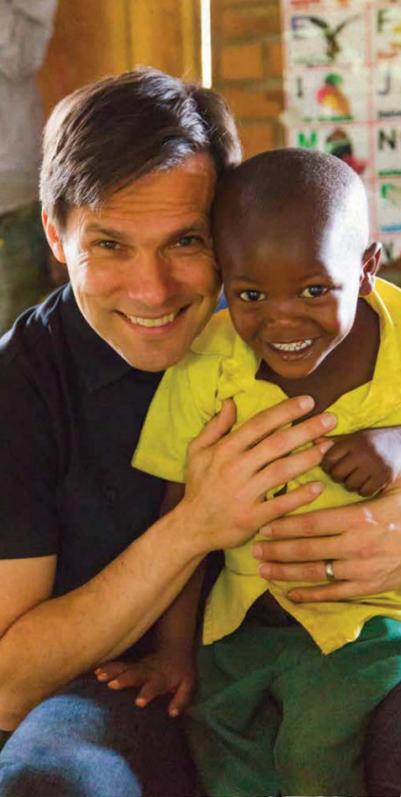
In response to the Great Commission, Compassion International exists as an advocate for children, to release them from their spiritual, economic, social and physical poverty and enable them to become responsible and fulfilled Christian adults.



ANNUAL REPORT

2013-2014

Prepare THE Way



A Letter From
SANTIAGO "JIMMY" MELLADO
 President & CEO

It has been a great joy to serve Compassion this past year. After this first full year as president, I have an increased appreciation for just how much God is going before us each day in ways that we don't even know. The ministry is flourishing, and God's blessings are so apparent.

My posture as I embraced my new role at Compassion was to prayerfully become a student of what God was already doing so powerfully through the ministry. Clearly something special is taking place here, and I wanted to ensure that my leadership continues to build off of that solid foundation. When a ministry is flourishing, one of the most important things a leader can do is to understand why so that those strengths can be protected and enhanced, while pressing for progress on other fronts.

Compassion is not a ministry in need of overhaul, turnaround or rescue. It's quite the opposite. I can clearly see that Compassion's organizational health comes directly from God blessing the passionate commitment of our children's loving caregivers, partner churches, sponsors, donors, advocates and the staff who serve them. It's all working together to accomplish something quite extraordinary! The results you'll see in the 2013-2014 Annual Report reflect this.

Yet during the past year we have leaned hard into leadership decisions designed to bring even greater effectiveness. We've worked to clarify accountability, strengthen a global mindset, and build out increased capacity to better deliver high-quality, repeatable support services. And we've pressed toward creating a stronger environment for leadership development, spiritual growth and collaboration.

We consolidated and created a new Global Marketing and Engagement effort. We grouped natural internal service functions into Global Support Services. We are continuing to refine our Global Program strategy from prenatal through the young adult years. A new Global Leadership Office was created to enhance leadership's effectiveness. And we gave a place at the senior leadership table to Global Advocacy — reflecting Compassion's commitment to equip the Church to care for the 400 million children in abject poverty we simply can't reach on our own.

Additionally, we significantly increased our investment in infrastructure to replace outdated technology. Compassion is working aggressively to transform our core processes while applying upgraded technology solutions to better serve our children, our church-based partners, and our sponsors and donors.

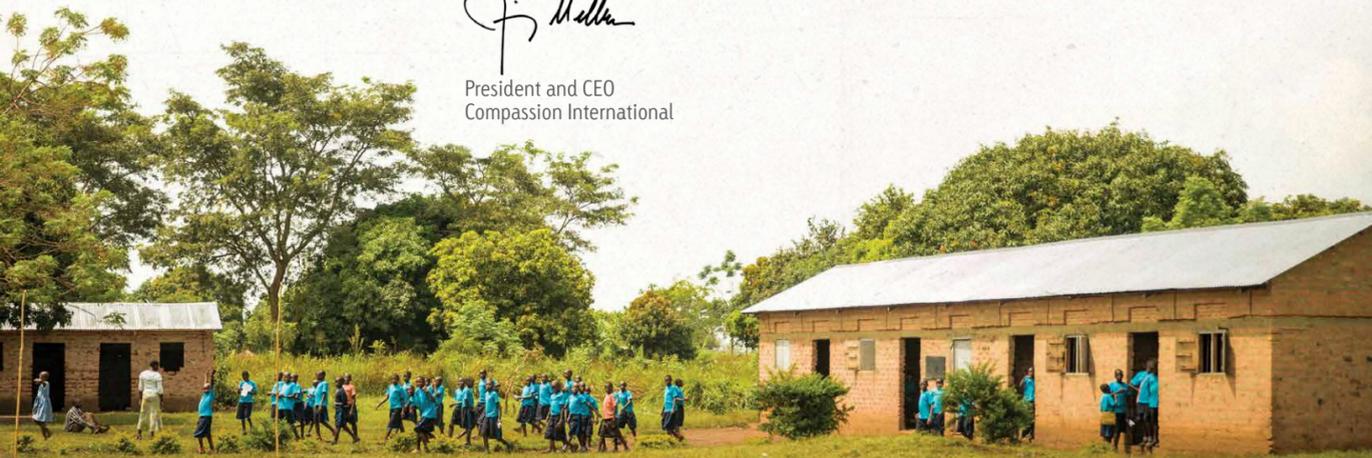
Amid these decisions and hard work, however, every senior leader and all our global staff fully appreciate that it all rests on something far more powerful than the work alone. We are keenly mindful that we serve Jesus specifically to serve some of the world's poorest children. He is the One who brings opportunities to serve. He is our strength. And He brings the increase He desires.

As I look back over our last year, a strong theme keeps coming to mind. In Matthew 3:3, we are reminded of Isaiah's powerful words: "Prepare the way for the Lord." I believe that is what God is calling Compassion and you, our faithful partners, to accomplish together. We are preparing the way for children to overcome poverty, thrive, and live for Jesus. And we are preparing the way for the future — so that more children can be released from poverty than ever before.

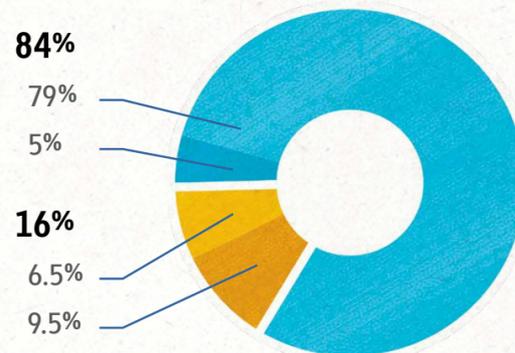
Once again, we stand in humble gratitude as we reflect on the results of this past fiscal year.

In Christ,

President and CEO
 Compassion International



STATEMENT OF ACTIVITIES For the years ended June 30, 2014 and 2013



PROGRAM EXPENSES	\$596,909,822
Child Development Program	\$561,374,252
Sponsor/Donor Ministries	\$35,535,570
SUPPORTING SERVICES	\$113,608,963
Administration	\$45,862,112
Fundraising	\$67,746,851
TOTAL EXPENSES	\$710,518,785

	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue, gains and other support								
Contributions	\$ 2,408,615	489,125,911	311,699	491,846,225	1,889,916	449,251,325	300,657	451,441,898
Gifts in-kind	—	529,376	—	529,376	—	527,751	—	527,751
Contributions from Global Partner Alliance	33,087,117	187,373,849	—	220,460,966	33,593,064	171,140,240	—	204,733,304
Interest, dividends and other income	2,022,046	80,789	30,727	2,133,562	2,014,581	38,296	39,889	2,092,766
Net realized and unrealized (losses) gains on investments and disposition of assets	1,355,059	992,198	408,326	2,755,583	[26,069]	711,321	190,418	875,670
Net unrealized (loss) gain on foreign exchange contracts	1,353,157	—	—	1,353,157	[2,010,361]	—	—	[2,010,361]
Changes in value of split-interest agreements	70,830	141,676	—	212,506	209,416	[121,698]	—	87,718
Net assets released from restrictions in satisfaction of program restrictions	680,555,747	[680,555,747]	—	—	613,052,516	[613,052,516]	—	—
Total revenue, gains and other support	720,852,571	[2,311,948]	750,752	719,291,375	648,723,063	8,494,719	530,964	657,748,746
Expenses								
Program services								
Child development program	561,374,252	—	—	561,374,252	509,765,669	—	—	509,765,669
Sponsor/donor ministries	35,535,570	—	—	35,535,570	29,746,143	—	—	29,746,143
Total program services	596,909,822	—	—	596,909,822	539,511,812	—	—	539,511,812
Supporting activities								
Fundraising	67,746,851	—	—	67,746,851	62,606,835	—	—	62,606,835
Administration	45,862,112	—	—	45,862,112	42,846,684	—	—	42,846,684
Total supporting activities	113,608,963	—	—	113,608,963	105,453,519	—	—	105,453,519
Total expenses	710,518,785	—	—	710,518,785	644,965,331	—	—	644,965,331
Change in net assets	10,333,786	[2,311,948]	750,752	8,772,590	3,757,732	8,494,719	530,964	12,783,415
Net assets, beginning of year	78,816,254	111,643,768	7,959,848	198,419,870	75,058,522	103,149,049	7,428,884	185,636,455
Net assets, end of year	\$ 89,150,040	109,331,820	8,710,600	207,192,460	78,816,254	111,643,768	7,959,848	198,419,870

To see Compassion's 2014 audited financial statements and Form 990, please go to compassion.com/annualreport or call (800) 336-7676.



A Message From
KAREN WESOLOWSKI
 Board Chair

What an honor it is to be writing to you for this report on Compassion International's 62nd year. On behalf of Compassion's board of directors, I would like to extend my gratitude for the dedication of every faithful supporter, staff member, church and partner who has participated in the ministry's continued growth this past year. Because of you, Compassion is able to bring hope to more than 1.4 million children living in poverty around the world.

My fellow board members and I have been delighted to serve alongside Compassion's new president, Santiago "Jimmy" Mellado, in his first year. Jimmy has deeply immersed himself in Compassion's mission of releasing children from poverty in Jesus' name. He has done this while championing several ministry-wide endeavors intended to guide Compassion toward reaching increasingly more children.

The first of these endeavors includes developing improved business technologies. Additionally, a more simplified organizational structure was created to better align authority with responsibility, while improving the ministry's accountability and agility. Compassion is also investing more into our infrastructure to prepare for future growth. And finally, improvements are being made to our current program model to create a more cohesive, church-led experience that serves the unique needs of each child.

We know that any great work of God begins with great preparation. That's why these strategies are so important to fulfilling Compassion's mission. They will allow Compassion to serve more children and, in doing so, prepare the way for the Lord to move into their hearts and minds, as well as those of their families and communities. Only when we repent and open our hearts to Him can we be filled with God's grace and life-filling message: *You are precious; you are loved.* It is a message the children we serve so desperately need to hear.

We hold dear our partnership with each of you in revealing the glory of God and fulfilling His Word. By keeping in mind the call to "prepare the way," we remain focused on God's purpose and plan for our ministry. It is truly our great pleasure to walk this path with you.

Board Chair
 Compassion International

"Prepare the way for the Lord, make straight paths for him."
 — Matthew 3:3b, NIV

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