

# Honoring OUR LEGACY Advancing OUR CALL

COMPASSION INTERNATIONAL  
ANNUAL REPORT 2012-2013





A LETTER FROM  
**SANTIAGO “JIMMY” MELLADO,**  
**PRESIDENT & CEO**

Dear Friends,

It was a huge privilege for me to officially begin the adventure of serving as Compassion’s President and CEO in September of 2013. During my months of orientation, I’ve come to appreciate both the amazing legacy of kingdom impact and the solid operational foundation that I’ve inherited from those who have gone before me in Compassion’s more than 60 years of ministry. One of the many blessings of joining Compassion at this juncture is that the organization is flourishing. That stability has afforded me a season to develop a deep understanding of the core areas behind Compassion’s success.

I can’t tell you how many times I’ve been asked, “So what’s going to be different? What new vision are you going to implement?” As I’ve listened to and learned from others at Compassion over the past months, a few things are starting to come into focus regarding our future. Chief among them is a deep-seated conviction about the organization’s core distinctives that will not change with my leadership. So my first response is to reverse that question and say, “First let me tell you what will *not* change!”

Let me assure you that Compassion will remain a ministry centered on Christ. History has not been kind to many organizations that started out Christ centered and somewhere along the journey lost their way. All that remains of their initial missions are the inscriptions on their walls. That will not happen to Compassion under my watch. Second, we will remain child focused and holistic in our approach to ministry. Our program will continue to develop children physically, emotionally, cognitively and spiritually. Third, we will continue to be church based in our program delivery. For the last two decades, I’ve dedicated myself to serve the Church as she fulfills the Matthew 28 mandate to make disciples of every nation. I believe to the very core of my being that the power of Christ through His Church is the hope of the world.

Those unchanging ministry distinctives create the strong foundation that will give us the sure footing necessary to deal with certain emerging realities that we know are coming at us in the future — things like increased globalization and interdependencies, unprecedented advances in technology, increasing worldwide access to the Internet, and the social media revolution that greatly impacts our relationships and communication. All of that will change the way we do ministry, but it will not change what is at the *core* of this ministry.

The following pages of this report provide a glimpse of the amazing things God has done through Compassion’s ministry this past fiscal year. I am keenly aware that none of this would be possible without the dedication and faithful support of sponsors and donors like you. I am deeply grateful for your partnership in this great cause, and I am elated to join you in this adventure of releasing children from poverty in Jesus’ name!

In Christ,

Santiago “Jimmy” Mellado  
President and CEO  
Compassion International

“I believe  
that the power  
of Christ  
through His Church  
is the  
hope  
of the  
world.”

— Jimmy Mellado



Compassion’s new President and CEO, Jimmy Mellado, succeeds the ministry’s former President and CEO of 20 years, Dr. Wess Stafford.

STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013				2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue, gains and other support:								
Contributions	\$ 1,889,916	449,251,325	300,657	451,441,898	1,815,488	408,614,417	413,979	410,843,884
Gifts in kind	-	527,751	-	527,751	-	709,891	-	709,891
Contributions from affiliated organizations	33,593,064	171,140,240	-	204,733,304	26,833,295	157,459,350	-	184,292,645
Interest, dividends and other income	2,014,581	38,296	39,889	2,092,766	2,335,647	117,542	-	2,453,189
Net realized and unrealized (losses) gains on investments and disposition of assets	[26,069]	711,321	190,418	875,670	[66,351]	31,515	-	[34,836]
Net unrealized (loss) gain on foreign exchange contracts	[2,010,361]	-	-	[2,010,361]	419,896	-	-	419,896
Changes in value of split-interest agreements	209,416	[121,698]	-	87,718	125,456	[136,470]	-	[11,014]
Net assets released from restrictions in satisfaction of program restrictions	613,052,516	[613,052,516]	-	-	562,664,690	[562,664,690]	-	-
Total revenue, gains and other support	648,723,063	8,494,719	530,964	657,748,746	594,128,121	4,131,555	413,979	598,673,655
Expenses:								
Program services:								
Child development program	509,765,669	-	-	509,765,669	461,813,113	-	-	461,813,113
Sponsor/donor ministries	29,746,143	-	-	29,746,143	31,477,476	-	-	31,477,476
Total program services	539,511,812	-	-	539,511,812	493,290,589	-	-	493,290,589
Supporting activities								
Fundraising	62,606,835	-	-	62,606,835	52,527,975	-	-	52,527,975
Administration	42,846,684	-	-	42,846,684	39,276,737	-	-	39,276,737
Total supporting activities	105,453,519	-	-	105,453,519	91,804,712	-	-	91,804,712
Total expenses	644,965,331	-	-	644,965,331	585,095,301	-	-	585,095,301
Change in net assets	3,757,732	8,494,719	530,964	12,783,415	9,032,820	4,131,555	413,979	13,578,354
Net assets, beginning of year	75,058,522	103,149,049	7,428,884	185,636,455	66,025,702	99,017,494	7,014,905	172,058,101
Net assets, end 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

To see Compassion’s 2013 audited financial statements and Form 990, please go to [compassion.com/about/financial](http://compassion.com/about/financial) or call (800)336-7676.

A WORD FROM  
**KAREN WESOLOWSKI, BOARD CHAIR**



This year we had the honor of celebrating the legacy of an extraordinary leader in Wess Stafford, who served as Compassion’s President for the past 20 years. It was a tremendous privilege for me and my fellow board members to serve this ministry alongside Wess. So when the board was given the unenviable task of finding his replacement, we took enormous consolation in knowing that the same gracious Lord who had given this ministry a remarkable leader in Wess would certainly provide the right successor as well.

I’m delighted to say that He who has been faithful in the past has been faithful once more in blessing Compassion with a wonderful leader in our new President, Santiago “Jimmy” Mellado. Jimmy is passionate about the needs and potential of children and about the role of the Church in redeeming and restoring our world for Christ. When we presented him with the opportunity to join Compassion’s cause, he clearly felt that God was leading him to accept. We are deeply grateful that God has called to us a leader who is so perfectly equipped, both spiritually and professionally, for this next season of exciting ministry at Compassion.

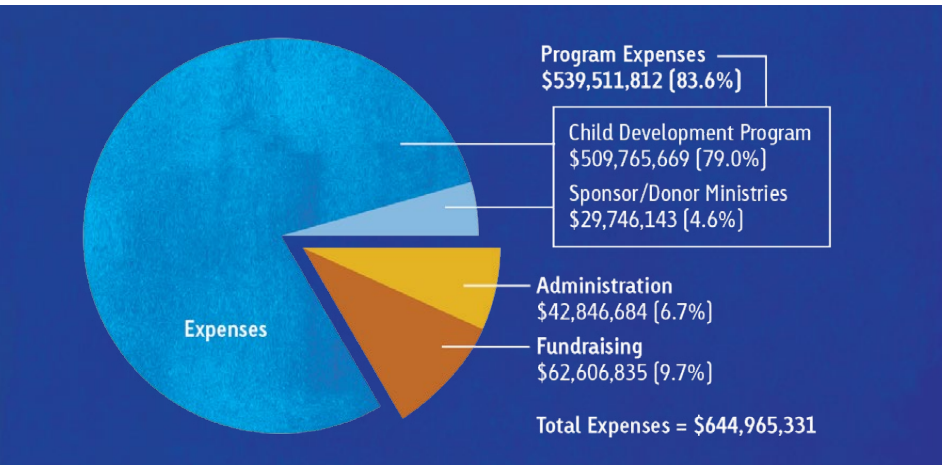
We give God the glory that Jimmy is joining a flourishing organization. Despite the recent years of global economic uncertainty, Compassion’s ministry has been blessed with tremendous growth in revenue and in the number of beneficiaries we serve. We are immensely grateful to you for that. It is your faithful partnership and support that allows us to report the amazing results that you see within this 2013 Annual Report.

We are honored that you entrust Compassion with your giving. We take very seriously our responsibility to steward those precious resources, to the point that stewardship and integrity are included in our Core Values. We have an ongoing commitment to spend less than 20 percent of every dollar received on fundraising and administrative costs so your resources can most greatly improve the lives of babies, children and students all across the world. And I’m pleased to report that Compassion’s financial integrity continues to be recognized by independent evaluators. For 12 consecutive years, Compassion has been awarded Charity Navigator’s highest rating of four stars.

Thank you for allowing us to partner with you in releasing children from poverty in Jesus’ name. It is our great joy to serve you.

COMPASSION’S 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.



BOARD OF DIRECTORS

**Paul Ackerman**  
**General Director**  
Executive Vice President and Treasurer, Wells Fargo

**Robert L. Hawkins**  
**General Director**  
Principal, Hawkins and Hawkins Enterprises

**Laurent Mbanda**  
**Vice Chair of the Board**  
Bishop of the Shyira Diocese Musanze, Rwanda

**Francisco J. Batres**  
**General Director**  
President, Practical Business Strategies Consultants, LLC

**Michael Jeffs**  
**General Director**  
CEO, Australian Christian Channel Pty. Ltd. and Network Communications Pty. Ltd., Australia

**Kenneth Morgan**  
**General Director**  
Chartered Accountant, United Kingdom

**Jean-François Bussy**  
**General Director**  
Pastor, Switzerland

**Ron Mathieu**  
**General Director**  
Executive Director, First Presbyterian Church of Honolulu

**Dr. Wesley K. Stafford**  
President and CEO

**Dr. Judith B. Golz**  
**Secretary of the Board**  
Principal, Kendal Investments

**Karen K. Wesolowski**  
**Chair of the Board**  
Attorney/Homemaker

GLOBAL LEADERSHIP TEAM

**Dr. Wesley K. Stafford**  
President and CEO

**James Hansen**  
Vice President of Risk Management

**Cassandra Shepard**  
Vice President of Human Resources

**Santiago “Jimmy” Mellado**  
President-elect

**Michael Hinckfoot**  
Vice President of Strategy Integration

**Dr. Scott Todd**  
Senior Vice President of International Partner Development

**David Dahlin**  
Executive Vice President

**Edouard Lassegue**  
Regional Vice President of the Latin America and Caribbean Regions

**Dawn Williams**  
Vice President of Finance

**Edward W. Anderson**  
Senior Vice President and Chief Financial Officer

**Sidney Muisyo**  
Regional Vice President of the Africa Region

**Jeffrey Wood**  
Senior Vice President of Ministry Services

**Dr. Bambang Budijanto**  
Regional Vice President of the Asia Area

**Stephen Oakley**  
Vice President of Legal Services and General Counsel

**Mark Yeadon**  
Senior Vice President of International Program

**Mark Hanlon**  
Senior Vice President, USA

Members as of June 30, 2013



## COMPASSION WELCOMES A NEW PRESIDENT

This year, Compassion welcomed Jimmy Mellado as the ministry's new President and Chief Executive Officer. Mellado is one of only five Compassion presidents in 60 years. "I must gratefully acknowledge that his selection is the result of God having orchestrated so many details of Jimmy's life," says former Compassion President Wess Stafford. "His childhood among the poor, his deep faith, his Olympic pursuit, his Harvard education, and his 20-year global leadership experience as the president of the Willow Creek Association have uniquely prepared Jimmy to lead Compassion into the future and advance the call that God has given us — to release children from poverty in Jesus' name."

## COMPASSION RECEIVES HIGHEST RATING FOR FINANCIAL INTEGRITY

For the 12th consecutive year, Compassion has received Charity Navigator's four-star rating. This is the highest possible rating given by the organization, recognizing Compassion's outstanding commitment to sound fiscal management, accountability and transparency. This rating places Compassion among the top 1 percent of nonprofit organizations reviewed by Charity Navigator.

## GALLUP HONORS COMPASSION WITH GREAT WORKPLACE AWARD

Compassion is humbled to be recognized as one of the most engaged workforces in the world by the Gallup organization. For the second year in a row, Compassion received the Gallup Great Workplace Award. Compassion was one of only 32 organizations chosen. Compassion's President, Jimmy Mellado, says, "We believe our employees' commitment and passion for children in need are key to Compassion's continued growth and stability."

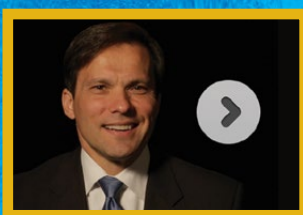
COMPASSION.COM  
/ANNUALREPORT

## LEARN MORE ONLINE!

You can hear from Compassion's new President and CEO, Jimmy Mellado, as well as Senior Vice President Mark Hanlon, Vice President of Finance Dawn Williams, and Vice President of Risk Management James Hansen. Watch their videos at [compassion.com/AnnualReport](http://compassion.com/AnnualReport).

"Only God could  
bring these results."

— Jimmy Mellado, President



## CHILD SPONSORSHIP: IT WORKS!

Dr. Bruce Wydick, professor of economics and international studies at the University of San Francisco, set out to explore if Compassion child sponsorship *really* works. His team researched the outcomes of 1,840 adults who were once sponsored through Compassion in six countries, comparing their outcomes with those of 8,000 adults who were not in Compassion's sponsorship program. This independent study found that children in Compassion's programs are more likely to (1) stay in school longer, (2) hold salaried, white-collar employment, and (3) become leaders in their churches and communities. As a Compassion sponsor, you can be more confident than ever that you are investing in a strategic, effective program that is transforming lives. Learn more at [compassion.com/ItWorks](http://compassion.com/ItWorks).

## COMPASSION AT WORK

Because of your faithfulness and the work of our Christ-centered church partners around the world, Compassion is offering life-changing help to:

**27,808** BABIES IN THE CHILD  
SURVIVAL PROGRAM

**1,350,590** **3,089**

CHILDREN IN THE  
CHILD SPONSORSHIP  
PROGRAM

COLLEGE-AGE STUDENTS  
IN THE LEADERSHIP  
DEVELOPMENT PROGRAM

## WHERE COMPASSION IS CHANGING LIVES

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. These numbers represent the lives being transformed in each region (as of June 30, 2013).

**AFRICA**  
**466,782**



BURKINA FASO  
ETHIOPIA  
GHANA  
KENYA  
RWANDA  
TANZANIA  
TOGO  
UGANDA

**ASIA**  
**345,207**



BANGLADESH  
INDIA  
INDONESIA  
PHILIPPINES  
SRI LANKA  
THAILAND

**CENTRAL AMERICA  
& THE CARIBBEAN**  
**309,249**



DOMINICAN  
REPUBLIC  
EL SALVADOR  
GUATEMALA  
HAITI  
HONDURAS  
MEXICO  
NICARAGUA

**SOUTH AMERICA**  
**260,249**



BOLIVIA  
BRAZIL  
COLOMBIA  
ECUADOR  
PERU

