

# A World Filled with Possibility

**2010 Annual Review**





**Inspired: Sponsored children and youth are learning important life lessons that they'll take into adulthood. They become leaders filled with skill and talent. And they share throughout their communities so others live more like them...in a world filled with possibility.**

## From the President

Amazing acts of generosity and compassion are not uncommon in this line of work. Even in the tough times that lingered in 2010, sponsors gave to their children without hesitation. Other donors remained committed too by helping us complete five community centers, respond to natural disasters, provide much-needed products and expand new and exciting programs around the world.

Everywhere I went, I saw the manifestation of that giving spirit in our youth, who stepped up and committed themselves to the cause, leading their communities, reaching out to others and improving the world around them.

Like Rajesh Mandal said recently after completing a vocational education course through our new initiative *Into Employment*, “Your support has taught me an important lesson about helping others. It is my commitment that I will do something to improve life in my village.”

Rajesh and his family live in a village outside Kolkata, India, where opportunity is the exception, not the rule. After going through training and finding meaningful work, he said something that underscores the very essence of our work. “You helped me at every turn of my life.”

That’s exactly what sponsorship does. We start with programs that improve a child’s health during the early years of life. Then we get them ready for school so they can learn how to use their incredible minds and spark their amazing potential. And, as they grow up, we stick with them and help them broaden their horizons, explore their abilities and take positive steps into adulthood.

New programs like *Into Employment*, which trains young people for locally available jobs and then helps them find employment, are essential in creating pathways of hope and self-reliance. So is *Aflatoun*, a rapidly growing program teaching children, youth and adults about financial literacy, budgeting, saving money and individual rights. Then, of course, there’s *Game On!*, which was greatly expanded in 2010. By using sports to teach social skills, problem solving and teamwork, *Game On!* is harnessing the power and ability inherent inside every child.

These things are impossible without the solid support of nearly 300,000 sponsors, donors and corporate partners pulling together and working toward the same goal.

For all of these reasons, it was a remarkable year. The unwavering support we’ve received from individuals. The powerful boost our corporate and other partnerships have given us. And the continued expansion of the services we know will create possibilities for more and more sponsored children and those around them. It was a time of great change.



Jim Cook  
President



## Education

### Sharing the Gift of School

Attending school is a luxury for children in many impoverished communities around the world, and families are sometimes forced to rotate their children in and out of school, if they can afford to send them at all.

“We had to do it out of desperation because we just didn’t have the money to buy three or four uniforms,” explains María Tol, the mother of five sponsored children in Guatemala. “That’s what poverty is like.”

In the case of María’s family, it’s unlikely that any of her children would have remained in school without help from Children International.

The educational support we provide paves the way for many children to attend school. School uniforms and supplies cover the basic requirements children need to enroll, while

our community center libraries, tutors and computer labs foster a desire to learn and reinforce the importance of education.

In some cases, Children International covers school fees and transportation expenses to ensure a child’s continued education. We even partner with communities to renovate and expand schools, furnish classrooms with study aids, textbooks and equipment, and train teachers.

Along with that support, there’s HOPE (Helping Overcome Poverty through Education). The HOPE Fund is our scholarship program that gives impoverished students the opportunity to pursue higher education or vocational/technical training so they can truly succeed in life.

#### **Beyond the Basics:**

- Through the Visa “Click for a Cause” program, \$50,000 was donated to help buy books and expand learning opportunities in our libraries around the world.
- 1,726 HOPE scholarships were awarded to youth, 30 percent of whom used their scholarships to attend a university program.
- Software donations from Microsoft helped us create computer labs and computer training in the Dominican Republic and Mexico.



## ***Equipped for Success***

“We wouldn’t have received the supplies we needed if it weren’t for Children International,” said Antonio Olmedo, a veteran educator in the Dominican Republic’s deprived La Mosca community. Nor would there be as many classrooms, a library, or well-equipped, eager children ready to learn and find their way out of poverty.

Children International not only outfitted youth at Olmedo’s school with essential school supplies, we also worked with the Kellogg Foundation to help expand the school, fill the library with books and equip the classrooms with learning supplies.

“We’re seeing improved education,” Olmedo said. And there is a new groundswell of support for learning throughout the community, he noted. “There is great respect for education. They recognize the future of the family and the future of the country is at stake.”

Beyond notebooks and pencils, backpacks and uniforms, the educational assistance provided through sponsorship and Children International’s partners means broad-based support – so children and youth can spell out new opportunities for themselves.

## Health

### Setting Sights on Better Health

Acute respiratory infection, malnutrition, parasites, iron deficiency anemia and dental cavities. Those were the five most detectable causes of illness among children under 12 this past year, according to our medical staff. Each is endemic to the communities where we work, and each has the potential to cause severe health complications.

Common, preventable health risks like those above too often go untreated in poor communities because families lack awareness, access to medical clinics and the necessary resources for treatment. And yet, preventing or curing common ailments seldom requires more than a quick exam, some medicine and basic education.

That's why medical and dental care are fundamental benefits of Children International's program. Our staff doctors and dentists conduct routine exams and prescribe follow-up treatment, medicine and specialists as needed. And our Emergency Medical Fund helps cover critical cases that may require surgery or advanced care.

Children and their families further benefit from additional care, such as vaccination clinics, anti-parasite campaigns and partnership agreements with public and private health facilities. And occasional gifts like hygiene kits, insecticide-treated mosquito nets and water-storage containers serve to bolster children's health on a daily basis.

#### **Expanding Coverage:**

- A donation in Cartagena, Colombia, of dental services by the Coopertiva de Trabajadores Asociados del Sector Salud de Bolivar enabled us to provide corrective dental care to 1,500 children who needed orthodontics and other aesthetic treatments.
- Colgate-Palmolive supported better dental health in the Dominican Republic and Ecuador through the provision of dental kits and education materials.
- Members of our Youth Health Corps made over 51,000 peer contacts in their communities and shared information about avoiding infectious diseases and practicing safe reproductive health.



## ***Taking Action Against Epidemics***

Malaria is one of the deadliest diseases in the world, especially in Sub-Saharan Africa, where it's responsible for one in every five childhood deaths. The disease's impact is staggering not only in the physical and emotional distress it causes, but it can cripple entire economies, too.

Children International remains vigilant in protecting sponsored communities from these types of threats and has been working with partners like Broetje Orchards to distribute mosquito nets in Zambia, which are a highly economical and effective form of prevention.

We're going to great lengths to treat pulmonary tuberculosis as well. In Manila, Philippines, thousands of children and family members are recovering from the disease as a result of our treatment program, which involves community support and close observation of all patients.

With its 94 percent cure rate, the program has been so effective that it was

replicated in Kolkata, India, and our partnership with Ely Lilly has been extended another year to expand health benefits to additional families there. The program involves volunteers and sponsored youth who visit urban slums with high rates of TB to raise awareness and ensure the proper intake of medication.

In Mexico, we're working with HSBC to address the dual burdens of obesity and undernutrition through programs operated from our community centers. In the long run, these efforts help develop health habits for a lifetime, while bolstering the immune response to more traditional poverty-related health threats.

Children International's focus on health and hygiene strives to protect impoverished children and communities alike. By fighting infectious diseases and other conditions that weaken the overall health and well-being of those we serve, we're doing just that.

## **Nutrition**

### **Turning the Tables on Hunger**

Malnutrition isn't always visible. Gaunt frames and sunken cheeks may be obvious indicators of severe malnourishment, but more moderate cases have few outward signs.

Regular screenings are key to detecting malnutrition. So we make it a priority to evaluate all children under the age of 12 at least once a year. Our agencies then have the chance to offer nutrition education in addition to a feeding program. Moderately or severely undernourished children receive free healthy meals or their parents can pick up therapeutic foods, such as vitamin-enriched shakes. All the while, our Lifeline Food Program provides extra sustenance to those families who've been driven to hunger by the rising costs of food.

Through this concerted effort to identify and treat malnutrition, our agencies have had a real impact in their communities. In Lusaka, Zambia, for example, it's not uncommon for children and their parents to skip two meals a day. Or even three. One way we are helping those boys and girls is through school-based feeding programs that encourage them to come to school and get the nutrients they need to concentrate and learn while in class.

From monitoring children's height and weight for signs of malnutrition to delivering emergency food aid in times of need, your support is helping alleviate hunger and improve lives.

#### **A Full Table:**

- School- and community-based feeding programs helped nearly 2,350 children in Colombia and more than 2,300 children in Zambia.
- Nutrition rehabilitation improved the health of nearly 7,000 children worldwide.
- Nearly 17,000 individuals received food relief through the Lifeline Food Program.
- More than 3,000 families received emergency assistance after a disaster, which often included food and other nutritional support.



## ***“I Used to Go Hungry”***

Children International began the Lifeline Food Program to address the growing problem of high food costs and hunger many of our families are facing across the globe. The problem of severe malnutrition among Zambian children, however, was so widespread that we began a school-based feeding program there in 2009 that was expanded from two schools to five in 2010, and now helps more than 2,300 children.

Schoolchildren are served a special porridge called High Energy Protein Supplement (HEPS). Made of soy, cane sugar and vegetable oil, our volunteer mothers prepare and serve the food to students at five major community schools.

Agness, a 10-year-old who’s benefiting from the program, said, “I used to go hungry,” adding that her mother couldn’t even afford to buy bread for breakfast. “Sometimes my mother told me that I could only eat after attending school, and that

made me cry. I often cried all the way to school, and my teacher would ask me to go back home.”

But her attendance improved dramatically after she enrolled in the feeding program. “She hated school before,” said Agness’ mother, Florence. “Now I don’t even have to ask her...she prepares and goes on her own.”

Receiving an average of 20 meals per month through the program, Agness typifies the difference nutrition assistance makes for many children. “Since we started eating porridge at school, I stopped crying because I feel full, and I enjoy going to school,” Agness told us. “The porridge tastes very nice, and I don’t want to miss it for anything.”

We don’t want children like Agness to miss class or meals either. That’s why we have plans to expand the program into more schools as funds become available.

“Community centers are strategically well-located and local government authorities can’t fulfill all the needs of the families. We need to offer this space to families who need it.”

## Annual Highlights

One of the things most lacking in the lives of poor children and their families is stability. Everything around them seems precarious: their homes, their jobs, their health...their very existence. That’s why in 2010 Children International was proud to be a stabilizing factor in the lives of over 335,000 children – and by extension, the lives of their families – who might otherwise have no anchor at all.

Sponsorship is not a quick fix for poverty. But with the help of caring sponsors and committed partners, we better the lives of each and every sponsored child, which in turn, steadily and methodically improves entire communities. Each year, we start out with established goals that align with our strategic plan. Here are some of this year’s accomplishments:

**We opened new community centers so more children can get the help they need.** As an integral part of our development model, Children International builds community centers – multi-function centers offering medical and dental care, nutritional monitoring and a host of other services – conveniently located in the communities where our sponsored children live.

**We celebrated important anniversaries.** Our U.S.-based program celebrated 15 years of service to underprivileged children in Little Rock, Arkansas. And in Chile, children, staff and volunteers celebrated 30 years of successful operation.

**We formed partnerships with business leaders to develop and expand services.** Besides our core programs of health care, nutritional assistance and educational support, we also launched a new program, Into Employment, and expanded Aflatoun and Game On!, all with the help of business leaders who want to help reach more children with programs that boost their opportunities. These new programs help prepare children for future employment as they graduate from the sponsorship program and enter adult life, teach them to handle money responsibly and expand their life skills through sports.



ed in places where people lack basic services and families. But Children International is there...  
o don't have good opportunities.”

Sponsorship supervisor Christian Galarza, Guayaquil, Ecuador

## Program Overview

Children International's mission is straightforward: To bring real and lasting change to children living in poverty. Sponsorship provides the mechanism for this change, thanks to the support of nearly 300,000 individuals. At the same time, backing from our corporate partners helps enhance and expand our programs, creates opportunities for new initiatives and revitalizes deeply impoverished communities the world over.

From the time children first enter our program between the ages of 2 and 9 to the time they graduate at the age of 19, they participate in an array of benefits that foster their growth and development. Basic assistance such as health care, educational support, clothes and shoes form the foundation of this support, while dental and nutritional care, family support and community assistance further enrich their lives.

When the time comes for youth to graduate, it is our hope that they are healthy, educated and self-reliant individuals with the skills and ability to break free from poverty and help improve the world around them.



## Youth Program

### Better Opportunities. Better Futures.

Children International's Youth Program equips young men and women ages 12 to 19 with the knowledge and life skills needed to rise above their circumstances and make successful transitions into adulthood.

Early on, youth participants have the option of joining our Youth Leadership Training program, where they learn about community organization and development, while acquiring skills like communication, decision making and conflict resolution. They also have the chance to take part in our Youth Health Corps, which empowers them to teach others how to reduce preventable illnesses, substance abuse and unwanted pregnancies.

In 2010, more than 39,000 teens participated in our Youth Program. Of those, 2,336 participated in leadership training, 2,152 completed Youth Health Corps training and

1,726 received HOPE scholarships.

And while they worked hard to improve their own lives, they also reached out with programs meant to improve the lives of others. One of their most important tasks is to direct the use of their agency's Youth Empowerment Fund, which aims to alleviate problems within the community.

For instance, in Honduras, sponsored youth used those funds to build a reliable water supply for families in a rural village. In Zambia, teens built sanitary latrines for a government health clinic located in a community of 300,000 people. And in other communities around the world, including right here at home, sponsored youth gave of themselves so that others could live better lives.

#### Youth on the Rise:

This year we implemented new programs like Into Employment while expanding initiatives like Aflatoun and Game On! These programs will have an enormous impact on the futures of our children, especially as we receive additional support that helps us expand the programs.

- More than 1,000 children participated in Game On! activities that promoted conflict resolution, team building and problem solving.
- Aflatoun has given more than 2,177 children the skills they need to manage their money, learn about the importance of saving and understanding their rights.
- Into Employment just started and has already helped more than 200 youth receive training in locally available vocations and, as a result, many have found meaningful work. As the program grows, we will extend the opportunity to thousands of youth each year.



## ***Victory Against Poverty***

I live in Colombia with my mom, and a couple of houses away, my grandmother lives with my uncles and my grandfather. My dad passed away when I was 3 months old, and now we live with the support of my grandparents. In my community, you can see violence among each other, gangs fighting and people who use drugs in front of children.

As I was growing up, I began to plan my future. I told myself that I didn't want to be here in the future. Because of that, I've always followed my studies and, with that, I know I am going to do well.

The program has helped me a lot and it has been very useful. I like to learn from other people and the program helps me with that because it has taught me things I didn't know before, and now I am putting them into practice.

Game On! is teaching me how to work with children and become a good leader for them. It teaches us to grow up personally and physically, and how to express yourself and feel better and share with others in a peaceful way. It is a vehicle that will let me leave behind the violence in our streets.

I've grown in a personal aspect of my life and knowledge; I think that I am a different Angelo now.

Angelo Simanca Gonzales

## Community Support

### Lending a Hand Close to Home

Our community centers are a home away from home for children and their families. We operate 86 of them in 11 different countries, staffed with doctors, dentists and other local professionals who understand the communities and cultures that surround them.

Our centers are designed to be a safe haven where children can participate in benefits such as medical and dental care, nutritional monitoring, educational support at a library, and many other programs.

Beyond that, we host regular workshops that teach improved hygiene and nutrition, computer and communication skills, and much more. And with help from donors and corporate partners, we opened new signature community centers in Colombia, the Dominican Republic, Ecuador, Mexico and Zambia.

Each signature community center is designed to serve the needs of at least 5,000 children. Acknowledging the value of our programs, local and federal government

agencies donated land and other services in Colombia and Mexico.

Because our community centers are located where help is needed most, staff can respond to problems immediately and more completely. This includes effective emergency outreach for families affected by disasters.

In 2010, our staff and volunteers were often the first on the scene during emergencies, providing clothing, food, medical assistance and, when possible, help with temporary shelter, home repairs and new home construction. This year in Quezon City, Philippines, our efforts resulted in extra notoriety. Our agency there received the Department of Social Welfare and Development's highest award for its relief efforts and rehabilitation of over 2,000 families affected by Typhoon Ketsana.

Together, we extended a helping hand to families devastated by disaster...so they could get back on their feet.

#### Signs of Relief:

- We helped provide prefabricated homes and housing repairs to sponsored families after an earthquake in Chile.
- Sponsored families received help rebuilding their damaged homes after fire swept through their community in Quezon City, Philippines.
- We shipped nutritional supplements, clothing and shoes, and provided financial support to families in Guatemala devastated by Tropical Storm Agatha.

## ***We Are All Starting Over Now***



What do you do when the world crumbles under your feet?

If you're a staff member with Children International caught in a disaster zone, you immediately question the safety of thousands of sponsored children.

When an 8.8-magnitude earthquake tore apart areas of Chile in early 2010, Agency Director María Teresa Iturrieta feared the worst. "My initial fear was for the lives of our sponsored children," conceded María.

Despite the devastation, staff and volunteers worked their way through the disaster zone to survey damage and confirm the status of sponsored children and their families. Volunteer mothers, meanwhile, took the lead in collecting and distributing food to the most affected families.

"In emergencies such as this one, you know what your job is," reported Mirtha Gosselin, chief of operations at our Chile agency. "We organized ourselves quickly...I visited many families with truly heartbreaking stories."

María Hermosilla's was one of the 71 families whose homes were damaged or

destroyed. "Our house is practically lying flat," she lamented. "The house is unlivable; the situation...very distressing."

María sent her four daughters to their grandmother's while she camped out in the crumbled remains to guard the family's last-remaining possessions. When she learned that her family would receive a prefabricated home, María felt a surge of relief.

"The first to arrive at our home to offer help were people from Children International," María shared. "They asked about our family members, were interested in knowing the condition of our house, then they offered us assistance."

CI negotiated delivery of the homes as they became available – and the supplier, who was well-acquainted with Children International's work, gave sponsored families the highest priority.

The moment María Hermosilla saw the pine walls of her new house rise above the disaster zone, she knew all would be well once again. "The home gives us a lot of hope..." she said, smiling, "It will be our home. We are all starting over now."

## Partnerships

### Helping Hands, Not Hand Outs

The power of sponsorship is compounded by the generous assistance we receive from corporate partners in the form of product donations. In 2010, Children International shipped tens of millions in product donations, including clothing, shoes, wheelchairs, arts and crafts supplies, household items and textbooks in English and Spanish. In strategic alignment with Children International's emphasis on education as a means to lift children out of poverty, donations of textbooks by Follett

Educational Services remained a high priority.

A number of other companies also assisted in our mission to help children, including Plaid Enterprises, who donated \$2 million of arts and crafts supplies; Men's Wearhouse, with a donation of \$1 million of clothing in adult and youth sizes; and Visa Inc., whose "Click for a Cause" campaign provided \$50,000 to purchase books to stock the libraries at community centers around the world.

#### Sharing Their Support:

- Autonomous University of Guadalajara
- Bancolombia
- Barclays Bank
- Bios C S.A.
- Broetje Orchards
- Carbogranes
- Chiva Barrio
- CIE Foundation
- Citi Foundation
- Colgate-Palmolive
- COPA Airlines
- Daabon Group
- Dr. Simi Foundation
- Exxon Mobil
- Follett Educational Services
- Fundeban-Ecopetrol
- Guadalajara Country Club Foundation
- Hershey's
- Hewlett Packard
- Home Depot
- HSBC
- The International Foundation
- Johnson Controls
- Lamar University of Guadalajara
- Men's Wearhouse
- MetLife Foundation
- Mexico Ministry of Human Development
- Microsoft
- MINA Shoes
- Monsanto Fund
- NH Hotels
- Pepsi
- Plaid Enterprises
- Prodeco
- Promigas Foundation
- Sta. Marta Port Authority
- Santa Marta Municipality
- Technological Institute of Monterrey
- Technological University of Guadalajara
- Terpel
- Tlaquepaque Municipality
- University of Guadalajara
- Valle de Atejamac University
- Visa Inc.
- The West Foundation
- Zuñiga and Co.

## ***Building on What We Do Best***



We help children at virtually every stage of their upbringing. Whether it's curative health care for a young child, adequate clothing for a growing teen, or a scholarship for a graduating youth, our programs are tailored to help disadvantaged boys and girls make progress in life. And, yet, there's always room for growth and improvement.

Corporate partnerships are invaluable in that respect – they help us go above and beyond basic benefits and offer wide-ranging programs that might not otherwise be available to these children and their communities.

In 2010, support from local government agencies in Mexico and Colombia, combined with contributions from international companies like Exxon Mobil, Hewlett Packard and MetLife, helped us complete two new community centers in those countries.

Generous contributions from private foundations, charitable trusts and corporate partners helped us create new programs and expand others. The International Foundation, the Monsanto Fund and HSBC provided support for Into Employment in Honduras. The West Foundation and Broetje Orchards supported Into Employment in India. And Barclays Bank and the Citi Foundation have provided support for Aflatoun in the Philippines and Ecuador, respectively.

Their generous support will allow the expansion of job- and life-skills programs in many places throughout the world and help sponsored children step up to better opportunities...and better lives. Youth can now acquire accreditation in trades like computer maintenance, welding, auto mechanics and cosmetology.

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Children International follows  
the standards and practices  
of these organizations in  
developing our programs  
to help needy children:

**World Health Organization:**

Child Growth Monitoring  
Parasite Prevention Program  
International Statistical Classification  
of Diseases – 10th Revision

**American Institute of Certified  
Public Accountants and the  
Financial Accounting  
Standards Board:**

Accounting procedures

## Condensed Audited Financial Information

Independent Auditor – BKD, LLP

### For year ended September 30, 2010

<b>Public Support and Revenue</b>	
Sponsorships and Contributions	\$ 91,029,279
Corporate Gifts and Commodities	55,940,210
Legacies and Bequests	270,586
Grants and Other Income, Net	561,822
<b>Total Public Support and Revenue</b>	<b>147,801,897</b>
<b>Expenses</b>	
Program Services	
Worldwide Program Services	120,539,396
<b>Supporting Services</b>	
Management and General	9,418,117
Securing Financial Support	16,730,344
Total Supporting Services	26,148,461
<b>Total Expenses</b>	<b>146,687,857</b>
<b>Public Support and Revenue Over Expenses</b>	<b>1,114,040</b>
<b>Non-Operating Activities</b>	
Net Realized Endowment Gains	641,264
Increase in Unrealized Gain on Investments	1,403,373
Increase in Actuarial Liability for Gift Annuities	(113,515)
Increase in Value of Deliverable and Non-Deliverable Forward Contracts	35,953
Increase in Net Assets	3,081,115
Net Assets, Beginning of the Year	40,990,337
Net Assets, End of the Year	\$ 44,071,452





**Become a Children International partner and help disadvantaged children like these three girls in Zambia – and more than 335,000 others – achieve happier, more hopeful lives.**



Our mission is to bring real and lasting change to children living in poverty. In partnership with contributors, we reduce their daily struggles, invest in their potential, and provide them with the opportunity to grow up healthy, educated and prepared to succeed and contribute to society.

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[www.children.org](http://www.children.org)