Together for Children

2017 ANNUAL REPORT
Joffre (1) plays at a Child Stimulation Corner in Cotopaxi Province, Ecuador.

**ChildFund’s Goals for Children at Every Age**

**Ages 0-5: Infants are healthy and secure.**
ChildFund ensures that the youngest children start their lives in the conditions they need to live at their potential — with safety, nutrition and stimulation from responsive, loving caregivers.

**Ages 6-14: Children are educated and confident.**
ChildFund helps children build a foundation for lifelong learning and supports their safe transition through adolescence.

**Ages 15-24: Youth are skilled and involved.**
ChildFund empowers young people with life skills and vocational training so they can find safe and sustainable employment, make healthy choices and contribute meaningfully within their families and communities.
DEAR FRIENDS,

As ChildFund International approaches 80 years of serving children, we want to honor the relationships that fuel our work.

Sponsors were our first partners at our founding, joining their stories to those of children on the other side of the world, and today they remain the sustaining support of all we do. Sponsorship also makes possible our long-term relationships within the communities where we work and helps us build the myriad partnerships that expand and enhance our work with children today.

Now we partner with 326 local organizations to engage families and communities to protect children and promote their development. We also work side-by-side with local authorities, governments and like-minded organizations to improve children’s well-being, sometimes even on a national scale, such as our efforts to help the Ugandan government ensure that children grow up in families rather than orphanages (p. 5). Funding and resources from foundation partners can lead to innovation and further partnerships, as in our recent efforts to address not only Zambia’s youth unemployment but also its shortage of nurses (p. 9). Our corporate partners leverage their resources and expertise to meet critical needs of children. Our sister organizations in the ChildFund Alliance routinely partner with us in diverse projects worldwide and in emergency responses as they arise (p. 12). Generous individual donors, many of them also sponsors, add their invaluable support to initiatives like these and wherever it’s needed most.

If our 80 years in this work have taught us anything, it’s that we achieve more for children together. We are so grateful you’ve chosen to partner with us.

With warmest regards,

Anne Lynam Goddard
President and CEO

Nancy Hill, Ph.D.
Chairman, ChildFund Board of Directors
Ellen Bell hugs 12-year-old Emmanuel, whom her daughter, Amy, sponsored until she died in 2014. Ellen and husband Larry have continued Emmanuel’s sponsorship and support his community in several other ways, fulfilling Amy’s wishes.
LOVE, MULTIPLIED

Sponsorship changes not only children’s lives, but also those of their sponsors. And as sponsors come to see the impact of their gifts, many of them become part of our family of individual donors.

Henry Rodriguez’ journey with ChildFund began when, as a young, struggling entrepreneur, he decided to sponsor a child in East Africa. As his business flourished, Rodriguez took on more sponsorships. Today, he sponsors 14 children, all in East Africa, where his recent gift of $100,000 will help support ChildFund’s drought response efforts.

Anne Humes, who recently celebrated her 60th anniversary of sponsorship by making a generous donation to ChildFund, has sponsored a total of 33 children in 10 countries. A lot has changed since she first signed up in 1957, but her love of children remains constant. “They’re a wonder,” she says. “They keep me awake and very much alive.”

And for the late Amy Bell, what began as a sponsorship of one 5-year-old boy in Zambia evolved into a legacy of love that transformed his entire community. After Amy died suddenly at age 33, her parents found the instructions she had left for her sponsored child, Emmanuel’s, continuing care. Beyond taking over the sponsorship, Larry and Ellen Bell also donated $100,000 to add new classrooms to his school and improve the community’s access to clean water. Then they traveled across the ocean to meet Emmanuel, now 12, in person.

“My daughter loved this young man,” Larry told the community at a dedication ceremony for the classrooms and water points. “My daughter loved these children, and my daughter loved this community.”

“They’re a wonder. They keep me awake and very much alive.”

— Anne Humes
GRANTS TO KEEP CHILDREN SAFE, LEARNING AND HEALTHY

Government support bolsters ChildFund’s work to help children achieve their potential, even in some of the world’s most challenging places.

HONDURAS
Protecting Children at School and Home

Honduras’ murder rate among adolescents ages 10-19 is the second-highest worldwide. ChildFund’s PUENTES project, whose Spanish name translates to “Parents and Teachers Joining Forces for Children in Social Spaces,” applied and tested a school-based violence prevention methodology in 36 schools, reaching 2,269 families and 265 teachers, in three of Honduras’ urban centers with especially high rates of violence.

Funded with $750,000 from USAID, PUENTES worked to improve parents’ skills toward reducing violence in school and at home; increase teachers’ abilities to create resilient, peaceful and democratic school environments; and foster collaboration between schools and parents.

RESULTS
A 56 percent drop in the monthly average incidence of violence, improved problem-solving skills among all participants, increased adult supervision and positive reinforcement, and greater parental involvement in school life.

AFGHANISTAN
Sustaining Education for Nomadic Children

An Afghan girl’s education level impacts not only her economic status but also her physical health and her children’s.* Among Afghanistan’s marginalized nomadic population, the education rate for girls is below 2 percent.

With £1.7 million in funding by the U.K. Department for International Development, ChildFund’s Equal Access to Education for Nomadic Populations in Northeast Afghanistan project made it possible for 1,200 nomadic girls and 800 boys to attend primary education without forsaking their traditional nomadic lifestyle. Children took community-based classes taught by trained teachers during the summer migration; in winter, they attended winter-site schools. Peer learning groups lent support, as did education shuras (local governing councils), which promoted community buy-in around girls’ education.

RESULTS
A 97 percent retention rate, improvements in children’s literacy and numeracy and a shift in community attitudes in favor of educating girls.

*UNICEF
Always Going Home: Keeping Ugandan Families Together

Launched in 2013, the USAID-supported Deinstitutionalization of Orphans and Vulnerable Children in Uganda (DOVCU) project was a nationwide effort to rebuild and strengthen families, aimed at helping the Ugandan government enact its Alternative Care Framework: a system built on the conviction that children should grow up in their own families. By the time DOVCU ended this year, it had helped hundreds of children living in institutions or on the street to either reunite with their families or be placed with relatives or into foster care. The project also worked to prevent the unnecessary separation of vulnerable children from their families in the first place. Thanks to a $4.4 million grant from USAID as well as the generosity of individual donors, this multifaceted initiative reached children and families throughout 12 districts in all four regions of Uganda, in large part by better regulating child admission to institutions as well as by strengthening families socially and financially to provide better care for their children.

Some highlights:

- 1,743 children either reunited with their families or moved into alternative family-based care.
- 204 girls returned to their families after living on the street. 86 enrolled in school, and 104 enrolled in skills training. 47 of their caregivers participate in savings and loan groups.
- 147 child care institutions were assessed, resulting in recommendations for either closure or improvement plans (21 were recommended to close).
- 4,572 households received regular visits from para-social workers (ChildFund-trained volunteers).
- 3,420 families participated in parents’ support groups.
- 1,200 households made use of savings/credit/investment groups.
- 1,532 heads of household trained in microenterprise management, and many have launched businesses.
- 91 percent of the youth microenterprise management trainees are gainfully employed.

A family supported by ChildFund’s DOVCU project enjoys time together.
### Financial Statements

#### CHILDRENFUND INTERNATIONAL

**CONSOLIDATED STATEMENT OF ACTIVITIES**

**AS OF JUNE 30, 2017 AND 2016**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PUBLIC SUPPORT</strong></td>
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<tr>
<td>Sponsorships</td>
<td>$ 138,412,780</td>
<td>$ 137,994,731</td>
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<tr>
<td>Contributions</td>
<td>$ 62,757,960</td>
<td>$ 60,075,983</td>
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<tr>
<td>Grants and contracts</td>
<td>$ 28,691,678</td>
<td>$ 35,512,121</td>
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<tr>
<td><strong>TOTAL PUBLIC SUPPORT</strong></td>
<td><strong>$ 229,862,418</strong></td>
<td><strong>$ 233,582,835</strong></td>
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<tr>
<td>Other revenue</td>
<td>$ 4,051,816</td>
<td>$ 1,831,745</td>
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<tr>
<td><strong>TOTAL PUBLIC SUPPORT &amp; REVENUE</strong></td>
<td><strong>$ 233,914,234</strong></td>
<td><strong>$ 235,414,580</strong></td>
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</tbody>
</table>

|                      |               |               |
| **EXPENSES FROM OPERATIONS** |         |               |
| Program               |               |               |
| Basic education       | $ 69,585,519  | $ 76,408,957  |
| Health and sanitation | 31,561,589    | 42,273,365    |
| Nutrition             | 11,114,409    | 15,536,619    |
| Early childhood       | 21,727,691    | 22,852,848    |
| development           |               |               |
| Microenterprise       | 30,991,942    | 25,008,078    |
| (family income generation) |       |               |
| Emergencies           | 21,788,252    | 14,831,982    |
| **TOTAL PROGRAM**     | **$ 186,769,402** | **$ 196,911,849** |
| Supporting Services   |               |               |
| Fundraising           | $ 24,831,154  | $ 21,110,581  |
| Management and general| 17,308,052    | 17,676,906    |
| **TOTAL SUPPORTING SERVICES** | **$ 42,139,206** | **$ 38,787,487** |
| **TOTAL EXPENSES FROM OPERATIONS** | **$ 228,908,608** | **$ 235,699,336** |
| Change in Net Assets from Operations | $ 5,005,626 | $ (284,756) |
| **NET ASSETS AT END OF YEAR** | **$ 95,407,237** | **$ 82,270,400** |

#### CHILDRENFUND INTERNATIONAL

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS OF JUNE 30, 2017 AND 2016**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
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</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 23,239,350</td>
<td>$ 21,539,066</td>
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<tr>
<td>Investments, at fair value</td>
<td>52,900,139</td>
<td>54,804,239</td>
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<tr>
<td>Beneficial interests in trusts</td>
<td>9,069,618</td>
<td>8,712,819</td>
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<tr>
<td>Receivables and other assets</td>
<td>16,333,469</td>
<td>16,283,049</td>
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<tr>
<td>Property, plant and equipment, net</td>
<td>28,487,150</td>
<td>23,579,314</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$ 130,029,726</strong></td>
<td><strong>$ 124,918,487</strong></td>
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</tbody>
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<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES AND NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
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<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$ 17,102,081</td>
<td>$ 19,722,916</td>
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<tr>
<td>Accrued pension benefit liability</td>
<td>7,499,575</td>
<td>11,279,337</td>
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<td>Debt</td>
<td>10,020,833</td>
<td>11,645,834</td>
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<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>$ 34,622,489</strong></td>
<td><strong>$ 42,648,087</strong></td>
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<tr>
<td>Net Assets</td>
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<tr>
<td>Unrestricted</td>
<td>$ 40,719,905</td>
<td>$ 27,395,413</td>
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<tr>
<td>Temporarily restricted</td>
<td>37,472,401</td>
<td>38,002,155</td>
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<tr>
<td>Permanently restricted</td>
<td>17,214,931</td>
<td>16,872,832</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td><strong>$ 95,407,237</strong></td>
<td><strong>$ 82,270,400</strong></td>
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<td><strong>$ 130,029,726</strong></td>
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</table>

A complete copy of the Consolidated Financial Statements, with a report from independent auditors, KPMG LLP, is available upon request by calling 1-800-776-6767 or visiting ChildFund.org
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Jenny Malseed
Chief of Staff

Scott Sherman
Vice President

Geremie Sawadogo
Global Human Resources/CHRO

Cheri Spence
Chief Information Officer

James Tuite
Chief Finance and Administrative Officer

A special thank-you to our friends at Taiwan Fund for Children and Families, through which many generous Taiwanese donors sponsor children in our programs in several countries.
In Zambia, youth ages 15-24 make up about 20 percent of the population, and they face an unemployment rate of nearly 14 percent. ChildFund’s Nurse and Life Skills Training Program is tapping into this abundance of youth potential to help Zambia meet its critical need for health care workers, a national priority of the country’s Ministry of Health, while also helping young people fulfill their dreams.

Thanks in part to a $7.6 million grant from the MasterCard Foundation in 2013, ChildFund and its partner Amref Health Africa have enrolled 1,685 young Zambians in the nursing training. The program’s tech-forward e-learning approach, with a focus on practical life skills like financial literacy and leadership development, prepares youth for rewarding careers in health care. More than 500 students from underprivileged backgrounds are receiving full or partial scholarships to the program through ChildFund. A first cohort of 67 recently graduated, scoring well above the national average on the national nursing exams.

“Had it not been for ChildFund, I wouldn’t have been in this uniform,” says Luse Phiri, 24, who graduated in September 2017. “The support that they rendered really did great wonders in my life.”
Recently in Indonesia, ChildFund had the honor of delivering P&G’s 13 billionth liter of clean drinking water provided through the P&G Children’s Safe Drinking Water Program. Helena (15) and her family helped celebrate the milestone.
INVESTING IN CHILDREN

Through gifts in kind and direct financial contributions, ChildFund’s corporate partners act as wellsprings of support and opportunity for children worldwide.

P&G: An Evolving Partnership
ChildFund and the P&G Children’s Safe Drinking Water Program have provided clean drinking water to vulnerable populations — young children, people living with HIV, families impacted by disasters — in 10 countries in Africa, Asia and Latin America. By April of 2016, ChildFund had delivered over 300 million liters of clean drinking water worldwide thanks to P&G’s support.

In 2014, P&G expanded its support of ChildFund by providing emergency funding for our Ebola response in West Africa, as well as supplies of several of its brands as gifts in kind for humanitarian relief in Sierra Leone. In 2016, after Ecuador’s devastating earthquake, P&G supported us to deliver water purification supplies in collaboration with the local government.

And in March 2017, P&G sponsored eight young people from our programs in Jackson, Mississippi, to travel to Washington, D.C., for ChildFund’s second annual Advocacy Day. After a day of training, the youth advocated before their members of Congress, calling on them to protect the U.S. International Affairs budget, to pass the bipartisan Reinforcing Education Accountability in Development (READ) Act, and to end violence against children.

Ready to Work, Ready to Lead
To help youth achieve their career and financial goals, we teamed up with Barclays Bank to launch the ReadytoWork program in Zambia, which offers free job skills training to promising young adults. To date, the program has reached over 10,000 youth in rural parts of Zambia’s Central and Lusaka provinces.

The curriculum’s four areas of focus — entrepreneurship, work, people skills and money — give young people the tools they need to lay the foundations for a successful career, whether launching their own small businesses or finding employment with existing organizations.

ChildFund also helps youth from disenfranchised communities worldwide learn to recognize their own voices as powerful instruments for change. In Jackson, Mississippi, where a state of emergency was recently declared for the public school system, our Youth Ambassadors for Change program empowered 49 youth to become active participants in decision-making within their own schools and communities.

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In 2014, P&G supported ChildFund in its advocacy for the Public Service Act, which allows students to serve as representatives for their communities. The Ambassadors also hosted a summer retreat for middle school students, with the theme of self-determination. To protest their school system’s potential takeover by the state, they wrote an op-ed for the local newspaper and held a press conference urging local government to consider students’ perspectives.

High school students from Jackson, Mississippi, learn to raise their voices through the Youth Ambassadors for Change Program.
Drought in Kenya and Ethiopia

Since 2015, a drought in East Africa has ravaged the land millions of children and families depend on for food, causing widespread malnutrition and poverty. In Kenya and Ethiopia, the drought forced many children to leave school to help their parents search for water and pasture, putting them at risk for family separation, violence and child labor.

A successful emergency fundraising campaign has allowed ChildFund to provide millions of dollars’ worth of direct food and water assistance to families in drought-stricken areas throughout rural Kenya and Ethiopia, with a special focus in both countries on the needs of children under age 5 as well as pregnant or lactating mothers. In Kenya, we delivered food staples as well as nutrient-rich Unimix porridge through dozens of early childhood development centers, where we also monitored children, new mothers and mothers-to-be for malnutrition. We also delivered water, purification supplies and jerry cans. And in Ethiopia, we constructed several water points and provided food assistance to families in need, assisted the country’s health clinics with monitoring for and addressing malnutrition, and established 60 child-friendly spaces so children could stay safe and busy while parents searched for food and water.

Flooding in Sri Lanka

In May 2017, major flooding in Sri Lanka caused 21 landslides, killing more than 200 people and displacing more than 3,500. Although ChildFund does not work in the affected areas, we partnered with government and other organizations in a 60-day response to assist families in the worst-hit area. With support from some of our sister organizations in the ChildFund Alliance, we provided emergency food and non-food aid, served nearly 1,200 children through six child-centered spaces, and worked to strengthen community-based child protection initiatives.
Thank you for your partnership and support.

When children's greatest needs are met, they can do what children do best: play, learn and grow into the people they dream of becoming.

For nearly 80 years, ChildFund has worked with millions of children worldwide to create the conditions they need to thrive, even in the most challenging circumstances. Our Children's Greatest Needs fund — a special fund with the flexibility to be directed when and where it is needed most — is an important part of that work. We use it to develop and administer far-reaching programs and services for children, families and their communities. Donating to Children's Greatest Needs is an easy way to make a powerful impact on more lives than you might imagine.

To learn more about this and other ways to help, please contact our philanthropy advisors at 804-545-3620.
In Guatemala, 8-year-old Adelaida enjoys her first-grade class, where teachers use a ChildFund-designed curriculum to improve children’s education experience.

ChildFund International is an independent and child-centered development organization. We work with partners in communities throughout Asia, Africa and the Americas to change the underlying conditions that prevent children from achieving their potential.

Our Mission
Help children who experience deprivation, exclusion and vulnerability to build the capacity to improve their lives and become young adults, parents and leaders who bring lasting and positive change in their communities.

Promote societies whose individuals and institutions participate in valuing, protecting and advancing the worth and rights of children.

Enrich supporters’ lives by involving them in our cause.