If any sort of readiness is a desired outcome of ChildFund’s Early Childhood Development programs, it is a child’s readiness for the next thing, whatever that may be: to walk, to talk, to ask for what she needs and trust that she’ll get it, to explore around the next bend in the road, to feel and show compassion, to understand a problem, imagine a solution and collaborate on a change. At any age.

These smiles are beautiful to see just three years into Sri Lanka’s difficult recovery from a 26-year civil war. As families work through the devastation left behind, ChildFund ensures that children like Jaritha and Dilau, both 5, have safe spaces where they can play, learn and grow.
DEAR FRIENDS,

Serving as the chairman of the board of directors has been such an exciting and rewarding experience. As you read through this report, you will see highlights of what has been a remarkable year. Kudos to our dedicated staff and board of directors, who work diligently to ensure that our mission is accomplished in accordance with ChildFund’s values in the countries we serve.

Of course, our work is possible only because of our many dedicated donors and sponsors. Donors help extend our work in communities, providing support for special projects that benefit multiple children and families. Likewise, I have been to many villages where sponsor letters cover the walls of modest homes. The families speak proudly of their foreign sponsors and tell me about your lives.

It is amazing to me that your simple acts of kindness to the children have such profound global impact. So much has changed with ChildFund over the years, but the fundamental connection between sponsor and child remains the foundation of our success. I spoke to a woman who has been a ChildFund sponsor for more than 50 years. Imagine the impact she has had!

I often wonder if our founder, Dr. J. Calvitt Clarke, ever imagined that his idea to help starving war orphans would blossom into an internationally respected, worldwide force to help children. Those first sponsored children had the support to grow into educated, productive citizens. This year, with your help, millions of children and their family members are on the path to success!

As we continue to grow our work serving children who live in poverty, I hope you will help ChildFund as you always have.

With my best wishes and sincerest thanks to you and your families,

Maureen Denlea Massey
ChildFund Board Chair

DEAR CHILDFUND FAMILY.

The news of the last few months inspires me to both celebrate and reflect.

In 2000, the global community set eight 15-year goals designed to “free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty”— the Millennium Development Goals. This year, with 2015 less than three years away, brought the news that three of the goals’ 21 targets had been met: halving extreme poverty, halving the proportion of people without access to clean water and improving the lives of slum dwellers. There also has been great progress toward enrolling more children in school, especially girls.

Hand in hand with our supporters, ChildFund has been involved in all of these successes. This year, we served 17.8 million children and family members, a significant increase over 2011 thanks to a USAID-funded grant in Senegal, in place until 2016.

But there are still 1 billion people living on less than $1.25 a day, still more than a half million women dying each year in pregnancy and childbirth ... there’s still much work to do, and sometimes these huge numbers seem insurmountable. So I’m grateful that my travels allow me to see real, tangible successes in the lives of the children we serve.

This year, I met Albertina, a mother in rural Bolivia whose education ended at eighth grade and who started her children in ChildFund’s programs early. Now two are in college, and the other three are headed in that direction.

That’s five lives. How many lives will they touch?

In Zambia, I visited with young people who, with training from ChildFund, manage a banana plantation. Some are using their profits to fund new ventures or even extend their educations. They are already transforming their community.

I often wonder if our founder, Dr. J. Calvitt Clarke, ever imagined that his idea to help starving war orphans would blossom into an internationally respected, worldwide force to help children. Those first sponsored children had the support to grow into educated, productive citizens. This year, with your help, millions of children and their family members are on the path to success!

As we continue to grow our work serving children who live in poverty, I hope you will help ChildFund as you always have.

With my best wishes and sincerest thanks to you and your families,

Anne Lynam Goddard
President and CEO
LAZING THE GROUNDWORK

ChildFund teaches parents about early childhood development so their young children are ready for anything.

A child’s very first relationship is with her parents, and it lays the groundwork for relationships throughout her life. But in developing countries, extreme poverty can damage that relationship and, thus, disrupt a child’s development. Learning is exponential in the first three years of life, and if children do not make the appropriate strides during this time, the window closes and they can never fully recoup. Poverty poses many risks to this development, along with violence, neglect, malnutrition, inadequate developmental stimulation and more. Too often, parents don’t have the resources or knowledge to provide their children the environment and experiences they need.

“The most powerful thing you can do is teach people child development,” says Mary Moran, ChildFund’s senior program specialist for Early Childhood Development (ECD). It makes an enormous difference when parents understand how their children acquire the skills they will need to become independent, that these skills build on one another (from the most basic, such as voice recognition) and where the process should lead.

Funded through sponsorship, grants and other support, ChildFund’s services for the youngest children in our programs integrate parenting education and support with our other psychosocial, health and education programs tailored for this age group.

“Parenting education is most effective when it’s paired with support,” adds Moran. “You can teach people about development, about nutrition, but if you really want to change what they do, the opportunities tend to be around support.”

FROM THE BEGINNING: SENEGAL

An inconsolable baby stars in a scene played out worldwide, every day: As his cries become increasingly desperate, his mother tries everything she knows, her own stress level rising and feeding into the baby’s discomfort until he finally subsides, exhausted, his needs unmet.

“Imagine that mother’s stress multiplied by her own malnutrition, by an ongoing struggle to feed her other children, to keep a roof over their heads, to find work where none is to be found.

“What does he want?”

In Senegal, ChildFund-trained volunteers help mothers answer that universal question. ChildFund’s work in Senegal includes a growth promotion program that trains volunteers, usually older women of some standing in their villages, to support new mothers in caring for their babies. To help mothers learn to “read” their babies and respond to them appropriately, volunteers teach them about their babies’ natural temperaments, which range from “reactive” — highly sensitive — to “nonreactive.”

continued on next page

40% of children living in poverty are language-delayed.

Facing page: Making masterpieces is all in a day’s work, along with playing, singing, dancing and more, at this Early Childhood Development center in Indonesia.

Below: A baby from Senegal.
“They had a $1,500 annual income,” she says of Fabiola’s family. “I wanted to establish something more permanent. My idea is if you leave a child where you got her, she is exactly where she was before.”

“With the last picture I received, I have the ‘before and after.’ One is the original picture that ChildFund sent me — of a little ghost, sad, sad and white, and she just flowered like something you wouldn’t believe. The only way you recognize the little girl is the almond-shaped eyes. She didn’t have the malnourished tummy — she’s almost a little senorita. “You plant a seed, and then you see what happens. You plant a seed for the Child’s sake.”

Understanding how to respond to a baby’s particular disposition can help a mother improve the all-important feeding relationship, which lays a foundation for a child’s relationship with the larger world. When babies’ needs are met according to their particular nature, the security they experience in their very first relationship carries forward into every aspect of their lives. With responsive parents to nurture them, babies at any temperament will be ready to venture into the world, explore and learn.

Looking Forward: Ecuador

The mothers wept about how they used to treat their children. It happened during ChildFund Ecuador’s parenting program in a rural village. A ChildFund-trained facilitator shared practical knowledge with the parents through interactive, culturally attuned activities. Together, mothers and fathers explored how a child develops — not only physically, but also emotionally, socially, intellectually and in their ability to communicate — and learned how all these areas are interdependent and equally important. They now understood that a child’s first learning takes place through interactions within the family, and that the parental role is central in helping children achieve their fullest potential.

Afterward, some parents would go home and tickle and play with their babies, or lull them to sleep. Others might weed a garden side-by-side with their toddlers, or have a conversation with them about why the sky is blue and pink and gold. They might explore a book together. They would love their children actively, because they had taken to heart the message that love is even more important than food. (They would, of course, also feed their children a nutritious meal.)

But first, on this day, the mothers looked back, and they wept.

Meanwhile, the fathers looked at how they had once treated their wives; spousal abuse had declined since the beginning of the program. “Why do you think that is?” asked the facilitator.

One father answered, “We figured that if it wasn’t good to beat your children, it wasn’t good to beat your wife.”

Worldwide data suggest that yes, they will, and that is good news. But school readiness is not ChildFund’s primary goal in serving young children. If any sort of readiness is a desired outcome of ChildFund’s ECD programs, it is a child’s readiness for the next thing, whatever that may be: to walk, to talk, to ask for what she needs and trust that she’ll get it, to explore around the next bend in the road, to feel and show compassion, to understand a problem, imagine a solution and collaborate on a change. At any age.
SAFE AND SECURE
Protecting Children

VIOLANCE AGAINST CHILDREN IN DOMINICA
ChildFund surveyed 573 children, ages 11 to 17, and 615 adults, ages 18 and up.
• 15% of girls and 10% of boys said they had been slapped.
• 9% of girls and 20% of boys reported seeing physical abuse.
• 58% of girls and 50% of boys reported seeing emotional violence at home, most often from mothers.
• 15% of girls and 14% of boys reported having experienced sexual violence in the community.
ChildFund’s focus on the well-being of children in poverty means that protecting children is integral to our work. Violence damages their health, development and ability to learn. We — and our supporters — can’t let that happen.
To fight this threat to children, we must understand it.

DOMINICA
In April 2012, ChildFund undertook a study to better understand the characteristics and extent of violence against children in Dominica, surveying 573 children and 615 adults from around the island and holding focus group discussions as well. Almost as informative as the results (see sidebar) were the challenges posed by performing such a study in a culture such as Dominica’s.
As in much of the Caribbean, “childhood” is defined loosely; many people view it as ending at age 13. Another challenge lies in local definitions of abuse itself. Corporal punishment, for example, is not seen as abuse, and this is reflected in Dominica’s government policies, which include few to no prohibitions on corporal punishment in schools or homes. “I throw shoes at my children, and I talk to them,” said one parent.
The study’s challenges and results point out the need throughout Dominica for greater awareness about violence against children, from the highest reaches of government to the community level. When teachers and parents learn about positive discipline and its benefits to a child’s development, they can become more role models. When children participate in awareness-raising campaigns as both messengers and target audiences, they become role models as well.

LIBERIA
When ChildFund began work in Liberia in 2003, just after its 14 years of civil war ended, we knew that lingering violence pervaded that post-conflict environment. We also knew that our services to children would have to include protection from that violence.
That’s still true.
War left behind shattered families unable to care for their children, and more than 200,000 children were orphaned. All of them were vulnerable to abuse, exploitation and sexual violence. In fact, rape — which was used as a weapon of war — continues to be Liberia’s most often reported serious crime. Recent data indicate that the majority of rape cases in some areas involve girls younger than 18, and that 5- to 8-year-old girls are the second-largest age group. Boys suffer, too.
In Liberia, ChildFund engages government, law enforcement and community members to prevent and respond to violence against children, reaching nearly 230,000 children and 74,000 adult family members. Children themselves serve as both sources of wisdom and proponents of child rights.
Now, a generous $500,000 matching gift from a concerned donor has made it possible for ChildFund to launch an initiative specifically focused on the issue of gender-based violence against children. The Shine a Light initiative will start as a pilot program in three countries, including Liberia, and will expand to reach up to 20,000 children in 15 countries.

YOUTH UNEMPLOYMENT
Sierra Leone Skills Training Program to Reach 3,000 Young People

They came in vast numbers and waited in long lines. Unemployed and uncertain about the future, these young women and men were reaching for a long-deferred dream.
Years of civil war in Sierra Leone have robbed thousands of children and youth of a complete education. With few opportunities for employment, this generation of youth have been languishing in their villages with little to offer socially and dim prospects for the future.
This year, ChildFund rolled out the Youth Employment Support Project (YESP) in five districts of Sierra Leone, with the goal of reducing the high rate of youth unemployment in the country. Hundreds of young men and women who meet the criteria of being 14 to 25 years of age and having little formal education registered at ChildFund’s community offices.

A DONOR’S VIEW
“I have three daughters, so I’m very sensitive to abuse against women. Not that I’ve ever had anything happen, but you have to give to people who are trying to fight that — you have to support it. I saw that the work was in Liberia, and I said, ‘Well, that’s a step in the right direction.’”
— Anonymous donor who has given more than $40,000.00 to ChildFund’s Share a Light initiative focused on gender-based violence
1 in 5 American children lives in poverty.

KIND GIFTS
Corporate Partners Fill Critical Gaps for Children

ChildFund’s supporters made the logistics possible. Joining together through Fund a Project, supporters donated what they could afford to deliver corporations’ excess inventory to locations where it was needed the most. In each community, volunteers pitched in to help load, move and assemble the donated beds.

One mother simply did not have enough beds for her own children and the three she took in after a family member died. The new beds were a valuable addition to her home. “We’ve just had a full house and a hard time managing,” she says. “It feels so good to have my kids sleeping on soft mattresses. I am thankful from the bottom of my heart, and so are my kids.”

Meeting the immediate needs of families was gratifying, according to ChildFund South Dakota Area Manager Billie Jo Besco. “We had one family that had lost their house and all the contents to a fire,” Besco says. “We were able to give each family member a mattress as well as find bedding and additional furniture to help them recover. They were the most grateful people I had ever seen.”

BLANKETS FOR AFGHANISTAN

Thousands of miles across the globe, ChildFund continued to help children get a good night’s rest with warm blankets and soft pillows supplied through Good360 and donated by L.L. Bean and Walmart.

Rahmat, 13, lives in a small resettlement community. Because of continuous relocations and endless fighting, he and his family have had to start all over — with nothing. So, when ChildFund provided Rahmat with something as simple as a pillow and blanket, the comfort they brought him made a huge difference.

Once again, supporter donations helped deliver the blankets and pillows so children and families in Afghanistan would be warmer during the frigid winter months.

TOMS SHOES FOR AFRICA

Weather also presents a challenge to the many children who have no shoes because their parents cannot afford them. “I really needed a new pair of shoes to keep me warm in cold weather,” says Blessing, a 6-year-old from Zambia. “My feet have developed foot cracks, and it was difficult for me to go to school in the morning because it was very cold.”

Blessing is one of hundreds of children who have received shoes through a new partnership between ChildFund and TOMS Shoes. For every pair of TOMS purchased, a new pair of shoes is given to a child in need. One for One™.

ChildFund and TOMS plan to provide shoes to children not just one time, but repeatedly as they grow.

“We are honored to partner with ChildFund since 2011,” says TOMS Chief Giving Officer Sebastian Fries. “ChildFund has found ways to integrate new footwear into their holistic health and education programs, allowing TOMS Shoes to have a positive impact on the well-being of the children they serve. We are grateful for our partnership and look forward to serving more communities in need together.”

ChildFund has worked with TOMS to coordinate shoe deliveries in Angola, Liberia, Sierra Leone and Zambia.

For some children, new shoes meant feeling like they fit in with friends who already owned shoes. For others, it was the first new pair they had ever received. Most were excited because TOMS Shoes meant they could finally attend school regularly.

“They take me to school. They are strong and safe for me,” says 10-year-old Romelly, from Liberia. “I like my new pair of TOMS. They are black and easy to wear and make me look beautiful in my uniform.”

Since receiving her new TOMS, Romelly has not missed a day of class. She is now able to take the 15-minute walk to school without worrying about cutting her feet, and she will not be turned away once she arrives. In many schools, students are not allowed to go barefoot.

“When I received my new shoes, I was so happy because I used to wear old slippers to school, and my teacher used to put me out,” says Kulubah, 10, from Liberia. “But now I will use my new TOMS Shoes to go to school, and the teacher will not send me home. My friends will not laugh at me again.”

Rahmat, 13, collects a winterization kit made possible by corporate donations.

A young child in our U.S. programs eagerly tries his new bed.
WHERE WE WORK

ChildFund has helped 58,800 children and family members reach a higher standard of living through its U.S. programs since 1952.

In the Mexican communities where ChildFund works, only 6% of people have sufficient income to support their families.

In Brazil, 16 million people live below the poverty line, of which half are children and youth.

In Ethiopia, 16,500 community members in Siraro district received emergency food during the peak of the Horn of Africa drought.

Because of a $40 million grant from USAID and gifts from donors, more than 9 million people in Senegal will have access to primary health care.

In Timor-Leste, 21,000 children are now protected from malaria-infected mosquitoes.

ChildFund Program Expenses

AFRICA
- Angola: $3,329,978
- Ethiopia: $1,162,981
- The Gambia: 4,171,452
- Guinea: 1,777,409
- Kenya: 7,833,727
- Liberia: 4,382,613
- Mozambique: 2,532,115
- Senegal: 12,242,267
- Sierra Leone: 6,753,499
- Togo: 374,058
- Uganda: 9,962,076
- Zambia: 9,222,233
- Subtotal: $88,201,238

ASIA
- Afghanistan: $1,540,046
- Cambodia: 686,581
- India: 13,578,628
- Indonesia: 7,497,137
- Philippines: 8,266,868
- Sri Lanka: 5,960,150
- Thailand: 9,672,881
- Timor-Leste: 3,801,477
- Vietnam: 1,083,126
- Subtotal: $52,086,894

EASTERN EUROPE
- Belarus: $1,208,595

LATIN AMERICA
- Bolivia: $5,489,863
- Brazil: 16,532,460
- Ecuador: 7,142,820
- Guatemala: 5,713,067
- Honduras: 8,195,544
- Mexico: 7,537,735
- Subtotal: $50,611,489

CARIBBEAN
- Dominica and St. Vincent: $2,002,265

UNITED STATES
- Mississippi, North Dakota, Oklahoma, South Dakota and Texas: $4,138,965
- Subtotal: $4,138,965

TOTAL: $198,247,446

In Timor-Leste, 21,000 children are now protected from malaria-infected mosquitoes.

In Brazil, 16 million people live below the poverty line, of which half are children and youth.

In Ethiopia, 16,500 community members in Siraro district received emergency food during the peak of the Horn of Africa drought.

Because of a $40 million grant from USAID and gifts from donors, more than 9 million people in Senegal will have access to primary health care.

In the Mexican communities where ChildFund works, only 6% of people have sufficient income to support their families.

ChildFund has helped 58,800 children and family members reach a higher standard of living through its U.S. programs since 1952.
ChildFund International provided another record-breaking year of benefits to children in fiscal year 2012. The children whom ChildFund serves live in desperate conditions. Last year, ChildFund responded to emergencies in the Horn of Africa as well as the Philippines and The Gambia, providing food, water and other necessities for survival during drought and flooding. ChildFund also partnered with TOMS to put shoes on the feet of thousands of children in Angola, Liberia, Sierra Leone and Zambia. We plan to expand this program into several more countries in the coming year. Meanwhile, in Senegal, children are benefiting from a large-scale community health project that ChildFund is implementing throughout the country.

These are just a few examples that reflect donors’ and corporate partners’ confidence in ChildFund’s ability to effect positive change in the lives of millions of children across the globe. ChildFund is effectively delivering 82 percent of every dollar into program services for children. We are pleased and also thankful to our many generous and caring donors who made the past year successful for the children in ChildFund’s care. Our commitment is to continue working tirelessly as good stewards of your gifts and to ensure their effective and efficient use in serving children.

Sincerely,

James M. Tuite
Vice President, Finance & Operations/Chief Financial Officer

### ChildFund International

#### Consolidated Statements of Financial Position

**FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$32,635,265</td>
<td>$30,010,701</td>
</tr>
<tr>
<td>Investments, at fair value</td>
<td>$33,719,284</td>
<td>$34,178,516</td>
</tr>
<tr>
<td>Beneficial interests in trusts</td>
<td>$12,519,256</td>
<td>$12,611,221</td>
</tr>
<tr>
<td>Receivables and other assets</td>
<td>$12,543,956</td>
<td>$11,532,076</td>
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<tr>
<td>Property, plant and equipment, net</td>
<td>$12,585,144</td>
<td>$13,069,066</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$105,002,905</strong></td>
<td><strong>$101,401,580</strong></td>
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</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$17,698,488</td>
<td>$14,568,626</td>
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<tr>
<td>Accrued benefit liability</td>
<td>9,505,482</td>
<td>5,968,425</td>
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<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>27,203,970</strong></td>
<td><strong>20,537,051</strong></td>
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<tr>
<td>Net Assets</td>
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<td></td>
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<tr>
<td>Unrestricted</td>
<td>$23,780,994</td>
<td>$25,567,899</td>
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<tr>
<td>Temporarily restricted</td>
<td>$36,217,951</td>
<td>$37,681,840</td>
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<tr>
<td>Permanently restricted</td>
<td>$17,799,990</td>
<td>$17,614,900</td>
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<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td><strong>77,798,935</strong></td>
<td><strong>80,864,529</strong></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td><strong>$105,002,905</strong></td>
<td><strong>$101,401,580</strong></td>
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</tbody>
</table>

### ChildFund International

#### Condensed Consolidated Statements of Activities

**FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

<table>
<thead>
<tr>
<th>PUBLIC SUPPORT</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsorships</td>
<td>$162,670,531</td>
<td>$165,741,558</td>
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<tr>
<td>Contributions</td>
<td>45,827,496</td>
<td>37,702,558</td>
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<tr>
<td>Grants and contracts</td>
<td>$33,736,875</td>
<td>$30,148,066</td>
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<tr>
<td><strong>TOTAL PUBLIC SUPPORT</strong></td>
<td><strong>242,234,902</strong></td>
<td><strong>233,592,182</strong></td>
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<table>
<thead>
<tr>
<th>EXPENSES FROM OPERATIONS</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic Education</td>
<td>$72,326,121</td>
<td>$70,474,506</td>
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<tr>
<td>Health and Sanitation</td>
<td>43,448,028</td>
<td>51,161,568</td>
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<tr>
<td>Nutrition</td>
<td>19,535,306</td>
<td>15,506,883</td>
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<tr>
<td>Early Childhood Development</td>
<td>21,848,910</td>
<td>22,518,828</td>
</tr>
<tr>
<td>Micro-Enterprise (Family Income Generation)</td>
<td>19,316,674</td>
<td>16,882,547</td>
</tr>
<tr>
<td>Emergencies</td>
<td>21,772,407</td>
<td>10,971,455</td>
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<tr>
<td><strong>TOTAL PROGRAM</strong></td>
<td><strong>198,247,446</strong></td>
<td><strong>187,515,787</strong></td>
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</table>

<table>
<thead>
<tr>
<th>SUPPORTING SERVICES</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising</td>
<td>$26,371,513</td>
<td>$23,483,186</td>
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<tr>
<td>Management and General</td>
<td>$17,872,320</td>
<td>$15,736,903</td>
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<tr>
<td><strong>TOTAL SUPPORTING SERVICES</strong></td>
<td><strong>44,243,833</strong></td>
<td><strong>39,220,089</strong></td>
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<table>
<thead>
<tr>
<th>TOTAL EXPENSES FROM OPERATIONS</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$242,491,279</strong></td>
<td><strong>$226,735,876</strong></td>
<td></td>
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</tbody>
</table>

Change in Net Assets From Operations

<table>
<thead>
<tr>
<th>Nonoperating Gains (Losses)</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realized gain on investments</td>
<td>$546,896</td>
<td>$999,697</td>
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<tr>
<td>Unrealized (loss) gain on investments</td>
<td>$(1,536,484)</td>
<td>$3,881,773</td>
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<tr>
<td>Change in value of trusts</td>
<td>$(116,031)</td>
<td>$1,131,648</td>
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<tr>
<td>Change in accrued benefit liability other than net periodic costs</td>
<td>$(4,732,917)</td>
<td>$2,917,317</td>
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<tr>
<td><strong>Change in Net Assets</strong></td>
<td><strong>(3,065,594)</strong></td>
<td><strong>19,841,548</strong></td>
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</table>

<table>
<thead>
<tr>
<th>NET ASSETS AT END OF YEAR</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$77,798,935</strong></td>
<td><strong>$80,864,529</strong></td>
<td></td>
</tr>
</tbody>
</table>
In Senegal, where more than half the population lives in poverty, what can a family do when their child is sick? If they live in a rural village, the nearest government health post may be as far as 20 miles away. Most of the country’s several hundred doctors are clustered in the capital. Basic health care is a luxury for most of Senegal. Preventable illnesses and deaths are all too frequent, especially among the most vulnerable: children.

But ChildFund’s many supporters are making it possible to close that gap. With a five-year grant of $40 million from the United States Agency for International Development (USAID), ChildFund is leading the effort to expand access to health care throughout Senegal. The grant requires, however, that ChildFund raise $472,254.61 each year for the life of the grant.

We turned to our supporters for help, offering the USAID match of $16.94 to the dollar. Within 52 days, you met the match, and your generosity in the first year of the grant gives us faith for similar success in the rest.

Here’s how you’re helping ChildFund connect children in Senegal to the care they need:

• Training for community health workers, traditional birth attendants and outreach workers in basic health care and healthy practices
• 2,151 health hubs and 1,717 outreach sites to be established nationwide
• Linkage of community health hubs into the national system
• Education for communities about the health dangers inherent in female genital cutting

Through the generosity of our supporters, 9 million people in Senegal will have access to primary health care — and about half of them are children.

Trained community health volunteers help parents track their children’s growth and watch for signs of undernutrition.

CHILDREN FOR SENEGAL

$40 Million USAID Grant Targets Children and Communities

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Trained community health volunteers help parents track their children’s growth and watch for signs of undernutrition.
Each year, thousands choose to sponsor children. Our supporters are women and men, married and single, old and young, ordinary people and a few celebrities, too. Some can well afford the monthly financial commitment; others are sacrificing to balance a tight budget. All have a common aspiration — change a child’s life for the better.

When a sponsor extends a hand to a child, it’s an act of faith. In most cases, that child lives halfway around the world — a world that prospective sponsors try to interpret through the eyes of the girl or boy staring back at them from a photo on ChildFund’s website. Will the sponsorship reach the child? Will it truly make a difference?

In 2012, ChildFund coordinated several face-to-face visits for sponsors traveling overseas. Here are three of their stories.

**Sponsoring one child has raised our awareness of the long-term, sustainable benefits of improving education, health and safety for an entire community.**

**Karen Lynden**

It is interesting how things in life work out, because when my husband and I chose to sponsor a girl from Cambodia, not too long ago, it was never with the intention of having an opportunity to ever visit Cambodia — much less a remote village to meet Nich.

Through my brother’s offering me the opportunity to travel to Southeast Asia, the visit became an idea to consider, and before we knew it, we were making the three-hour journey from Phnom Penh to Svay Rieng in a four-wheel drive with a ChildFund staff member.

Our sponsored child, her dad and mom, aunt and several other ChildFund representatives were there to greet us. We met in an open-air, covered pavilion that was lined with colorful mats. After our initial greetings, we sat and talked. Through the interpreted conversations over lunch, we found we all have far more in common than we do differences.

Nich is a bright-eyed and sweet girl. Her mother and father were so appreciative, warm and welcoming. We discussed school, family, favorite pastimes and everyday life.

I truly appreciate how ChildFund’s focus is on the well-being of the whole community. It has been said that it takes a village to raise a child, and I agree. I will also add, “Sometimes it takes a child to raise a village.”

Sponsoring one child has raised our awareness of the long-term, sustainable benefits of improving education, health and safety for an entire community. Through ChildFund’s programs in this area, I believe this strategy is succeeding in the community we visited.

**EVERY FAMILY MATTERS**

**Gene Simmons Travels to Zambia**

Years ago, Gene Simmons, the legendary leader of the rock band KISS, was sitting on a comfortable couch watching TV when the ChildFund commercial came on.

“The imagery was so stark,” he recalls. “The children did not have enough to eat — there was no infrastructure. I wanted to make a difference.”

And he did. Today, he sponsors more than 140 children worldwide through ChildFund. He and his wife, Shannon, met several of the children during a visit to Zambia in early May. They filmed the experience for their reality show, Gene Simmons Family Jewels.

“‘We came here with a TV show. ‘Let’s go to Africa and visit the children.’ It’s a nice sound bite,” Gene says. “But what happened along the way is that real life got in the way. We’re going to do something about this.’”

Shannon adds, “Poverty and starvation … once you see it in person, you can’t walk away.”

During the trip, the couple met 12 of their sponsored children. They provided learning materials and school supplies at each of the schools they visited. “It’s our responsibility to take care of each other,” says Gene, who was raised by a single mom in tough conditions. “You don’t need to be a star. You don’t need to be rich.”

“When you are a child, you depend on an adult,” Shannon says. “When you don’t have an adult, you depend on people like ChildFund to help.”
After traveling from California halfway around the world to meet our sponsored families face to face, it’s difficult to express just how much the experience has changed our lives. Our entire family is passionate about the children we sponsor; but only one of us could go and visit. Thanks to a mobile phone, Skype and my iPad, I was able to take my family with me and also connect our sponsored children to my family back home. Now that I’m back from Uganda, my family has begun reevaluating our entire lifestyle. The abundance that surrounds us has been hard to accept — from adjusting the temperature of my house so that I can be more comfortable to getting a glass of water for my son when he’s thirsty. The luxuries that my family take for granted remind me of how much we have, how much more we could share and how much more I could be doing to help.

Our easy access to water compared with the lack of access that is commonplace among our sponsored families and the people of their communities is a subject that plays on my mind. There was a moment in Uganda when our team was inspecting area water sources. It was overwhelming to see the mass of women and children gathered at the “bore hole” to pump water into plastic containers to carry back to their homes. Seeing the vessels being filled, people taking turns, children holding children was heartbreaking and heartwarming. I didn’t see just their struggle. I witnessed their work ethic and the cooperation that existed among family members and the community at large.

There’s a popular story that my family likes to tell about a man who comes upon thousands of starfish washed up on the beach, slowly dying out of reach of the water. He is tossing them one at a time back into the water, when another man walks by and tells him that he can’t possibly save them all. The man bends down and picks up another starfish and replies, “No, but I can save this one.”

David Levis
BECAUSE CHILDHOOD IS A ONE-TIME OPPORTUNITY

We help struggling communities around the world transform themselves into places where children can dream, achieve and contribute.