

Dear Children International supporters,

You are reading this *Special Report* because you care about children and families around the world who want to improve their circumstances and lives. Children International exists to connect people who share this passion in the fight to end poverty for good. Now, in the face of a global pandemic that changed the world, we are guided by a north star that remains unchanged: our Values.

We refuse to be stopped in our tracks. We are adapting, working creatively and resourcefully to create positive impact. That impact looks different in recent months than it did last year, because our children and families need different support during this unique and historic time. Forced by

COVID-19 quarantines to temporarily close the 67 community centers that have served as the hub of our program delivery, we are thoughtfully reexamining how we can redirect our resources to help our kids and families cope with the consequences of the coronavirus outbreak.

This *Special Report* tells a story of dedication and resilience. Our children, families, partners and teammates around the world personify these traits. In this report you will find information about the impact of our work in 2019 — work generous supporters like you made possible — and you'll learn about the innovations we've made to deliver our programs this year under circumstances we never imagined. We have been finding new and creative ways to connect with our families and volunteers, as we continue engaging with supporters to live our mission.

Connecting people through innovation, Values and compassion

Donors like you are also responding creatively and generously. Sadly, some very committed and passionate sponsors have called us saying they are unable to afford their monthly sponsorship due to personal financial difficulties related to the pandemic. They tell us they desperately do not want to stop sponsoring their child. Upon hearing this, donors are stepping up to subsidize the support for these children until our sponsors are able to get back on their feet. Supporters helping supporters, all to help our children ... This is the beauty of humanity, and I am so grateful to witness it.

In the most trying times, our Values guide us toward the highest outcomes. The information and inspiration you'll find on the following pages demonstrate what's possible when we adjust course as needed to navigate a storm. Fueled by your continued support, we continue to bring people together who see the better world we know our children and families deserve.

We are in this together, using adversity as inspiration and a gateway to greater impact and further progress.

With heartfelt gratitude,

Susana Eshleman, PRESIDENT & CEO

Partnerships play a crucial role in enabling Children International's emergency response

iti Foundation has invested in our Social and Financial Literacy and Into Employment® programs in Ecuador for many years. This year, Citi provided an additional \$34,000 to our Emergency Community Fund, which we used to provide emergency food baskets for 565 families in both Guayaquil and Quito. Cristina Arteta, public affairs manager, Citibank, N.A. Ecuador Branch, summed up the benefit of our partnership: "Citi remains firmly committed to the social and financial inclusion of the Ecuadorian community and, in the difficult circumstances currently afflicting our country, to the economic reactivation of the most vulnerable population. It has been an honor for us to join forces with Children International once again to ensure the food security of the young people who benefit from our initiatives each year, along with their families."

To further promote public health, Children International staff in Zambia provided 50,000 bars of soap to the University Teaching Hospitals there. The donation was possible because of our long-standing partnership with Clean the World, a nonprofit that recycles soap from hotels for those in need.

We have partnered with MAP International for more than 20 years to deliver medical supplies around the world. In March, our Philippine staff donated and facilitated the distribution of MAP International supplies to frontline workers and five hospitals in desperate need of personal protective equipment and respirators.

Since 2018, Children International has partnered with the United Nations Refugee Agency (UNHCR) and the municipality of San Pedro Sula, Honduras, to provide community leadership training to youth and adults in hopes of reducing forced migration in the area's most violent sector. When the COVID-19 crisis broke, both institutions agreed to reallocate funds to urgently needed humanitarian aid, including food and disinfectants to protect thousands of families.







Photos, from top to bottom: Zambia agency donates soap to local hospitals; Jesper Videlle and others from UNHCR in Honduras distribute food baskets; Ashley, 6, in Ecuador shows off her family's grocery store haul.

Adapting health practices during a pandemic

rior to the COVID-19 global pandemic, good handwashing habits were quietly saving lives and preventing illness. In fact, it is estimated that proper handwashing with soap and water reduce global diarrhea-associated deaths by as much as 50%.

At Children International, we have seen proof of the correlation between proper handwashing, good health and lives saved. It is part of a preventive health curriculum we've implemented since 2017.

Our staff, volunteers and youth leaders are learning to adapt this program — now more important than ever — during this crisis. In Zambia, for example, youth leaders have made sure that our families, as well as community members in the areas we serve, receive accurate information on COVID-19, the importance of handwashing and safe water promotion.

To help curb the spread of coronavirus and other preventable diseases, Children International is investing \$650,000 toward handwashing education.

In normal times, the handwashing program includes individualized follow-up sessions, in which instructors observe participants' habits to ensure they are using proper techniques. With social-distancing still in place, our volunteers deliver health education sessions as residents go about the daily chores of drawing water from public access points.

In a recent report from our Zambia agency, we learned that 30 health education sessions took place at 30 water points in just one week, reaching more than 2,000 community members, 709 caregivers and 535 sponsored children and youth.

Amid social-distancing practices, such vital information is also being shared via short

2019 stats

23,400 children and youth and **20,000 caregivers** completed our Handwashing & Safe Water Promotion programs.

Before participating in these programs, just 37% knew when they should wash their hands.

After completion, **83% of participants reported handwashing** (with soap and water) at critical times.

videos created by youth health leaders. In addition to the videos, some youth groups have continued conducting discussions about COVID-19 preventive measures via WhatsApp and Facebook. These groups have elected representatives who share their learnings via direct calls and texts to those who aren't able to consistently participate.

In Lusaka, Zambia, one of our instructors lowers her mask to provide clear information about proper handwashing techniques.



Resilience skills help kids through crisis

ealth education is one of the major pillars of our program. Based on the knowledge that prevention is the most powerful medicine, our staff provide kids and caregivers with the tools they need to stay healthy.

The long-term results of growing up in poverty can have lasting negative consequences on a child's physical and mental well-being. However, when we reach kids early, teaching them how to build resilience, they are better able to navigate the difficulties they're up against and are better equipped to break the cycle of poverty.

In 2017, we tested a resilience curriculum created in partnership with Turning Point. The pilot launched in Mexico, where mental health is widely recognized as a priority health issue. We expanded the reach of the program there the following year and also rolled it out to more than 2,000 children in India. That year, we increased the number of kids receiving mental health interventions (prevention or treatment) by 122%.

Today, faced with the challenges of a global pandemic, children and families around the world are struggling with mental well-being more than ever. In response, Children International quickly tested a modified version of our resilience programming for entire families — one that can be taught and used remotely. Because we had a solid foundation to build upon, we were able to launch this virtual resilience curriculum globally by the end of June 2020.

Modifying our existing resilience program for use on available video platforms, participating families are given "to-do challenges," designed to help everyone in the household build and strengthen their resilience skills. Virtual group discussions, phone calls and WhatsApp "rooms" are created for participants and instructors to share photos, videos and thoughts about these exercises.

Such adaptive interventions, especially during this incredibly trying time, are powerful demonstrations of the vital work our staff is able to do, thanks to the ongoing dedication of our supporters.

When learning resilience, participants — like those seen here in Mexico last year — create art, using different colors to identify a range of emotions.

2019 stats

After completing our resilience programming, 82% of children and youth reported practicing self-care.



Accessing health services during shut-downs

or the first time, agencies measured satisfaction systematically with the constituent voice methodology. Agencies paired micro surveys with follow-up dialogues to create reliable feedback loops that ensure they meet patients' needs and improve services when necessary.

Access to health services is one of the pillars of Children International programming. The forced closure of community centers due to the pandemic has not stopped our staff around the world from ensuring families have access to health care when they need it. We've scaled up our telehealth services exponentially in the wake of coronavirus shut-downs.

In Honduras, for example, through social media and volunteers, the agency is making all beneficiaries aware of the phone numbers and hours they can call for a medical consultation. Children International doctors are using their personal phone lines to provide these services.

Even though this is an entirely new way to provide health care, globally, more than 3,200 children and youth have already made use of this service, at the time of publication.

TOP: In India, prior to any visit in our community centers or participating in any activities (which are extremely limited), children are getting their temperatures checked. BOTTOM: In some cases, such as getting a prescription filled in Honduras, socially distanced visits to our health clinics are a vital service for families.

2019 stats

74,855 sponsored children and youth (40%) received at least one exam from a Children International clinic.

Children International clinics conducted 149.256 annual exams, curative exams and follow-ups.

Satisfaction in the clinics remains very high at 94% globally.





Leaning in to distance learning

hen joining Children International, young people gain access to the educational tools they need to succeed, based on age, location and their own unique life circumstances. Keeping children from falling behind early is critical to their academic success. Tutoring programs help students receive the extra attention and assistance that so many of our disadvantaged children need to stay on track and complete their education.

Led by teachers or older volunteer students who know the children personally and care about them, our tutors have a proven track record of success. Continuing to provide educational tools like tutoring becomes difficult, but no less important, during crises like the one the world is in now. With schools and community centers shuttered, our staff, educators, parents and children have found ways to adapt.

Distance-learning has become a priority since the pandemic hit. In India, staff are using WhatsApp for continued learning. Teachers and tutors remotely help students complete their assignments and are giving parents recorded messages with information about how to assist their children during home-schooling. Staff will soon test the use of Zoom, a videoconferencing technology, with the goal of further improving students' studies.

In the Dominican Republic, staff continue tutoring through virtual classes and, each week, conduct evaluations to measure the program's effectiveness. The results have been heartening. They report an increase of 90% in learning, measured through quizzes.

We've found other inventive ways of helping students who have difficulty accessing technology. In Colombia, staff prepare short educational activities to share with families who then engage their children in learning. Donated books are being sent to children who do not have internet access or computers.

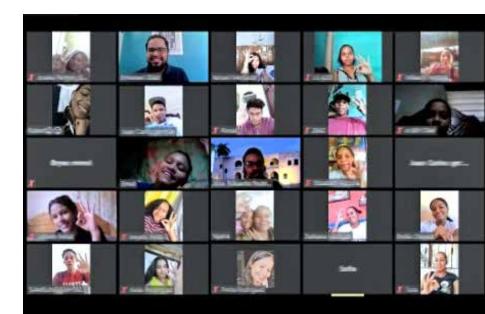
Across the globe, we are learning to navigate successfully through this unprecedented crisis, continuing to teach our children so they can continue making educational progress wherever they are.

2019 stats

At least 88% of tutoring program participants increased their proficiency in math and literacy.

For the second year in a row, 97% of tutoring students were able to finish their school year and move up to the next grade level.

Virtual classrooms, like this one in the Dominican Republic, provide the assistance children need to stay on track with their education.



Empowering youth to lead even in emergencies

hrough our empowerment programs, children and youth learn to be open, resourceful and persistent. They discover how to creatively solve problems, both independently and with others. They also gain a sense of social responsibility and explore how they can lead change within their communities. And they hone their communication skills, enabling them to navigate difficult situations with integrity, thoughtfulness and ease.

In times of crisis, a person's sense of empowerment becomes all the more crucial — so they can remain nimble and calm in the face of adversity. Here are three examples of how our empowerment program participants and educators are adapting and meeting the current moment.

Program coordinators in Ecuador established weekly challenges, such as sports activities and exercise circuits, to stave off boredom, help children and youth feel less alone and anxious, and improve children's mental health during lockdown. The challenges, shared through WhatsApp, Facebook and Instagram, quickly gained a following and are useful in staying connected to our children and youth.

The community youth reporters in Zambia have always used their voices for good by reporting on relevant social concerns, and they continue to do so now. They are currently raising awareness about the pandemic and working to end the stigma of the virus. As youth reporter Musowe explains: "I took it upon myself to write about these stories of discrimination and stigmatization against [those] who are recovering from coronavirus."

Our staff in Little Rock, Arkansas, had to suspend all programs due to the coronavirus — including our popular summer camp, which provides life-skills training through art programs. Because we understand how important coaches and mentors are in uncertain times, our staff is

2019 stats

63,961 children and youth

developed life and socialresponsibility skills through Children International empowerment programs.

Our empowerment programs continue to have high completion rates — 87% on average.

exploring creative ways to provide support. From athome summer kits to virtual workshops, children will still receive support when they need it.

Youth participating in our arts program in Guayaquil, Ecuador, took virtual tours of museums and art galleries, then recreated their favorite art pieces at home.



Connecting virtually for employment

steady income means an increase in every young adults' standard of living and, for many, a chance to grow through further education and professional advancement. Our employment programs aim to increase the number of young adults who have a formal job by helping youth gain marketable skills through continuing education and access to the job market via job-readiness skills.

Over the years, our programs, including Into Employment®, HOPE scholarships and Career Readiness, have steadily grown in enrollment and completion. The youth participating in these programs are highly motivated and tenacious — and, as our current employment program participants in Colombia have shown — unwavering in their dedication to building better futures for themselves.

Despite facing a global pandemic, the participants and our local staff in Colombia quickly adapted to their new reality by using remote learning tools for life- and job-skills training

2019 stats

Overall, our employment programs had a high completion rate of 85%.

79% of scholarship recipients finished their academic year, and 1,632 students completed their full course of study.

At 71%, our Into Employment® program saw the highest job placement rate of all our employment programs.

and staying connected through social media. To date, they have 400 members in their Facebook groups and nearly half of the targeted population have logged on to the virtual platform. Youth also are motivating each other to participate. HOPE scholar Laura shared a video in which she tells her peers: "It has been very interesting to learn, to meet other HOPE scholars from other areas." Laura said she uses the platform daily and stressed how important she finds the life-skills and self-awareness training.



Each year, Children International awards thousands of HOPE scholarships for university or vocational school. In addition to financial assistance, HOPE scholars take part in life-skills and career-readiness training that help ensure they are prepared to find stable employment once they have graduated.

Because of the pandemic, however, young people in school this year have experienced a disruption in their education. The need for scholarships is

likely to increase as meager family resources are needed for basic essentials such as food. Where possible, schools and universities are shifting to online courses, but the ability to pay for this is still a barrier to many. In Colombia, for example, where the majority of students attend vocational school, 67% of scholarship recipients have moved to online training. The remaining 33% are not receiving technical training because they study in the health sector, which is currently suspended.

Looking forward: Community center construction underway

Our community centers stand as a testament to our long-term investment in our communities. We are eternally grateful for the generous key partners who invest in our centers. Thank you for believing in our children and in the programs Children International provides.

COMPLETE IN FEBRUARY 2020

Sperber Community Center, Ecuador

Louise Sperber, Ron and Mary Neal, Ed and Sue Zinni

UNDER CONSTRUCTION

Chimaltenango community center, Guatemala

Adam, Melissa and Brantley Newsome and Forrest Babington

Cienfuegos community center, Dominican Republic

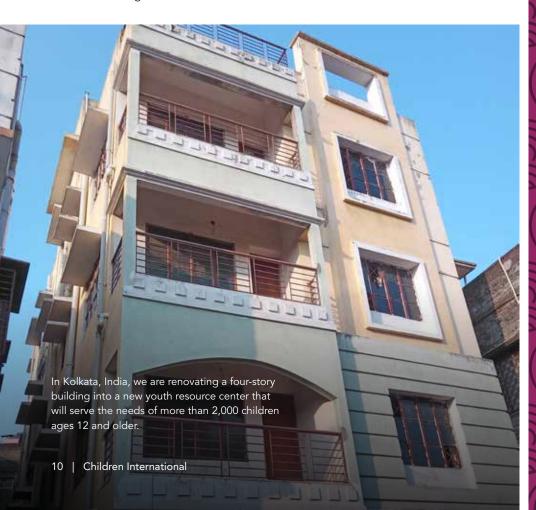
Gordon and Donna Bailey, Bill and Jill Dahlberg

Kolkata youth resource center

Dave Sabers

Santa Rosa community center, Colombia

Tim Angel



Special thanks to the donors who have given \$100,000+ during our 2019 fiscal year and 2020 fiscal year-to-date:

Adam, Melissa and Brantley

Newsome, and Forrest Babington

Aviv Foundation

Barbara and Roland Paanakker

Barbara Henker*

Bill and Jill Dahlberg

Chris Kent

Citi Foundation

Clean the World Foundation

Dave and Fiona Cormack

Dave Sabers

Free Wheelchair Mission

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Guru Krupa Foundation

(guru-krupa.org)

In memory of Elizabeth D. Brodsky

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TOMS Shoes

The Walsh Foundation

Windgate Foundation

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Anonymous (3)

*Planned gifts. To learn about gift planning options, please contact Robert King, J.D., at rking@children.org, 816-943-3837.

Every effort has been made to ensure a complete and accurate list. We regret any errors or omissions.

CONDENSED AUDITED FINANCIAL INFORMATION

Independent auditor: BKD LLP | For fiscal year: Oct. 1, 2018 to Sept. 30, 2019

PUBLIC SUPPORT & REVENUE	
Sponsorships and contributions	\$77,719,546
Product donations	\$33,816,690
Legacies and bequests	\$1,641,102
Other income, net	\$1,231,306
Total public support and revenue	\$114,408,644

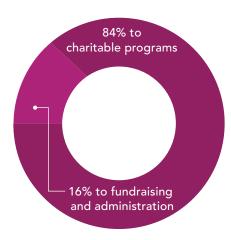
EXPENSES	
Worldwide program services	\$91,786,386
SUPPORTING SERVICES	
Management and general	\$7,595,360
Securing financial support	\$9,954,108
Total supporting services	\$17,549,468
Total expenses	\$109,335,854

Net assets, beginning of the year	\$65,305,549
Public support and revenue over expenses	\$5,072,790
Nonoperating activities	\$1,139,301
Net assets, end of the year	\$71,517,640

To access our full audited financial statements, visit children.org/accountability.

IN 2019

supported programs that helped children and youth lift themselves out of poverty, and we're proud of the high standards we met in achieving that number. At Children International your money goes a long way in changing lives.



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Children International ranks highly among charity watchdog groups.







