

TO: Robert G. Kinney, Chairman,
and Members of the Board of Directors
of Compassion International, Inc.

FROM: Wallace H. Erickson, President

DATE: September 17, 1993

SUBJECT: The President's Annual Report for
Fiscal Year--July 1992 through June 1993

I. HIGHLIGHTS OF 1992-1993

This has been another wonderful year of growth, progress, and transition. While many organizations around us, both profit and non-profit, were lamenting a year of economic slump, Compassion moved forward economically and numerically setting new records. Those records were written by many men and women, each contributing in his or her own unique way. They were set by staff at home and overseas who are deeply committed--first to the Lord's work, and then to the ministry of lifting and loving neglected, needy children around the world.

Above all, we acknowledge that our growth, progress, smooth transition in a time of great change, and the new records set have all come about as the result of God's blessings upon the ministry of Compassion International. Without His daily guidance we would never have experienced and enjoyed this upward trend. This is His ministry and we are His servants.

YEAR IN REVIEW

In September we held our annual Board meeting in Denver. Two new Board members, Billie Baptiste and Jackie Jackson, attended their first Board meeting. These two women will now be participating in decision making and in giving guidance to Compassion's worldwide ministry. Robert Leduc led a special one-day workshop, sharing with the Board an outside perspective of Compassion's performance and the Board's responsibility.

In November the executive staff and their wives met for a three-day retreat at the Nature Place Conference Center west of Colorado Springs. Once again, the executives reaffirmed their commitment to spiritual values in their personal and family lives. Small group discussions, tests, and games were designed to reveal individual gifts and leadership skills. This was our first attempt to discover who we think we are. One of the secrets of Compassion's future growth will be individual manager's ability to build and lead teams. Wives were also exposed to some of Compassion's pressing issues and thus gained a greater appreciation of the work and struggles of their spouses.

Late in November Mary and I took our 25th anniversary trip to Hawaii. We were grateful for the opportunity to relax to the rhythm of the ocean waves, breathe deep of the sea breeze, and view the wonders of God's creation.

In December we were privileged to have our Chairman Bob Kinney and Ron and Jan Lehmann in attendance at our staff Christmas dinner. Two checks of one thousand dollars each were presented to two local ministries. This money was raised throughout the year by our employees, holding special events--bake sales and a barbeque.

In January Mary and I spent one week of our vacation time in Sun City West, Arizona. There we picked out a lot and a model home and made the choice that this would be our retirement community.

In February Wess Stafford escorted Jackie Jackson and Billie Baptiste on their first overseas trip--an extended weekend to Ecuador. This is in keeping with our new policy to expose Board personnel to some overseas work as quickly as possible.

Early in March Wess and I attended the NAE conference in Orlando, Florida, making contact with many of our mission partners.

Later that month I accompanied Monty Sanner and a group of sponsors on a two-week trip to Brazil. Once again it was a thrill to watch the response of our sponsors when they met their children for the first time and to be engrossed in their questions that flowed freely as they grappled with the apparent inequities and cultural differences. Sponsors are such a loving, diverse, and special group of people.

In April a delegation of Board members and staff made our farewell trip to South Korea, celebrating over 40 years of ministry to needy children in the land of Compassion's birth. Board members included Dr. & Mrs. Hemwall, Miriam Swanson Westerberg (accompanied by her daughter and son-in-law), and our Chairman Bob Kinney (accompanied by his son, Dr. Robert B Kinney). Don Miller, Ed Kimball, Don Gillespie, Wess Stafford, and I represented the headquarters staff.

At the closing ceremony in Seoul, we honored 32 individuals who had contributed to the care and development of Korean children. Some had served for the entire 40 years. Special honors were extended to our Country Director, Kim Yung Ju, and our accountant, Kim Soo Chung--both had served for more than 25 years--and to Dr. Billy Kim who was Compassion's faithful Board member and spiritual counselor. We thank God for the great economic and spiritual development that have taken place in this country. I believe everyone who made the pilgrimage agrees that closing our work in South Korea at this time was the right decision. Over

II. PROGRAM ACTIVITIES

A. SPONSORSHIP PROJECTS

1. Report on Child Sponsorships

At the end of fiscal year 1992-93, Compassion had child sponsorship programs in 22 countries and sponsored 180,780 children. We experienced an increase of 4,878 children since June of 1992 which represents a 2.77% overall growth rate including Cooperating Countries, and a 1.97% growth rate for the U.S. alone.

After 40 years of ministry, our program in Korea was terminated in March of 1993 due to substantial economic improvement. We also terminated our ministries in Malaysia and Singapore in December 1992 due to the fact that their governments are now able to fully support their own schools. (See Schedules A1 for historical chart. See Schedule B1 for summary of sponsored children and projects.)

<u>Cooperating Country</u>	<u>Total Sponsored 1991-92</u>	<u>Total Sponsored 1992-93</u>	<u>Total Sponsorships 1992-93 *</u>	<u>% of total Sponsored 1992-93</u>
United States	127,215	129,722	130,733	71.75
Australia	10,766	11,513	11,574	6.37
Canada	10,717	11,422	11,571	6.32
Great Britain	23,668	24,260	24,323	13.42
France	1,620	1,892	1,893	1.05
New Zealand	<u>1,916</u>	<u>1,971</u>	<u>2,000</u>	<u>1.09</u>
TOTAL	175,902	180,780	182,094 *	100.0

* Total Sponsorships include unresolved child departures in process.

2. Child Development Programs

During the past year, good progress was made in all Areas to create improved Child Development Programs. Almost all projects now have a written plan, schedule, and budget which helps them prioritize activities and focus efforts for more effective ministry. In all programs, more attention is being given to evaluating actual needs and selecting the most appropriate activities from a wide variety of possibilities.

(See Schedule B2 for a complete description of the Sponsorship Base Program.)