2016 Annual Report

January 1, 2016-December 31, 2016
Our Vision
All children are ready to succeed in school and in life.

Our Mission
We advance the success of all children by partnering with families, professionals and the community through exemplary services, training, research and advocacy. We accomplish our mission within a culture of innovation, collaboration and shared leadership.

Children, Inc. 2016
Board of Directors

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Steve Horn, Treasurer
Monica McGloin, OP, Secretary

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Gary Strassel
Bernard Young
Lori Zombek

Dear Friends,

There are so many amazing accomplishments from 2016 that we struggled to tell them all in one report. Children, Inc. is continuing to grow and serve more families in our community in a meaningful way. Our vision of all children ready to succeed in school and life is becoming even more achievable because of the advancements from 2016. The year was full of open doors to amazing partnerships and opportunities.

As we look back on 2016, we have many reasons to celebrate. Last year we were able to expand our direct services to new areas by partnering with local school districts, acquiring a new program that serves parents, achieving amazing goals with the Kentucky General Assembly, developed new materials in our Innovation Lab, and for the first time in Children, Inc’s history, we hired a Chief Operating Officer for the organization.

2016 was successful due to the dedication of our amazing board, staff, and volunteers. We are so thankful to have a talented team working on our mission every day.

Gratefully,

Rick Hulefeld
Chief Executive Officer

Shannon Starkey-Taylor
Chief Operating Officer
Shannon Starkey-Taylor, Chief Operating Officer

One of the most forward-thinking initiatives Children, Inc. has accomplished was for the first time in 40 years the organization recruited a Chief Operating Officer. On January 1, 2016 Shannon Starkey-Taylor joined our agency as the first ever Chief Operating Officer for Children, Inc. She has specialized in the field of Early Childhood, Education and Social Work for over 22 years and brings a wide gamut of experience to our leadership team.

Prior to Children, Inc., Shannon was the Chief Operating Officer for Rettsyndrome.org where she was responsible for the day to day operations of a Foundation reporting directly to a national Board of Directors. During Shannon’s first year, she successfully led the organization through a strategic planning process, rebranding initiative including a website design, and a fundraising plan allowing the Foundation to once again exceed the $5MM amount which they had not reached in the past two years.

Prior to Rettsyndrome.org, Shannon was the Vice President of Strategic Development at The Children’s Home of Cincinnati where she was responsible for new program development, marketing, and ensuring the agency met their strategic goals. Previously as the Vice President of Education for The Children’s Home, Shannon oversaw the daily operations of over 70 personnel in the Education and Early Childhood departments, and was responsible for a $5MM of the organization’s $20 MM operating budget. Shannon developed new service initiatives including a full array of early childhood services and a high school for students with Autism and other related disorders.

During the first year of Shannon’s leadership she has led the organization through a variety of major initiatives including the development of a four-year strategic plan, restructured the organization to better utilize the talents of our staff, and expanded our services to meet community needs.
Expansion in Ohio

Our vision of all children ready to succeed in school and life has always been at the heart of our work. Our recent expansions in Ohio are allowing our vision to come even closer to completion. With guidance of our leadership team and board of directors, Children, Inc. has taken major strides to serve more children and families in Greater Cincinnati. There are now four Children, Inc. Early Learning Centers in Cincinnati providing high quality care to families in need. These multi-star rated programs are as follows:

- **Early Learning Center at Bond Hill**
  4946 Paddock Road, Cincinnati, OH 45237

- **Peaslee Early Learning Center**
  215 East 14th Street, Cincinnati, OH 45202

- **VISIONS Early Learning Center at CityLink**
  800 Bank St., Cincinnati, OH 45214

- **Visions Early Learning Center at Gateway**
  415 West Court St, Suite D, Cincinnati, OH 45203

**Leadership Scholars Parent Academy — a Multi-Generation Approach**

Our expansion of services in Cincinnati is now allowing us to impact the lives of school age children and their families in a more meaningful way. In December of 2016, Children, Inc. finalized the acquisition of Leadership Scholars Parent Academy. Leadership Scholars ensures that both academic and life success are possible for ALL children, regardless of socioeconomic background through this unique approach. Their methodology is to work with the parent (or any dedicated significant adult in a child’s life) and emphasize two key areas of expertise to parents:

- **College Readiness**: practices centered on academic success
- **Success Mindset**: social and emotional behavioral strategies integral to navigating emotions and building relationships

This program originated in Cincinnati and continues to have a strong presence in the community while expanding services in Northern Kentucky.

Children, Inc. hopes to service children and families in Cincinnati for many generations to have a large and lasting impact on the region.
Innovation Lab

The Innovation Lab at Children, Inc. is committed to producing both incremental and disruptive innovations that have a positive impact on the development of children both in CI programs and around the world. This year, our work bringing character science to early childhood education received international and national attention. It was featured as a chapter in an anthology of positive psychology applications from 10 countries around the world, Dr. Carmel Proctor’s Positive Psychology Interventions in Practice. Sarah Zawaly was the chief collaborator with Beech Acres Parenting Center and the Mayerson Academy in developing a mindful character strength program that will be piloted in local schools and disseminated nationally. Sarah has trained or coached over 500 teachers this year on character strengths.

Also this year, our A.F.T.E.R. Before the Bullying program (Lottman, 2014) was named one of the top 25 research-based social and emotional (SEL) programs by the Harvard Graduate School of Education and the Wallace Foundation.

Our language enrichment parenting app, RX for Success, created for the national Reach Out and Read (ROR) program, underwent successful piloting in local pediatric clinics. Later this year we will conduct a randomized control trial (RCT) of the app in partnership with ROR, Cincinnati Children’s Hospital Medical Center and Connecticut’s Children Medical Center. Josh Hatton is the primary liaison with the School of Informatics app development team at NKU helping us in the final preparation for the RCT.

Tom Lottman, Senior Director of the Lab co-led the Kentucky Team to the National P-3 Institute in Seattle and continues to co-chair the KY P-3 Workgroup which has made recommendations on: 1) Aligning (SEL) Pre-K to Grade 3; 2) Parent supports for SEL Birth to 3; and 3) Collecting and using K readiness data.

Tom, Sarah, Josh and the rest of the team are excited about the successes of the Innovation Lab this year and look forward to new horizons in the years to come.
2016-2017 Outcomes
for children enrolled in a Children, Inc. early learning center for at least one year

- 92% of children met or exceeded age appropriate language skills like reading comprehension and naming objects
- 90% of children met or exceeded age appropriate fine motor skills like writing and manipulating small objects
- 95% of children met or exceeded age appropriate gross motor skills like moving large objects
- 96% of children demonstrated or exceeded age appropriate initiative
- 94% of children demonstrated or exceeded age appropriate social emotional skills
- 93% of children were securely attached to an adult in their lives
- 94% of children met or exceeded age appropriate cognitive skills like matching and counting

2016 IMPACT REPORT

1161 CHILDREN in early education programs
598 CHILDREN were low income

1385 CHILDREN in school age services
317 CHILDREN were low income

Number of children served in 2016

2016-2017

1161
598
1385
317

2016-2017

92%
90%
95%
96%
94%
93%
94%

leadership scholars program believe they know what steps to take for their child to enter college
Leadership Scholars:
• 503 parent graduates
• 220 student graduates

Kentucky’s Voice for Early Childhood:
• 12,989 total members
• 916 messages sent to legislators

NaviGo Prep:
• 1,200 students created post graduate plans
• 17 school district partnerships
• 20 company partnerships
• 100 NaviGo trained community mentors and teachers

Young Families/Every Child Succeeds:
• 43 families graduated — Parents successfully completed at least two years of home visitation services

Service Learning:
• 20,000 children involved in service learning projects

Innovation Lab:
• 8 schools piloted with Curriculum Development on Mindful Character Strength Practice
• 350+ teachers and parents trained in Character Science and Mindfulness
• 50+ teachers trained in Adverse Childhood Experiences (ACES) and Strengthening Families

Growing Sound:
• 38 school/family concerts presented Growing Sound songs to over 2,500 children
• 14 workshop training events presented to over 900 teachers

Professional Development and Training:
• 18 trainings held
• 127 teachers trained
• 16 newly credentialed Montessori teachers graduated

Other Facts

13 FIVE STAR RATED PROGRAMS

Children, Inc. was awarded 13 five star ratings by the Kentucky All Stars Program and Ohio’s Step Up to Quality Program.
Boone County Early Learning Center

Last year saw the creation of an amazing partnership between Boone County School District, Success by 6 of Boone County, and Children, Inc. These three partners, all dedicated to improving the educational and social-emotional well-being of children, collaborated to create the Boone County Early Learning Center. This high quality, state of the art, infant-preschool center has the ability to serve 92 children and families in Boone County.

One of the most exciting benefits of this partnership is the collaboration between Boone County and Children, Inc. teachers. The program is built on a blended preschool model where Boone County teachers work with the students for half the day while Children, Inc. teachers provide the other half day care. Our teachers work in partnership to ensure a continuum of care is created for each child.

This center was made possible due to the creation of the Tier 3 Grants through the Governor’s Office for Early Childhood. This program allocated 7.5 million dollars in grants to give school districts to build partnerships with the early education community to prepare more children for kindergarten. This program is allowing children the ability to spend many more hours in learning environments. For example, a half day, school year preschool program will provide a preschool with four hours of early education but when supplemented by a private early learning organization to create a full day, year round experience that same preschooler now has access to two thousand hours of early education.

This project was possible due to a fantastic partnership with Boone County School District. The leadership and expertise provided by Dr. Randy Poe, superintendent of Boone County Schools and Kathy Reutman, Executive Director of Student Services for Boone County School District have been outstanding. We are so proud of the continued success of this partnership and look forward to see the future success of the children we support and teach.
Children, Inc.’s advocacy efforts continued to produce results in 2016 that benefit children and their families. We helped mobilize support from our state and local partners to secure $10.6 million in new funding to increase eligibility to 160% of poverty for child care assistance (CCAP) for working families. That put it in line with public preschool eligibility. The Legislature also set aside $15 million in preschool funds to be used by school districts, Head Start and child care providers for all-day preschool. Eight local school districts received funding in the initial round. Children, Inc. is a partner with six of those districts. Two-thirds of parents of young children work and require dependable, all-day child care. These grants leverage funding from several sources to meet that need.

We also pushed for an increase in CCAP child care provider reimbursement which was adopted in February 2016. We and other state coalition partners also weighed in on changes to the state Child Care and Development Fund (CCDF) plan and related regulations with written comments and testimony before legislative panels. We also sent messages to Congress regarding reauthorization of the CCAP program.

Kentucky’s Voice for Early Childhood, our online advocacy network, was formed by Children, Inc. in 2004 in response to drastic cuts to child care and family support programs. It has grown to more than 12,000 members statewide in nearly every legislative district in Kentucky. Kentucky’s Voice has been an important part of the advocacy successes that led to funding increases and policy achievements for Kentucky children and families.

Looking Ahead to 2017

While the last year was filled with many wonderful projects and partnerships, we are even more excited about what 2017 had in store for us. The year ahead has included the acquisition of two organizations:

- **Leadership Scholars Parent Academy** - Empowers parents to be a catalyst for their children to attend and graduate college with the end goal to increase the number of more highly educated individuals.
- **NaviGo Prep** - College and career readiness program that works with young adults to discover their interests, passions and talents, and help them navigate all the possibilities beyond high school.

The acquisition of these two organizations has allowed us to expand our continuum of services to better meet the needs of older children and families. Due to partnerships with agencies like CityLink and Life Learning Center, our two generational focus is coming to fruition.

An initiative that we are the most excited for is the launch of our capital campaign. This campaign will give Children, Inc. the ability to serve more children and families locally, nationally, and internationally.

Thank you for your continued support of our organization, our success is possible due to your generosity and kindness.
## 2016 Financials

### OPERATING REVENUE

<table>
<thead>
<tr>
<th>Source</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent Fees and Direct Income</td>
<td>$3,854,762</td>
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<tr>
<td>United Way</td>
<td>$1,107,600</td>
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<tr>
<td>Early Head Start</td>
<td>$391,312</td>
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<tr>
<td>Government Funding</td>
<td>$2,548,288</td>
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<td>Grants and Contributions</td>
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<td>Other Income</td>
<td>$63,711</td>
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<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>$9,002,770</strong></td>
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### OPERATING EXPENSE

<table>
<thead>
<tr>
<th>Category</th>
<th>Expense</th>
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</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>$5,703,920</td>
</tr>
<tr>
<td>Benefits and Payroll Taxes</td>
<td>$1,143,287</td>
</tr>
<tr>
<td>Other expenses</td>
<td>$2,313,857</td>
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<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td><strong>$9,161,064</strong></td>
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<tr>
<td><strong>OPERATING DEFICIT</strong></td>
<td><strong>$(158,294)</strong></td>
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<tr>
<td><strong>INVESTMENT GAINS</strong></td>
<td><strong>$307,411</strong></td>
</tr>
<tr>
<td><strong>TOTAL CHANGE IN NET ASSETS</strong></td>
<td><strong>$149,117</strong></td>
</tr>
</tbody>
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## Continuum of Services

### Family Support:
- Rx for Success App: estimated 4.5 million families projected in 2018
- Character Strengths Training for Teachers and Families (piloting in 9 elementary schools 2017-2018)
- Leadership Scholars (estimated 1000 families in 2018)

### Training:
- Montessori, Resiliency, Character Strengths

### Advocacy:
- Regional and statewide networks
- Kentucky’s Voice for Early Childhood

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- Young families weekly home visitation (200/year)
- 25 before and after school programs (1200/year)
- Service Learning in 45 schools (20,000+/year)
- 13 five star rated early learning centers (1500/year)
- 20 family child care homes (150/yr)
- NaviGo: Coaching over 1200 Business pipeline: 200+
2016 Donors

Thank you for the meaningful donations to Children, Inc. It is due to the support of caring individuals and organizations that we are able to serve so many children and families in our community.

$10,000+
United Way of Greater Cincinnati
BB&T
Charles H. Dater Foundation
Chuck & Caroline Goering
Gary & Nancy Strassel
George B. Riley Trust Estate
Halie Foundation
Jergens Foundation
Mayerson Foundation
O.C.C.R.R.A.
Reach Out & Read Inc
Sharon Bateman
Stand Electric
The R. C. Durr Foundation
Toyota Motor Engineering and Manufacturing of North America

$1,000-$10,000
Alice Sparks
Bill Butler
Brad & Holly Butler
Brad Butler
Brent Cooper
Butler Foundation
Carlisle Enterprises, Inc.
Chic & Joyce Tappan
Crystal Dahmeyer
Dan & Elizabeth Ellis
Dan Gronick
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Horan Associates
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Jason & Ann Thompson
Jeff and Shannon
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Jim & Carolyn Harmon
John Goering
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PCA Architecture
Peaslee Neighborhood Center
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Ruth Schwablie & Mark Silbersack
Scripps Howard Foundation
Steve Yards
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Western and Southern Financial Group

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Jason Yaeger
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John Fails
John Fehr
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Karen Hulefeld
Karme O'Neill
Kimberlee Nickolas
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Lawrene & Margo Bowman
Lee & Shannon Carter
Mary Henkel
Matthew & Mary Kay Connolly
Maxim Crane Works
Meredith Fox
Michael & Amy Cheney
Michele & Matthew Carey
Monica Beavers
Northern Kentucky University
Passport Health Plan
Patrick Hughes
Penny & Tom Hultefield
Peter and Marina Schmid
Family GCF
Phyllis Berry
Rene & Tom Bricking
Republic Bank
Richard Pfefferle
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Roddy MacEwen
Rusty & Constance Wilson
Sheila Hughes
Sheri Brueggemann
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Steve Brunson

Steve Harper
Steve Roedding
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Timoney Raavena
Trey & Stacy Taple
Wayne & Barbara Beimesch
Wellcare
William & Marilyn Martin
William /Gregg Mayberry
William Anderson
Xavier University

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Amazon
Amy Stewart Esq.
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Ann Conley
Anne Macfie
ARC Electric
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Bill Wells
Brian Brinkmoeller
Brian Conolly
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David & Rachel Zahniser
David & Sharon Trumpy
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Elliot Grossman
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Thomas & Gina Loftquist Thomas Brinkman
Thomas/ Eugene Campbell TRT Banners, LLC
Virginia Kerst
William & Mary Rieke
Your Cause

While we take great strides to make sure every supporter who gave a gift to our organization between January 1, 2016 and December 31, 2016 is included in this report, we realize that a name may have been mistakenly omitted. We apologize if we have inadvertently failed to recognize one of our valued contributors.