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November 4, 2019

State of Mississippi  
Department of Human Services  
Christopher Freeze, Executive Director  
200 South Lamar Street  
Jackson, MS 39201

RE: RFP No. 19100101 TANF APA

Dear Mr. Freeze:


Save the Children has worked in Mississippi for over 80 years, bringing state investment and significant private dollars to create real and lasting change for children in need. Our work encompasses a continuum of development and learning services for young children and their families in targeted rural, economically-distressed communities. Our pioneering programs give children a healthy start, the opportunity to learn and protection from harm. We partner with 11 high-poverty schools, employing 160 people across seven Mississippi counties and serving 4,745 children.

Save the Children has achieved strong academic outcomes for Mississippi children participating in our School-Age Education Program. Last year, four in five children who started the year reading below grade level improved significantly. This improvement was equivalent to 5.9 additional months of school. We will continue to improve academic outcomes for children in partnership with the Mississippi Department of Human Services under funding for Temporary Assistance for Needy Families Services for Afterschool Program Activities.

Organization: Save the Children Federation, Inc.  
DUNS number: XXXXXXXXXX  
Address: 501 Kings Highway East, Suite 400, Fairfield, CT 06825  
Contact Person: Kathleen McLaughlin  
Phone Number: (202) 794-1689  
Fax Number: (202) 794-1853  
Email: [kmclaughlin@savechildren.org](mailto:kmclaughlin@savechildren.org)

Thank you for your consideration.

Sincerely,



Betsy Zorio  
Vice President  
U.S. Programs and Advocacy



### 3) Proposal

#### 2.3 Scope of Services – Afterschool Program Activities, A. Service Area Description

*(Section 2.3.A.1.)* Save the Children Federation, Inc. (SCUS) proposes to partner with three high-poverty schools to provide services for children and families in rural Tallahatchie and Jefferson Davis Counties. One of the selected counties, Tallahatchie has experienced a significant increase in the number of juvenile justice referrals over the past three years. In 2016, there were 46 referrals, and in 2018 the number reached 87.<sup>i</sup> The number of referrals represent 4% of the total population in the county between the ages of 9 and 17 years old.

*(Section 2.3.A.2.) Description of Participants.* SCUS is prioritizing two of the highest need counties in Mississippi, where persistent poverty creates barriers to education and employment for families. Areas are counties of persistent poverty and persistent child poverty<sup>ii</sup>, as measured over three decades with 20% or more residents and children under 18 years old were in poverty.

| <b>Location</b>                                      | <b>Population living below the poverty level</b> | <b>Children (under 18) in poverty</b> | <b>Free/reduced – price meal rate</b> | <b>Accountability Rating (schools only)</b> |
|--|--|---------------------------------------|---------------------------------------|---|
| <b>Mississippi, statewide</b>                        | <b>19.8%</b>                                     | <b>27%</b>                            |                                       |   |
| <b>Jefferson Davis County</b>                        | <b>28.7%</b>                                     | <b>40.1%</b>                          |                                       |   |
| <b><i>Jefferson Davis County School District</i></b> | <b>32.5%</b>                                     | <b>45.1%</b>                          |                                       |   |
| <i>G.W. Carver Elementary School</i>                 |  |                                       | 100%                                  | C   |
| <i>J.E. Johnson Elementary School</i>                |  |                                       | 100%                                  | C   |
| <b>Tallahatchie County</b>                           | <b>35.2%</b>                                     | <b>41.7%</b>                          |                                       |   |
| <b><i>East Tallahatchie School District</i></b>      | <b>27.5%</b>                                     | <b>46.5%</b>                          |                                       |   |
| <i>Charleston Elementary School</i>                  |  |                                       | 100%                                  | F   |

*(Section 2.3.A.2.)* To ensure program services are delivered to truly needy children, partner schools were selected based on the student population’s eligibility for the federal free and

(Section 2.3.A.2.) reduced school meals program. Schools for the proposed scope of work have 100% eligibility rates. By focusing on rural schools with high free and reduced school meals eligibility, we can be certain that our programs are serving a vulnerable, TANF-eligible population. We primarily target kindergarten to third grade (Tier 2) students in order to ensure students are reading on level by third grade. Participation in all programs is voluntary and provided at no cost to the families. In order to ensure voluntary participation, all program staff receive training on appropriate recruitment and program promotion.

(Section 2.3.A.3.) **Partnership Information.** In order to address needs of the high poverty families in this region, SCUS will provide high quality afterschool and summer education programs, targeting services to families and children from kindergarten through third grade. To implement these programs that further the goals and purposes of the TANF program, we will partner with local elementary schools. This school partnership strategy improves efficiency and effectiveness, which leads to greater buy-in and engagement from schools and the community.

(Section 2.3.A.3.a-e) **Partner 1: Jefferson Davis County School District (JDCSD)**, 1025 Third Street, Prentiss, MS 39474. Primary Point of Contact: Superintendent Will L. Russell, 601-792-2738 (phone number), wrussell@jdcsd.com (email) 601-792-2251 (fax). SCUS will provide afterschool and summer programming in two schools in Jefferson Davis County to serve 100 children, J.E. Johnson Elementary School and G.W. Carver Elementary School located in southern Mississippi. The district works collaboratively with SCUS to deliver services to children struggling with reading and math achievement. Both elementary schools house the (Section 2.3.A.3.a-e) program and oversee day-to-day operations. JDCSD will receive a \$120,212.50 subgrant to support school-based services.

(Section 2.3.A.3.a-e) **Partner 2: East Tallahatchie School District (ETSD)**, 411 East Chestnut Street, Charleston, MS 38921. Primary Point of Contact: Superintendent Dr. Darron L. Edwards, 662-647-5524 (phone number), darronedwards42@yahoo.com (email), 662-647-3720 (fax).

SCUS will provide afterschool and summer programming to 50 children in Charleston Elementary School in Tallahatchie County, located in the Mississippi Delta region. The district works collaboratively with SCUS to deliver services to children struggling with reading and math achievement. The school will house the program and oversee day-to-day operations. ETSD will receive a \$53,912.50 subgrant to support school-based services.

## **B. Service Description**

(Section 2.3.B.) Education is one of the most viable pathways out of poverty. Strong literacy skills, specifically reading on grade level, is one of the strongest indicators of academic and later life success. Strong literacy achievement is shown to lower teen pregnancy rates.<sup>iii</sup> Our after-school and summer program targets struggling readers with additional support to ensure they are reading on level, while also providing math, enrichment, health and nutrition programming.

(Section 2.3.B.) Our afterschool and summer programs provide free, quality childcare options for working parents. Many of the parents and caregivers we serve often lack the personal resources to pay for quality childcare, the lack of which can inhibit their ability to find and retain employment. A parent unable to secure care for their child while they work may be forced to either quit or scale back their employment. Doing so directly frustrates a primary goal of the TANF program – retention of current and past recipients of public assistance in the labor force.

(Section 2.3.B.) SCUS's programs thus provide a vital service to parents, particularly those who receive or have received TANF, in maintaining full-time employment.

(Section 2.3.B.) SCUS prepares a population who may be eligible for TANF for economic and career advancement. We hire paraprofessionals from within the rural communities in which we work and provide intensive, ongoing on-the-job training and technical assistance to implement (Section 2.3.B.) the afterschool program. The training and technical assistance supports low-skilled workers in gaining technical skills, knowledge, and practical work experience, while ensuring the quality of educational services and positive outcomes for children. This approach enables SCUS to create a talented workforce in rural communities that is equipped to support children's development and education. **We employ 159 Mississippians** across the state in rural communities where employment opportunities are few and far between.

(Section 2.3.B.1.a.) **Truancy:** SCUS addresses the problem of youth disengaging from school in the elementary grades, particularly in isolated rural areas with high family risk factors. Poor school performance, truancy, and departure from school at a young age have long been connected to juvenile delinquency.<sup>iv</sup> For example, two well-documented studies, the Cambridge Study on Delinquent Development and the Pittsburgh Youth Study, have found that low school achievement predicts adolescent delinquency.<sup>v</sup> According to the most recent data from the U.S. Bureau of Justice, 56% of federal inmates, 67% of inmates in state prisons, and 69% of inmates in local jails did not complete high school.

(Section 2.3.B.1.a.) Third grade reading proficiency is a significant predictor of whether youth are able to graduate on time. For children living in poverty *and* not reading proficiently in third grade, the proportion of those who do not finish school climbs to 26%.<sup>vi</sup> Research has also found verbal and reading deficits are linked to victimization, drug use, aggression, and delinquent behavior when students who fall behind in reading become labeled as failures.<sup>vii</sup>

(Section 2.3.B.1.b.) SCUS delivers these services to achieve the key early milestones of a healthy

birth, positive development, and school readiness, ultimately resulting in greater reading success by third grade. Students who do not read proficiently by the end of third grade are **four times less likely** to graduate from high school than those who are proficient readers.<sup>viii</sup> In the seven Mississippi counties where SCUS works, nearly 25-33% adults over the age of 25 do not have a high school diploma or equivalent, according to U.S. Census data.

(Section 2.3.B.1.b.) **Literacy:** SCUS provides year-round literacy support through afterschool and summer programming. Our Emergent Reader Literacy Block (students in K-1) supports beginning reading skills and our Developing Reader Literacy Block (students in 2-6) aims to accelerate reading growth. Last year, 72% of regularly participating students showed significant improvement in reading.

(Section 2.3.B.1.e.) **Leadership and Personal Development:** SCUS boosts students' leadership skills through summer and afterschool program enrichment components. Students will participate in team building activities to build pro social behaviors through games that promote character development and build sportsmanship, trust and cooperation skills. Service learning projects, which will be chosen by students, will help to promote project-based, engaged learning.

(Section 2.3.B.2.a.) **Teen Pregnancy Prevention:** SCUS implements a comprehensive approach to literacy development that significantly increases children's reading levels to ensure reading proficiency by the end of third grade. As mentioned, whether a child reads proficiently by the end of third grade is a powerful indicator of future academic and life success. Young adults without high school diplomas are more likely to be incarcerated, more likely to have an out-of-wedlock pregnancy, and make less than half of those who have graduated and gone on to obtain a bachelor's or higher degree.<sup>ix x xi</sup> The connection between literacy proficiency at an early age and out-of-wedlock births is clear. While teen pregnancy often causes students to drop out, being

(Section 2.3.B.2.a.) engaged in school can reduce instances of teen pregnancy. Teens who stay in school and are academically involved are less likely to get pregnant than less engaged peers.<sup>xii</sup>

(Section 2.3.B.2.b.) **Drug and Violence Prevention Programs:** Many of our programs collaborate with local law enforcement agencies for guest readers and drug prevention workshops. With TANF funding we will incorporate elements from our national network for drug and violence prevention in Jefferson Davis and Tallahatchie counties. For example, SCUS Kentucky programs partner on Book Bags for Cops where state troopers carry a book bin in their cruisers. When they interact with youth, they have high quality books ready to give out to deescalate situations, as well as information about our programs.

(Section 2.3.B.3.a.) **Improving Attendance, Engagement and Academic Performance for At-Risk Youth:** All program components provide opportunities for students to build non-cognitive skills to improve classroom participation and conduct. Participation in afterschool will increase school-day attendance and improves classroom engagement.<sup>xiii</sup> See outcomes expected for regularly participating students on page 9.

(Section 2.3.B.3.b.) **Collaboration with Partners to Provide Food:** Our partner school districts receive reimbursement from the U.S. Department of Agriculture's National School Lunch Program to provide balanced afterschool snacks and summer meals for participating students.

(Section 2.3.B.3.c.) **Transportation:** Ensuring accessibility and safety for participating students is a priority for SCUS, Jefferson Davis School District and East Tallahatchie School District. Districts will provide busses for all students participating in afterschool and summer programs.

(Section 2.3.B.3.d.) **Literacy and Academic Development:** Our one-hour Literacy Block helps students in grades second through sixth become more proficient in reading. Activities were developed from research-based early reader curricula and closely align with the state



(Section 2.3.B.3.d.) academic standards. This block is described in detail in the Additional Data section, Programming Description on page 17.

(Section 2.3.B.3.e.) **Drug and Violence Prevention:** As mentioned on page 6 above, SCUS has previously worked with local law enforcement through workshops on drug and violence prevention for elementary school children. We will work with school district partners to secure these workshops.

(Section 2.3.B.3.e.) **Health and Wellness:** The program utilizes the research-validated Healthy Choices (based on CATCH Kids Club Healthy Habits and Nutrition Curriculum) to teach children healthy lifestyle behaviors through physical activity and nutrition education. Children will participate in moderate-to-vigorous physical activity and weekly nutrition lessons.

(Section 2.3.B.3.f.) **Homework and Tutoring Services:** Homework help will be offered to students daily. Program staff and tutors will be assigned to work with the same group of students so students' individual learning styles can be identified and used to support their understanding of their homework assignments.

(Section 2.3.B.3.g.) **Soft Skills Development:** We will offer a wide variety of enrichment activities that meet the student needs. These include book/writing clubs, service learning; and team building components described in further detail in Section 6 below on page 20.

(Section 2.3.B.3.k.) **Career Exploration:** Our afterschool and summer programming offers flexible enrichment components that provide opportunities for students to learn about career paths through presentations from community members.

(Section 2.3.B.3.l.) **STEAM Placement:** To support math achievement, we will offer a daily 30-minute math rotation during the afterschool program using Scholastic's *Hands-On Standards* curriculum to provide students with hands-on learning opportunities for mastering

(Section 2.3.B.3.l.) basic skills that serve as a foundation for math success, see more detail in the Programming Description on page 19.

(Section 2.3.B.3.m.) **Trauma-Informed Program Delivery:** We are committed to trauma-informed programming for children and families. One of SCUS's Signature Programs, *Journey of Hope (JoH)*, is an evidence-based, youth-centered social-emotional intervention designed to equip children and youth with the knowledge and positive resources to understand and cope with emotions and stressors. We build these skills for caregivers. *JoH* for Caregivers aims to help caregivers recognize common signs and symptoms of trauma, support their children in the event of a stressor, obtain the skills and resources to cope with their own stressors, and connect to community resources to strengthen mental health and resilience.

### **C. Program Reports, Evaluations and Outcomes**

(Section 2.3.C.) **Evaluation Plan:** Ongoing monitoring and evaluation of all program services is carried out by both SCUS and our partner schools, and integrated into a web-based monitoring and evaluation system. SCUS conducts an annual independent external evaluation of programs at the end of each program year to validate the data. The data is used to measure both children's individual growth and the program as a whole, particularly for continuous quality improvement.

(Section 2.3.C.) SCUS collects both formative and summative assessment data, using Accelerated Reader (AR) and STAR assessments, to measure outcomes for afterschool, and summer literacy programming. Student performance on AR tests, which students take after every book read, serves as a formative assessment to monitor students' comprehension, vocabulary, and progress toward meeting the goal of reading on grade level. The STAR assessments – STAR Early Literacy for students in kindergarten and first grade, and STAR Reading for students in

(Section 2.3.C.) grades 2-6 – will serve as the summative assessment. See additional detail on STAR assessment process on Page 22 below.

(Section 2.3.C.1.) **Performance Measures to Ensure High-Quality Education:** In 2018, SCUS published results from a randomized control trial of our in-school literacy program at nine sites in Mississippi on whether the program produces greater test score gains for students reading below grade level than participation in school’s language arts curriculum alone (*Supplemental Literacy Programs Catch Children Up, 2018*). Results show that our program produces statistically significant literacy and reading comprehension STAR Early Literacy assessment test score gains for K-3<sup>rd</sup> grade students in Mississippi who began the school year reading below grade level. Full report attached on page 172.

(Section 2.3.C.1.) **Outcomes:** Our goal is to ensure children in kindergarten through third grade are performing at grade level in reading and math. Towards that goal, we set the following outcomes:

- 1) 65% of participating children will show significant reading progress.
- 2) Children will read, on average, 65 Accelerated Reader books per year.
- 3) SCUS Program Specialists will provide an average of 30 hours of training and technical assistance to each site (school partner) each year.
- 4) 72% of all participating children will demonstrate significant progress (gain 2 NCEs or more) on the STAR Math assessment.
- 5) 72% of regularly participating children (55 days or more) will demonstrate significant progress (gain 2 NCEs or more) on the STAR Math assessment.
- 6) 85% of surveyed families will report feeling confident in their ability to support their child’s education at home.

(Section 2.3.C.2.) Evidence-based Research: All program components/curriculum are based on research; see attached table of research in the Additional Data section on Page 21.

(Section 2.3.C.) Ability to Collect and Provide Data: SCUS has collected and provided MDHS with data since our TANF collaboration began in 2016. We will schematize services and provide MDHS with a list of services, client data, and client services data monthly, as required.

(Section 2.3.C.) Trauma-Informed Approach: SCUS aims to implement a trauma-informed approach in our organizational structure that serves children and families and supports staff. Our five core values: ambition, accountability, collaboration, creativity and integrity encompass several principles of the Missouri Model. We continually assess policies and practices to ensure the safety of staff and beneficiaries, and solicit feedback annually on employee engagement and satisfaction. SCUS offers an Employee Assistance Program at no cost. The program provides practical solutions and customized resources.

(Section 2.3.C.1.) Stages of Being Trauma-Informed: SCUS has invested time and resources to implementing trauma-informed programming for the children and families we work with in rural America. This framework has been imbedded in our program design and approach to serving beneficiaries; however, the organization is still working towards this approach in our organizational structure (Trauma-responsive).

(Section 2.3.C.2.) Responsiveness to People who have Experienced Trauma: The children and families we work with are coping with toxic stress due to community and family risk factors on top of generational poverty. Chronic poverty is an adverse childhood experience that can have long-term effects on health, cognitive, social and emotional development and overall child well-being. Staff are trained and receive ongoing development in how to meet the needs of children experiencing toxic stress.

## Endnotes

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- <sup>i</sup> Mississippi Department of Human Services, Division of Youth Services, 2018 Annual Report.
- <sup>ii</sup> U.S. Department of Agriculture, Economic Research Service, 2017.
- <sup>iii</sup> Bennett, I. M., Frasso, R., Gross, K., & Bellamy, S. (2012). *Pre-Teen Reading Ability: A Potential Predictor of Teen Pregnancy*. 2012. Philadelphia, PA: University of Pennsylvania Center for Clinical Epidemiology and Biostatistics.
- <sup>iv</sup> Bachman, Green and Wiratanen, 1971; Elliott, 1978; Elliott and Voss, 1974; Farrington, 1986; Hagan and McCarthy, 1997; Hawkins, Herrenkohl, Farrington, Brewer, Catalano, and Harachi, 1998; Huisinga and Jakob-Chien, 1998; Kelly and Balch, 1971; Maguin and Loeber, 1996; Mensch and Kandel, 1988; Polk, 1975; Rhodes and Reiss, 1969; Simons, Whitbeck, Conger and Conger, 1991; Thornberry, Moore and Christenson, 1984
- <sup>v</sup> Maguin and Loeber, 1996
- <sup>vi</sup> The Annie E. Casey Foundation, 2012
- <sup>vii</sup> Kingery, Pruitt, Heuberger and Brizzolara, 1996
- <sup>viii</sup> Annie E. Casey Foundation. (2012). *Double Jeopardy: How Third Grade Reading Skills and Poverty Influence High School Graduation*. Retrieved from <http://www.aecf.org/resources/double-jeopardy>.
- <sup>ix</sup> Planty, M., et al. (2009). *The Condition of Education 2009* (NCES 2009-081). Washington, DC: National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education, p. 41.
- <sup>x</sup> Manlove, J. (1998). *The Influence of High School Dropout and School Disengagement on the Risk of School-Age Pregnancy*. Journal of Research on Adolescence.
- <sup>xi</sup> Sum, A., Khatiwada, I., McLaughlin, J., & Palma, S. (2009). *The Consequences of Dropping Out of High School: Joblessness and Jailing for High School Dropouts and the High Cost for Taxpayers*. Northeastern University: Center for Labor Market Studies.
- <sup>xii</sup> Marshall, O. (2011). *The Drop-Out Crisis and Teen Pregnancy*. Washington, DC: Progressive Policy Institute. Retrieved June 6, 2017, from <http://www.progressivepolicy.org/2011/06/the-drop-out-crisis-and-teen-pregnancy>.
- <sup>xiii</sup> Durlak, J. A., Weissberg, R. P., & Pachan, M. (2010). A Meta-Analysis of After-School Programs That Seek to Promote Personal and Social Skills in Children and Adolescents. *American Journal of Community Psychology*. 45:294-309.

#### 4) Corporate Experience and Capacity

*(Section 4.1.1)* Save the Children Federation, Inc. (SCUS) has served the people of Mississippi for over **80 years**. Furthermore, SCUS has a long history of successfully providing programs by implementing evidence-based processes and delivery models.

*(Section 4.1.1)* SCUS is the leading independent nonprofit organization creating real and lasting change for children in need in the United States and around the world. Within the United States, SCUS focuses on children growing up in communities of persistent rural poverty in 16 states. Our pioneering programs give children a healthy start, the opportunity to learn and protection from harm. Our work in Mississippi began in 1933 and now encompasses early childhood education, school-age literacy support, physical activity and nutrition education, emergency preparedness, and family engagement. Program services are designed to be carried out effectively by locally-hired paraprofessionals, with intensive support from SCUS's expert trainers.

*(Section 4.1.1)* SCUS has carefully developed activities to address the identified needs and align with the following objectives of the Temporary Assistance for Needy Families (TANF) program:

- 1) Encourage students to perform more successfully academically;
- 2) Encourage participant youth to plan future goals, promote self-esteem and self-worth;
- 3) Strengthen attitudes and expectations towards family, community and citizenship
- 4) Improve the welfare of children/families by increasing the number of active, involved fathers;
- 5) Support parents in raising successful, healthy children;
- 6) Provide families and their children with life skills trainings and workshops; and
- 7) *(Section 4.1.1)* Increase awareness of the importance of parenting skills, involvement of fathers, and youth development.



(Section 4.1.1) SCUS's programs have produced significant positive results for children. During the 2018-19 program year, SCUS partnered with school districts to implement literacy programming in 124 schools, serving more than 12,335 children in 8 states. An independent evaluation showed that the literacy programming doubled the percentage of children reading at grade level nationally. The evaluation also showed that children participating in the program achieved reading growth equivalent to attending an additional 5.8 months of school.

(Section 4.1.1) SCUS has been able to achieve these results through the dedicated work of its highly qualified staff. In Mississippi, the staffing plan includes:

- A State Director and Deputy State Director, who have a Master's degree or equivalent and considerable management and leadership experience, to provide statewide program oversight;
- Master's degree-level Program Specialists based in Mississippi, who provide direct support, training, monitoring, evaluation, and technical assistance to the programs; and
- Direct program staff, who are hired and supervised by each school district, to implement the programs. This structure ensures alignment with the existing management structure (including qualifications) in the school district, while also adding jobs and local capacity to the community.

(Section 4.1.1) **SCUS will not require corporate expansion** to deliver TANF services.

(Section 4.1.2) **Age of respondent's business and average number of employees:** Over the past five (5) years, SCUS employed an average of 1,330 employees across the United States. The organization is currently celebrating our centennial year.

## 5) Personnel

*(Section 4.1.3)* Save the Children Program Specialists will oversee afterschool and summer programming in partnership with Jefferson Davis County School District and East Tallahatchie School Districts. Save the Children is responsible for staff retention with the districts are responsible for hiring staff. Save the Children Program Specialists report to the Mississippi Deputy Director who will assist in overseeing TANF grant management to meet objectives. See resumes in Attachment A, on page 97 for an organizational chart and resumes for all key staff.

## 6) References and Project Experience

*(Section 4.1.4)* **Letters of collaboration** (see page 139)

### **LIST OF THREE CONTRACTS Of Similar Scope, Size, and Discipline**

| NAME OF PROJECT  | ADDRESS OF PROJECT  | SCOPE OF PROJECT  |
|--|---|---|
| SCUS Afterschool Program, East Tallahatchie School District<br><br><b>Letter of Collaboration and Subcontract Statements included</b>      | Charleston Elementary School, 411 E. Chestnut St., Charleston, MS 38921 | During the 2018-2019 school year, SCUS delivered afterschool program services at Tallahatchie School District’s Charleston Elementary School, providing a subgrant in the amount of \$48,038.50 for services. The program improved academic outcomes for at-risk students in a high-poverty school.                 |
| SCUS Afterschool Program, Jefferson Davis County School District<br><br><b>Letter of Collaboration and Subcontract Statements included</b> | 1025 3 <sup>rd</sup> Street, Prentiss, MS 39474                         | During the 2018-2019 school year, SCUS delivered afterschool program services in Jefferson Davis County School District’s JE Johnson and GW Carver Elementary Schools providing a sub-grant of \$111,932 to support services. The program improved academic outcomes for at-risk students in a high-poverty school. |
| SCUS Afterschool Program, Marion County Schools<br><br><b>Letter of collaboration included</b>   | 1010 MS-13, Columbia, MS 39429  | During the 2018-2019 school year, SCUS delivered afterschool program services at East Marion Elementary, providing a direct sub-grant in the amount of \$48,667.50. The program improved academic outcomes for at-risk students in a high-poverty school.   |

(Section 4.1.5) References

**LIST OF THREE REFERENCES**

(Section 4.1.5)

| NAME OF THE ORGANIZATION                                  | LENGTH OF THE CONTRACT OR PROJECT | BRIEF SUMMARY OF THE WORK   | NAME AND TELEPHONE NUMBER OF CONTACT PERSON          |
|---|-----------------------------------|---|--|
| Child Health and Development Project: Mississippi Thrive! | Three Years                       | Funded by the Health Resources Services Administration (HRSA), the Child Health and Development Project: Mississippi Thrive is a project of the University of Mississippi Medical Center's Children's of Mississippi and Mississippi State University's Social Science Research Center. We are working with families, healthcare providers and early childhood professionals to foster positive caregiver and child interactions, enhance attention to developmental and behavioral milestones and strengthen children's brain architecture. To accomplish this we are creating a comprehensive system of early childhood screenings, referral and linkage to services as needs are discovered. | Kristen B. Callahan<br>Project Manager<br>[REDACTED] |
| DBM Educational Consultant Team LLC.                      | 12 Months                         | External Evaluator of 21st CCLC   | Debbie Murphy<br>[REDACTED]                          |
| Excel By 5 Mississippi Delta                              | Started in 2011- on going         | Early Education, Health, Family Parent Support and Community Coalition capacity building. Three year Child Friendly name  | Mechelle Wallace<br>[REDACTED]                       |

|                        |  |   |  |
|------------------------|--|---|--|
| <i>(Section 4.1.5)</i> |  | designation upon completion of Excel By 5 benchmarks. |  |
|------------------------|--|---|--|

## 7) Acceptance of conditions and Required Respondent Statements

*(Section 3.1)* SCUS has attached the Proposal Exception Summary form outlining a request for adapted financial reporting. See Attachment D on page 126.

## 8) Additional Data

| <i>(Section 2.2)</i>   | State | Jefferson Davis County | GW Carver ES | JE Johnson ES | Tallahatchie County | East Tallahatchie | Charleston ES |
|--|-------|------------------------|--------------|---------------|---------------------|-------------------|---------------|
| Population living below the poverty level  |       | 28.7%                  |              |               | 35.2%               |                   |               |
| Children (under 18) in poverty   | 27%   | 40.1%                  |              |               | 41.7%               |                   |               |
| Free/ reduced – price meal rate  |       |                        | 100%         | 100%          |                     |                   | 100%          |
| Of the number of grandparents living with grandchildren, the % who are responsible for grandchildren | 53.4% | 69.0%                  |              |               | 74.2%               |                   |               |
| Teen pregnancy rate (per 1,000)  | 35.6  | 47.8                   |              |               | 59.2                |                   |               |
| High School graduate or higher (age 25+)   | 83.4% | 75.7%                  |              |               | 70.9%               |                   |               |
| Accountability Rating  | C     |                        | C            | C             |                     |                   | F             |
| % district* & school elementary students <u>below</u> proficient in reading                          |       |                        | 66.1%        | 78.6%         |                     |                   | 75.7%         |

|   |       |       |       |       |    |        |       |
|---|-------|-------|-------|-------|----|--------|-------|
| <u>(Section 2.2)</u>  |       |       |       |       | -- |        |       |
| % district* & school economically disadvantaged elementary students below proficient in reading | 67.6% | 73.4% | 66.3% | 78.6% |    | 82.9%* | 78.2% |

Sources:

Column 1: National KIDS Count (2017) for state data and Mississippi KIDS COUNT (2017) for county data;

Column 2:

Column 3: US Census American Community Survey 2017;

Column 4: Mississippi KIDS COUNT, 2017;

Column 5: US Census American Community Survey 2018;

Column 6: Mississippi Succeeds Report Cards (2018-29 School Year).

(Section 4.1.6) **Programming Description**

|  |   |
|--|---|
| <p><u>(Section 4.1.6)</u></p> <p><b>Emergent Reader Literacy Block</b></p> | <p>This 60-minute block will support beginning reading skills for K-1 students who are having difficulty learning to read.</p> <ul style="list-style-type: none"> <li>• <u>Extended Read-Alouds</u>: Literacy tutors will spend 30 minutes each day reading aloud to children to enhance their understanding of emergent reading skills, while modeling fluent reading behavior. Read-alouds will be paired with vocabulary and hands-on activities related to the concepts in the book to further promote skills development.</li> <li>• <u>Reading Together Activities</u>: Reading together is based on the concept of lap reading at home translated to the school setting. Tutors will read aloud from enlarged text visible to all children and then will help children build up to chorally reading the text together over several days. Tutors will help students recognize letters, phonemic patterns, punctuation, and beginning</li> </ul> |
|--|---|

|  |  |
|--|--|
| <p><u>(Section 4.1.6)</u></p>  | <p>sight words.</p> <ul style="list-style-type: none"> <li>• <u><i>Emergent Reader Modules</i></u>: In small groups, students will participate in word games, songs, and other activities to master foundational skills through modules on phonemic awareness, letter recognition, sound-symbol correspondence, and beginning word recognition. Students will work through the modules to eventually transition to independent reading.</li> </ul>   |
| <p><u>(Section 4.1.6)</u></p> <p><b>Developing Reader Literacy Block</b></p> | <p>This 60-minute block is specifically designed to accelerate reading growth for struggling readers in grades 2-5 based on broad research-based instructional practices. To meet these criteria, program elements were designed to be engaging, interesting and motivating.</p> <ul style="list-style-type: none"> <li>• <u><i>Read-Alouds</i></u>: Literacy tutors select books that will engage children and develop a specific plan, which turns an authentic text into a powerful teaching tool. A read-aloud planning template helps tutors identify unfamiliar vocabulary, target specific comprehension strategies and activate children’s prior knowledge.</li> <li>• <u><i>Fluency-building activities</i></u>: Literacy tutors model fluent reading, provide feedback, and give opportunities for students to perform mastered texts. New vocabulary is built, comprehension increases, high-frequency words become more automatic, and children become more fluent readers.</li> <li>• <u><i>Guided independent reading practice (GIRP)</i></u>: Regular opportunities to read independently provide children with increased motivation, background knowledge about important concepts, vocabulary growth, and fluency. Children participate in daily guided independent reading practice</li> </ul> |



|  |   |
|--|---|
| <p><u>(Section 4.1.6)</u></p>                    | <p>using Accelerated Reader (AR) to guide practice and track progress.</p> <p>Literacy tutors support children to select appropriate books, decode difficult words, discuss confusing text, and develop comprehension.</p> <p>Students take a book-specific AR quiz on a computer and progress through designated reading difficult levels.</p> <ul style="list-style-type: none"> <li>• <u>Tutorials (in lieu of GIRP or read-aloud/fluency)</u>: Tutorials are offered to groups of children who are struggling with specific reading skills. Children are identified for tutorials based on AR data, teacher referral, or notice of skill deficiencies. Literacy tutors work with children to build skills such as phonics, sight word knowledge, vocabulary, and comprehension. Each tutorial is comprised of short mini-lessons and hands-on, fun activities targeted at specific skills.</li> </ul> |
| <p><u>(Section 4.1.6)</u></p> <p><b>Math</b></p> | <p>To support math achievement, we will offer a daily 30-minute math rotation during the afterschool program using Scholastic’s <i>Hands-On Standards</i> curriculum to provide students with hands-on learning opportunities for mastering basic skills that serve as a foundation for math success.</p> <ul style="list-style-type: none"> <li>• <u>Hands-On Learning Activities</u>: Tutors will provide students with physical/visual tools and coordinate engaging, interactive activities that help them develop a conceptual understanding of math.</li> <li>• <u>Math Games</u>: Students will play games (e.g., math puzzles) that help them develop fluency in math computation and apply math skills.</li> </ul>   |

|   |  |
|---|--|
| <p><u>(Section 4.1.6)</u></p>                               | <ul style="list-style-type: none"> <li>• <u>Math Routines</u>: Students will engage in structured activities that focus on developing and supporting number sense to help children become proficient with a range of math concepts and practices.</li> <li>• <u>Fact Fluency Activities</u>: Tutors will engage students in activities that promote quick recall to foster their fluency with basic math facts.</li> </ul>   |
| <p><b>Homework Help</b></p>                                 | <p>Homework help will be offered to students at the end of the program day. Support is provided for those students who need help in understanding directions and getting started successfully. Program staff and tutors will be assigned to work with the same group of students so students' individual learning styles can be identified and used to support their understanding of their homework assignments.</p>  |
| <p><u>(Section 4.1.6)</u></p> <p><b>Healthy Choices</b></p> | <p>The program utilizes the research-validated Healthy Choices (based on CATCH Kids Club Healthy Habits and Nutrition Curriculum) to teach children healthy lifestyle behaviors through physical activity and nutrition education. Children participate in moderate-to-vigorous physical activity. Each 30-minute Healthy Choices physical activity rotation consists of warm-up and cool-down activities, and one to three non-elimination games that ensure that all children are active. Children will participate in weekly nutrition lessons during Healthy Choices. A nutrition theme is identified for each month and ties together each nutrition education activity for a comprehensive, streamlined approach to engage children in activities around a specific nutrition topic.</p> |
| <p><b>Soft Skills Development</b></p>                       | <p>We will offer a wide variety of enrichment activities that meet the student</p>   |

|                               |   |
|-------------------------------|---|
| <p><u>(Section 4.1.6)</u></p> | <p>needs to promote science, technology, engineering, art and math (STEAM) skills for our students.</p> <ul style="list-style-type: none"> <li>• <u>Book/Writing Clubs</u>: Student-led book discussions foster enthusiasm for reading and will be moderated by a community volunteer (or high school student). A writing club will improve ELA skills and provide a creative outlet for expression.</li> </ul> |
|-------------------------------|---|

(Section 2.3.C.2.) Evidence Based Research

| Evidence-Based Practices   |   |
|--|---|
| Program Component  | Scientifically-Based Research   |
| <p><u>(Section 2.3.C.2.)</u></p> <p><b>Literacy Block Activities</b></p> | <ul style="list-style-type: none"> <li>• In a study of classes using AR vs. non-AR classes, students in classes using AR (with an emphasis on selecting books of interest within their reading range and being encouraged to maintain an average of 85% correct on AR quizzes) made more significant gains than those in the non-AR classes (Samuels &amp; Wu, 2003).</li> <li>• Reading aloud is widely accepted as a means of developing vocabulary in young children (Biemiller &amp; Boote, 2006).</li> <li>• Struggling readers need a vocabulary that consists of a high percentage of both high-frequency words and words with consistent and decodable patterns (Hiebert &amp; Fisher, 2002; Hiebert, 2003).</li> </ul> |
| <p><u>(Section 2.3.C.2.)</u></p> <p><b>Math Block Activities</b></p>     | <ul style="list-style-type: none"> <li>• Students who participate in structured academic instruction in mathematics programs beyond the regular school day experience academic gains (National Center for Education Evaluation and Regional Assistance, 2009).</li> </ul>   |

|   |  |
|---|--|
| <p><u>(Section 2.3.C.2.)</u></p>  | <ul style="list-style-type: none"> <li>• Mathematics interventions should provide students with opportunities to work with visual representations (National Center for Education Evaluation and Regional Assistance, 2009).</li> </ul>   |
| <p><u>(Section 2.3.C.2.)</u></p> <p><b>Enrichment Activities</b></p> <p><u>(Section 2.3.C.2.)</u></p> | <ul style="list-style-type: none"> <li>• Incorporate three strategies for high-quality enrichment programs as noted in Moving Beyond the Barriers: Attracting and Sustaining Youth Participation in Out-of-School Programs (Harvard Family Research Project, 2004): 1) providing youth extra opportunities, 2) linking academics to an engaging project, and 3) engaging youth with fun and relaxing times.</li> </ul> |

(Section 4.1.7): STAR Assessment Process: The STAR assessments are administered three times during the year: at the beginning, middle, and end of school year. The test at the beginning of the year (fall) is administered to all students at the partner school to identify those reading below grade level who would be the target group for the program. This data point also serves as baseline for comparison purposes. The mid-year STAR test data is administered to program participants to compare against the baseline data to assess individual student growth and adjust the level of intervention, if needed, for the remainder of the school year. The year-end STAR test, which again is administered only to program participants, is compared against baseline and mid-year data to assess individual student growth during the full school year, as well as to measure overall program effectiveness. During the 2018-19 school year, 72% of regular participants gained 2.0 NCEs on the STAR assessment, showing significant reading improvement.

**9) Cost data**
*(Section 4.1.9) Total estimated cost*

|  |                              |                             |
|--|------------------------------|-----------------------------|
| <b>Service Area:</b> East Tallahatchie School District, Charleston Elementary School in Tallahatchie County and Jefferson Davis County School District, G.W. Carver Elementary School and J.E. Johnson Elementary School in Jefferson Davis County |                              |                             |
| <b>MDHS Subgrant Services</b>  | <b>Subgrant Term</b>         | <b>Total Estimated Cost</b> |
| TANF 2020 Afterschool Program Activities   | Jan. 1, 2020- Sept. 30, 2020 | \$300,000                   |



**MISSISSIPPI DEPARTMENT OF HUMAN SERVICES  
COST ESTIMATION WORKSHEET**

| <b>1. Applicant Agency</b><br>SCUS Federation, Inc.  |                             |                    |  |                  |
|--|-----------------------------|--------------------|--|------------------|
| <b>2. Subgrant Number</b>  |                             | <b>3. Grant ID</b> | <b>4. Beginning</b>  | <b>5. Ending</b> |
| TBD  |                             | TBD                | 01/01/2020   | 09/30/2020       |
| <b>6. Activity</b><br>Afterschool and Summer programming at Charleston Elementary, GW Carver Elementary, and JE Johnson Elementary |                             |                    |  |                  |
| 7. For MDHS Use Only   | 8. Budget Category          | 9. Budget          |  |                  |
|  |                             | Federal            | Description  | Total            |
|  | Salaries                    | \$46,700           | Salaries for Two School Age Specialists and the Deputy State Director for work on the project.   | \$46,700.00      |
|  | Fringe Benefits             | \$13,066.67        | Fringe based on the SCUS rate of 27.98%  | \$13,066.66      |
|  | Subsidies, Loans and Grants | \$174,125.00       | Costs associated with sub-grant agreements with Jefferson Davis School District and East Tallahatchie School District                          | \$174,125.00     |
|  | Commodities                 | \$38,835.61        | Costs associated with materials purchased by SCUS to support Afterschool and Summer programming and Accelerated Reader Licenses for the sites. | \$38,835.61      |
|  | Indirect                    | \$27,272.73        | Indirect Costs.  | \$27,272.73      |
|  |                             |                    |  |                  |
|  |                             |                    |  |                  |
|  |                             |                    |  |                  |
|  | <b>TOTAL</b>                | \$300,000.00       |  | \$300,000.00     |



(Section 4.1.9) **SCUS School Age Program Proposal Budget Narrative**

**I. Salaries Budget Activity**

|                                    |  |                 |
|------------------------------------|--|-----------------|
| SCUS<br>Administration<br>Salaries | <i>Deputy State Director</i> – This position provides oversight and support for the two SCUS School Age Specialists assigned to this project. Based on the number of SCUS partner sites, and time associated with program start up, approximately 10% of the Deputy State Director’s salary is allocated to this grant.<br>Full-time position, 10% of time at \$80,000 per year  | \$8,000         |
| SCUS<br>Program<br>Salaries        | <i>School Age Specialists</i> – These two positions provide direct support and monitoring to the project sites. They provide training to school staff and monitor the program for goal completion. Based on the number of sites and anticipated start up requirements, 32.25% of the two school age program specialists’ time is allocated to the grant.<br>Two full-time positions, 32.25% of time at \$60,000 per year | \$38,700        |
|                                    | <b>Total Salaries</b>  | <b>\$46,700</b> |

**II. Fringe Budget Activity**

|                    |   |                    |
|--------------------|---|--------------------|
| Fringe<br>Benefits | The SCUS fringe rate is 27.98%                          |                    |
|                    | <i>FICA</i> – 6.90% of gross salaries                   | \$3,222.30         |
|                    | <i>Health Insurance</i> – 14.07% of gross salaries      | \$6,570.69         |
|                    | <i>Retirement</i> – 6.41% of gross salaries             | \$2,993.47         |
|                    | <i>Life Insurance/Accident</i> – 0.6% of gross salaries | \$280.20           |
|                    | <b>Total Fringe Benefits</b>                            | <b>\$13,066.66</b> |

*(Section 4.1.9)*

**III. Subsidies, Loans and Grants Budget Activity**

|   |  |                 |
|---|--|-----------------|
| Sub-grant Services – Jefferson Davis County | Jefferson Davis School District:<br>GW Carver Elementary and JE Johnson Elementary   |                 |
|   | <b><u>JE Johnson Elementary Afterschool Program</u></b>  |                 |
| Salaries                                    | <i>JE Johnson Afterschool Program Coordinator</i> – One classified staff at \$18.00 per hour for four hours per day for 80 program days. | \$5,760         |
|   | <i>JE Johnson Afterschool Tutors</i> – Two classified staff at \$14 per hour for four hours per day for 80 program days.                 | \$8,960         |
|   | <i>JE Johnson Healthy Choices Coordinator</i> – One classified staff at \$14 per hour for 3.5 hours per day for 80 program days.         | \$3,920         |
|   | <i>JE Johnson Bus Drivers</i> – Two classified staff at \$14 per hour for 1.5 hours per day for 80 program days.                         | \$3,360         |
|   | <b>JE Johnson Elementary Afterschool Salaries Total</b>  | <b>\$22,000</b> |
| Fringe Benefits                             | The Jefferson Davis School District Fringe Rate is 25%   | \$5,500         |
|   | <i>FICA/Medicare</i> – 7.65%   |                 |
|   | <i>Retirement</i> – 17%  |                 |
|   | <i>Workers Comp</i> – 0.35%  |                 |
| Travel                                      | <i>JE Johnson Transportation Mileage</i> – Two busses at \$1.25 per mile for 50 miles per day for 80 days.                               | \$10,000        |
|   | <b>JE Johnson Afterschool Program Total</b>  | <b>\$37,500</b> |

*(Section 4.1.9)*

**III. Subsidies, Loans and Grants Budget Activity (continued)**

| <b><u>GW Carver Elementary School Afterschool Program</u></b> |   |                 |
|---|---|-----------------|
| Salaries  | <i>GW Carver Afterschool Program Coordinator – One classified staff at \$18.00 per hour for four hours per day for 80 program days.</i> | \$5,760         |
|   | <i>GW Carver Afterschool RAvFL Tutor – One classified staff at \$14 per hour for 3.5 hours per day for 80 program days.</i>             | \$3,920         |
|   | <i>GW Carver Afterschool Emergent Reader Tutor – One classified staff at \$15 per hour for 3.5 hours per day for 80 program days.</i>   | \$4,200         |
|   | <i>GW Carver Healthy Choices Coordinator – One classified staff at \$14 per hour for 4 hours per day for 80 program days.</i>           | \$4,480         |
|   | <i>GW Carver Bus Drivers – Two classified staff at \$14 per hour for 1.5 hours per day for 80 program days.</i>                         | \$3,360         |
|   | <b>GW Carver Afterschool Salaries Subtotal</b>  | <b>\$21,720</b> |
| Fringe Benefits   | The Jefferson Davis School District Fringe Rate is 25%  | \$5,430         |
|   | <i>FICA/Medicare – 7.65%</i>  |                 |
|   | <i>Retirement – 17%</i>   |                 |
|   | <i>Workers Comp – 0.35%</i>   |                 |
| Travel  | <i>GW Carver Transportation Mileage – Two busses at \$1.25 per mile for 35 miles per day for 80 days</i>                                | \$7,000         |
|   | <b>GW Carver Afterschool Program Total</b>  | <b>\$34,150</b> |

*(Section 4.1.9)*

**III. Subsidies, Loans and Grants Budget Activity (continued)**

|                 |  |                    |
|-----------------|--|--------------------|
| Salaries        | <b><u>JE Johnson and GW Carver SummerBoost Program (combined)</u></b>  |                    |
|                 | <i>Lead Tutor</i> – One classified staff at \$15 per hour at 7 hours per day for 30 program days.                    | \$3,150            |
|                 | <i>Program Tutors</i> – Two classified staff at \$14 per hour at 7 hours per day for 30 program days.                | \$5,880            |
|                 | <i>Healthy Choices Tutor</i> – One classified staff at \$15 per hour at 7 hours per day for 30 program days.         | \$3,150            |
|                 | <i>Site Coordinator</i> – One classified staff at \$15 per hour at 5 hours per day for 30 program days.              | \$2,250            |
|                 | <i>Bus Drivers</i> – Three drivers at \$14 per hour for 3 hours per day for 30 program days.                         | \$3,780            |
|                 | <b>Salaries Subtotal</b>   | <b>\$18,210</b>    |
| Fringe Benefits | The Jefferson Davis School District Fringe Rate is 25%   | \$4,552.50         |
|                 | <i>FICA/Medicare</i> – 7.65%   |                    |
|                 | <i>Retirement</i> – 17%  |                    |
|                 | <i>Workers Comp</i> – 0.35%  |                    |
| Travel          | <i>Transportation Mileage</i> - Three busses at 1.25 per mile for 100 average miles per day for 30 program days.     | \$11,250           |
|                 | <b>JE Johnson/GW Carver SummerBoost Program total</b>  | <b>\$34,012.50</b> |
|                 | <b><u>JE Johnson and GW Carver combined KinderBoost Program</u></b>  |                    |
| Salaries        | <i>Certified Staff Training</i> – Two certified staff at \$25 per hour for 8 hours per day for 5 prep/training days. | \$2,000            |
|                 | <i>Program Certified Staff</i> – Two certified staff at \$25 per hour for 5 hours per day for 10 days.               | \$2,500            |

*(Section 4.1.9)*

**III. Subsidies, Loans and Grants Budget Activity (continued)**

|                 |   |                     |
|-----------------|---|---------------------|
| Salaries        | <i>Workshop Facilitator</i> – One certified trainer at \$25 per hour for 8 hours for one day.   | \$200               |
|                 | <i>Bus Drivers</i> – Three drivers at \$14 per hour for three hours per day for 10 days.  | \$1,260             |
|                 | <b>KinderBoost Program Salaries Subtotal</b>  | <b>\$5,960</b>      |
| Fringe Benefits | The Jefferson Davis School District Fringe Rate is 25%  | \$1,490             |
|                 | <i>FICA/Medicare</i> – 7.65%  |                     |
|                 | <i>Retirement</i> – 17%   |                     |
|                 | <i>Workers Comp</i> – 0.35%   |                     |
| Supplies        | <i>Daily Program Materials and Supplies</i> includes Lakeshore KinderBoost Kit at \$968 plus S&H. and other miscellaneous supplies  | \$1,200             |
|                 | <i>Kindergarten Readiness Workshop for Families Materials</i> includes Phonemic Awareness Magnetic Activity Kits, Numbers and Counting Tins and materials. Kits are \$27.89 each per family. Estimate 22 families | \$1,200             |
|                 | <i>In-School Field Trip materials</i> includes Book Bags and other materials at \$182 plus S&H.   | \$200               |
|                 | <i>Family Literacy and Graduation materials</i> includes backpacks at \$68.40 for 20, School Supplies Backpack at \$558.80 plus S&H Kits and other materials needed   | \$700               |
|                 | <i>Daily Snacks</i>   | \$50                |
|                 | <b>KinderBoost Supplies Subtotal</b>  | <b>\$3,350</b>      |
| Travel          | <i>Transportation Mileage</i> – Three busses at 1.25 per mile for 100 average miles per day for 10 program days.  | <b>\$3,750</b>      |
|                 | <b>JE Johnson/GW Carver KinderBoost Program total</b>   | <b>\$14,550</b>     |
|                 | <b>Jefferson Davis School District Subcontract Total</b>  | <b>\$120,212.50</b> |

*(Section 4.1.9)*

**III. Subsidies, Loans and Grants Budget Activity (continued)**

Subcontracted  
Services –  
Jefferson  
Davis County

East Tallahatchie School District:  
Charleston Elementary School

**Charleston Afterschool Program**

Salaries

*Charleston Afterschool Program Coordinator* – \$4,320  
One classified staff at \$18.00 per hour for three hours per day for 80 program days.

*Charleston Afterschool Tutors* – Two classified staff at \$12 per hour for three hours per day for 80 program days. \$5,760

*Charleston Health Choice Coordinator* – One classified staff at \$15 per hour for 3 hours per day for 80 program days. \$3,600

*Charleston Bus Drivers* – One driver at \$15 per hour for 1.5 hours per day for 80 program days. \$1,800

**Charleston Afterschool Salary Subtotal \$15,480**

Fringe  
Benefits

The East Tallahatchie Fringe rate is 25% **\$3,870**

*FICA/Medicare* - 7.65%  
*Retirement* - 17%  
*Workers Comp* - 0.35%

Travel

*Transportation Mileage* – One bus at \$1.25 per mile for 20 miles per day for 80 days. \$2,000

**Charleston Afterschool Program Total \$21,350**

**Charleston Summer Boost Program**

Salaries

*Lead Tutor* – One classified staff at \$18 per hour at 7 hours per day for 30 program days. \$3,780

*Program Tutors* – Two classified staff at \$12 per hour at 7 hours per day for 30 program days \$5,040

*Healthy Choices Tutor* – One classified staff at \$15 per hour at 7 hours per day for 30 program days. \$3,150

*(Section 4.1.9)*

**III. Subsidies, Loans and Grants Budget Activity (continued)**

|                 |  |                 |
|-----------------|--|-----------------|
|                 | <i>Site Coordinator</i> – One classified staff at \$15 per hour at 5 hours per day for 30 program days               | \$2,250         |
|                 |  | \$1,800         |
|                 | Bus Driver – One driver at \$15 per hour for 4 hours per day for 30 program days                                     |                 |
|                 | <b>Salary Subtotal</b>   | <b>\$16,020</b> |
| Fringe Benefits | The East Tallahatchie Fringe rate is 25%   | <b>\$4,005</b>  |
|                 | <i>FICA/Medicare</i> - 7.65%   |                 |
|                 | <i>Retirement</i> - 17%  |                 |
|                 | <i>Workers Comp</i> - 0.35%  |                 |
| Travel          | <i>Transportation Mileage</i>  | \$1,500         |
|                 | One bus at 1.25 per mile for 40 average miles per day for 30 program days  |                 |
|                 | <b>Charleston SummerBoost Program Total</b>  | <b>\$21,525</b> |
|                 | <b>Charleston KinderBoost Program</b>  |                 |
| Salaries        | <i>Certified Staff Training</i> – Two certified staff at \$25 per hour for 8 hours per day for 5 prep/training days. | \$2,000         |
|                 | <i>Program Certified Staff</i> – Two certified staff at \$25 per hour for 5 hours per day for 10 days.               | \$2,500         |
|                 | <i>Workshop Facilitator</i> – One certified trainer at \$25 per hour for 8 hours for one day.                        | \$200           |
|                 | <i>Bus Drivers</i> – One drivers at \$15 per hour for three hours per day for 10 days                                | \$450           |
|                 | <b>Salary Subtotal</b>   | <b>\$5,150</b>  |
| Fringe Benefits | The East Tallahatchie Fringe rate is 25%   | \$1,287.50      |
|                 | <i>FICA/Medicare</i> - 7.65%   |                 |
|                 | <i>Retirement</i> - 17%  |                 |
|                 | <i>Workers Comp</i> - 0.35%  |                 |

*(Section 4.1.9)*

**III. Afterschool and Summer Budget Activity (continued)**

|          |  |                    |
|----------|--|--------------------|
| Supplies | <i>Daily Program Materials and Supplies</i><br>includes Lakeshore KinderBoost Kit at \$968 plus S&H. and other miscellaneous supplies  | \$1,200            |
|          | <i>Kindergarten Readiness Workshop for Families</i><br>materials includes Phonemic Awareness Magnetic Activity Kits, Numbers and Counting Tins and materials. Kits are \$27.89 each per family. Estimate 22 families | \$1,200            |
|          | <i>In-School Field Trip materials</i> includes Book Bags and other materials at \$182 plus S&H.  | \$200              |
|          | <i>Family Literacy and Graduation materials</i><br><i>includes backpacks at \$68.40 for 20, School Supplies Backpack at \$558.80 plus S&amp;H Kits and other materials needed</i>                                    | \$700              |
|          | <i>Daily Snacks</i>  | \$50               |
|          | <b>KinderBoost Supplies Subtotal</b>   | <b>\$3,350</b>     |
| Travel   | <i>Transportation Mileage</i><br>One bus at 1.25 per mile for 100 average miles per day for 10 program days.   | \$1,250            |
|          | <b>Charleston KinderBoost Program total</b>  | <b>\$11,037.50</b> |
|          | <b>East Tallahatchie School District Subcontract Total</b>   | <b>\$53,912.50</b> |
|          | <b>Total Subcontracted Services</b>  | <b>\$174,125</b>   |

**IV. Commodities Budget Activity**

|             |  |          |
|-------------|--|----------|
| Commodities | <u>SummerBoost Start-up Materials at Two Sites</u>   |          |
|             | Healthy Habits manual at \$95 each X 2   | \$190    |
|             | Houghton Paxen Do the Math Core Materials<br>“Do the Math” sets average \$680 per grade for 12 students. Anticipate 5 grades with 30 students at two sites for a total cost of \$20,400. | \$20,400 |



*(Section 4.1.9)*

**IV. Commodities Budget Activity (continued)**

|   |                     |
|---|---------------------|
| STEM Kits Grades K-5 for two sites<br>Hand2Mind Stem sets are \$299 per site<br>LEGO WeDo 2.0 189.95 per three students plus<br>S&H   | \$1,950             |
| Paper, Writing Utensils, Printer Ink, and other<br>classroom supplies   | \$1,000             |
| <b>Subtotal SummerBoost Commodities</b>   | <b>\$23,540</b>     |
| Afterschool Materials   |                     |
| Accelerated Reader Licenses for three sites at<br>\$4000 per site   | \$12,000            |
| Accelerated Reader Books Accelerated reader<br>book sets vary between 30 and 200. Provides<br>329.56 for each grade level at two sites for<br>Accelerated Reader reading books. | \$3,295.61          |
| <b>Subtotal Afterschool Commodities</b>   | <b>\$15,295.61</b>  |
| <b>Total Commodities</b>  | <b>38,835.61</b>    |
| <b>Total Afterschool and Summer Budget Activity</b>   | <b>\$272,727.27</b> |

**V. Indirect**

|                   |   |                    |
|-------------------|---|--------------------|
| Indirect<br>Costs | SCUS accepts the MS DHS approved de minimis<br>rate of 10%. The indirect rate will be calculated<br>against all expenses charged to the grant and will be<br>used to cover SCUS administrative costs. |                    |
|                   | <b>Total Indirect Costs</b>   | <b>\$27,272.73</b> |
|                   | <b>Grand Total for the Entire Subgrant</b>  | <b>\$300,000</b>   |



**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

Consolidated Financial Statements

December 31, 2018

(With summarized comparative financial information as of and  
for the year ended December 31, 2017)

(With Independent Auditors' Report Thereon)



KPMG LLP  
345 Park Avenue  
New York, NY 10154-0102

## Independent Auditors' Report

The Board of Trustees  
Save the Children Federation, Inc.:

We have audited the accompanying consolidated financial statements of Save the Children Federation, Inc. and related entities, which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Save the Children Federation, Inc. and its related entities as of December 31, 2018, and the changes in their net assets and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

**Emphasis of Matter**

As discussed in Note 2(q) to the consolidated financial statements, in 2018 Save the Children Federation, Inc. adopted new accounting guidance, Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

**Report on Summarized Comparative Information**

We have previously audited Save the Children Federation Inc.'s 2017 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 22, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived before the adjustments to adopt ASU 2016-14. As part of our audit of the 2018 consolidated financial statements, we also audited the adjustments described in note 2(q) that were applied to adopt ASU 2016-14 retrospectively in the 2017 consolidated financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

KPMG LLP

May 20, 2019

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Consolidated Statement of Financial Position

December 31, 2018

(with comparative financial information as of December 31, 2017)

(In thousands)

| <b>Assets</b>   | <b>2018</b>       | <b>2017</b>    |
|---|-------------------|----------------|
| Cash and cash equivalents (note 15)                                     | \$ 40,809         | 76,641         |
| Grants and contracts receivable (note 15)                               | 52,551            | 53,109         |
| Contributions receivable, net (note 7)                                  | 9,432             | 12,453         |
| Inventory   | 1,057             | 988            |
| Due from Save the Children International, net (notes 2(f) and 6)        | 34,832            | 15,908         |
| Prepaid expenses and other assets                                       | 8,566             | 9,983          |
| Investments (notes 3 and 4)   | 131,771           | 142,471        |
| Assets of pooled income fund and charitable gift annuities (note 4)     | 3,061             | 3,564          |
| Property, plant and equipment, net (note 8)                             | 10,549            | 9,887          |
| Beneficial interests in perpetual trusts held by third parties (note 4) | 12,940            | 13,288         |
| Total assets  | <u>\$ 305,568</u> | <u>338,292</u> |
| <b>Liabilities and Net Assets</b>                                       |                   |                |
| Liabilities:  |                   |                |
| Accounts payable and accrued liabilities                                | \$ 28,751         | 30,017         |
| Deferred revenue (note 15)  | 50,802            | 60,843         |
| Severance benefits for foreign national employees                       | 166               | 323            |
| Postretirement benefits other than pensions (note 11)                   | 4,397             | 4,588          |
| Total liabilities   | <u>84,116</u>     | <u>95,771</u>  |
| Commitments and contingencies (notes 9, 10, 11, 13, 14, and 15)         |                   |                |
| Net assets:   |                   |                |
| Without donor restrictions:   |                   |                |
| Undesignated  | 6,863             | 13,828         |
| Board-designated operating reserve (note 2c)                            | 1,111             | —              |
| Board-designated endowment (note 6)                                     | 93,137            | 97,603         |
| Investment in property, plant and equipment                             | 10,549            | 9,887          |
| Total net assets without donor restrictions                             | <u>111,660</u>    | <u>121,318</u> |
| With donor restrictions:  |                   |                |
| Purpose restricted (notes 6 and 12)                                     | 63,859            | 75,169         |
| Donor-restricted endowment corpus (notes 6 and 12)                      | 32,993            | 32,746         |
| Beneficial interests in perpetual trusts held by third parties (note 4) | 12,940            | 13,288         |
| Total net assets with donor restrictions                                | <u>109,792</u>    | <u>121,203</u> |
| Total net assets  | <u>221,452</u>    | <u>242,521</u> |
| Total liabilities and net assets  | <u>\$ 305,568</u> | <u>338,292</u> |

See accompanying notes to consolidated financial statements.



## SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES

## Consolidated Statement of Activities

Year ended December 31, 2018

(with summarized comparative financial information for the year ended December 31, 2017)

(In thousands)

|   | 2018                          |                            |          | 2017<br>Total |
|---|-------------------------------|----------------------------|----------|---------------|
|   | Without donor<br>restrictions | With donor<br>restrictions | Total    |               |
| Operating revenue:  |                               |                            |          |               |
| Contributions and private grants (note 2 (c))                               | \$ 229,639                    | 94,990                     | 324,629  | 343,086       |
| U.S. government grants and contracts (note 15)                              | 344,550                       | —                          | 344,550  | 322,434       |
| Sponsorships  | —                             | 74,528                     | 74,528   | 69,768        |
| Commodities and ocean freight (notes 2 (d), 5 and 15)                       | 118,098                       | —                          | 118,098  | 55,371        |
| Fee for service contracts   | 2,133                         | —                          | 2,133    | 4,804         |
| Bequests  | 8,335                         | 895                        | 9,230    | 7,285         |
| Net investment return appropriated for operations (notes 3 and 15)          | 4,992                         | 1,146                      | 6,138    | 6,137         |
| Other   | 1,439                         | —                          | 1,439    | 702           |
|   | 709,186                       | 171,559                    | 880,745  | 809,587       |
| Net assets released from restrictions                                       | 180,075                       | (180,075)                  | —        | —             |
| Total operating revenue   | 889,261                       | (8,516)                    | 880,745  | 809,587       |
| Operating expenses:   |                               |                            |          |               |
| Program services:   |                               |                            |          |               |
| Program activities (note 16)  | 159,759                       | —                          | 159,759  | 136,672       |
| Program activities-Save the Children International (note 16)                | 557,351                       | —                          | 557,351  | 474,106       |
| Program development and public policy support                               | 57,081                        | —                          | 57,081   | 53,191        |
| Total program services  | 774,191                       | —                          | 774,191  | 663,969       |
| Supporting services:  |                               |                            |          |               |
| Management and general  | 27,279                        | —                          | 27,279   | 24,515        |
| Management and general-Save the Children International                      | 16,610                        | —                          | 16,610   | 13,886        |
| Fund-raising  | 70,070                        | —                          | 70,070   | 69,283        |
| Total supporting services   | 113,959                       | —                          | 113,959  | 107,684       |
| Total operating expenses  | 888,150                       | —                          | 888,150  | 771,653       |
| (Deficiency) excess of operating revenue over expenses before net transfers | 1,111                         | (8,516)                    | (7,405)  | 37,934        |
| Net transfers from operating revenue:                                       | (1,111)                       | —                          | (1,111)  | (2,175)       |
| (Deficiency) excess of operating revenue over expenses                      | —                             | (8,516)                    | (8,516)  | 35,759        |
| Nonoperating activities:  |                               |                            |          |               |
| Net Investment return (less than) appropriated for operations (note 3)      | (10,139)                      | (2,900)                    | (13,039) | 11,428        |
| Foreign currency exchange (loss) gain                                       | (405)                         | —                          | (405)    | 943           |
| Endowment contributions   | 10                            | 351                        | 361      | 180           |
| Transfer of bequest, net (note 2(c))  | 1,111                         | —                          | 1,111    | 2,175         |
| Contributions and changes in value of split-interest agreements             | (233)                         | (348)                      | (581)    | 8,153         |
| Total nonoperating activities   | (9,656)                       | (2,897)                    | (12,553) | 22,879        |
| (Decrease) increase in net assets   | (9,656)                       | (11,413)                   | (21,069) | 58,638        |
| Net assets at beginning of year   | 121,316                       | 121,205                    | 242,521  | 183,883       |
| Net assets at end of year   | \$ 111,660                    | 109,792                    | 221,452  | 242,521       |

See accompanying notes to consolidated financial statements.

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**  
 Consolidated Statement of Functional Expenses  
 Year ended December 31, 2018  
 (with summarized comparative financial information for the year ended December 31, 2017)  
 (In thousands)

|  | Program services                   |   |                           | Supporting services       |              |                                 | 2018<br>Total | 2017<br>Total |
|--|------------------------------------|---|---------------------------|---------------------------|--------------|---------------------------------|---------------|---------------|
|  | Program<br>activities<br>(note 16) | Program<br>development<br>and public<br>policy<br>support | Total program<br>services | Management<br>and general | Fund-raising | Total<br>supporting<br>services |               |               |
| Salaries                                     | \$ 46,542                          | 20,352  | 66,894                    | 14,030                    | 18,794       | 32,824                          | 99,718        | 96,020        |
| Employee fringe benefits (notes 10 and 11)   | 12,901                             | 5,288   | 18,189                    | 3,553                     | 4,839        | 8,392                           | 26,581        | 26,706        |
| Total salaries and related expenses          | 59,443                             | 25,640  | 85,083                    | 17,583                    | 23,633       | 41,216                          | 126,299       | 122,726       |
| Grants to and charges from Save the Children |                                    |   |                           |                           |              |                                 |               |               |
| International                                | 557,351                            | —   | 557,351                   | 16,610                    | —            | 16,610                          | 573,961       | 487,992       |
| Grants to other agencies                     | 69,392                             | 271   | 69,663                    | 345                       | 928          | 1,273                           | 70,936        | 48,031        |
| Supplies, materials, etc.                    | 10,571                             | 264   | 10,835                    | 1,335                     | 1,124        | 2,459                           | 13,294        | 12,952        |
| Travel                                       | 6,460                              | 2,806   | 9,266                     | 879                       | 1,212        | 2,091                           | 11,357        | 11,121        |
| Professional fees                            | 7,195                              | 5,021   | 12,216                    | 4,112                     | 16,965       | 21,077                          | 33,293        | 26,679        |
| Advertising (note 2(d))                      | —                                  | 19,373  | 19,373                    | 6                         | 12,285       | 12,291                          | 31,664        | 32,644        |
| Occupancy (note 13)                          | 4,193                              | 2,564   | 6,757                     | 1,060                     | 952          | 2,012                           | 8,769         | 8,558         |
| Printing                                     | 231                                | 12  | 243                       | 93                        | 4,901        | 4,994                           | 5,237         | 4,622         |
| Telecommunications                           | 481                                | 347   | 828                       | 264                       | 1,802        | 2,066                           | 2,894         | 2,641         |
| Postage and shipping                         | 478                                | 184   | 662                       | 37                        | 2,951        | 2,988                           | 3,650         | 2,999         |
| Depreciation and amortization                | 658                                | 64  | 722                       | 977                       | 654          | 1,631                           | 2,353         | 2,588         |
| Other  | 657                                | 535   | 1,192                     | 588                       | 2,663        | 3,251                           | 4,443         | 8,100         |
| Total expenses                               | \$ 717,110                         | 57,081  | 774,191                   | 43,889                    | 70,070       | 113,959                         | 888,150       | 771,653       |

See accompanying notes to consolidated financial statements.

## SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES

## Consolidated Statement of Cash Flows

Year ended December 31, 2018

(with comparative financial information for the year ended December 31, 2017)

(In thousands)

|  | <u>2018</u>      | <u>2017</u>   |
|--|------------------|---------------|
| Cash flows from operating activities:  |                  |               |
| (Decrease) increase in net assets  | \$ (21,069)      | 58,638        |
| Adjustments to reconcile (decrease) increase in net assets to net cash (used in) provided by operating activities: |                  |               |
| Depreciation and amortization  | 2,353            | 2,588         |
| Loss on disposal of building and equipment   | 12               | —             |
| Change in gifts-in-kind and other inventory  | (69)             | 400           |
| Net depreciation (appreciation) in fair value of investments   | 7,947            | (14,597)      |
| Contributions restricted for long-term investment  | (351)            | (174)         |
| Contributions and changes in value of split-interest agreements  | 348              | (8,153)       |
| Changes in operating assets and liabilities:   |                  |               |
| Grants and contracts receivable  | 558              | (2,397)       |
| Contributions receivable   | 3,021            | (1,722)       |
| Due from Save the Children International, net  | (20,097)         | (7,531)       |
| Prepaid expenses and other assets  | 1,417            | (4,083)       |
| Accounts payable and accrued liabilities   | (1,266)          | 868           |
| Deferred revenue   | (10,041)         | 9,780         |
| Severance benefits for foreign national employees  | (157)            | 61            |
| Postretirement benefits other than pensions  | (191)            | 70            |
| Net cash (used in) provided by operating activities  | <u>(37,585)</u>  | <u>33,748</u> |
| Cash flows from investing activities:  |                  |               |
| Purchases of property, plant and equipment   | (3,027)          | (3,268)       |
| Purchases of investments   | (41,388)         | (49,338)      |
| Proceeds from sale of investments  | 44,141           | 51,556        |
| Loan repayment from Save the Children International  | 1,173            | 861           |
| Net cash provided by (used in) investing activities  | <u>899</u>       | <u>(189)</u>  |
| Cash flows from financing activities:  |                  |               |
| Contributions restricted for long-term investment  | 351              | 174           |
| Contributions (distribution) of split interest agreements, net   | 503              | (537)         |
| Net cash provided by (used in) financing activities  | <u>854</u>       | <u>(363)</u>  |
| Net (decrease) increase in cash and cash equivalents   | (35,832)         | 33,196        |
| Cash and cash equivalents at beginning of year   | <u>76,641</u>    | <u>43,445</u> |
| Cash and cash equivalents at end of year   | <u>\$ 40,809</u> | <u>76,641</u> |
| Supplemental cash flow information:  |                  |               |
| Donated goods and services   | \$ 41,800        | 39,599        |
| Commodities  | 118,098          | 55,371        |

See accompanying notes to consolidated financial statements.



**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2018

(With summarized comparative financial information as of and  
for the year ended December 31, 2017)

(Amounts in thousands)

**(1) Organization and Purpose**

Save the Children Federation, Inc. (SCUS) was established in 1932 and operates as a voluntary, nonsectarian, nonprofit organization in the United States of America and throughout the world providing services for children and community self-help assistance.

SCUS is a member of Save the Children Association (SCA), a Swiss membership organization. SCA currently has 30 independent, autonomous, nonprofit, private voluntary membership organizations that bear the name Save the Children or a related designation (the Members). SCA created Save the Children International (SCI), a United Kingdom based charitable entity, of which SCA is the sole member, and therefore, SCI is a wholly owned subsidiary of SCA.

In 2011, SCUS, in concert with the 29 other independent Members, entered into a series of agreements to create a single global program delivery platform through SCI. Under these agreements, SCUS works with other Members through the SCI platform to deliver nondomestic programs to benefit children. SCUS continues to design programs, coordinate with donors, and provide technical assistance to ensure program quality, monitoring, and reporting. The costs of implementing programs through the SCI structure are covered by program funds raised by SCUS (and other Members) and the allocation of administrative expenses among the Members.

In addition to the program delivery platform and cost-sharing, SCUS and other Members agreed to transfer certain in-country program assets to SCI to facilitate the delivery of programs overseas. SCUS started to transition country offices in 2011. As of December 31, 2018, one country office had not yet transitioned to SCI. SCUS is continuing to work towards transitioning this office to SCI and currently is operating under a pre-transition agreement.

SCUS Head Start Programs, Inc. (Head Start) began operations in 2012 as a voluntary, nonsectarian, nonprofit organization in the United States of America delivering early childhood development programming. SCUS is the sole member of Head Start, and accordingly, Head Start is a consolidated related entity.

Save the Children Action Network, Inc. (SCAN) was established in March 2014 as a nonprofit organization organized and operated exclusively for purposes related to the social welfare of children. SCUS is the sole member of SCAN, and accordingly, SCAN is a consolidated related entity.

**(2) Summary of Significant Accounting Policies****(a) Basis of Accounting**

The consolidated financial statements include the accounts of SCUS, Head Start, and SCAN (collectively, the Organization) and have been prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). All significant intercompany account balances and transactions have been eliminated in consolidation.

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2018

(With summarized comparative financial information as of and  
for the year ended December 31, 2017)

(Amounts in thousands)

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization's net assets and changes therein are classified and reported as follows:

- Without donor restrictions – net assets that are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired. As reflected in the accompanying consolidated financial statements and discussed below, the Organization's Board of Trustees has designated a portion of these net assets as an operating reserve for bequests received in excess of \$4,500 (note 2(c)) and board-designated endowment.
- With donor restrictions – net assets that are subject to donor-imposed restrictions. These include net assets that are subject to time or purpose restrictions and donor restricted endowments. Assets with time or purpose restrictions are satisfied either by the passage of time or by actions of the Organization. Donor restricted endowments must be maintained permanently by the Organization and only the income may be used as specified by the donor. Donor restricted endowments consist primarily of the historical dollar value of contributions to donor-restricted endowment funds.

Revenue is reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. If an expense is incurred for a purpose for which net assets with donor restrictions are available, a donor-imposed restriction is fulfilled to the extent of the expense incurred. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as release from restrictions in the consolidated statement of activities. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donors or by law.

**(b) Grants and Contracts**

The Organization receives funding under grants and contracts from the government of the United States of America, United Nations agencies, and other public and private grantors, for direct and indirect program costs and to provide certain whole or partial sub-grants to other agencies. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs.

Revenue from grants and contracts is recognized only when funds are utilized by the Organization to carry out the activity stipulated in the grant or contract agreement. Grants and contracts receivable represent amounts due from funding organizations for reimbursable expenses incurred. Cash received under grants and contracts in advance of incurring the related expenses is reported as deferred revenue.



**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2018

(With summarized comparative financial information as of and  
for the year ended December 31, 2017)

(Amounts in thousands)

**(c) Contributions**

Contributions, which include unconditional promises to give, are recognized as revenue at fair value when received or pledged. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting anticipated future cash receipts at a risk-adjusted rate for the duration of the donor's payment plan. Amortization of the discount is recorded as additional contribution revenue. An allowance for uncollectible contributions is estimated based upon prior year collection history and analysis of past-due amounts. Bequest income is recorded when the will has gone through probate, is declared legally valid, and the interests that the Organization has in a decedent's estate are reasonably estimated and assured to be received.

The Board of Trustees has established a threshold that any unrestricted bequest income recorded in operating activities in excess of \$4,500 will first make up any revenue shortfall in operating, and the remainder will be transferred to operating reserve board-designated in non-operating activities. The amounts transferred to board-designated fund shall address key strategic purposes as determined by the management team. In 2018 and 2017, respectively, of the excess bequest of \$3,385 and \$2,175, the organization has utilized \$2,724 and \$0 for operations and \$1,111 and \$2,175 as transfers to the board-designated operating reserve.

Contributions received with donor-imposed conditions are recognized as revenue when the conditions have been substantially met. Amounts received in advance of satisfying the donor-imposed conditions are reported as deferred revenue until the conditions are met.

**(d) Donated Services, Commodities, and Gifts-in-Kind**

Donated services are reported as contributions and expenses in amounts equal to their estimated fair value on the date of receipt.

A substantial number of individuals have volunteered significant amounts of their time to program and supporting functions; however, these services do not meet the criteria for recognition in accordance with U.S. generally accepted accounting principles and, therefore, are not recorded in the accompanying consolidated financial statements.

Approximately \$23,000 and \$26,000, respectively, of in-kind media and broadcast time in the form of public service announcements was received during the years ended December 31, 2018 and 2017. A third party is engaged to assist in arriving at the estimated fair value of such public service announcements using billing rates normally charged to other customers under similar circumstances.

Gifts-in-kind (GIK) are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. GIK are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Donated GIK are not sold and goods are only distributed for program use.

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2018

(With summarized comparative financial information as of and  
for the year ended December 31, 2017)

(Amounts in thousands)

Pharmaceutical GIK contributions are valued using a hierarchy of pricing inputs that approximates wholesale prices overseas where the GIK are distributed. The International Drug Price Indicator is the primary source for the exit market value. Approximately \$230 and \$620 respectively, of in-kind pharmaceuticals were received during the years ended December 31, 2018 and 2017.

Non-pharmaceutical GIK contributions received have been valued at their estimated wholesale value, or, in the absence of a wholesale value, using "like-kind" methodology that references U.S. wholesale pricing data for similar products. Approximately \$18,400 and \$12,700 respectively, of non-pharmaceutical in-kind gifts were received during the years ended December 31, 2018 and 2017.

Donated commodities are reported at fair value and recognized as revenue and expense when the commodities are distributed for program purposes and received by the recipients.

Food commodities supplied to the Organization through U.S. government programs managed by U.S. Agency for International Development (USAID) or U.S. Department of Agriculture (USDA) are valued according to commercial prices paid as stated on the purchase order and ocean bill of lading. USAID/USDA food commodities are procured by the Farm Service Agency, the procurement arm of USDA that purchases all food commodities on behalf of international nongovernmental organizations (NGOs) and the World Food Program (WFP), on the U.S. commercial market using funds granted to the Organization.

Other WFP contracts procure commodities through the conduct of its own competitive tender solicitations in various countries around the world. The value of those commodities is the amount WFP pays to its commercial vendors. The freight portion of the WFP commodity value is the amount WFP pays to carriers who are contracted through the solicitation of competitive offers.

**(e) Split-Interest Agreements**

Split-interest agreements consist of charitable gift annuities, charitable remainder unitrusts, charitable lead annuity trusts, pooled income funds, and perpetual trusts. Such split-interest agreements provide for payments to the donors or their beneficiaries based upon either the income earned on related investments or the specified annuity amounts. Assets held under these arrangements are reported at fair value in the accompanying consolidated statement of financial position. Contribution revenue is recognized at the date of the trust or the annuity contract are established, and liabilities are recorded for the present value of the estimated future payments expected to be made to the donors and/or other beneficiaries. The liabilities are adjusted annually for changes in the life expectancy of the donor or beneficiary, amortization of the discount, and other changes in the estimate of future payments and recognized as a non-operating activity. The liability related to split-interest agreements is included in accounts payable and accrued liabilities in the accompanying consolidated statement of financial position.



**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

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(With summarized comparative financial information as of and  
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**(f) Functional Expenses**

The Organization allocates expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program or supporting service are reported accordingly. Other expenses that are common to several functions are allocated by various statistical bases which attribute the cost to functional categories. Statistical bases utilized include square footage occupied by business units and estimated time and effort supporting other functions.

The organization conducts activities related to fundraising that have elements of other functions, such as program services (advocacy), for which expenses are allocated (joint costs). For 2018, the total expense included in the allocation is \$19,294 and \$22,926 for 2018 and 2017, respectively. Of the totals, \$10,014 and \$9,929 is allocated to program services and \$9,280 and \$12,997 are allocated to supporting services, in 2018 and 2017, respectively. These costs include GIK for media and broadcast time, salaries for staff dependent on the nature of work, and campaigns which are reviewed for intent of messaging and nature of support.

Other represents the aggregate of various other program service costs (community labor expense and cash transfer programs) and items not individually classified in the accompanying consolidated statement of functional expenses due to their varying nature and amount from year to year (includes items such as event expense, reference materials, bad debt and membership fees).

Program activities include costs of the Organization associated with the delivery of programs relating to emergencies, education, health and nutrition, hunger, livelihoods, HIV/AIDS, child protection, and child rights governance. Program activities – SCI includes these activities implemented through SCI. Program development and public policy support relate to the development and technical support of programs and the advocacy efforts in support of the children. Management and general – SCI represents the Organization's payment of SCI's management and general expense.

Due from SCI, net includes the amounts advanced for program operations and working capital to achieve programmatic objectives.

**(g) Measure of Operations**

The Organization includes in its measure of operations all revenues and expenses that are integral to its program services and supporting services. The measure of operations for the years ended December 31, 2018 and 2017 includes investment return appropriated for operations and excludes investment returns in excess of or less than the amount appropriated for operations, transfers to board-designated, bequests in excess of \$4,500 after any operating shortfall, increases or decreases in donor-restricted endowment funds, foreign currency exchange gains/losses, endowment contributions and changes in value of split-interest agreements, and other nonrecurring transactions.

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**(h) Foreign Currency Translation**

Assets and liabilities denominated in foreign currencies are translated into U.S. dollars, the reporting currency at exchange rates in effect at the consolidated statement of financial position date, and revenue and expenses are translated at rates which approximate those in effect on transaction dates. Net transaction and translation gains and losses are included as foreign currency exchange gain or loss in the accompanying consolidated statement of activities.

**(i) Cash and Cash Equivalents**

The Organization considers all highly liquid debt instruments purchased with original maturities of three months or less, other than those held as part of the investment portfolio, to be cash equivalents.

**(j) Investments**

Investments with readily determinable fair values are reported at fair value based upon quoted market prices or published net asset values for alternative investments with characteristics similar to a mutual fund. Other alternative investments (nontraditional, not readily marketable vehicles) such as certain hedge funds, private equity, alternative hedged strategies and real assets are reported at net asset value, as a practical expedient for estimated fair value, as provided by the investment managers of the respective funds. These values are reviewed and evaluated by the Organization's management for reasonableness. The reported values may differ from the values that would have been reported had a ready market for these investments existed. All other investments are stated at fair value based upon quoted market prices in active markets.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses are determined on the basis of average cost of securities sold and are reflected in the consolidated statement of activities. Dividend income is recorded on the ex-dividend date, and interest income is recorded on an accrual basis.

**(k) Fair Value Measurements**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. GAAP requires the Organization to disclose the fair value of each of its assets and liabilities based on the level of observable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date or published net asset value for alternative investments with characteristics similar to a mutual fund.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.



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The level in the fair value hierarchy within which a fair value measurement falls, in its entirety, is based on the lowest level input that is significant to the fair value measurement.

**(l) Property, Plant and Equipment**

Property, plant and equipment are stated at cost if purchased or fair value on date of contribution. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the respective assets. Capitalizable costs incurred in connection with ongoing capital projects are recorded as systems and construction in progress. These costs will be reclassified into categories and depreciated once placed in service.

The estimated useful lives by asset class are as follows:

|                                 | <u>Years</u> |
|---------------------------------|--------------|
| Buildings                       | 25–50        |
| Buildings improvements          | 10           |
| Vehicles                        | 5            |
| Furniture and office equipment  | 5            |
| Software and computer equipment | 3–5          |

**(m) Tax Status**

The Internal Revenue Service has ruled that, pursuant to Section 501(c)(3) of the Internal Revenue Code (the Code), SCUS and Head Start are exempt from federal income taxes and are publicly supported organizations, as defined in Section 509(a)(1) of the Code. Effective March 11, 2014, the Internal Revenue Service determined that SCAN is exempt from federal income tax under Section 501(c)(4) of the Code. As not-for-profit organizations, SCUS, Head Start, and SCAN are also exempt from state and local income taxes.

The Organization follows the guidance of Accounting Standards Codification 740, *Income Taxes*, related to uncertainties in income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization believes it has taken no significant uncertain tax positions.

**(n) Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates made in the preparation of the consolidated financial statements include fair value of alternative investments, net realizable value of contributions receivable, fair value of GIK and commodities, and functional expense allocations. Actual results could differ from those estimates.

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**(o) Inventory**

Inventory consists of program materials and emergency response supplies not used as of December 31st. Inventory is recorded at cost on purchase, while contributed inventory is recorded at fair value. Inventory is deducted and expensed when used and distributed.

**(p) Presentation of Certain Prior Year Information**

The consolidated statements of activities and functional expenses include certain prior year summarized consolidated financial information for comparative purposes only such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2017 from which the summarized information was derived.

**(q) New Accounting Pronouncements**

During 2018, the Organization adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). ASU 2016-14 reduces the number of net assets from three to two: net assets without donor restrictions, previously reported as unrestricted net assets, and net assets with donor restrictions, previously reported as temporarily restricted net assets and permanently restricted net assets. Additionally, a main provision of this guidance includes recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also expands the quantitative and qualitative disclosures regarding liquidity and availability of resources and requires expenses to be reported by both their natural and functional classification in one location. The Organization applied the changes retrospectively.

|   | ASU 2016-14 classifications   |                            |                |
|---|-------------------------------|----------------------------|----------------|
|   | Without donor<br>restrictions | With donor<br>restrictions | Total          |
| Reclassifications as of December 31, 2016:                            |                               |                            |                |
| Endowment net assets at December 31, 2016                             | \$ 89,108                     | 35,280                     | 124,388        |
| Reclassification of underwater endowments<br>to implement ASU 2016-14 | 434                           | (434)                      | —              |
| Endowment net assets at December 31, 2016,<br>as adjusted (note 6)    | <u>\$ 89,542</u>              | <u>34,846</u>              | <u>124,388</u> |
| Reclassifications as of December 31, 2017:                            |                               |                            |                |
| Investment return, net  | \$ 12,885                     | 4,070                      | 16,955         |
| Reclassification of underwater endowments<br>to implement ASU 2016-14 | (697)                         | 697                        | —              |
| Investment return, net as adjusted (note 6)                           | <u>\$ 12,188</u>              | <u>4,767</u>               | <u>16,955</u>  |



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|   | ASU 2016-14 classifications   |                            |                |
|---|-------------------------------|----------------------------|----------------|
|   | Without donor<br>restrictions | With donor<br>restrictions | Total          |
| Spending rate   | \$ (4,769)                    | (1,185)                    | (5,954)        |
| Reclassification of underwater endowments<br>to implement ASU 2016-14 | 265                           | (265)                      | —              |
| Spending rate as adjusted (note 6)                                    | \$ <u>(4,504)</u>             | <u>(1,450)</u>             | <u>(5,954)</u> |

The FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) – This ASU clarifies the principles for recognizing revenue and creates a common revenue standard for U.S. GAAP and International Financial Reporting Standards. This ASU is effective for the year ending December 31, 2019.

The FASB issued ASU No. 2016-02, *Leases* (Topic 842) – This guidance is designed to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing agreements. This ASU is effective for the year ending December 31, 2020.

The FASB issued ASU No. 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made* – This ASU is intended to clarify and improve the scope and accounting guidance for contributions received and contributions made. The ASU is effective for the year ending December 31, 2019.

**(r) Reclassifications**

Reclassifications were made to certain 2017 amounts to conform to the current year presentation.

**(3) Investments**

Investments consisted of the following at December 31, 2018 and 2017:

|                               | Fair value        |                |
|-------------------------------|-------------------|----------------|
|                               | 2018              | 2017           |
| Cash equivalents              | \$ 8,909          | 10,280         |
| Fixed income                  | 18,071            | 16,940         |
| Public equity                 | 60,022            | 85,462         |
| Private equity                | 634               | 37             |
| Alternative hedged strategies | 26,945            | 29,537         |
| Real assets                   | 17,190            | 215            |
|                               | \$ <u>131,771</u> | <u>142,471</u> |

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The Organization is obligated under certain limited partnership investment fund agreements to advance additional funding periodically up to specified levels. Unfunded commitments as of December 31, 2018 were not material.

Information pertaining to investment strategies is as follows:

- Cash equivalents provide short term liquidity and serve as a funding source for distributions and rebalancing.
- The fixed income category comprises strategies that invest principally in debt instruments issued by governments or companies or through the securitization of certain types of collateral. Fixed income provides stability and protection in deflationary environments.
- The public equity category comprises investment strategies that invest principally in publicly traded equity securities. These strategies are generally designed with reference to a benchmark that itself comprises equity securities that are traded on a recognized exchange. Public equities may include hedge funds whose investment objectives are benchmarked to equity markets.
- The private equity category comprises investment strategies that invest principally in privately issued equity-related securities. This category includes strategies that participate in venture capital, leveraged buyouts and control-oriented distressed situations.
- The alternative hedged strategies category comprises strategies that seek to generate return streams that are not highly correlated to broad capital markets and that rely less on the general direction of capital markets to produce positive returns. These strategies may take a variety of forms including long or short positions in the public equity or credit markets that seek to capitalize on perceived mispricing or on the anticipated outcome of an “event,” such as a merger or bankruptcy proceeding. Alternative hedged strategies are employed to offer market comparable returns with lower expected volatility.
- Real assets comprise strategies that invest in securities relating to real estate. This strategy provides the portfolio with a diversified hedge against inflation as well as a yield component. As of December 31, 2017, the real assets strategy consisted of a real estate investment trust. As of December 31, 2018, the real assets strategy consisted of the same real estate investment trust as prior year plus a new investment in a real asset non-lending common trust fund. Investments within this new strategy include commodities, global natural resource stocks, global infrastructure stocks, U.S. real estate investment trusts, and treasury inflation protected securities.

The above asset categories are managed to create a portfolio effect to balance risk and return to meet investment objectives.

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**(4) Fair Value Measurements**

The following table presents investments by strategy and fair value as of December 31, 2018:

|  | Assets at fair value as of December 31, 2018 |         |         |         |         |
|--|--|---------|---------|---------|---------|
|  | Measured<br>at NAV                           | Level 1 | Level 2 | Level 3 | Total   |
| Long-term investment strategies:   |  |         |         |         |         |
| Cash equivalents   | \$ —   | 8,909   | —       | —       | 8,909   |
| Fixed income:  |  |         |         |         |         |
| Domestic mutual funds  | —  | 7,472   | —       | —       | 7,472   |
| Common collective trust fund   | 10,599                                       | —       | —       | —       | 10,599  |
| Equity:  |  |         |         |         |         |
| Domestic   | —  | 5,004   | —       | —       | 5,004   |
| Hedge funds  | 55,018                                       | —       | —       | —       | 55,018  |
| Private equity   | 634  | —       | —       | —       | 634     |
| Alternative hedged strategies  | 26,945                                       | —       | —       | —       | 26,945  |
| Real assets:   |  |         |         |         |         |
| Real estate investment trust   | 279  | —       | —       | —       | 279     |
| Mutual funds   | —  | 16,911  | —       | —       | 16,911  |
| Total investments  | \$ 93,475                                    | 38,296  | —       | —       | 131,771 |
| Assets of Pooled Income Funds<br>(PIF) and Charitable Gift<br>Annuities (CGA): |  |         |         |         |         |
| Cash equivalents   | \$ —   | 59      | —       | —       | 59      |
| Fixed income   | 561  | 98      | 227     | —       | 886     |
| Public equity  | 1,842  | 274     | —       | —       | 2,116   |
| Total assets of PIF and<br>CGA   | \$ 2,403                                     | 431     | 227     | —       | 3,061   |
| Beneficial interests in perpetual<br>trusts held by third parties              | \$ —   | —       | —       | 12,940  | 12,940  |

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|  | Assets at fair value as of December 31, 2017 |               |            |          |                |
|--|--|---------------|------------|----------|----------------|
|  | Measured<br>at NAV                           | Level 1       | Level 2    | Level 3  | Total          |
| Long-term investment strategies:   |  |               |            |          |                |
| Cash equivalents   | \$ —   | 10,280        | —          | —        | 10,280         |
| Fixed income:  |  |               |            |          |                |
| Domestic mutual funds  | —  | 2,766         | —          | —        | 2,766          |
| Common collective trust fund   | 9,740  | —             | —          | —        | 9,740          |
| Domestic government securities   | —  | 4,433         | 1          | —        | 4,434          |
| Equity:  |  |               |            |          |                |
| Domestic   | —  | 8,224         | —          | —        | 8,224          |
| Global   | —  | 6,020         | —          | —        | 6,020          |
| Common collective trust fund   | —  | —             | —          | —        | —              |
| Hedge funds  | 71,218                                       | —             | —          | —        | 71,218         |
| Private equity   | 37   | —             | —          | —        | 37             |
| Alternative hedged strategies  | 29,537                                       | —             | —          | —        | 29,537         |
| Real assets:   |  |               |            |          |                |
| Real estate investment trust   | 215  | —             | —          | —        | 215            |
| Total investments  | \$ <u>110,747</u>                            | <u>31,723</u> | <u>1</u>   | <u>—</u> | <u>142,471</u> |
| Assets of Pooled Income Funds (PIF) and Charitable Gift Annuities (CGA): |  |               |            |          |                |
| Cash equivalents   | \$ —   | 39            | —          | —        | 39             |
| Fixed income   | 555  | 132           | 168        | —        | 855            |
| Public equity  | 2,267  | 403           | —          | —        | 2,670          |
| Total assets of PIF and CGA  | \$ <u>2,822</u>                              | <u>574</u>    | <u>168</u> | <u>—</u> | <u>3,564</u>   |
| Beneficial interests in perpetual trusts held by third parties           | \$ —   | —             | —          | 13,288   | 13,288         |



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The following table includes a rollforward for the years ended December 31, 2018 and 2017 for financial instruments classified within Level 3.

|                            | <b>Perpetual<br/>trusts</b> |
|----------------------------|-----------------------------|
| Balance, December 31, 2016 | \$ 5,135                    |
| Distributions              | —                           |
| Contributions              | —                           |
| Fees                       | —                           |
| Net appreciation           | <u>8,153</u>                |
| Balance, December 31, 2017 | 13,288                      |
| Distributions              | —                           |
| Contributions              | —                           |
| Fees                       | —                           |
| Net depreciation           | <u>(348)</u>                |
| Balance, December 31, 2018 | <u>\$ 12,940</u>            |

Investments measured at net asset value contain various monthly, quarterly, and annual redemption restrictions with required written notice ranging from 1 to 90 days. In addition, certain of these investments are restricted by lockup periods. As of December 31, 2018, the following table summarizes the composition of such investments by the various redemption and lockup provisions:

| <u>Redemption period</u>   | <u>Days notice for<br/>redemption</u> | <u>Amount</u>    |
|--|---------------------------------------|------------------|
| Monthly:   |                                       |                  |
| Fixed income – common collective trust fund and<br>public equity – hedge funds | 5–30                                  | \$ 21,502        |
| Quarterly:   |                                       |                  |
| Equity – hedge funds   | 30–60                                 | 27,590           |
| Annually:  |                                       |                  |
| Alternative hedged strategies  | 30–90                                 | 13,329           |
| Lockup (a):  |                                       |                  |
| Equity-hedge funds   | Not applicable                        | 16,525           |
| Alternative hedged strategies  | Not applicable                        | 13,616           |
| Private equity   | Not applicable                        | 634              |
| Real estate investment trust   | Not applicable                        | 279              |
| Pooled income funds and gift annuity   | Not applicable                        | <u>2,403</u>     |
| Total  |                                       | <u>\$ 95,878</u> |

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(a) The amounts subject to redemption lockups at December 31, 2018 that are set to expire are as follows:

| <u>Fiscal year</u>            | <u>Amount</u>    |
|-------------------------------|------------------|
| 2019:                         |                  |
| Private equity                | \$ 634           |
| Real estate investment trust  | 279              |
| Alternative hedged strategies | 5,894            |
| 2020:                         |                  |
| Alternative hedged strategies | 13,616           |
| 2022:                         |                  |
| Equity - hedge funds          | 10,631           |
| 2024 and beyond:              |                  |
| Assets of PIF and CGA         | <u>2,403</u>     |
| Total                         | <u>\$ 33,457</u> |

**(5) Commodities and Ocean Freight**

During the years ended December 31, 2018 and 2017, the Organization was granted and distributed certain agricultural commodities under famine relief and food aid contracts with the U.S. government, WFP, United Nations High Commissioner for Refugees (UNHCR) and Catholic Relief Services (CRS) (from USAID and the government of Ethiopia). The Organization also received and distributed medical commodities under agreements with The Global Fund. The commodities, and related ocean freight where applicable, are detailed below:

|  | <u>Commodity<br/>type</u> | <u>2018</u>       | <u>2017</u>   |
|--|---------------------------|-------------------|---------------|
| World Food Programme                                 | Agricultural              | \$ 102,000        | 34,342        |
| The Global Fund                                      | Pharmaceutical            | 8,887             | 11,050        |
| Catholic Relief Services from USAID                  | Agricultural              | 5,318             | 8,404         |
| United States Department of Agriculture              | Agricultural              | 1,801             | 1,271         |
| United Nations High Commissioner for Refugees        | Agricultural              | 92                | —             |
| Catholic Relief Services from government of Ethiopia | Agricultural              | —                 | 304           |
|  |                           | <u>\$ 118,098</u> | <u>55,371</u> |

**(6) Endowments**

The Organization's endowment consists of 92 individual funds established for a variety of purposes and includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds

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designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**(a) Interpretation of Relevant Law**

The Organization is subject to the State of Connecticut's version of the Uniform Prudent Management of Institutional Funds Act (CUPMIFA). Based on the interpretation of CUPMIFA by the Board of Trustees of the Organization, applicable accounting guidance, and absent explicit donor stipulations to the contrary, the Organization classifies net assets of a perpetual nature with donor restrictions as (a) the original value of gifts donated to the donor restricted endowment, (b) the original value of subsequent gifts to the donor restricted endowment, and (c) accumulations to the donor restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Board of Trustees of the Organization in a manner consistent with the standard of prudence prescribed by CUPMIFA. In accordance with CUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization
- Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original dollar value of the endowment fund or the level specifically required to be retained by the donor. The Organization considers prudence in maintaining an endowment fund in perpetuity. So while spending may occur from an endowment fund whose fair value is below its historic value, the organization has determined that its policies will continue the perpetual nature of the endowment over time. Deficiencies of this nature, which are reported in net assets with donor restrictions, were \$678 and \$2 as of December 31, 2018 and 2017, respectively. These funds had an original gift value of \$14,130 and \$228 and a fair value of \$13,452 and \$226 as of December 31, 2018 and 2017, respectively. These deficiencies resulted from unfavorable market fluctuations.



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***(b) Return Objectives and Risk Parameters***

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs of at least 4.5% over the long term while shouldering an acceptable level of risk and maintaining adequate liquidity. Actual returns in any given year may vary from this amount.

***(c) Strategies Employed for Achieving Objectives***

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based and alternative investments to achieve its long-term objective within prudent risk constraints.

***(d) Spending Policy and How the Investment Objectives Relate to Spending Policy***

The policy governing the investment of the Organization's endowment is twofold: to provide a reasonable and prudent level of currently expendable income in accordance with the spending policy set by the Finance and Administration Committee of the Organization's Board of Trustees at 4.5% (in 2018 and 2017) of the average of the endowment's total market value for the 12 quarters ending June 30 of the previous year in which distribution is planned; and to support the Organization and its mission over the long term by ensuring that the future growth of the endowment is sufficient to offset normal inflation plus reasonable spending, thereby preserving the constant dollar value and purchasing power of the endowment for the benefit of future generations of children in need.

The Finance and Administration Committee, after consideration of the factors provided in CUPMIFA, approved a policy which states that, absent donor-imposed directions, it is prudent given the current market climate to apply the current spending policy to below historic value funds until such funds hit the threshold of 50% of historic value.



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At December 31, 2018 and 2017, endowment net assets, excluding beneficial interests in perpetual trusts held by third parties, consist of the following:

|                        | <b>2018</b>                           |                                    |                |
|------------------------|---------------------------------------|------------------------------------|----------------|
|                        | <b>Without donor<br/>restrictions</b> | <b>With donor<br/>restrictions</b> | <b>Total</b>   |
| Donor-restricted funds | \$ —                                  | 34,986                             | 34,986         |
| Board-designated funds | 93,137                                | —                                  | 93,137         |
| Total endowments       | <u>\$ 93,137</u>                      | <u>34,986</u>                      | <u>128,123</u> |
|                        | <b>2017</b>                           |                                    |                |
|                        | <b>Without donor<br/>restrictions</b> | <b>With donor<br/>restrictions</b> | <b>Total</b>   |
| Donor-restricted funds | \$ —                                  | 38,343                             | 38,343         |
| Board-designated funds | 97,603                                | —                                  | 97,603         |
| Total endowments       | <u>\$ 97,603</u>                      | <u>38,343</u>                      | <u>135,946</u> |

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2018

(With summarized comparative financial information as of and  
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(Amounts in thousands)

Changes in endowment net assets for the years ended December 31, 2018 and 2017 consisted of the following:

|  | <u>Without donor<br/>restrictions</u> | <u>With donor<br/>restrictions</u> | <u>Total</u>   |
|--|---------------------------------------|------------------------------------|----------------|
| Endowment net assets,<br>December 31, 2016 | \$ 89,542                             | 34,846                             | 124,388        |
| Investment return, net                     | 12,188                                | 4,767                              | 16,955         |
| Contributions                              | —                                     | 180                                | 180            |
| Member growth loan repayment               | 861                                   | —                                  | 861            |
| Transfer to/from board<br>designated funds | (484)                                 | —                                  | (484)          |
| Spending rate                              | <u>(4,504)</u>                        | <u>(1,450)</u>                     | <u>(5,954)</u> |
| Endowment net assets,<br>December 31, 2017 | <u>97,603</u>                         | <u>38,343</u>                      | <u>135,946</u> |
| Investment return, net                     | (5,491)                               | (2,160)                            | (7,651)        |
| Contributions                              | 10                                    | 351                                | 361            |
| Member loan repayment                      | 1,173                                 | —                                  | 1,173          |
| Transfer to/from board<br>designated funds | 4,098                                 | —                                  | 4,098          |
| Spending rate                              | <u>(4,256)</u>                        | <u>(1,548)</u>                     | <u>(5,804)</u> |
| Endowment net assets,<br>December 31, 2018 | <u>\$ 93,137</u>                      | <u>34,986</u>                      | <u>128,123</u> |

On August 1, 2014, the Organization entered into a three-year loan agreement with SCI to help fund the Member Growth Fund, a fund established by SCI to help smaller Members with their growth strategies. The Organization agreed to loan up to \$6,000 to be disbursed in 2014 and 2015. These loans bear interest at 4% per annum. As of December 31, 2018 and December 31, 2017, loan principal of \$399 and \$1,572, respectively, is outstanding and included in amounts due from Save the Children International, net in the accompanying consolidated statement of financial position. Board-designated endowment funds were used to fund the loan disbursements to SCI. Any repayment of such loans, including interest, was transferred back to the endowment. Principal loan repayments during 2018 and 2017 totaled \$1,173 and \$861, respectively.

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2018

(With summarized comparative financial information as of and  
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(Amounts in thousands)

**(7) Contributions Receivable, Net**

Contributions receivable consisted of the following as of December 31, 2018 and 2017:

|   | <u>2018</u>     | <u>2017</u>   |
|---|-----------------|---------------|
| Pledges receivable:   |                 |               |
| Due within one year   | \$ 4,977        | 7,306         |
| Due within two to five years                                    | <u>4,038</u>    | <u>4,715</u>  |
|   | 9,015           | 12,021        |
| Less discount to present value (average rate of 0.12% to 2.54%) | <u>(90)</u>     | <u>(82)</u>   |
| Pledges receivable, net   | 8,925           | 11,939        |
| Charitable remainder unitrusts receivable                       | <u>507</u>      | <u>514</u>    |
| Total contributions receivable, net                             | <u>\$ 9,432</u> | <u>12,453</u> |

At December 31, 2018 and 2017, amounts receivable from two donors represents approximately 33% and 44% respectively, of the net contributions receivable.

**(8) Property, Plant and Equipment, Net**

Property, plant and equipment consisted of the following as of December 31, 2018 and 2017:

|   | <u>2018</u>      | <u>2017</u>  |
|---|------------------|--------------|
| Land                                      | \$ 2             | 2            |
| Buildings and improvements                | 539              | 539          |
| Software and computer equipment           | 20,177           | 15,066       |
| Vehicles                                  | 716              | 716          |
| Furniture and office equipment            | <u>145</u>       | <u>209</u>   |
|   | 21,579           | 16,532       |
| Accumulated depreciation and amortization | (14,379)         | (12,080)     |
| Systems and construction in progress      | <u>3,349</u>     | <u>5,435</u> |
| Total property, plant and equipment, net  | <u>\$ 10,549</u> | <u>9,887</u> |

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2018

(With summarized comparative financial information as of and  
for the year ended December 31, 2017)

(Amounts in thousands)

**(9) Lines of Credit**

The Organization maintains two \$15,000 revolving lines of credit, totaling \$30,000. These lines of credit expire July 31, 2019 and September 10, 2019, respectively. Borrowings under these lines of credit bear interest at the 1 month LIBOR plus 0.70%. As of December 31, 2018 and 2017, there were no borrowings outstanding under such agreements nor any borrowings during fiscal year 2018 or 2017.

**(10) Employee Benefits**

The Organization maintains two defined contribution plans covering all eligible employees. The plans require the Organization to contribute 4% of each eligible employee's compensation and match 100% of the first 4% contributed by each eligible employee. During the years ended December 31, 2018 and 2017, total pension expense under the defined contribution plans was \$5,689 and \$5,652, respectively.

The Organization has a self-insured group health benefit plans, including comprehensive medical, dental and prescription drug coverage. For 2018, the individual stop loss limit is \$125 per person and the aggregate maximum is \$14,733 in claims.

**(11) Postretirement Benefits Other than Pensions**

In addition to providing pension benefits, the Organization provides healthcare benefits for certain retired employees. To be eligible for these benefits, employees must complete at least 10 years of service and have reached age 55. Dental, life, and accidental death and dismemberment benefits for participants who retired before October 1, 1995 are also provided. The expected cost of providing postretirement benefits to employees and their beneficiaries and covered dependents, if applicable, is accrued during the years that the employees render service. The following tables set forth amounts relating to postretirement benefits other than pensions recognized as of and for the years ended December 31, 2018 and 2017:

|   | <u>2018</u>  | <u>2017</u>  |
|---|--------------|--------------|
| Change in benefit obligation:           |              |              |
| Benefit obligation at beginning of year | \$ 4,588     | 4,518        |
| Service cost                            | 267          | 227          |
| Interest cost                           | 150          | 161          |
| Plan participant contributions          | 188          | 188          |
| Actuarial loss                          | (488)        | (96)         |
| Benefits paid                           | <u>(308)</u> | <u>(410)</u> |
| Benefit obligation at end of year       | <u>4,397</u> | <u>4,588</u> |

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

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(With summarized comparative financial information as of and  
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(Amounts in thousands)

|   | <u>2018</u>     | <u>2017</u>  |
|---|-----------------|--------------|
| Change in plan assets:  |                 |              |
| Fair value of plan assets at beginning of year  | \$ —            | —            |
| SCUS contribution   | 120             | 222          |
| Plan participant contributions  | 188             | 188          |
| Benefits paid   | <u>(308)</u>    | <u>(410)</u> |
| Fair value of plan assets at end of year  | <u>—</u>        | <u>—</u>     |
| Postretirement benefits other than pensions liability   | \$ <u>4,397</u> | <u>4,588</u> |
| Components of net periodic benefit cost:  |                 |              |
| Service cost  | \$ 267          | 227          |
| Interest cost   | 150             | 161          |
| Amortization of prior service cost  | —               | —            |
| Amortization of net loss  | <u>—</u>        | <u>—</u>     |
| Net periodic benefit cost   | \$ <u>417</u>   | <u>388</u>   |
| Assumption used for benefit obligation as of<br>December 31, 2018 and 2017:   |                 |              |
| Discount rate   | 4.02 %          | 3.37 %       |
| Assumptions used for benefit cost for the years ended<br>December 31, 2018 and 2017:  |                 |              |
| Discount rate   | 3.37 %          | 3.70 %       |
| The components of postretirement benefit cost other than net<br>periodic benefit cost for the years ended December 31, 2018<br>and 2017, reported in fringe benefit expenses: |                 |              |
| Net actuarial gain (loss)   | \$ <u>(488)</u> | <u>(96)</u>  |
| Total   | \$ <u>(488)</u> | <u>(96)</u>  |
| Amounts not yet recognized as a component of net periodic<br>benefit cost as of December 31, 2018 and 2017:   |                 |              |
| Net actuarial gain  | \$ <u>(752)</u> | <u>(264)</u> |
| Total   | \$ <u>(752)</u> | <u>(264)</u> |



**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

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(Amounts in thousands)

The following future benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

| <u>Years</u> | <u>Amount</u> |
|--------------|---------------|
| 2019         | \$ 277        |
| 2020         | 296           |
| 2021         | 290           |
| 2022         | 296           |
| 2023         | 308           |
| 2024-2028    | 1,676         |

The benefit obligation takes into account several assumptions, including the incidence and magnitude of medical claims by age, medical trend, employee turnover, and mortality. The mortality assumption includes projections of improved longevity in the future. The medical trend assumption has limited impact on the benefit obligation because of the organization capping its cost portion at January 1, 2001 levels. Effective January 1, 2002, retirees began paying for cost increases in excess of the January 1, 2001 levels.

The Organization has not identified any provisions of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act that would be expected to have a significant impact on the measured obligation at December 31, 2018 and 2017.

**(12) Net Assets with donor restrictions**

Net assets with donor restrictions are available for the following purposes for the years ended December 31, 2018 and 2017, inclusive of appreciation on endowment corpus of \$1,993 and \$5,597, respectively.

|   | <u>2018</u>       | <u>2017</u>    |
|---|-------------------|----------------|
| Asia programs   | \$ 1,875          | 2,398          |
| Middle East/Eurasia programs                                  | 930               | 2,138          |
| Africa programs   | 922               | 1,500          |
| Latin America/Caribbean programs                              | 253               | 1,980          |
| U.S. programs   | 24,660            | 27,799         |
| International programs including match                        | 2,110             | 2,309          |
| Sector/thematic programs (emergency, education, health, etc.) | 19,479            | 20,104         |
| GIK programs  | 1,006             | 1,323          |
| Other   | 12,624            | 15,618         |
| Beneficial interest in perpetual trusts                       | 12,940            | 13,288         |
| Endowment corpus  | 32,993            | 32,746         |
|   | <u>\$ 109,792</u> | <u>121,203</u> |

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

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(With summarized comparative financial information as of and  
for the year ended December 31, 2017)

(Amounts in thousands)

**(13) Lease Commitments**

The following is a schedule of the minimum future lease commitments for operating leases having initial or remaining non-cancelable lease terms greater than one year as of December 31, 2018:

| <u>Years</u> | <u>Amount</u>    |
|--------------|------------------|
| 2019         | \$ 4,717         |
| 2020         | 4,545            |
| 2021         | 4,568            |
| 2022         | 4,609            |
| 2023         | 4,637            |
| Thereafter   | 33,182           |
|              | <u>\$ 56,258</u> |

Rent expense, included in occupancy on the consolidated statement of functional expenses, amounted to \$5,857 and \$5,800 for the years ended December 31, 2018 and 2017, respectively.

**(14) Commitments and Contingencies**

The Organization is involved in various legal proceedings and claims arising in the normal course of business. Management does not expect the ultimate resolution of these actions to have a material adverse effect on the Organization's financial position, changes in net assets, or cash flows.

The Organization receives funding from government agencies for various activities, which are subject to audit. Although such audits may result in disallowance of certain expenditures, which would be absorbed by the Organization, in management's opinion, the ultimate outcome of such audits would not have a significant effect on the financial position, changes in net assets, or cash flows of the Organization.

*Government of Bolivia versus Save the Children (Bolivia)*

SCUS is a cooperating sponsor with USAID in connection with USAID's Food for Peace (USAID/FFP) commodity distribution and monetization program in Bolivia. Due to a long unresolved disagreement between the Government of Bolivia and the Government of the United States and in contravention of bilateral agreements between the two governments, the Government of Bolivia began asserting claims in December 2008 of past due taxes on shipments imported by SCUS and other NGOs working with the USAID/FFP program. As of December 31, 2018, approximately 60 separate claims related to shipments between 2002 and 2009, with a value of approximately \$16,000 are pending before Bolivian courts. SCUS has filed objections and is defending each claim. Additionally, SCUS maintains no material assets in country. As of December 31, 2018, no amounts have been accrued relating to this matter due to the uncertainty of the outcome.

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2018

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(Amounts in thousands)

**(15) Significant Funders and Concentrations of Credit Risk**

Revenue from U.S. government grants and contracts, including U.S. government commodities and ocean freight, represented 40.0% and 41.1% of total operating revenue for 2018 and 2017, respectively. During the years ended December 31, 2018 and 2017, 83.6% and 86.1%, respectively, of such U.S. government revenue were received from USAID through direct and pass-through awards. At December 31, 2018 and 2017, 61.4% and 68.0% of grants and contracts receivable and 3.9% and 2.3%, respectively, of deferred revenue received under grants and contracts were related to USAID. The operations of the Organization's programs at present levels are dependent upon continued funding from USAID.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of foreign cash and cash equivalents. At December 31, 2018 and 2017, 5.7% and 3.8%, respectively, of cash and cash equivalents (including liquid investments) were deposited in banks in foreign locations. In addition, at December 31, 2018 and 2017, 78.1% and 70.7%, respectively, of the Organization's cash and cash equivalents were held by a single institution, for which \$250 was insured by the Federal Deposit Insurance Corporation.

**(16) Program Activities**

A summary of program activities (without Program Development and Public Policy Support) by sector and type for the years ended December 31, 2018 and 2017 is as follows:

|                                     | 2018        |           |                    |                               |          |                  |                         | Total   | FY 2017 |
|-------------------------------------|-------------|-----------|--------------------|-------------------------------|----------|------------------|-------------------------|---------|---------|
|                                     | Emergencies | Education | Health & nutrition | Child poverty/<br>livelihoods | HIV/AIDS | Child protection | Child rights governance |         |         |
| Salaries                            | \$ 7,289    | 23,506    | 9,780              | 3,712                         | 863      | 1,378            | 14                      | 46,542  | 45,860  |
| Employee fringe benefits            | 1,739       | 6,361     | 2,848              | 1,160                         | 309      | 480              | 4                       | 12,901  | 13,126  |
| Total salaries and related expenses | 9,028       | 29,867    | 12,628             | 4,872                         | 1,172    | 1,858            | 18                      | 59,443  | 58,986  |
| Grants and charges from SCI         | 18,866      | 93,287    | 325,218            | 52,554                        | 45,099   | 21,891           | 436                     | 557,351 | 474,106 |
| Grants to other agencies            | 23,810      | 29,466    | 5,926              | 7,957                         | 64       | 2,038            | 131                     | 69,392  | 45,832  |
| Supplies, material, etc.            | 2,747       | 6,683     | 749                | 143                           | 51       | 197              | 1                       | 10,571  | 10,435  |
| Travel                              | 1,403       | 2,262     | 1,776              | 600                           | 180      | 232              | 7                       | 6,460   | 6,665   |
| Professional fees                   | 1,262       | 2,970     | 1,916              | 699                           | 141      | 204              | 3                       | 7,195   | 5,031   |
| Occupancy                           | 690         | 3,170     | 170                | 89                            | 10       | 63               | 1                       | 4,193   | 3,703   |
| Printing                            | 59          | 96        | 46                 | 21                            | 2        | 6                | 1                       | 231     | 429     |
| Telecommunications                  | 95          | 305       | 43                 | 18                            | 2        | 18               | —                       | 481     | 551     |
| Postage and shipping                | 144         | 118       | 60                 | 8                             | 1        | 147              | —                       | 478     | 472     |
| Depreciation and amortization       | 162         | 312       | 97                 | 60                            | 7        | 20               | —                       | 658     | 808     |
| Other                               | 68          | 477       | 83                 | 29                            | —        | —                | —                       | 657     | 3,760   |
| Total expenses                      | \$ 58,334   | 169,013   | 348,712            | 67,050                        | 46,729   | 26,674           | 598                     | 717,110 | 610,778 |



**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2018

(With summarized comparative financial information as of and  
for the year ended December 31, 2017)

(Amounts in thousands)

**(17) Liquidity and Availability**

The Organization regularly monitors liquidity required to meet its operating needs and other financial commitments, while also striving to maximize the investment of its available funds. The Organization maintains a financial resources policy that outlines acceptable investment vehicles for working capital, which includes reserves to be spent in the short-term on current activities, donor restricted funds meant to be spent down over a relatively short period of time to fund programs, and operating cash, which includes gifts without donor restrictions and with restriction or funds for operating needs. Per the policy, the Organization invests available cash needed for its general expenditures, liabilities, and other obligations in short-term investments, specifically interest bearing checking accounts, money market funds, and money market mutual funds.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of providing services for children and community self-help assistance in the U.S. and throughout the world, as well as the conduct of activities to support those service operations to be general expenditures. In addition to the financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient funds to cover general expenditures not covered by donor-restricted resources.

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2018

(With summarized comparative financial information as of and  
for the year ended December 31, 2017)

(Amounts in thousands)

Financial assets for general expenditures available within one year from December 31, 2018 are as follows:

|  | <u>2018</u>       |
|--|-------------------|
| Cash and cash equivalents  | \$ 40,809         |
| Grants and contracts receivable  | 52,551            |
| Contributions receivable, net  | 9,432             |
| Due from Save the Children International, net  | 34,832            |
| Assets of pooled income fund and charitable gift annuities                                   | 3,061             |
| Investments  | <u>131,771</u>    |
| Total financial assets   | 272,456           |
| Add endowment spending rate  | 5,653             |
| Less amounts unavailable for general expenditures within one year:                           |                   |
| Endowment funds restricted by donors of a perpetual nature                                   | (32,993)          |
| Unencumbered liquid assets required for line of credit                                       | (35,000)          |
| Contributions due beyond one year  | (4,455)           |
| Active PIF and CGA not yet terminated  | (2,351)           |
| Board-designated endowment   | (93,137)          |
| Board-designated operating reserve   | <u>(1,111)</u>    |
| Total financial assets available for general expenditure within one year                     | 109,062           |
| Other resources available:   |                   |
| Lines of credit  | <u>30,000</u>     |
| Total financial assets and other resources available for general expenditure within one year | <u>\$ 139,062</u> |

In addition to the financial assets and other resources available for general expenditure within one year, the Organization has board-designated endowment net assets without donor restrictions of \$93,137 that, while the Organization does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, with Board approval, if necessary. Furthermore, an operating reserve of \$1,111 was established by action of the Board and is funded from any annual budgeted or unbudgeted surpluses. Board approval is required to access funds from the operating reserve.

**(18) Subsequent Events**

In connection with the preparation of the consolidated financial statements, the Organization evaluated subsequent events from December 31, 2018 through May 20, 2019, which was the date the consolidated financial statements were available for issuance, and concluded that no additional disclosures are required.



**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

**Consolidated Financial Statements**

**December 31, 2017**

**(with summarized comparative financial information as of and  
for the year ended December 31, 2016)**

**(With Independent Auditors' Report Thereon)**



KPMG LLP  
345 Park Avenue  
New York, NY 10154-0102

## Independent Auditors' Report

The Board of Trustees  
Save the Children Federation, Inc.:

We have audited the accompanying consolidated financial statements of Save the Children Federation, Inc. and related entities, which comprise the consolidated statement of financial position as of December 31, 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Save the Children Federation, Inc. and its related entities as of December 31, 2017, and the changes in their net assets and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.



**Report on Summarized Comparative Information**

We have previously audited Save the Children Federation Inc.'s 2016 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 15, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*KPMG LLP*

May 22, 2018



**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Consolidated Statement of Financial Position

December 31, 2017

(with comparative financial information as of December 31, 2016)

(In thousands)

| <b>Assets</b>   | <b>2017</b>       | <b>2016</b>    |
|---|-------------------|----------------|
| Cash and cash equivalents (note 15)                                     | \$ 76,641         | 43,445         |
| Grants and contracts receivable (note 15)                               | 53,109            | 50,712         |
| Contributions receivable, net (note 7)                                  | 12,453            | 10,731         |
| Inventory   | 988               | 1,388          |
| Due from Save the Children International, net (note 6)                  | 15,908            | 9,238          |
| Prepaid expenses and other assets                                       | 9,983             | 5,900          |
| Investments (notes 3 and 4)   | 142,471           | 130,092        |
| Assets of pooled income fund and charitable gift annuities (note 4)     | 3,564             | 3,027          |
| Property, plant and equipment, net (note 8)                             | 9,887             | 9,207          |
| Beneficial interests in perpetual trusts held by third parties (note 4) | 13,288            | 5,135          |
| Total assets  | <u>\$ 338,292</u> | <u>268,875</u> |
| <b>Liabilities and Net Assets</b>                                       |                   |                |
| Liabilities:  |                   |                |
| Accounts payable and accrued liabilities                                | \$ 30,017         | 29,149         |
| Deferred revenue (note 15)  | 60,843            | 51,063         |
| Severance benefits for foreign national employees                       | 323               | 262            |
| Postretirement benefits other than pensions (note 11)                   | 4,588             | 4,518          |
| Total liabilities   | <u>95,771</u>     | <u>84,992</u>  |
| Commitments and contingencies (notes 9, 10, 11, 13, 14, and 15)         |                   |                |
| Net assets:   |                   |                |
| Unrestricted:   |                   |                |
| Undesignated  | 13,826            | 6,102          |
| Board designated-endowment (note 6)                                     | 97,603            | 89,542         |
| Investment in property, plant and equipment                             | 9,887             | 9,207          |
| Total unrestricted net assets   | <u>121,316</u>    | <u>104,851</u> |
| Temporarily restricted (notes 6 and 12)                                 | 75,169            | 41,323         |
| Permanently restricted (notes 6 and 12)                                 | 46,036            | 37,709         |
| Total net assets  | <u>242,521</u>    | <u>183,883</u> |
| Total liabilities and net assets  | <u>\$ 338,292</u> | <u>268,875</u> |

See accompanying notes to consolidated financial statements.

## SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES

## Consolidated Statement of Activities

Year ended December 31, 2017

(with summarized comparative financial information for the year ended December 31, 2016)

(In thousands)

|   | 2017         |                           |                           | 2016<br>Total |
|---|--------------|---------------------------|---------------------------|---------------|
|   | Unrestricted | Temporarily<br>restricted | Permanently<br>restricted |               |
| Operating revenue:  |              |                           |                           |               |
| Contributions and private grants (note 2 (d))                       | \$ 232,235   | 110,851                   | —                         | 343,086       |
| U.S. government grants and contracts (note 15)                      | 322,434      | —                         | —                         | 322,434       |
| Sponsorships  | —            | 69,768                    | —                         | 69,768        |
| Commodities and ocean freight (notes 5 and 15)                      | 55,371       | —                         | —                         | 55,371        |
| Fee for service contracts   | 4,804        | —                         | —                         | 4,804         |
| Bequests  | 4,500        | 610                       | —                         | 5,110         |
| Investment return appropriated for operations (notes 3 and 15)      | 5,071        | 1,066                     | —                         | 6,137         |
| Other   | 702          | —                         | —                         | 702           |
|   | 625,117      | 182,295                   | —                         | 807,412       |
| Net assets released from restrictions                               | 151,459      | (151,459)                 | —                         | —             |
| Total operating revenue   | 776,576      | 30,836                    | —                         | 807,412       |
| Operating expenses:   |              |                           |                           |               |
| Program services:   |              |                           |                           |               |
| Program activities (note 16)  | 136,672      | —                         | —                         | 136,672       |
| Program activities-Save the Children International (note 16)        | 474,106      | —                         | —                         | 474,106       |
| Program development and public policy support                       | 53,191       | —                         | —                         | 53,191        |
| Total program services  | 663,969      | —                         | —                         | 663,969       |
| Supporting services:  |              |                           |                           |               |
| Management and general  | 24,515       | —                         | —                         | 24,515        |
| Management and general-Save the Children International              | 13,886       | —                         | —                         | 13,886        |
| Fund-raising  | 69,283       | —                         | —                         | 69,283        |
| Total supporting services   | 107,684      | —                         | —                         | 107,684       |
| Total operating expenses  | 771,653      | —                         | —                         | 771,653       |
| Excess (deficiency) of operating revenue over expenses              | 4,923        | 30,836                    | —                         | 35,759        |
| Nonoperating activities:  |              |                           |                           |               |
| Investment return in excess of appropriated for operations (note 3) | 8,424        | 3,004                     | —                         | 11,428        |
| Foreign currency exchange gain(loss)                                | 943          | —                         | —                         | 943           |
| Endowment contributions   | —            | 6                         | 174                       | 180           |
| Bequests (note 2(c))  | 2,175        | —                         | —                         | 2,175         |
| Contributions and changes in value of split-interest agreements     | —            | —                         | 8,153                     | 8,153         |
| Total nonoperating activities                                       | 11,542       | 3,010                     | 8,327                     | 22,879        |
| Increase in net assets  | 16,465       | 33,846                    | 8,327                     | 58,638        |
| Net assets at beginning of year                                     | 104,851      | 41,323                    | 37,709                    | 183,883       |
| Net assets at end of year   | \$ 121,316   | 75,169                    | 46,036                    | 242,521       |

See accompanying notes to consolidated financial statements.

## SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES

## Consolidated Statement of Functional Expenses

Year ended December 31, 2017

(with summarized comparative financial information for the year ended December 31, 2016)

(In thousands)

|  | Program services                   |   |                           | Supporting services       |              |                                 | 2017<br>Total | 2016<br>Total |
|--|------------------------------------|---|---------------------------|---------------------------|--------------|---------------------------------|---------------|---------------|
|  | Program<br>activities<br>(note 16) | Program<br>development<br>and public<br>policy<br>support | Total program<br>services | Management<br>and general | Fund-raising | Total<br>supporting<br>services |               |               |
| Salaries                                     | \$ 45,860                          | 19,559  | 65,419                    | 13,393                    | 17,208       | 30,601                          | 96,020        | 90,830        |
| Employee fringe benefits (notes 10 and 11)   | 13,126                             | 5,387   | 18,513                    | 3,589                     | 4,604        | 8,193                           | 26,706        | 25,168        |
| Total salaries and related expenses          | 58,986                             | 24,946  | 83,932                    | 16,982                    | 21,812       | 38,794                          | 122,726       | 115,998       |
| Grants to and charges from Save the Children |                                    |   |                           |                           |              |                                 |               |               |
| International                                | 474,106                            | —   | 474,106                   | 13,886                    | —            | 13,886                          | 487,992       | 447,169       |
| Grants to other agencies                     | 45,832                             | 53  | 45,885                    | (49)                      | 2,195        | 2,146                           | 48,031        | 47,689        |
| Supplies, materials, etc.                    | 10,435                             | 266   | 10,701                    | 1,197                     | 1,054        | 2,251                           | 12,952        | 12,370        |
| Travel                                       | 6,665                              | 2,367   | 9,032                     | 887                       | 1,202        | 2,089                           | 11,121        | 10,014        |
| Professional fees                            | 5,031                              | 3,550   | 8,581                     | 2,334                     | 15,764       | 18,098                          | 26,679        | 24,248        |
| Other project costs                          | 567                                | 7   | 574                       | —                         | —            | —                               | 574           | 893           |
| Advertising (note 2(d))                      | —                                  | 17,918  | 17,918                    | 1                         | 14,725       | 14,726                          | 32,644        | 16,187        |
| Occupancy (note 13)                          | 3,703                              | 2,773   | 6,476                     | 1,023                     | 1,059        | 2,082                           | 8,558         | 7,989         |
| Printing                                     | 429                                | 16  | 445                       | 87                        | 4,090        | 4,177                           | 4,622         | 4,092         |
| Telecommunications                           | 551                                | 158   | 709                       | 274                       | 1,658        | 1,932                           | 2,641         | 2,422         |
| Postage and shipping                         | 472                                | 69  | 541                       | 30                        | 2,428        | 2,458                           | 2,999         | 2,602         |
| Depreciation and amortization                | 808                                | 66  | 874                       | 1,026                     | 688          | 1,714                           | 2,588         | 2,608         |
| Other  | 3,193                              | 1,002   | 4,195                     | 723                       | 2,608        | 3,331                           | 7,526         | 4,436         |
| Total expenses                               | \$ 610,778                         | 53,191  | 663,969                   | 38,401                    | 69,283       | 107,684                         | 771,653       | 698,717       |

See accompanying notes to consolidated financial statements.

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

Consolidated Statement of Cash Flows

Year ended December 31, 2017

(with comparative financial information for the year ended December 31, 2016)

(In thousands)

|   | <u>2017</u>             | <u>2016</u>             |
|---|-------------------------|-------------------------|
| Cash flows from operating activities:   |                         |                         |
| Increase in net assets  | \$ 58,638               | 2,270                   |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities: |                         |                         |
| Depreciation and amortization   | 2,588                   | 2,608                   |
| Loss on disposal of building and equipment  | —                       | 419                     |
| Change in gifts-in-kind and other inventory   | 400                     | (513)                   |
| Net appreciation in fair value of investments   | (14,597)                | (9,933)                 |
| Contributions restricted for long-term investment   | (174)                   | (167)                   |
| Contributions and changes in value of split-interest agreements                               | (8,153)                 | (133)                   |
| Changes in operating assets and liabilities:  |                         |                         |
| Grants and contracts receivable   | (2,397)                 | 5,243                   |
| Contributions receivable  | (1,722)                 | 1,363                   |
| Commodities inventory   | —                       | 838                     |
| Due from Save the Children International, net   | (7,531)                 | 16,143                  |
| Prepaid expenses and other assets   | (4,083)                 | 5,649                   |
| Accounts payable and accrued liabilities  | 868                     | 840                     |
| Deferred revenue  | 9,780                   | 783                     |
| Severance benefits for foreign national employees   | 61                      | (555)                   |
| Postretirement benefits other than pensions   | 70                      | 114                     |
| Net cash provided by operating activities   | <u>33,748</u>           | <u>24,969</u>           |
| Cash flows from investing activities:   |                         |                         |
| Purchases of property, plant and equipment  | (3,268)                 | (3,786)                 |
| Purchases of investments  | (49,338)                | (80,986)                |
| Proceeds from sale of investments   | 51,556                  | 87,995                  |
| Loan repayment from Save the Children International   | 861                     | 1,809                   |
| Net cash (used in) provided by investing activities   | <u>(189)</u>            | <u>5,032</u>            |
| Cash flows from financing activities:   |                         |                         |
| Repayment of short-term debt  | —                       | (15,000)                |
| Contributions restricted for long-term investment   | 174                     | 167                     |
| Distribution of split interest agreements, net  | (537)                   | (8)                     |
| Net cash used in by financing activities  | <u>(363)</u>            | <u>(14,841)</u>         |
| Net increase in cash and cash equivalents   | 33,196                  | 15,160                  |
| Cash and cash equivalents at beginning of year  | <u>43,445</u>           | <u>28,285</u>           |
| Cash and cash equivalents at end of year  | \$ <u><u>76,641</u></u> | \$ <u><u>43,445</u></u> |
| Supplemental cash flow information:   |                         |                         |
| Donated goods and services  | \$ 39,599               | 25,019                  |
| Commodities   | 55,371                  | 77,313                  |

See accompanying notes to consolidated financial statements.

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2017

(with summarized comparative financial information as of and  
for the year ended December 31, 2016)

(Amounts in thousands)

**(1) Organization and Purpose**

Save the Children Federation, Inc. (SCUS) was established in 1932 and operates as a voluntary, nonsectarian, nonprofit organization in the United States of America and throughout the world providing services for children and community self-help assistance.

SCUS is a member of Save the Children Association (SCA), a Swiss membership organization. SCA currently has 30 independent, autonomous, nonprofit, private voluntary membership organizations that bear the name Save the Children or a related designation (the Members). SCA created Save the Children International (SCI), a United Kingdom based charitable entity, of which SCA is the sole member, and therefore, SCI is a wholly owned subsidiary of SCA.

In 2011, SCUS, in concert with the 29 other independent Members, entered into a series of agreements to create a single global program delivery platform through SCI. Under these agreements, SCUS works with other Members through the SCI platform to deliver nondomestic programs to benefit children. SCUS continues to design programs, coordinate with donors, and provide technical assistance to ensure program quality, monitoring, and reporting. The costs of implementing programs through the SCI structure are covered by program funds raised by SCUS (and other Members) and the allocation of administrative expenses among the Members.

In addition to the program delivery platform and cost-sharing, SCUS and other Members agreed to transfer certain in-country program assets to SCI to facilitate the delivery of programs overseas. SCUS started to transition country offices in 2011. As of December 31, 2017, one country office had not yet transitioned to SCI. SCUS is working to transition this office to SCI.

SCUS Head Start Programs, Inc. (Head Start) began operations in 2012 as a voluntary, nonsectarian, nonprofit organization in the United States of America delivering early childhood development programming. SCUS is the sole member of Head Start, and accordingly, Head Start is a consolidated related entity.

Save the Children Action Network, Inc. (SCAN) was established in March 2014 as a nonprofit organization organized and operated exclusively for purposes related to the social welfare of children. SCUS is the sole member of SCAN, and accordingly, SCAN is a consolidated related entity.

**(2) Summary of Significant Accounting Policies****(a) Basis of Accounting**

The consolidated financial statements include the accounts of SCUS, Head Start, and SCAN (collectively, the Organization) and have been prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). All significant intercompany account balances and transactions have been eliminated in consolidation.



**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2017

(with summarized comparative financial information as of and  
for the year ended December 31, 2016)

(Amounts in thousands)

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization's net assets and changes therein are classified and reported as follows:

- Unrestricted net assets – net assets that are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired. As reflected in the accompanying consolidated financial statements and discussed below, the Organization's Board of Trustees has designated a portion of the unrestricted net assets for specific purposes.
- Temporarily restricted net assets – net assets that are subject to donor-imposed restrictions that permit the Organization to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by actions of the Organization.
- Permanently restricted net assets – net assets that are subject to donor-imposed restrictions that they be maintained permanently by the Organization and only the income be used as specified by the donor. Permanently restricted net assets consist primarily of the historical dollar value of contributions to donor-restricted endowment funds.

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. If an expense is incurred for a purpose for which temporarily restricted net assets are available, a donor-imposed restriction is fulfilled to the extent of the expense incurred. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as release from restrictions in the consolidated statement of activities. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by donors or by law.

**(b) Grants and Contracts**

The Organization receives funding under grants and contracts from the government of the United States of America, United Nations agencies, and other grantors, for direct and indirect program costs and to provide certain whole or partial subgrants to other agencies. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs.

Revenue from grants and contracts is recognized only when funds are utilized by the Organization to carry out the activity stipulated in the grant or contract agreement. Grants and contracts receivable represent amounts due from funding organizations for reimbursable expenses incurred. Cash received under grants and contracts in advance of incurring the related expenses is reported as deferred revenue.

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2017

(with summarized comparative financial information as of and  
for the year ended December 31, 2016)

(Amounts in thousands)

**(c) Contributions**

Contributions which include unconditional promises to give are recognized as revenue at fair value when received or pledged. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting anticipated future cash receipts at a risk-adjusted rate for the duration of the donor's payment plan. Amortization of the discount is recorded as additional contribution revenue. An allowance for uncollectible contributions is estimated based upon prior year collection history and analysis of past-due amounts. Bequest income is recorded when the will has gone through probate, is declared legally valid, and the interests that the Organization has in a decedent's estate are reasonably estimated and assured to be received.

The Board of Trustees has capped bequest income recorded in operating activities at \$4,500. Additional unrestricted bequests in excess of the cap shall be used to make up any revenue shortfall, and any amounts not so needed shall be placed in a board-designated fund that shall address key strategic purposes as determined by the management team.

Contributions received with donor-imposed conditions are recognized as revenue when the conditions have been substantially met. Amounts received in advance of satisfying the donor-imposed conditions are reported as deferred revenue until the conditions are met.

**(d) Donated Services, Commodities, and Gifts-in-Kind (GIK)**

Donated services are reported as contributions and expenses in amounts equal to their estimated fair value on the date of receipt.

A substantial number of individuals have volunteered significant amounts of their time to program and supporting functions; however, these services do not meet the criteria for recognition in accordance with U.S. generally accepted accounting principles and, therefore, are not recorded in the accompanying consolidated financial statements.

Approximately \$26,245 and \$11,574, respectively, of in-kind media and broadcast time in the form of public service announcements was received during the years ended December 31, 2017 and 2016. A third party is engaged to assist in arriving at the estimated fair value of such public service announcements, using billing rates normally charged to other customers under similar circumstances.

GIK are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. GIK are valued based upon an estimate of the wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Donated GIK are not sold and goods are only distributed for program use.

Pharmaceutical GIK contributions are valued using a hierarchy of pricing inputs that approximates wholesale prices overseas where the GIK are distributed. The International Drug Price Indicator (IDPI) is the primary source for the exit market value.

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2017

(with summarized comparative financial information as of and  
for the year ended December 31, 2016)

(Amounts in thousands)

Non-pharmaceutical GIK contributions received have been valued at their estimated wholesale value, or, in the absence of a wholesale value, using "like-kind" methodology that references U.S. wholesale pricing data for similar products.

Donated commodities are reported at fair value and recognized as revenue and expense when the commodities are distributed for program purposes and received by the recipients.

Food commodities supplied to the Organization through U.S. government programs managed by U.S. Agency for International Development (USAID) or U.S. Department of Agriculture (USDA) are valued according to commercial prices paid as stated on the purchase order and ocean bill of lading. USAID/USDA food commodities are procured by the Farm Service Agency (FSA), the procurement arm of USDA that purchases all food commodities on behalf of international nongovernmental organizations (NGOs) and the World Food Program (WFP), on the U.S. commercial market using funds granted to the Organization.

Other WFP contracts procure commodities through the conduct of its own competitive tender solicitations in various countries around the world. The value of those commodities is the amount WFP pays to its commercial vendors. The freight portion of the WFP commodity value is the amount WFP pays to carriers who are contracted through the solicitation of competitive offers.

**(e) Split-Interest Agreements**

Split-interest agreements consist of charitable gift annuities, charitable remainder unitrusts, charitable lead annuity trusts, pooled income funds, and perpetual trusts. Such split-interest agreements provide for payments to the donors or their beneficiaries based upon either the income earned on related investments or the specified annuity amounts. Assets held under these arrangements are reported at fair value in the accompanying consolidated statement of financial position. Contribution revenue is recognized at the date of the trust or the annuity contract is established after recording liabilities for the present value of the estimated future payments expected to be made to the donors and/or other beneficiaries. The liabilities are adjusted annually for changes in the life expectancy of the donor or beneficiary, amortization of the discount, and other changes in the estimate of future payments and recognized as a nonoperating activity. The liability related to split – interest agreements is included in accounts payable and accrued liabilities in the accompanying consolidated statement of financial position.

**(f) Functional Expenses**

The Organization allocates expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program or supporting service are reported accordingly. Other expenses that are common to several functions are allocated by various statistical bases (for example, rent expense is allocated based on square footage by department, then further allocated to a specific program or supporting service). Other project costs represent the aggregate of various other program service costs (including programmatic training costs and community labor expense for cash programs. The other category includes items not individually classified in the accompanying consolidated statement of functional expenses due to their varying nature and amount from year to year (includes event expense, reference materials, and membership fees).

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2017

(with summarized comparative financial information as of and  
for the year ended December 31, 2016)

(Amounts in thousands)

Program activities include costs of the Organization associated with the delivery of programs relating to emergencies, education, health and nutrition, hunger, livelihoods, HIV/AIDS, child protection, and child rights governance. Program activities – SCI include these activities implemented through SCI. Program development and public policy support relate to the development and technical support of programs and the advocacy efforts in support of the children. Management and general – SCI represents the Organization's payment of SCI's management and general expense.

**(g) Measure of Operations**

The Organization includes in its measure of operations all revenues and expenses that are integral to its program services and supporting services. The measure of operations for the years ended December 31, 2017 and 2016 includes investment return appropriated for operations and excludes investment returns in excess of or less than the amount appropriated for operations, transfers to board designated, bequests in excess of \$4,500, increases or decreases in permanently restricted net assets, foreign currency exchange gains/losses, endowment contributions and changes in value of split-interest agreements, and other nonrecurring transactions.

**(h) Foreign Currency Translation**

Assets and liabilities denominated in foreign currencies are translated into U.S. dollars, the reporting currency, at exchange rates in effect at the consolidated statement of financial position date, and revenue and expenses are translated at rates which approximate those in effect on transaction dates. Net transaction and translation gains and losses are included as foreign currency exchange gain or loss in the accompanying consolidated statement of activities.

**(i) Cash and Cash Equivalents**

The Organization considers all highly liquid debt instruments purchased with original maturities of three months or less, other than those held as part of the investment portfolio, to be cash equivalents.

**(j) Investments**

Investments with readily determinable fair values are reported at fair value based upon quoted market prices or published net asset values for alternative investments with characteristics similar to a mutual fund. Other alternative investments (nontraditional, not readily marketable vehicles) such as certain hedge funds, private equity, alternative hedged strategies and real assets are reported at net asset value, as a practical expedient for estimated fair value, as provided by the investment managers of the respective funds. These values are reviewed and evaluated by the Organization's management for reasonableness. The reported values may differ from the values that would have been reported had a ready market for these investments existed. All other investments are stated at fair value based upon quoted market prices in active markets.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses are determined on the basis of average cost of securities sold and are reflected in the consolidated statement of activities. Dividend income is recorded on the ex-dividend date, and interest income is recorded on an accrual basis.

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2017

(with summarized comparative financial information as of and  
for the year ended December 31, 2016)

(Amounts in thousands)

**(k) Fair Value Measurements**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. GAAP require the Organization to disclose the fair value of each of its assets and liabilities based on the level of observable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date or published net asset value for alternative investments with characteristics similar to a mutual fund.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls, in its entirety, is based on the lowest level input that is significant to the fair value measurement.

**(l) Property, Plant and Equipment**

Property, plant and equipment are stated at cost if purchased, or fair value on date of contribution. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the respective assets. Capitalizable costs incurred in connection with ongoing capital projects are recorded as systems and construction in progress. These costs will be reclassified into categories and depreciated once placed in service.

The estimated useful lives by asset class are as follows:

|                                 | <u>Years</u> |
|---------------------------------|--------------|
| Buildings                       | 25–50        |
| Buildings improvements          | 10           |
| Vehicles                        | 5            |
| Furniture and office equipment  | 5            |
| Software and computer equipment | 3–5          |

**(m) Tax Status**

The Internal Revenue Service has ruled that, pursuant to Section 501(c)(3) of the Internal Revenue Code (the Code), SCUS and Head Start are exempt from federal income taxes and are publicly supported organizations, as defined in Section 509(a)(1) of the Code. Effective March 11, 2014, the Internal Revenue Service determined that SCAN is exempt from federal income tax under Section 501(c)(4) of the Code. As not-for-profit organizations, SCUS, Head Start, and SCAN are also exempt from state and local income taxes.



**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2017

(with summarized comparative financial information as of and  
for the year ended December 31, 2016)

(Amounts in thousands)

The Organization follows the guidance of Accounting Standards Codification (ASC) 740, *Income Taxes* (ASC 740), related to uncertainties in income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization believes it has taken no significant uncertain tax positions.

**(n) Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates made in the preparation of the consolidated financial statements include fair value of alternative investments, net realizable value of contributions receivable, fair value of GIK and commodities, and functional expense allocations. Actual results could differ from those estimates.

**(o) Inventory**

Inventory consists of program materials and emergency response supplies not used as of December 31st. Inventory is recorded at cost on purchase, while contributed inventory is recorded at fair value. Inventory is deducted and expensed when used and distributed.

**(p) New Authoritative Accounting Pronouncement**

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which among other things, changes how not-for-profit entities report net asset classes, expenses and liquidity in their financial statements. The significant requirements of the new ASU include the reduction of the number of net asset classes from three to two: with donor restrictions and without donor restrictions; the presentation of expenses by their function and their natural classification in one location; quantitative and qualitative information about the management of liquid resources and availability of financial assets to meet cash needs within one year of the statement of financial position; and retaining the option to present operating cash flows in the statement of cash flows using either the direct or indirect method. ASU 2016-14 is effective for annual periods in fiscal years beginning after December 15, 2017 and is to be applied retrospectively in the year of adoption. The Organization plans to adopt ASU 2016-14 for the year ended December 31, 2018.

**(q) Presentation of Certain Prior Year Information**

The consolidated statements of activities and functional expenses include certain prior year summarized consolidated financial information for comparative purposes only such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2016 from which the summarized information was derived.

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2017

(with summarized comparative financial information as of and  
for the year ended December 31, 2016)

(Amounts in thousands)

**(3) Investments**

Investments consisted of the following at December 31, 2017 and 2016:

|                               | Fair value        |                |
|-------------------------------|-------------------|----------------|
|                               | 2017              | 2016           |
| Cash equivalents              | \$ 10,280         | 4,705          |
| Fixed income                  | 16,940            | 16,061         |
| Public equity                 | 85,462            | 80,989         |
| Private equity                | 37                | 240            |
| Alternative hedged strategies | 29,537            | 27,768         |
| Real assets                   | 215               | 329            |
|                               | <u>\$ 142,471</u> | <u>130,092</u> |

The Organization is obligated under certain limited partnership investment fund agreements to advance additional funding periodically up to specified levels. Unfunded commitments as of December 31, 2017 were not material.

Information pertaining to investment strategies follows:

- Cash equivalents provide short term liquidity and serve as a funding source for distributions and rebalancing.
- The fixed income category comprises strategies that invest principally in debt instruments issued by governments or companies, or through the securitization of certain types of collateral. Fixed income provides stability and protection in deflationary environments.
- The public equity category comprises investment strategies that invest principally in publicly traded equity securities. These strategies are generally designed with reference to a benchmark that itself comprises equity securities that are traded on a recognized exchange. Public equities may include hedge funds whose investment objectives are benchmarked to equity markets.
- The private equity category comprises investment strategies that invest principally in privately issued equity-related securities. This category includes strategies that participate in venture capital, leveraged buyouts and control-oriented distressed situations.
- The alternative hedged strategies category comprises strategies that seek to generate return streams that are not highly correlated to broad capital markets and that rely less on the general direction of capital markets to produce positive returns. These strategies may take a variety of forms including long or short positions in the public equity or credit markets that seek to capitalize on perceived mispricing or on the anticipated outcome of an "event," such as a merger or bankruptcy proceeding. Alternative hedged strategies are employed to offer market comparable returns with lower expected volatility.

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2017

(with summarized comparative financial information as of and  
for the year ended December 31, 2016)

(Amounts in thousands)

- Real assets comprise strategies that invest in securities relating to real estate. This strategy provides the portfolio with a diversified hedge against inflation as well as a yield component. As of December 31, 2017 and 2016, the real assets strategy consisted of a real estate investment trust.

The above asset categories are managed to create a portfolio effect to balance risk and return to meet investment objectives.

The following summarizes total investment return and its classification in the accompanying consolidated statement of activities for the years ended December 31, 2017 and 2016:

|  | <b>2017</b>         |                                   |              |
|--|---------------------|-----------------------------------|--------------|
|  | <b>Unrestricted</b> | <b>Temporarily<br/>restricted</b> | <b>Total</b> |
| Dividends and interest, net of investment<br>management fees of \$1,091      | \$ 2,311            | 657                               | 2,968        |
| Net appreciation in fair value of investments                                | 11,184              | 3,413                             | 14,597       |
| Total return   | 13,495              | 4,070                             | 17,565       |
| Appropriated for operations  | (5,071)             | (1,066)                           | (6,137)      |
| Nonoperating investment return<br>less amount appropriated for<br>operations | \$ 8,424            | 3,004                             | 11,428       |
|  |                     |                                   |              |
|  | <b>2016</b>         |                                   |              |
|  | <b>Unrestricted</b> | <b>Temporarily<br/>restricted</b> | <b>Total</b> |
| Dividends and interest, net of investment<br>management fees of \$870        | \$ 1,123            | 234                               | 1,357        |
| Net appreciation in fair value of investments                                | 8,296               | 1,637                             | 9,933        |
| Total return   | 9,419               | 1,871                             | 11,290       |
| Appropriated for operations  | (5,287)             | (995)                             | (6,282)      |
| Nonoperating investment return<br>less amount appropriated for<br>operations | \$ 4,132            | 876                               | 5,008        |

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**(4) Fair Value Measurements**

The following table presents investments by strategy and fair value as of December 31:

|  | Assets at fair value as of December 31, 2017 |         |         |         |         |
|--|--|---------|---------|---------|---------|
|  | Measured<br>at NAV                           | Level 1 | Level 2 | Level 3 | Total   |
| Long-term investment strategies:   |  |         |         |         |         |
| Cash equivalents   | \$ —   | 10,280  | —       | —       | 10,280  |
| Fixed income:  |  |         |         |         |         |
| Domestic mutual funds  | —  | 2,766   | —       | —       | 2,766   |
| Common collective trust fund   | 9,740  | —       | —       | —       | 9,740   |
| Domestic government securities   | —  | 4,433   | 1       | —       | 4,434   |
| Equity:  |  |         |         |         |         |
| Domestic   | —  | 8,224   | —       | —       | 8,224   |
| Global   | —  | 6,020   | —       | —       | 6,020   |
| Common collective trust fund   | —  | —       | —       | —       | —       |
| Hedge funds  | 71,218                                       | —       | —       | —       | 71,218  |
| Private equity   | 37   | —       | —       | —       | 37      |
| Alternative hedged strategies  | 29,537                                       | —       | —       | —       | 29,537  |
| Real assets:   |  |         |         |         |         |
| Real estate investment trust   | 215  | —       | —       | —       | 215     |
| Total investments  | \$ 110,747                                   | 31,723  | 1       | —       | 142,471 |
| Assets of Pooled Income Funds<br>(PIF) and Charitable Gift<br>Annuities (CGA): |  |         |         |         |         |
| Cash equivalents   | \$ —   | 39      | —       | —       | 39      |
| Fixed income   | 555  | 132     | 168     | —       | 855     |
| Public equity  | 2,267  | 403     | —       | —       | 2,670   |
| Total assets of PIF and<br>CGA   | \$ 2,822                                     | 574     | 168     | —       | 3,564   |
| Beneficial interests in perpetual<br>trusts held by third parties              | \$ —   | —       | —       | 13,288  | 13,288  |

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|  | Assets at fair value as of December 31, 2016 |         |         |         |         |
|--|--|---------|---------|---------|---------|
|  | Measured<br>at NAV                           | Level 1 | Level 2 | Level 3 | Total   |
| Long-term investment strategies:   |  |         |         |         |         |
| Cash equivalents   | \$ —   | 4,705   | —       | —       | 4,705   |
| Fixed income:  |  |         |         |         |         |
| Domestic mutual funds  | —  | 2,734   | —       | —       | 2,734   |
| Common collective trust fund   | 9,017  | —       | —       | —       | 9,017   |
| Domestic government securities   | —  | 4,307   | 3       | —       | 4,310   |
| Equity:  |  |         |         |         |         |
| Domestic   | —  | 9,647   | —       | —       | 9,647   |
| Global   | —  | 5,567   | —       | —       | 5,567   |
| Common collective trust fund   | —  | 4,561   | —       | —       | 4,561   |
| Hedge funds  | 61,214                                       | —       | —       | —       | 61,214  |
| Private equity   | 240  | —       | —       | —       | 240     |
| Alternative hedged strategies  | 27,768                                       | —       | —       | —       | 27,768  |
| Real assets:   |  |         |         |         |         |
| Real estate investment trust   | 329  | —       | —       | —       | 329     |
| Total investments  | \$ 98,568                                    | 31,521  | 3       | —       | 130,092 |
| Assets of Pooled Income Funds<br>(PIF) and Charitable Gift<br>Annuities (CGA): |  |         |         |         |         |
| Cash equivalents   | \$ —   | 41      | —       | —       | 41      |
| Fixed income   | 561  | 135     | 203     | —       | 899     |
| Public equity  | 1,774  | 313     | —       | —       | 2,087   |
| Total assets of PIF and<br>CGA   | \$ 2,335                                     | 489     | 203     | —       | 3,027   |
| Beneficial interests in perpetual<br>trusts held by third parties              | \$ —   | —       | —       | 5,135   | 5,135   |



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The following table includes a roll forward for the years ended December 31, 2017 and 2016 for financial instruments classified within Level 3.

|                            | <u>Perpetual<br/>trusts</u> |
|----------------------------|-----------------------------|
| Balance, December 31, 2015 | \$ 5,002                    |
| Distributions              | —                           |
| Contributions              | —                           |
| Fees                       | —                           |
| Net appreciation           | <u>133</u>                  |
| Balance, December 31, 2016 | 5,135                       |
| Distributions              | —                           |
| Contributions              | —                           |
| Fees                       | —                           |
| Net appreciation           | <u>8,153</u>                |
| Balance, December 31, 2017 | <u>\$ 13,288</u>            |

Investment measured at net asset value contain various monthly, quarterly, and annual redemption restrictions with required written notice ranging from 1 to 90 days. In addition, certain of these investments are restricted by lockup periods. As of December 31, 2017, the following table summarizes the composition of such investments by the various redemption and lockup provisions:

| <u>Redemption period</u>   | <u>Days notice for<br/>redemption</u> | <u>Amount</u>     |
|--|---------------------------------------|-------------------|
| Monthly:   |                                       |                   |
| Fixed income – common collective trust fund and<br>public equity – hedge funds | 5–30                                  | \$ 29,369         |
| Quarterly:   |                                       |                   |
| Public equity – hedge funds  | 30–60                                 | 34,565            |
| Annually:  |                                       |                   |
| Alternative hedged strategies  | 30-90                                 | 29,537            |
| Lockup (a):  |                                       |                   |
| Private equity-hedge funds   | Not applicable                        | 10,897            |
| Alternative hedged strategies  | Not applicable                        | 6,127             |
| Private equity   | Not applicable                        | 37                |
| Real estate investment trust   | Not applicable                        | 215               |
| Pooled income funds  | Not applicable                        | <u>2,822</u>      |
| Total  |                                       | <u>\$ 113,569</u> |

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(a) The amounts subject to redemption lockups at December 31, 2017 that are set to expire are as follows:

| <u>Fiscal year</u>            | <u>Amount</u>    |
|-------------------------------|------------------|
| 2018:                         |                  |
| Private equity                | \$ 37            |
| Real estate investment trust  | 215              |
| 2019:                         |                  |
| Alternative hedged strategies | 6,127            |
| 2022:                         |                  |
| Private equity - hedge funds  | 10,897           |
| 2023 and beyond:              |                  |
| Assets of PIF                 | <u>2,822</u>     |
| Total                         | <u>\$ 20,098</u> |

**(5) Commodities and Ocean Freight**

During the years ended December 31, 2017 and 2016, the Organization was granted and distributed certain agricultural commodities under famine relief contracts with the, U.S. government. These commodities and related ocean freight services, amounted to \$9,675 and \$37,137 for the years ended December 31, 2017 and 2016, respectively. The Organization also received and distributed food aid commodities under agreements with WFP. These commodities and related ocean freight, amounted to \$34,342 and \$30,840 for the years ended December 31, 2017 and 2016, respectively. The Organization also received and distributed medical commodities under an agreements with The Global Fund, which amounted to \$11,050 and \$9,444 for the years ended December 31, 2017 and 2016, respectively. The organization received and distributed food aid commodities under an agreement with Catholic Relief Services (from the government of Ethiopia) for \$304 and \$418 for the years ended December 31, 2017 and 2016, respectively.

**(6) Endowments**

The Organization's endowment consists of 92 individual funds established for a variety of purposes and includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**(a) Interpretation of Relevant Law**

The Organization is subject to the State of Connecticut's version of the Uniform Prudent Management of Institutional Funds Act (CUPMIFA). Based on the interpretation of CUPMIFA by the Board of Trustees of the Organization, applicable accounting guidance, and absent explicit donor stipulations to the contrary, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent

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endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Board of Trustees of the Organization in a manner consistent with the standard of prudence prescribed by CUPMIFA. In accordance with CUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization
- Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or CUPMIFA requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature, which are reported in unrestricted net assets were \$2 and \$434 as of December 31, 2017 and 2016, respectively. These deficiencies resulted from unfavorable market fluctuations and continued appropriation for certain programs that was deemed prudent by the Board of Trustees.

***(b) Return Objectives and Risk Parameters***

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs, of at least 4.5% over the long term while shouldering an acceptable level of risk and maintaining adequate liquidity. Actual returns in any given year may vary from this amount.

***(c) Strategies Employed for Achieving Objectives***

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places

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a greater emphasis on equity-based and alternative investments to achieve its long-term objective within prudent risk constraints.

**(d) Spending Policy and How the Investment Objectives Relate to Spending Policy**

The policy governing the investment of the Organization's endowment is twofold: to provide a reasonable and prudent level of currently expendable income in accordance with the spending policy set by the Finance and Administration Committee of the Organization's Board of Trustees at 4.5% (in 2017 and 2016) of the average of the endowment's total market value for the 12 quarters ending June 30 of the previous year in which distribution is planned; and to support the Organization and its mission over the long term by ensuring that the future growth of the endowment is sufficient to offset normal inflation plus reasonable spending, thereby preserving the constant dollar value and purchasing power of the endowment for the benefit of future generations of children in need.

The Finance and Administration Committee, after consideration of the factors provided in CUPMIFA, approved a policy which states that, absent donor-imposed directions, it is prudent given the current market climate to apply the current spending policy to below historic value funds until such funds hit the threshold of 50% of historic value.

At December 31, 2017 and 2016, endowment net assets, excluding beneficial interests in perpetual trusts held by third parties, consist of the following:

|                        |    | 2017          |                           |                           |                |
|------------------------|----|---------------|---------------------------|---------------------------|----------------|
|                        |    | Unrestricted  | Temporarily<br>restricted | Permanently<br>restricted | Total          |
| Donor-restricted funds | \$ | (2)           | 5,597                     | 32,748                    | 38,343         |
| Board-designated funds |    | 97,603        | —                         | —                         | 97,603         |
| Total endowments       | \$ | <u>97,601</u> | <u>5,597</u>              | <u>32,748</u>             | <u>135,946</u> |
|                        |    | 2016          |                           |                           |                |
|                        |    | Unrestricted  | Temporarily<br>restricted | Permanently<br>restricted | Total          |
| Donor-restricted funds | \$ | (434)         | 2,706                     | 32,574                    | 34,846         |
| Board-designated funds |    | 89,542        | —                         | —                         | 89,542         |
| Total endowments       | \$ | <u>89,108</u> | <u>2,706</u>              | <u>32,574</u>             | <u>124,388</u> |

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Changes in endowment net assets for the years ended December 31, 2017 and 2016 consisted of the following:

|   | <u>Unrestricted</u> | <u>Temporarily<br/>restricted</u> | <u>Permanently<br/>restricted</u> | <u>Total</u>   |
|---|---------------------|-----------------------------------|-----------------------------------|----------------|
| Endowment net assets,<br>December 31, 2015    | \$ 92,777           | 1,907                             | 28,739                            | 123,423        |
| Investment return:                            |                     |                                   |                                   |                |
| Investment income                             | 861                 | 234                               | —                                 | 1,095          |
| Net appreciation (realized<br>and unrealized) | 8,117               | 1,637                             | —                                 | 9,754          |
| Total investment<br>gain, net                 | 8,978               | 1,871                             | —                                 | 10,849         |
| Contributions                                 | (8)                 | 18                                | 167                               | 177            |
| Transfer to/from board<br>designated funds    | (1,736)             | —                                 | 3,668                             | 1,932          |
| Spending rate                                 | (4,998)             | (1,090)                           | —                                 | (6,088)        |
| Additional appropriation for<br>expenditure   | (5,905)             | —                                 | —                                 | (5,905)        |
| Endowment net assets,<br>December 31, 2016    | 89,108              | 2,706                             | 32,574                            | 124,388        |
| Investment return:                            |                     |                                   |                                   |                |
| Investment income                             | 2,141               | 657                               | —                                 | 2,798          |
| Net appreciation (realized<br>and unrealized) | 10,744              | 3,413                             | —                                 | 14,157         |
| Total investment<br>gain, net                 | 12,885              | 4,070                             | —                                 | 16,955         |
| Contributions                                 | —                   | 6                                 | 174                               | 180            |
| Transfer to/from board<br>designated funds    | 377                 | —                                 | —                                 | 377            |
| Spending rate                                 | (4,769)             | (1,185)                           | —                                 | (5,954)        |
| Endowment net assets,<br>December 31, 2017    | \$ <u>97,601</u>    | <u>5,597</u>                      | <u>32,748</u>                     | <u>135,946</u> |

On August 1, 2014, the Organization entered into a three-year loan agreement with SCI to help fund the Member Growth Fund, a fund established by SCI to help smaller Members with their growth strategies. The Organization agreed to loan up to \$6,000 to be disbursed in 2014 and 2015. These loans bear interest at 4% per annum. As of December 31, 2017 and 2016, loan principal of \$1,572 and

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\$2,433, respectively is outstanding and included in amounts due from Save the Children International, net, in the accompanying consolidated statement of financial position. Board designated endowment funds were used to fund the loan disbursements to SCI. Any repayment of such loans including interest was transferred back to the endowment.

**(7) Contributions Receivable, Net**

Contributions receivable consisted of the following as of December 31, 2017 and 2016:

|  | <u>2017</u>      | <u>2016</u>   |
|--|------------------|---------------|
| Pledges receivable:  |                  |               |
| Due within one year  | \$ 7,306         | 5,082         |
| Due within two to five years                                   | 4,715            | 4,983         |
| Due beyond five years  | —                | 200           |
|  | <u>12,021</u>    | <u>10,265</u> |
| Less discount to present value (average rate of .12% to 1.70%) | <u>(82)</u>      | <u>(67)</u>   |
| Pledges receivable, net  | 11,939           | 10,198        |
| Charitable remainder unitrusts receivable                      | 514              | 521           |
| Bequests receivable  | <u>—</u>         | <u>12</u>     |
| Total contributions receivable, net                            | <u>\$ 12,453</u> | <u>10,731</u> |

At December 31, 2017, amounts receivable from two donors represents approximately 44% of the net contributions receivable.



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**(8) Property, Plant and Equipment, Net**

Property, plant and equipment consisted of the following as of December 31, 2017 and 2016:

|   | <u>2017</u>     | <u>2016</u>   |
|---|-----------------|---------------|
| Land                                      | \$ 2            | 2             |
| Buildings and improvements                | 539             | 539           |
| Software and computer equipment           | 15,066          | 14,396        |
| Vehicles                                  | 716             | 716           |
| Furniture and office equipment            | 209             | 209           |
|   | <u>16,532</u>   | <u>15,862</u> |
| Accumulated depreciation and amortization | (12,080)        | (9,492)       |
| Systems and construction in progress      | 5,435           | 2,837         |
| Total property, plant and equipment, net  | <u>\$ 9,887</u> | <u>9,207</u>  |

**(9) Lines of Credit**

During 2016, the Organization had two \$15,000 revolving lines of credit. During 2017, the Organization maintained the same \$30,000 lines of credit as established in 2016. These lines of credit expire July 31, 2018 and July 10, 2018 respectively. Borrowings under these lines of credit bear interest at the 1 month LIBOR plus 0.70%. As of December 31, 2017 and 2016, there were no borrowings outstanding under such agreements nor any borrowings during fiscal year 2017.

**(10) Employee Benefits**

The Organization maintains two defined contribution plans covering all eligible employees. The plans require the Organization to contribute 4% of each eligible employee's compensation and match 100% of the first 4% contributed by each eligible employee. During the years ended December 31, 2017 and 2016, total pension expense under the defined contribution plans was \$5,652 and \$5,071, respectively.

The Organization has a self-insured group health benefit plans, including comprehensive medical, dental and prescription drug coverage. For 2017, the individual stop loss limit is \$100 per person and the aggregate maximum is \$13,031 in claims.

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**(11) Postretirement Benefits Other than Pensions**

In addition to providing pension benefits, the Organization provides healthcare benefits for certain retired employees. To be eligible for these benefits, employees must complete at least 10 years of service and have reached age 55. Dental, life, and accidental death and dismemberment benefits for participants who retired before October 1, 1995 are also provided. The expected cost of providing postretirement benefits to employees and their beneficiaries and covered dependents, if applicable, is accrued during the years that the employees render service. The following tables set forth amounts relating to postretirement benefits other than pensions recognized as of and for the years ended December 31, 2017 and 2016:

|   | <u>2017</u>     | <u>2016</u>  |
|---|-----------------|--------------|
| Change in benefit obligation:                         |                 |              |
| Benefit obligation at beginning of year               | \$ 4,518        | 4,404        |
| Service cost  | 227             | 210          |
| Interest cost   | 161             | 162          |
| Plan participant contributions                        | 188             | 189          |
| Actuarial gain (loss)                                 | (96)            | 221          |
| Benefits paid   | <u>(410)</u>    | <u>(668)</u> |
| Benefit obligation at end of year                     | <u>4,588</u>    | <u>4,518</u> |
| Change in plan assets:                                |                 |              |
| Fair value of plan assets at beginning of year        | —               | —            |
| SCUS contribution                                     | 222             | 479          |
| Plan participant contributions                        | 188             | 189          |
| Benefits paid   | <u>(410)</u>    | <u>(668)</u> |
| Fair value of plan assets at end of year              | <u>—</u>        | <u>—</u>     |
| Postretirement benefits other than pensions liability | <u>\$ 4,588</u> | <u>4,518</u> |
| Components of net periodic benefit cost:              |                 |              |
| Service cost  | \$ 227          | 210          |
| Interest cost   | 161             | 162          |
| Amortization of prior service cost                    | —               | —            |
| Amortization of net (gain) loss                       | <u>—</u>        | <u>—</u>     |
| Net periodic benefit cost                             | <u>\$ 388</u>   | <u>372</u>   |

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Assumption used for benefit obligation as of

December 31, 2017 and 2016:

|               |        |        |
|---------------|--------|--------|
| Discount rate | 3.37 % | 3.70 % |
|---------------|--------|--------|

Assumptions used for benefit cost for the years ended

December 31, 2017 and 2016:

|               |        |        |
|---------------|--------|--------|
| Discount rate | 3.70 % | 3.81 % |
|---------------|--------|--------|

The components of postretirement benefit cost other than net  
periodic benefit cost for the years ended December 31, 2017  
and 2016, reported in fringe benefit expenses:

|                           |         |     |
|---------------------------|---------|-----|
| Net actuarial gain (loss) | \$ (96) | 221 |
| Total                     | \$ (96) | 221 |

Amounts not yet recognized as a component of net periodic  
benefit cost as of December 31, 2017 and 2016:

|                    |          |       |
|--------------------|----------|-------|
| Net actuarial gain | \$ (264) | (169) |
| Total              | \$ (264) | (169) |

The following future benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

| Years     | Amount |
|-----------|--------|
| 2018      | \$ 275 |
| 2019      | 277    |
| 2020      | 296    |
| 2021      | 290    |
| 2022      | 296    |
| 2023–2027 | 1,630  |

The benefit obligation takes into account several assumptions, including the incidence and magnitude of medical claims by age, medical trend, employee turnover, and mortality. The mortality assumption includes projections of improved longevity in the future. The medical trend assumption has limited impact on the benefit obligation because of the organization capping its cost portion at January 1, 2001 levels. Effective January 1, 2002, retirees began paying for cost increases in excess of the January 1, 2001 levels.

The Organization has not identified any provisions of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act that would be expected to have a significant impact on the measured obligation at December 31, 2017 and 2016.

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**(12) Temporarily Restricted and Permanently Restricted Net Assets**Temporarily restricted net assets are available for the following purposes for the years ended  
December 31, 2017 and 2016:

|   | <u>2017</u>      | <u>2016</u>   |
|---|------------------|---------------|
| Asia programs   | \$ 2,398         | 2,635         |
| Middle East/Eurasia programs                                  | 2,138            | 1,460         |
| Africa programs   | 1,500            | 1,465         |
| Latin America/Caribbean programs                              | 1,980            | 1,491         |
| U.S. programs   | 27,801           | 4,036         |
| International programs including match                        | 2,309            | 2,663         |
| Sector/thematic programs (Emergency, Education, Health, etc.) | 20,104           | 14,857        |
| GIK programs  | 1,323            | 1,367         |
| Other   | 15,616           | 11,349        |
|   | <u>\$ 75,169</u> | <u>41,323</u> |

Permanently restricted net assets at December 31, 2017 and 2016 included \$32,748 and \$32,574 of permanent endowment funds and \$13,288 and \$5,135 of beneficial interests in perpetual trusts held by third parties, respectively. The income is expendable primarily to support donor-specified purposes such as emergency relief.

**(13) Lease Commitments**

The following is a schedule of the minimum future lease commitments for operating leases having initial or remaining noncancelable lease terms greater than one year as of December 31, 2017:

| Year:      | <u>Amount</u>    |
|------------|------------------|
| 2018       | \$ 4,520         |
| 2019       | 4,520            |
| 2020       | 4,585            |
| 2021       | 4,563            |
| 2022       | 4,590            |
| Thereafter | 37,822           |
|            | <u>\$ 60,600</u> |

Rent expense, included in occupancy on the consolidated statement of functional expenses, amounted to \$5,800 and \$5,395 for the years ended December 31, 2017 and 2016, respectively.

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(with summarized comparative financial information as of and  
for the year ended December 31, 2016)

(Amounts in thousands)

**(14) Commitments and Contingencies**

The Organization is involved in various legal proceedings and claims arising in the normal course of business. Management does not expect the ultimate resolution of these actions to have a material adverse effect on the Organization's financial position, changes in net assets, or cash flows.

The Organization receives funding from governmental agencies for various activities, which are subject to audit. Although such audits may result in disallowance of certain expenditures, which would be absorbed by the Organization, in management's opinion, the ultimate outcome of such audits would not have a significant effect on the financial position, changes in net assets, or cash flows of the Organization.

*Government of Bolivia v. Save the Children (Bolivia)*

SCUS is a cooperating sponsor with the United States Agency for International Development (USAID) in connection with USAID's Food for Peace (USAID/FFP) commodity distribution and monetization program in Bolivia. Due to a long unresolved disagreement between the Government of Bolivia and the Government of the United States and in contravention of bilateral agreements between the two governments, the Government of Bolivia began asserting claims in December 2008 of past due taxes on shipments imported by SCUS and other NGOs working with the USAID/FFP program. As of December 31, 2017, 64 separate claims related to shipments between 2002 and 2009, with a value of approximately US \$16,000 are pending before Bolivian courts. SCUS has filed objections and is defending each claim. As of December 31, 2017 no amounts have been accrued relating to this matter due to the uncertainty of the outcome.

**(15) Significant Funders and Concentrations of Credit Risk**

Revenue from U.S. government grants and contracts, including U.S. government commodities and ocean freight, represented 41.1% and 44.1% of total operating revenue for 2017 and 2016, respectively. During the years ended December 31, 2017 and 2016, 86.1% and 84.7%, respectively, of such U.S. government revenue were received from USAID through direct and pass-through awards. At December 31, 2017 and 2016, 68% and 62.7% of grants and contracts receivable and 2.3% and 2.3%, respectively, of deferred revenue received under grants and contracts were related to USAID. The operations of the Organization's programs at present levels are dependent upon continued funding from USAID.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of foreign cash and cash equivalents. At December 31, 2017 and 2016, 3.8% and 10.2%, respectively, of cash and cash equivalents (including liquid investments) were deposited in banks in foreign locations. In addition, at December 31, 2017 and 2016, 70.7% and 43.8%, respectively, of the Organization's cash and cash equivalents were held by a single institution, for which \$250 was insured by the Federal Deposit Insurance Corporation.

**SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES**

## Notes to Consolidated Financial Statements

December 31, 2017

(with summarized comparative financial information as of and  
for the year ended December 31, 2016)

(Amounts in thousands)

**(16) Program Activities**

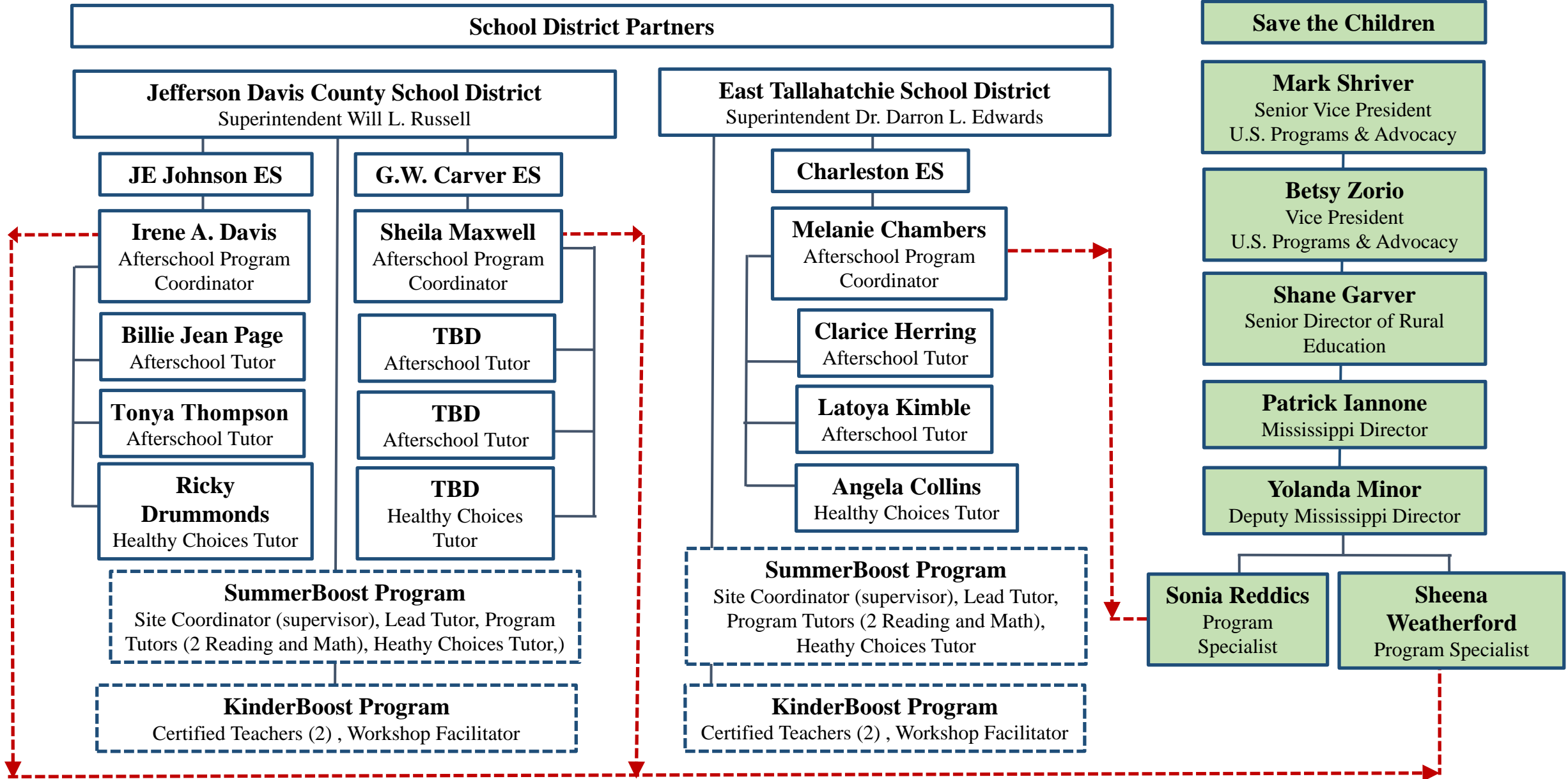
A summary of program activities (without Program Development and Public Policy Support) by sector and type for the years ended December 31, 2017 and 2016 is as follows:

|                                     | 2017        |           |                    |                           |          |                  |                         | Total   | FY 2016 |
|-------------------------------------|-------------|-----------|--------------------|---------------------------|----------|------------------|-------------------------|---------|---------|
|                                     | Emergencies | Education | Health & Nutrition | Child Poverty/Livelihoods | HIV/AIDS | Child Protection | Child rights Governance |         |         |
| Salaries                            | \$ 4,046    | 22,439    | 11,919             | 4,527                     | 1,036    | 1,728            | 165                     | 45,860  | 45,167  |
| Employee fringe benefits            | 1,037       | 6,231     | 3,441              | 1,329                     | 432      | 611              | 45                      | 13,126  | 12,714  |
| Total salaries and related expenses | 5,083       | 28,670    | 15,360             | 5,856                     | 1,468    | 2,339            | 210                     | 58,986  | 57,881  |
| Grants to and charges from SCI      | 46,550      | 84,869    | 200,219            | 49,187                    | 67,263   | 25,234           | 784                     | 474,106 | 433,848 |
| Grants to other agencies            | 16,278      | 13,023    | 6,273              | 8,102                     | 95       | 1,727            | 334                     | 45,832  | 45,488  |
| Supplies, material, etc.            | 2,906       | 5,713     | 1,315              | 229                       | 156      | 111              | 5                       | 10,435  | 9,935   |
| Travel                              | 1,617       | 1,927     | 1,960              | 733                       | 225      | 188              | 15                      | 6,665   | 5,786   |
| Professional fees                   | 764         | 1,974     | 1,538              | 415                       | 196      | 138              | 6                       | 5,031   | 6,252   |
| Other project costs                 | 15          | 380       | 145                | 27                        | —        | —                | —                       | 567     | 893     |
| Occupancy                           | 435         | 2,812     | 242                | 129                       | 19       | 61               | 5                       | 3,703   | 3,664   |
| Printing                            | 75          | 158       | 103                | 71                        | 6        | 15               | 1                       | 429     | 245     |
| Telecommunications                  | 68          | 344       | 70                 | 41                        | 7        | 20               | 1                       | 551     | 591     |
| Postage and shipping                | 324         | 49        | 64                 | 10                        | 1        | 24               | —                       | 472     | 257     |
| Depreciation                        | 168         | 335       | 165                | 95                        | 13       | 28               | 4                       | 808     | 753     |
| Other                               | 633         | 1,330     | 695                | 372                       | 27       | 122              | 14                      | 3,193   | 271     |
| Total expenses                      | \$ 74,916   | 141,584   | 228,149            | 65,267                    | 69,476   | 30,007           | 1,379                   | 610,778 | 565,864 |

**(17) Subsequent Events**

In connection with the preparation of the consolidated financial statements, the Organization evaluated subsequent events from December 31, 2017 through May 22, 2018, which was the date the consolidated financial statements were available for issuance, and concluded that no additional disclosures are required.





**VITA**

**Patrick V. Iannone**

**Address:**

Home Office: [REDACTED]

**Telephone:**

E-Mail: [piannone@savechildren.org](mailto:piannone@savechildren.org)

[REDACTED]

**Education**

**Syracuse University, Syracuse, NY**

Major: English Education

Degree: ABD

**West Virginia University, Morgantown, WV**

Major: English Education

Degree: M. A.

Date: 1994

**West Virginia University, Morgantown, WV**

Major: Journalism

Degree: B. S.

Date: 1988

## Professional Experience

### State Program Director

Save the Children Federation, Nashville, TN

2015 – Present

- Lead team of nine to support early childhood and school-age educational programs at 45 partner sites in AR, MS, TN, & TX.
- Serve as state lead, coordinating with national team to implement state media strategy, grants management, state budget, resource development, and advocacy.

### Deputy Program Director

Save the Children Federation, Nashville, TN

2012 – 2015

- Led team of seven to support 25 partner schools/sites, building and maintaining relationships with school districts across the states of Mississippi and Tennessee.
- Assisted with agency efforts to implement state media strategy, grants management, state budget, resource development, and advocacy.

### Associate Director of Partnership Management

Save the Children Federation, Berea, KY

2009 – 2012

- Led team of twelve Program Specialists and coordinated with literacy and early childhood regional support teams to ensure effective partner implementation of early childhood and school-age educational programs at 45 sites located in KY, East TN, and WV.
- Assisted Regional Director with efforts to implement state media strategy, grants management, state budget, resource development, and advocacy.

### Program Specialist

Save the Children Federation, Berea, KY

2006 – 2009

- Trained and provided technical assistance to program coordinators at 13 different schools located in Knott, Clay, Menifee, and McCreary Counties in E. KY.
- Evaluated literacy and NuPA program implementation in K-8 in-school, after school, and summer school-age educational programs.

**Part-Time Faculty**

Eastern Kentucky University  
2007 – 2011

- Taught on-line and classroom-based courses in content area illiteracy instruction.
- Designed and delivered course components using Blackboard on-line teaching platform

**Assistant Professor of Education**

Marshall University, Huntington, WV  
2000 – 2006

- Taught graduate and undergraduate courses in content area instruction, literacy acquisition, developmental reading, educational research, and literacy and technology.
- Advised graduate students on program requirements.
- Supervised student teachers.
- Designed, developed, and delivered on-line versions of graduate courses in content area instruction, literacy acquisition, developmental reading, educational research, and literacy and technology using Web CT.
- Trained adjunct faculty to deliver program courses on-line using Web CT

**Instructor**

State University of New York at Oswego, Oswego, NY  
1999-2000

- Taught graduate and undergraduate courses in content area instruction, and coordinated field experience for the undergraduate section of the course.
- Taught graduate seminar in educational research.
- Supervised student teachers.
- Advised graduate students

### **Certifications**

Provisional Teaching Certificate, English 5 – 12, State of West Virginia

### **Publications**

O'Byrne, B., Bowling, N., Iannone, P. V., and Caron, T. (2002). Mapping the boundaries of literacy and literacy education in cyberspace: Four preliminary markers. In D. Willis, J. Price, and M. Davis (Eds.), Information Technology and Teacher Education Annual (pp. 1929-1933). Norfolk, VA, AACE.

Iannone, P. V. (1999). Using the World Wide Web for classroom research: Helping your students gather accurate, reliable information. The Central New York Reading Council Newsletter, Spring, 3.

Iannone, P. V. (1998). Writing and the World Wide Web: Purposeful literacy activities for K-12 students. The Reading Teacher, 51, 438-443.

Iannone, P. V. (1997). Book Review of Possible Lives by Mike Rose, NY: Houghton Mifflin, 1995, 454 pp. Composition Forum, 8, 29-31.

Iannone, P. V. (1995). Book Review of Compact-Disc interactive: A designer's overview. Phillips International, Inc. (Ed.), Netherlands: Kluwer Technische, 1988, 235 pp. Computers in Human Behavior, 11, 675-76.

### **Participation in National Conferences**

O'Byrne, B., Bowling, N., Iannone, P. V., and Caron, T. (March, 2002). Mapping the boundaries of literacy and literacy education in cyberspace: Four preliminary markers. Paper presented at the annual meeting of the Society for Information Technology and Teacher Education, Nashville, Tennessee.

Iannone, P.V. & Bourcy, L. P. (December, 2000). Literacy research and the Internet: Understanding qualitative data collection in cyberspace. Paper presented at the annual meeting of the National Reading Conference, Phoenix, AZ.

Iannone, P. V. (November, 2000). Virtual ties: Constructing literacy communities with the Internet. Paper presented at the fall meeting of the National Council of Teachers of English, Milwaukee, WI

Iannone, P. V. (March, 2000). Using Internet learning communities for content area literacy: Understanding teachers perceptions and practices. Paper presented at the spring meeting of the National Council of Teachers of English, New York, New York.

Iannone, P. V. (November, 1999). Literacy instruction in the new millennium: Reshaping traditional forms of literacy instruction using the Internet. Paper presented at the fall meeting of the National Council of Teachers of English, Denver, Colorado.

Iannone, P. V. (April, 1999). From the "war room" to the classroom: Understanding the perceptions and practices of a literacy teacher in an urban high

school service-learning program. Paper presented at the annual meeting of the American Educational Research Association, Montreal, Canada.

Iannone, P. V. (March, 1999). New teaching frontiers: Creating literacy communities using the Internet. Paper presented at the spring meeting of the National Council of Teachers of English, Cincinnati, Ohio.

### **Professional Organizations**

- American Educational Research Association
- International Reading Association
- National Council of Teachers of English
- National Reading Conference

### **Service**

#### **Professional**

Member of Reading Online Editorial Board 2000 - 2003

Chair for Ramon Veal Seminar on Literacy Research, National Council of Teachers of English, Spring Meeting 2000

Co-Chair for Ramon Veal Seminar on Literacy Research, National Council of Teachers of English, Spring Meetings 1998 - 1999.

Guest Reviewer of Manuscripts for Reading Research Quarterly, 1997 - 1999

### **Workshops**

Iannone, P. V. (2004). Content area instruction with the Internet. Summersville, WV (Clay County Schools).



Mrs. Yolanda Minor

[Redacted contact information]

[schoolsuccess@bellsouth.net](mailto:schoolsuccess@bellsouth.net)

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**Objective**                    **To provide exemplary services in an outstanding organization committed to bettering the lives of underserved children, families and their communities utilizing the skills I have attained through my formal education and professional experiences.**

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**Profile**

- 7 years’ experience as a professional manager.
- Presently ESSS program specialist for Save the Children Corp providing support to eight coordinators and school districts, and four Vroom ambassadors.
- Goal-oriented individual with strong leadership abilities.
- Organized, highly motivated, and detail-directed problem solver.
- Proven ability to work in unison with staff, volunteers, and board of directors.

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**Education**                    **Associates of Arts., Business Administration**, Southwest Mississippi Community College,  
**B.S., Business Administration**, Alcorn State University (Cum Laude). **Master’s Degrees, Early Childhood Development and Reading with an emphasis in Elementary Education**, Grand Canyon University, (GPA 3.7).

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**Relevant Experience & Accomplishments**

**Program Coordination**

- Successfully established Community Awareness projects while working with AmeriCorps.
- Supervised a team of six individuals as Team Leader with AmeriCorps.
- One on one tutoring with K-4 grades.
- Administered the Roots Reading, IDELA Test as well as the PPVT Vocabulary Tests.
- Develop and execute monthly group activities for children 0-5 and parents.
- Provide meaningful home visits to children ages 0-3.
- Counsels parents on related goals and objectives of the Early Steps Program.
- Provides Book Bag rotation with clients.
- Successfully refine and implement new projects.
- Managed a small business (Pete’s Italian Beef) for 7 years.
- Participated in Development Boost Program (How to utilize talents/strengths with the influencer training).
- Trained in Journey of Hope, emotional wellbeing of young children
- Proficient in Reflective Coaching Practices.
- Trained in Shelter from the Storm.
- Computer Literate in Excel, PowerPoint and Word.

|            |  |
|------------|--|
| Employment | <p><b>ESSS Program Specialist, Save the Children USP</b><br/> <i>2012-Present</i></p> <ul style="list-style-type: none"> <li>• providing training, technical assistance, and management support to eight coordinators, and four ambassadors.</li> <li>• On-site and distance support monthly.</li> <li>• Provide support to ensure efficient programming.</li> <li>• Program implementation, monitoring and evaluation, including budgeting</li> <li>• Executing program start-up.</li> </ul> <hr/> <p><b>Early Childhood Coordinator, Gloster Elementary</b> <span style="float: right;"><i>2007-2012</i></span></p> <ul style="list-style-type: none"> <li>• Provided early childhood services for children age’s birth-5 and their parents.</li> <li>• Organize parent / child group activities.</li> <li>• Planning and Implementing appropriate home visiting for young children and families.</li> <li>• Building relationships with families.</li> </ul> <p style="text-align: right;"><i>2005-2007</i></p> <p><b>Teaching Assistant, Gloster Elementary</b></p> <ul style="list-style-type: none"> <li>• Assisted 2<sup>nd</sup> grade teacher with reading and interventions.</li> </ul> <p><b>AmericaReads Tutor, Gloster Elementary</b> <span style="float: right;"><i>2003-2005</i></span></p> <ul style="list-style-type: none"> <li>• Organized Community Awareness Projects such as Make a Difference Day, National Youth Service Day and Read Across America Day.</li> <li>• Developed and coordinated meetings with team members and Site Supervisors.</li> <li>• Developed charity events for families.</li> <li>• Tutored one on one and in small groups.</li> </ul> <hr/> <p><b>Community Involvement</b></p> <p><b>Mt. Zion CME Youth Department, Director</b><br/> <b>Shekinah Praise Team, Sponsor</b><br/> <b>Wilkinson County Nursing Home Family Committee, President</b><br/> <b>Christian Board of Education, President</b></p> <hr/> <p><b>Honors &amp; Awards</b></p> <p><b>Team Leader of the Year for America Reads Mississippi</b><br/> <b>National &amp; Global Youth Service Awards</b></p> |
|------------|--|

**References available upon request**

Sonia R. Reddics



**OBJECTIVE:** To obtain a position as a Program Specialist

**EDUCATION**

**Master of Professional Accountancy**, Delta State University, Cleveland, Mississippi  
Date of Graduation: December 8, 2007

**Bachelor of Science in Accounting**, Mississippi Valley State University, Itta Bena, Mississippi, Date of graduation: May 8, 2004

**MAJOR COURSES**

|                             |                            |                         |
|-----------------------------|----------------------------|-------------------------|
| Financial Accounting        | Intermediate Accounting II | Income Tax I            |
| Managerial Accounting       | Business Finance           | Auditing Theory         |
| Intermediate Accounting I   | Business Management        | Advanced Accounting     |
| Corporate Taxation          | Cost Accounting            | Fraud Examination       |
| Governmental Accounting     | Advance Auditing           | Accounting Systems      |
| Financial Accounting Theory | Tax Research               | Adv. Accounting Systems |

**COMPUTER LITERACY**

QuickBooks Pro 2014, Microsoft Word, Microsoft PowerPoint, Microsoft Excel, Internet Explorer, Outlook

**EXPERIENCE**

**2008-Present** Save the Children Federation, Memphis, TN and Duncan, MS

**Program Specialist**, Visit each assigned site on an as needed basis, provide professional development and support to all partner staff related to effectively implementing the afterschool, in-school, and Summer Boost and Kinder Boost programs with particular attention to the components of the literacy program: read-aloud-vocabulary-fluency, afterschool math-Hands on Standards and guided independent reading practice.

Monitor the appropriate implementation of the two components of the Physical Activity Program: CATCH physical activity curriculum and nutrition according to Save the Children’s established standards; provide training and technical assistance and build partner capacity by working directly with

site-based staff to ensure high-quality program design, implementation, monitoring and evaluation. Assist with planning and logistics for corporate donor visits.

Coordinate the annual partner planning and budget process with assigned partners, review partner requests for funds, quarterly financial reports and budget revision requests, communicate with governmental agencies regarding grant guidelines and budget approvals and amendments. Provide narratives for grant applications, secure documentations and signatures for grant applications. Observe and monitor partner progress and performance to ensure effective and timely implementation of program objectives and grant specifics.

**2004-2008** Bonanza Buying Center, Duncan, Mississippi

**Accelerated Reader Coordinator**, carried out daily operations of After-school and in-school reading program, coordinated reading activities for students, monitored student's reading growth, created intervention plans for student success, tracked students reading progress, administered STAR reading assessment to students, tracked daily attendance for program participants, attended and scheduled periodic trainings.

**1998-2000** North Bolivar Parent Center, Shelby, Mississippi

**Computer Trainer**, carried out daily operations of training youth and community persons on basic computer operations and skills including but now limited to keyboarding skills and how to navigate Microsoft Word, Excel and Power Point.

## **CAREER PROFILE**

Highly organized and detailed oriented  
 Possess strong analytical and problem solving skills  
 Very responsible and a quick-learner  
 Excellent written and verbal communication skills  
 Resourceful in the completion of projects, effective at multi-tasking  
 Co-writer/contributor to five federal after school grants; awarded all grants  
 Knowledge of and experience working with school districts and other education organizations

## **AFFILIATIONS**

Parents for Public Schools, Mississippi  
 Delta Mu Delta National Honor Society  
 Alpha Kappa Alpha Sorority, Incorporated

# Sheena Hamilton Weatherford

[sweatherford@savechildren.org](mailto:sweatherford@savechildren.org)

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**Areas of Expertise:** Literacy (Reading Development and Comprehension), Data Analysis, Organizational Skills

**Education:** **William Carey University, 2009- 2012**

**M.Ed., English**

- GPA 4.0

**University of Southern Mississippi, 2004-2008**

**BS, Elementary Education with Endorsements in English and Reading**

- Dean's List 2003-2007
- President's List 2007-2008
- Completed substantial amounts of time in the classroom through practicum and student teaching
- Received Student Leadership Award for Education Department
- GPA 3.9

**Millsaps College, 2003-2004**

- Completed one year of prerequisites
- GPA 3.5

**Columbia High School, 1999-2003**

- Graduated 3 of 121
- GPA 4.0

**Work Experiences:** **Program Specialist- Literacy and Nutrition, 2012-Present**

**Save the Children US Programs, Columbia, MS**

- Provide training, coaching, technical assistance, and support for program coordinators implementing Save the Children's literacy and nutrition programs
- Work with administrators and *Save the Children* Literacy staff to see optimal success for students success
- Monitor student progress and success while participating in various programs
- Create budgets depending on the needs of each program

**Reading Support Teacher, 2011-2012**

**Marion County School District, Columbia, MS**

- Provide training, coaching, and support for classroom teachers implementing the Classroom Literacy Collaboration project through *Save the Children*
- Work with administrators and *Save the Children* Literacy staff to see optimal success for this program
- Monitor student progress and success while participating in the CLC program

**Teacher, 6<sup>th</sup> grade, 2008-2011**

**Marion County School District, Columbia, MS**

- Taught the curriculum required by the Mississippi Department of Education

**Administrative Secretary, 2005-2011**

**T.L. Wallace Construction, Columbia, MS**

- I effectively handled paperwork, filing, answering the telephone, and basic secretarial skills. I assisted the president of the company with scheduling and related paperwork. While at this company, I learned excellent time management and leadership skills.

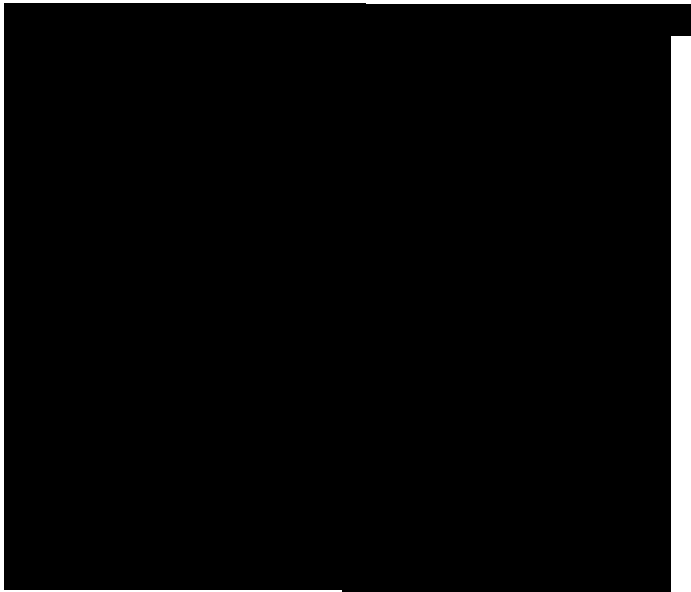
**Educational Experiences:**

- Participant of the Summer Math Institute hosted by USM; Received Certification to Teach 7<sup>th</sup> and 8<sup>th</sup> Grade Math
- 

**Summary of Qualifications:**

- I have years of experience working with students, excellent computer skills, leadership abilities, and great communication skills.

**References:**





# IRENE A. DAVIS



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To obtain an aspiring and challenging job that will allow me to apply the knowledge and skills I have acquired and learned. To impact and empower anyone I encounter with knowledge, support, and compassion.

## **EXPERIENCE**

**JULY 1, 2018- PRESENT**

**PROGRAM COORDINATOR SAVE THE CHILDREN  
RAVFL, GIRP, EMERGENT READER, HEALTHY CHOICE.**

As a coordinator I supervise three staff members we work together to run an effective program. My duties are to post information into the system for all the students that are in the program for in-school and after school: Look check data to see if everything matches, Check Star Early Literacy Test. Keep track of students AR Test, and make sure they are on task. At end of the month, I send in report for AR, Emergent Reader. I work very close with my teaching staff to get and give feedback on student progress.

**AUGUST 2016 TO JUNE 30, 2018**

**JOB TITLE, INTERVENTIONIST J.E. JOHNSON ELEMENTARY**

Working with students one on one in small group setting, helping students who struggle in Reading, Writing, and Math through group activities. Evaluate Students' Academic progress throughout the year.

**JOB TITLE- 1<sup>st</sup> Grade Teacher January 2016-May 2016, J.E Johnson Elementary**

Developed Lesson Plans, taught Reading and Writing skills, Math, Science, and Social Studies. Completed SAM-Up Keep, Conducted Parent Conferences, Demonstrated student success through academic growth on assessments.

**JOB TITLE- Head Teacher/Center Director, Five County Child Development Program Prentiss, Ms.**

**2009-2015**

Developing Lesson Plans for all students, Home Visits, Parent/Teacher Conference, Documented Meal Counts, Attendance, IEP and Referrals, Collected and Analyzed Various Screening Reports, Keeping Playground Clean and Established Classroom Safety.

## **EDUCATION**

**AUGUST 2005-2007**

**MASTER OF SCIENCE IN EDUCATION OF EARLY CHILDHOOD EDUCATION,**  
Jackson State University

**AUGUST 2002-2004-**

**BACHELOR OF SCIENCE CHILD CARE AND FAMILY EDUCATION, JACKSON STATE UNIVERSITY**

**August 2000-2002**

Early childhood Degree  
University of Southern Miss, Hattiesburg, MS

**August 1987-1990**

Associates of Art Degree, Prentiss Normal Industrial Institute, Prentiss, MS

## **SKILLS**

Typing, Filing, electronic calculator, copier machine, facsimile machine, window 10, Non-Emergency Transportation (NET) Software

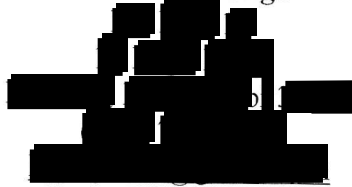
## **ACTIVITIES**

Who's Who Among students in American Universities & Colleges, Band Booster, Sunday School Teacher, Choir Director, 2019 Best Site Based on Monthly Scores in School with 90% to 100%.

**Leadership**- Certified Class observer for Pre-K -Observation Testing & conduct classroom observation as a reliable **CLASS** Observer (**Teachstone**)

- **Reference** Available upon Request

**Billie Jean Page**



**Objective** Work to increase the reading and comprehension of an assigned group of students with provided curricula. Foster student learning through application of reading aloud, spelling, writing and listening activities. Tasked with engaging students in creative and fun projects to stimulate love of reading and learning.

**Education** **Masters of Art, Elementary Education: Reading & School Management**  
William Carey College, Hattiesburg, MS

May 1990

**Bachelor of Art, Elementary Education**  
Delta State University, Cleveland, MS

May 1976

**Bachelor of Science, Social Studies: Minor in Sociology**  
Alcorn State University, Lorman, MS

May 1973

**Experience** Experienced educator with over 35 years of teaching children of all ages and learning abilities. Proficient in the ability to motivate and engage students. Self-motivated with strong planning, organizational and leadership skills as well as a Reader Coach.

Save the Children, JE Johnson Elementary School, Prentiss, MS

October 2018- present

**Tutor for Gate Testing**

JE Johnson Elementary School, Prentiss, MS

March 2017 – May 2017

Prepared students for testing by designing individualized learning plans for students with testing anxiety and difficulty. Helped to improve overall testing scores of students by reviewing test-taking practices, techniques, subjects and strategies.

**Kindergarten - 6<sup>th</sup> Grade Teacher**

Jefferson Davis County School System  
JE Johnson Elementary School, Prentiss, MS  
*August 1980 – May 2010 (Retired)*

Designed and taught lessons in math, science, social studies, and reading curricula in assigned grade. Developed learning centers, instructional materials, and tests/quizzes for each subject area. Created and implemented detailed lesson plans and activities to increase student learning to ensure students mastered state objectives and benchmarks. Managed a classroom of 20 – 25 students to foster an inclusive environment of varying learning levels. Met or exceeded requirements of teacher duties and deadlines, including testing goals and averages, student academic performance and classroom management.

**High School Math Teacher**

Jefferson Davis County School System  
Prentiss High School, Prentiss, MS  
*August 1979 – May 1980*

Responsible for teaching 8<sup>th</sup> and 9<sup>th</sup> grade math classes. Presented content information and examples from text. Prepared students to independently solve math problems through group learning activities, tests/quizzes and application. Developed lessons for student application to daily activities and to successfully pass math exit exams/assessments.

**High School Social Studies Teacher**

Bolivar Public School System, Cleveland, MS  
*September 1978 – May 1979*

Taught 11<sup>th</sup> grade U.S. History and 12<sup>th</sup> grade American Government. Prepared and delivered cohesive lectures to actively engage students in group discussions. Assigned reading and writing assignments and graded with corrections, if needed. Created innovative and stimulating class projects that explored social issues. Collaborated with other teachers to implement an integrated social studies program.

**Parochial Teacher**

St. Mary's Catholic School, Mount Bayou, MS  
*September 1977 – May 1978*

Assigned as Reading and Math Teacher. Developed class management skills and curricula execution plans to facilitate student learning. Engaged students in creative and fun projects to develop reading and math skills.

*\*References Upon Request*





# Ricky Drummonds

Healthy Choices: Save The Children



**Phone:**

[REDACTED]



**Email:**

[REDACTED]



**Address**

[REDACTED]



**Skills**

Computer Science.

Introduction and objective. Replace this sentence with your job objective or introduce yourself and what you are about.

## Experience

September 9, 2019- Present

Healthy Choices

Healthy Choices

Save the Children

June 1, 2018- January 10, 2019

MG Dysee

Laborer, Bridge Building

MG Dysee

January 2, 2018- May 30 2018

Computer service repair

Self Employed

Bills or Thrills

## Education

January 8, 2011- May 28 2011

Austin Texas

Radio and Television Broadcast

Be able to correctly set up lighting and cameras for shoots, movies, commercials, and videos. (interviews, music, documentary).

Incomplete

Austin Community College

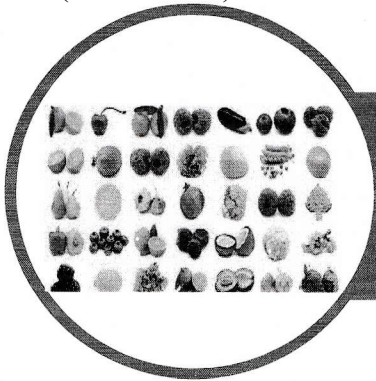
Austin Texas

## Activities

I've learned some Arabic phrases, Spanish phrases, Russian, and VERY LITTLE Norwegian. This year I plan to either go back and finish the RTVB course or learn a new language.

I like being active, so the Job I have currently suited my active needs. Exercise mainly. I use to volunteer with the Boys and Girls Club in Tupelo MS. So, working with kids is nothing new.





# RICKY DRUMMONDS

SAVE THE CHILDREN HEALTHY CHOICES |  
SAVETHECHILDREN.ORG

## OBJECTIVE

To get started, click placeholder text and start typing. Be brief: one or two sentences.  
Double-click the table cells in the footer to add your contact info (or delete the columns you don't want).

## SKILLS

I am very good at learning new things rather quickly. I don't mind criticism and having an open mind to others and their ideas.

## EXPERIENCE

### HEALTHY CHOICE • SAVE THE CHILDREN • SEPTEMBER 9, 2019 – PRESENT

I am to teach children the right foods to eat from breakfast to dinner, how much is a good portion and a select list of healthy foods to help them grow physically and mentally. Better choices for a better body and mind set.

### BRIDGE BUILDER • MG DYSEE • JUNE 1, 2018 – JANUARY 10, 2019

I worked with 4 other people to stabilize or replace used and build new bridges throughout the state of Mississippi. Running heavy equipment and operating in both small crawl spaces and large open areas. Lifting heavy pillars or replacing pillars cut to size, pouring concrete and transporting equipment from one job site to another.

## EDUCATION

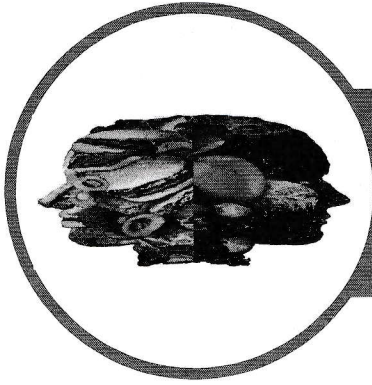
### RTVB • JANUARY 2011 • AUSTIN COMMUNITY COLLEGE

Didn't finish course. Got activated for Mississippi National Guard for deployment alert.

## VOLUNTEER EXPERIENCE OR LEADERSHIP

I did volunteer work at a Boys and Girls Club. Working with children on their homework and improving their grades. By one





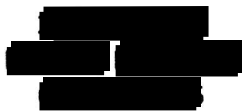
# RICKY DRUMMONDS

semester I've had a few children pull their grades up 5-10pts by working with the students either in groups or individual.

Was a Sargent in the military where I was responsible for the well being and training of about 35-60 soldiers at a time. I had to ensure they were able to pass a APFT test and ensure they knew their responsibility. Convoy commander and responsible for transporting convoys and equipment from camp Shelby, MS to other parts of the state where it was needed.



# TONYA THOMPSON



## Objective

It is my goal to be an effective, strong, and positive part of a child life and this program. I believe that my life skills along with my educational background, will help me to be successful at both.

## EXPERIENCE

**AUGUST 2018 - PRESENT**

**EMERGENT READER, SAVE THE CHILDREN**

The duties of my job are to help kindergartners and first graders with the begin stage of reading, also to try and help them to develop a love for reading.

**MAY 2001 - PRESENT**

**HOSTESS, PREP COOK, BACK -UP AND GRILL COOK. CRACKER BARREL OLD COUNTRY STORE**

My job as a hostess to place people in a comfortable eating space, as a cook my job is to be fore sure that the food is tasteful and goes out in a timely manner.

## EDUCATION

**AUG 1989-MAY 1993**

**WEST TALLAHATCHIE HIGH SCHOOL**

**NORHTEAST C.C. BOONEVILLE, MS. STUDEIES (STUDIES)**

**ELEMENTARY EDUCATION**

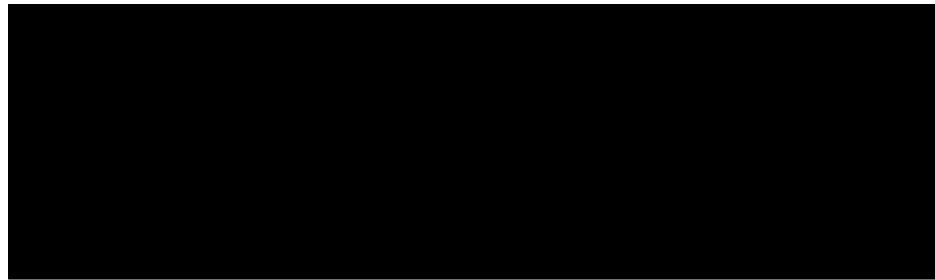
University of Mississippi, Oxford, MS (studies)

Social Work

## SKILLS

- Self-starter
- Work well with other
- Willing to learn
- Knowledge of Window 10
- The ability to work

**Sheila Maxwell**



**OBJECTIVE:** *To be able to work with students to enhance their abilities in skills, knowledge, and to maintain them in a safe environment.*

**EDUCATION:**

- May 12, 2007** *B.S. Childcare & Family Education  
Jackson State University, Jackson, MS*
- May 1982** *High School Diploma, Prentiss High School  
Prentiss, MS*

**EMPLOYMENT:**

- 2010-2014** *Save the Children Program- Emergent Reader Tutor-Bassfield, MS- Promoted a good learning environment for the children and parents. Taught appropriate activities to help children learn and explore reading. Developed skills of communication, acceptance, and independence to want to read. Provided lesson plans that were appropriate for each child's learning ability. Provided*

*creative activities through music, movement, and phonics.*

**2014-Present Save the Children Program Coordinator**

*As a coordinator, I supervised four staff to run an effective program year. My duties: Develop and post program schedules for In-School and Afterschool. Post visual aids for Emergent Reader Tutor, Healthy Choices, and RAvFL read aloud books. Assist staff with lesson plans, ordering books and labels, STAR and STAR EARLY LITERACY TESTING, organizing materials and tracking data with the students test scores.*

**HONORS & ACTIVITIES: Candidate in Empire Who's Who Among Executives and Professionals. Four GOLD STAR AWARD 2014,2015, and 2017. Two PLATINUM AWARD 2015,2016,2018, and 2019 for the students meeting their reading goals monthly of 90%-100%.**

**REFERENCES AVAILABLE UPON REQUEST**

**Melanie Chambers**



**Education**

Delta State University Cleveland, MS  
Bachelor of Science in Child Development  
December 11, 2010

University of West Alabama Livingston, AL  
Master of Science in Adult Continuing Ed/Counseling Psychology  
June 20, 2019

**Experience**

Charleston Elementary School August 2018-present  
School Age Coordinator

- Access student reading data scores
- Pull children for reading intervention
- Help implement Save the Children Afterschool

Mississippi Valley State University January 2017-May 2018  
PRE-K Teacher

- Implements and plan lesson plans
- Teach social skills
- Prepare children for kindergarten grade level

RH Bearden Elementary August 2015-July 2016  
Teacher

- Implements and plan lesson plan activities
- Prepare children for the MKAS test
- Works with a grade level team

ICS Headstart December 2012-May 2015  
Teacher

- Implements and construct lesson plan activities
- Maintain a clean and organized environment
- Focus on school readiness

Tri Lakes Behavioral Health October 2011-February 2012  
Mental Health Tech (MHT)

- Mentored and observed patients with behavioral disorders
- Assisted the patients with daily activities
- Try to keep a calm environment and protect the staff

## Clarice Herring



I am confident that my skills are well-aligned with the role and that I would be an excellent fit for your organization.

In my recently capacity as an Administrative Assistant for Precise Pro Tax Service. I was able to significantly expand my computer skills and office skills particularly. The skill to direct incoming and outgoing phone calls, making appointments, taking payments and more customer service representative.

My enthusiasm and commitment to excellence have served me well. I have extensive experience with Homemaker and Companionship, having had the chance to significantly develop my Professional Aide Care as a PCA.

I have learned and accomplished a great deal in my 12 years of Management at work I had good sales, maintain a good department and good customer service which led me to be a candidate for the Assistant Manager Trainee Program.

Authorized to work in the US for any employer

### Work Experience

---

#### **Asst Teacher**

Tallahatchie School District - Charleston, MS  
Assistant to teacher  
Teach children

#### **PCA Personal Care Assistant**

Full Potential Senior Solution - Batesville, MS  
April 2017 to November 2018  
Transportation Driver, Companionship  
Serve the clients, Asst with activities

#### **Administrative Assistant**

Precise Pro Tax Service - Batesville, MS  
February 2016 to April 2018  
Assist maintaining reports  
Greeting Clients  
Routing incoming and outgoing calls  
Data Entry ,Filing, Copying, Faxing, Emailed

#### **PCA Personal Care Assistant**

Angels Adult Care - Courtland, MS

March 2016 to April 2017

Homemaking, Companionship

**Dept. Manager Tire Lube Express**

Walmart - Oxford, MS

June 2002 to April 2015

Resolved customers complaints  
Plan and prepare work schedules  
Order and receive merchandise  
Provides customers service by greetings  
Assisting customers  
Assign employees specific duties  
Keep records of purchasing sales, Cashier

**Leadperson**

Air kontrol - Batesville, MS

May 1994 to January 2001

Lead person  
Machine operator  
Sewer, Welder, Packer

Education

---

**High school or equivalent**

South Panola High School - Batesville, MS

August 1991 to May 1994

Skills

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Customer Service Skills, Office Administration, Problem Resolution, Team Building, Leadership Training, Microsoft Word, Retail Management (10+ years), Data Entry (3 years), Cashier (10+ years), Machine Operator (7 years), Receptionist (2 years), Stocking (10+ years), Receiving (10+ years), CSR

Certifications/Licenses

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**PCA Certificate**

Direct Course Certificate

**CPR**

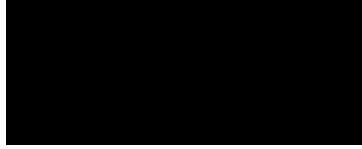
**Driver's License**

**Work Keys**

Bronze and Silver Work Key Assessment



Latoya Kimble



**Education**

High School Diploma

Charleston High School 2001

AA Degree

Coahoma Community College

General Studies/Elementary Ed

**Work History**

**Assistant Teacher**

East Tallahatchie School

- Help instruct lessons for kindergarteners
- Helps maintain an organized and safe learning Environment
- Work with children in small groups
- Completes other duties as assigned

August 2012-current

**Machine Operator**

Whirlpool Oxford

- Works machinery to assemble parts

June 2004- August 2011

**Line Technician**

Windsor Foods

- Works in a production line to efficiently create products
- Works as a team member

October 2011-April 2012

**Skills**

- Computer skills
- Communication skills
- National Honor Society
- Student Council
- Spanish Club

**Angela Collins**



**Education**

Coahoma Community College

AA: Early Childhood

Clarksdale, MS

Mississippi Valley State

BA: Elementary Education

Itta Bena, MS

**Work History**

**Parent liaison**

08/1987-current

East Tallahatchie School Dist

- Instructed parents in school process, academic programs and available resources
- Planned, promoted, and managed parent workshops on assisting children in attaining academic success
- Collaborated with community program leaders and advocates to make resources accessible to those in need
- Organized parent volunteers to support school activities and program needs
- Documented parental involvement and submitted reports with details
- Facilitated positive and production communication between educators and families

**Skills**

- Volunteer program assistance
- Microsoft office
- Test proctoring
- Student-centered learning
- Classroom discipline

**ATTACHMENT B  
MDHS DEBARMENT VERIFICATION FORM**

*Please Print/Type Clearly in Blue Ink*

|  |   |
|--|---|
| Subgrantee's/Contractor's Name   | Save the Children Federation, Inc.            |
| Authorized Official's Name   | Betsy Zorio, VP, USPA                         |
| DUNS Number  | ██████████                                    |
| Address  | 501 Kings Hwy E, Ste 400, Fairfield, CT 06825 |
| Phone Number   | (202) 794-1829                                |
| Are you currently registered with <a href="http://www.sam.gov">www.sam.gov</a> (Respond Yes or No) | Yes   |
| Registration Status (Type Active or Inactive)  | Active  |
| Active Exclusions (Type Yes or No)   | No  |

**Federal Debarment Certification:**

By signing below, I hereby certify that Save the Children Federation, Inc. is not on the list  
*(Subgrantee's Name/Contractor's Name)*  
for federal debarment on [www.sam.gov](http://www.sam.gov) –System for Award Management.

**State of Mississippi Debarment Certification:**

By signing below, I hereby certify that Save the Children Federation, Inc. is not on the list  
*(Subgrantee's Name/Contractor's Name)*  
for debarment for doing business within the State of Mississippi or with any Mississippi State Agencies.

**Partnership Debarment Certification:**

By signing below, I hereby certify that all entities who are in partnership through this contract with MDHS (subcontractors, subrecipients, et al.) are not on the federal debarment list on [www.sam.gov](http://www.sam.gov) – System for Award Management or the State of Mississippi debarment list. Proof of documentation of partnership verification with SAM shall be kept on file and the debarment status shall be checked prior to submission of every contract/subgrant and modification to MDHS.

  
\_\_\_\_\_  
Signature of Authorized Official  
*(No stamped signature)*

11/4/19  
\_\_\_\_\_  
Date

**ATTACHMENT C  
PROPRIETARY INFORMATION FORM**

The Respondent should mark any and all pages of this response considered to contain proprietary information. Such pages may remain confidential in accordance with Mississippi Code Annotated §§25-61-1, *et seq.* and 79-23-1 (1972, as amended). Each page of this response considered, by the Respondent, to contain trade secrets or other confidential commercial/financial information should be marked in the upper right hand corner with the word "CONFIDENTIAL." Any pages not marked accordingly will be subject to review by the general public after the award of the contract. Requests to review the proprietary information will be handled in accordance with applicable legal procedures. Failure to clearly identify trade secrets or other confidential commercial/financial information may result in that information being released in a public records request.

Did the Respondent submit any information to the agency for the Request for Proposals No. 19100101 which contained trade secrets or other proprietary data which the Respondent wishes to remain confidential in accordance with Section 25-61-9 1, *et seq.*, and 79-23-1 of the Mississippi Code (1972, as amended)?

Yes \_\_\_\_\_ No X \_\_\_\_\_

If yes, please indicate which parts/pages below that the Respondent wishes to designate as proprietary. In addition, provide the specific statutory authority for the exemption.

- 1.
- 2.
- 3.
- 4.
- 5.

By signing below, I understand failure to clearly mark proprietary information as identified above may result in disclosure of such information as it will be subject to review by the general public after the award of the subgrant.

Betsy [Signature]  
Signature of Authorized Official/ Title  
(No stamped signature)

11/4/19  
Date

Save the Children Federation, Inc.  
Name of Organization

**ATTACHMENT D  
PROPOSAL EXCEPTION SUMMARY FORM**

**List and clearly explain any exceptions, for all RFP Sections and Exhibits, in the table below.**

| RFP Reference  | Proposal Reference   | Brief Explanation of Exception   | MDHS Acceptance (sign here only if accepted) |
|--|--|--|--|
| Reference specific outline point to which exception is                                 | Page, section, items in Respondent’s proposal where exception is explained | Short description of exception being made  |  |
| 1. Attachment A (“Subgrant Terms and Provisions”), Section XIX. A. “Monthly Reporting” | N/A  | Request to submit monthly reports of costs incurred and corresponding evidence of budget compliance 20 calendar days after the close of the month instead of 10 calendar days to align with Save the Children’s accounting schedule, which closes on the 14 <sup>th</sup> of each month. This change will allow the agency to provide more accurate financial information to MDHS. |  |
| 2  |  |  |  |
| 3  |  |  |  |
| 4  |  |  |  |
| 5  |  |  |  |
| 6  |  |  |  |
| 7  |  |  |  |

**ATTACHMENT E  
SUBGRANTEE REQUIRED DOCUMENTATION**

- Standard Assurances and Certifications
- Subgrant/Agreement Manual Acceptance Form
- Board Member's Notification of Liability
- Minority Vendor Self-Certification Form

## STANDARD ASSURANCES AND CERTIFICATIONS

### OVERVIEW

Each Subgrantee and any lower-tier subrecipient must assure compliance with the regulations, policies, guidelines, and requirements imposed by the Federal grantor agency and MDHS. The assurances listed in this section may not be applicable to a particular project or program, and there may be additional assurances required by certain Federal awarding agencies. Therefore, all subgrantees are responsible for knowing the specific requirements of their awards. Templates for required certifications are available online through subgrantees' MDHS employee account at [www.mdhs.ms.state.us](http://www.mdhs.ms.state.us).

In addition, each subgrantee must certify in writing that it will comply with the following regulations:

- Lobbying;
- Suspension and Debarment;
- Drug-Free Workplace;
- Unresolved Monitoring and Audit Findings, and
- Fidelity Bond Coverage.

### STANDARD ASSURANCES

The Subgrantee assures that it:

1. Has the legal authority to apply for and receive the subgrant; that a resolution, motion, or similar action has been duly adopted or passed as an official act of the subgrantee's governing body, authorizing the subgrant, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the Subgrantee to act in connection with the subgrant and to provide such additional information as may be required;
2. Shall give MDHS, the State Auditor's Office, the Federal grantor agency, and the Comptroller General, or any other appropriate authorized state or Federal representatives, access to and the right to examine and copy all records, books, papers, documents, or items related to the subgrant for as long as these records are required to be retained;
3. Shall establish and maintain both fiscal and program controls and accounting procedures in accordance with Generally Accepted Accounting Principles and Federal grantor agency and MDHS directives; and will keep and maintain such books and records for audit by MDHS, by the Federal grantor agency, by the State Auditor, or by their authorized representatives; and will maintain either electronic or paper files of all such records, books, papers, documents, or items for a period of at least three (3) years from the date of submission of the final Claim Support Sheet, or, if any litigation, claim, audit, or action has begun before the expiration of the three-year period, will retain all such items until the completion of the action and resolution of all issues involved or until the end of the regular three-year period,



whichever is later, and will obtain written approval from the MDHS Division of Program Integrity or Funding Division Director prior to destroying any such items as described above upon the expiration of the above-stated period. The request shall be completed by submission of the Request to Dispose of Records form (MDHS-DPI-001);

4. Shall comply with the Single Audit Act Amendments of 1996;
5. Shall comply with the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
6. Shall provide, in a timely manner, written disclosure, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the subgrant;
7. Shall establish safeguards to prohibit employees from using their positions for a purpose that involves nepotism, or constitutes, or presents the appearance of any other personal or organizational conflict of interest, or personal gain;
8. Shall comply with all Federal and State statutes relating to discrimination, including, but not limited to:

Title VI of the Civil Rights Act of 1964, prohibiting discrimination on the basis of race, color, or national origin;

Title VII of the Civil Rights Act of 1964, relating to non-discrimination in matters of recruitment, hiring, promotion, and other employment practices;

Title VIII of the Civil Rights Act of 1968, as amended, relating to non-discrimination the sale, rental, or financing of housing;

Title IX of the Education Amendments of 1972, as amended, prohibiting discrimination on the basis of gender in federally assisted education programs and activities;

Age Discrimination Act of 1975, prohibiting discrimination on the basis of age;

Section 504 of the Rehabilitation Act of 1973, prohibiting discrimination on the basis of handicaps;

Subtitle A, Title II of the Americans with Disabilities Act (ADA) (1990);

Omnibus Reconciliation Act of 1981, prohibiting discrimination on the basis of race, color, religion, sex, national origin, age, and handicap;

Drug Abuse Office and Treatment Act of 1972, as amended, relating to non-discrimination on the basis of drug abuse;

Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, as amended, relating to non-discrimination on the basis of alcohol abuse or alcoholism;

Sections 523 and 527 of the Public Health Service Act of 1912, as amended, relating to confidentiality of alcohol and drug abuse patient records; and

Any other non-discrimination provisions in the specific statute(s) under which these monies will be granted or awarded and the requirements of any other non-discrimination statute(s) which may apply to this subgrant or award.

9. Shall ensure that buildings and facilities owned, occupied, or financed by the United States government are accessible to and usable by physically handicapped persons in accordance with the Architectural Barriers Act of 1968;
10. Shall comply with the requirements of the provisions of the Uniform Relocation Assistance and Real Property Acquisition Act of 1970, which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally assisted programs. These provisions apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases;
11. Shall comply with the provisions of the Hatch Act, as amended, which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds;
12. Shall comply, as applicable, with the provisions of the Davis-Bacon Act, the Copeland Act, and the Contract Work Hours and Safety Standards Act, regarding labor standards for federally assisted construction subagreements;
13. Shall conform with Executive Order (EO) 11246, entitled "Equal Employment Opportunity," as amended by EO 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60) and will incorporate an equal opportunity clause in federally assisted construction contracts and subcontracts;
14. Shall comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act;
15. Shall comply with the Intergovernmental Personnel Act of 1970 relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration;
16. Shall comply, if applicable, with Section 102(a) of the Flood Disaster Protection Act of 1973, which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more;

17. Shall comply with the Lead-Based Paint Poisoning Prevention Act, which prohibits the use of lead-based paint in construction or rehabilitation of residence structures;
18. Shall assist the Federal grantor agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended; EO 11593; and the Archaeological and Historic Preservation Act of 1974;
19. Shall comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 and EO 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in flood plains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972; (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176 of the Clean Air Act of 1955, as amended; (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended; (h) protection of endangered species under the Endangered Species Act of 1973, as amended; (i) Section 6002 of the Resource Conservation and Recovery Act; and (j) the Coastal Barriers Resources Act;
20. Shall comply with the Wild and Scenic Rivers Act of 1968 related to protecting components or potential components of the national wild and scenic rivers system;
21. Shall comply with Public Law (PL) 93-348 regarding the protection of human subjects involved in research, development and related activities supported by this subgrant;
22. Shall comply with the Laboratory Animal Act of 1966 pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this subgrant;
23. Shall comply with Federal regulations regarding criteria for cost sharing or matching contributions;
24. Shall assure all funds received shall be used only to supplement services and activities that promote the purposes for which the grant is awarded, and not supplant, unless specifically authorized by the program regulations and the appropriate MDHS Division;
25. Shall provide certification regarding lobbying to comply with Section 319, PL 101-121 (31 USC 1352);
26. Shall provide the required certification regarding their exclusion status and that of their principal's prior to the award in accordance with EOs 12549 and 12689 Debarment and Suspension;
27. Shall provide certification to comply with the Drug-Free Workplace Act of 1988;



- 28. Shall comply with The Privacy Act of 1974 (5 USC §552a) related to gathering and disclosure of information and documentation maintained on individuals;
- 29. Shall comply with all applicable requirements of all other Federal and State laws, Executive Orders, regulations, and policies governing the program(s) for which these monies are provided and with the terms and conditions of the Subgrant Agreement, including but not limited to all documentation/information required by the MDHS funding divisions for federal reporting purposes.
- 30. Shall comply with all requirements of the Federal Funding Accountability and Transparency Act (FFATA). This includes providing the grantor a DUNS number and other information such as executive compensation data when required so the grantor can meet the reporting requirements of FFATA.
- 31. Shall comply with the Pilot program for enhancement of contractor employee whistleblower protections (48 CFR 3.908-3, 48 CFR 52.203-17 and 41 U.S.C. 4712). Specifically, the subgrantee/lower-tier subrecipient shall provide written notification to all employees, of the subgrantee/lower-tier subrecipient, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in 48 CFR 3.908 of the Federal Acquisition Regulation. Subgrantees shall also include in each agreement with lower-tier subrecipients the required whistleblower provisions, as mandated in 48 CFR 52.203-17.
- 32. Shall ensure that it will require any lower-tier subrecipients to comply with the above listed regulations and any other applicable requirements of all other Federal and State laws, Executive Orders, regulations, and policies governing the program(s) for which these monies are provided and with the terms and conditions of the Subgrant Agreement, including but not limited to all documentation/information required by the MDHS funding divisions for federal reporting purposes.

As a duly authorized representative of the subgrantee, I hereby assure and certify compliance with the above mentioned provisions and all other applicable Federal and state statutes, regulations, policies, guidelines, and requirements of the Subgrant/Agreement Manual, as well as the specific terms and conditions of the Subgrant/Agreement.

SUBGRANTEE NAME AND ANY OTHER NAMES UNDER WHICH THE SUBGRANTEE HAS DONE BUSINESS: Save the Children Federation, Inc.

SUBGRANTEE ADDRESS AND ANY OTHER ADDRESSES THE SUBGRANTEE HAS USED: 501 Kings Hwy E, Ste 400, Fairfield CT 06825

TYPED NAME AND TITLE OF THE SUBGRANTEE'S AUTHORIZED REPRESENTATIVE: Betsy Zorio, VP, USPA

  
 SIGNATURE OF SUBGRANTEE'S AUTHORIZED REPRESENTATIVE \_\_\_\_\_ DATE \_\_\_\_\_

**MDHS Subgrant/Agreement Manual Acceptance Form**

Subgrant/Agreement Manual Coordinator

Each Subgrantee should designate a Mississippi Department of Human Services Subgrant/Agreement Manual coordinator who is familiar with the agency's operations. The coordinator's name, address, and telephone number should be sent directly to the Director, Office of Monitoring, Mississippi Department of Human Services, by the beginning of each contract period. The subgrantee should only notify the Director, Office of Monitoring, MDHS, in writing of any change in assignment.

As duly authorized representative of the Save the Children Federation, Inc.

\_\_\_\_\_, I certify that said organization will comply with the above provisions and that I have accessed as of this date, a copy of the current MDHS Subgrant/Agreement Manual.

Betsy Z  
Signature

11/4/19  
Date

VP, USPA  
Title

Save the Children Federation, Inc.  
Organization

Board Member's Notification of Liability Form  
Revised April 19, 2016

**FOR NON STATE AGENCIES ONLY**

**Mississippi Department of Human Services  
Board Member's Notification of Liability**

MDHS assumes no liability for actions of the Subgrantee or its employees, agents or representatives under this Subgrant. Subgrantee agrees to indemnify, defend, save and hold harmless MDHS from and against all claims, demands, liabilities, suits, damages and costs of every kind and nature whatsoever, including court costs and attorney's fees, arising out of or caused by Subgrantee and/or its agents, employees, contractors, or subcontractors, in the performance of this Subgrant.

The Subgrantee acting through its Board of Directors assumes liability in the event the Subgrantee misuses funds or fails to perform according to the provisions of the Subgrant. The Subgrantee shall notify each Board member, in writing, within 15 days of receiving the executed Subgrant of this requirement, and the Subgrantee shall sign a statement of this effect prior to receiving funds under this subgrant.

I acknowledge and agree to notify all members of the Board of Directors, if applicable, in writing of the assumption by Save the Children Federation, Inc. of liability in the event that Save the Children Federation, Inc. misuses funds or fails to perform according to the provisions of the Subgrant. Further, I will keep a copy of said notification letter as a permanent part of the Subgrant file.

Signature of Entity's Director Betsy Z

Name: Betsy Zorio, VP, USPA

Organization: Save the Children Federation, Inc.

Date: 11/4/19

STATE OF MISSISSIPPI  
MINORITY VENDOR SELF CERTIFICATION FORM

Please complete the following information on this form and return immediately to the Mississippi Department of Finance and Administration, Attention: Vendor File Maintenance, P.O. Box 1060, Jackson, Mississippi 39215. Forms may also be faxed to (601) 359-5525.

Name of Business: Save the Children Federation, Inc.

Address: 501 Kings Hwy E, Ste 400 Post Office Box: \_\_\_\_\_

City: Fairfield State: CT Zip: 06825

Telephone: (203) 221-4000 Tax I.D.: [REDACTED]

SAAS Vendor #s (if known): \_\_\_\_\_

MINORITY STATUS

As used in this provision, means a business concern that (1) is at least 51% minority-owned by one or more individuals, or minority business enterprises that are both socially and economically disadvantaged and (2) have its management and daily business controlled by one or more such individuals as ascribed under the Minority Business Enterprise Act 57-69 and the Small Business Act 15 USCS, Section 637 (a). See back of form for more information. Should you require additional information regarding your Minority Status, or need assistance in completing this form please call the Mississippi Development Authority, Minority Business Enterprise Division at 601-359-3448.

Applicable  Not Applicable

IF MINORITY STATUS IS APPLICABLE, PLEASE CHECK APPROPRIATE CODE BELOW:

Minority Business Enterprise

- A (Asian Indian)
- B (Asian Pacific)
- C (Black American)
- D (Hispanic American)
- E (Native American)

Women Business Enterprise

- M (Asian Indian)
- N (Asian Pacific)
- O (Black American)
- P (Hispanic American)
- Q (Native American)
- R (Other) Non Ethnic Women

The undersigned certifies under the penalties (administrative suspension and/or ineligibility for participation) set forth in the Minority Business Enterprise Act 57-69, and the Small Business Act 15 USCS, Section 637 (a), that the company classification and selected information above is true and correct. The undersigned will advise of any change in such classification at once.

Business: Save the Children Federation, Inc. Certified by: Betsy Zorio

Date: \_\_\_\_\_ Title: VP, USPA Name Printed: Betsy Zorio

Issue Date March 31, 2002



## Required Respondent Statements

### A. Respondent Association/Examination of Records

Save the Children Federation Inc. (SCUS) is not associated with any parent, affiliate or subsidiary organization in order to provide any service to comply with the performance requirements under the resulting subgrant of the RFP.

### B. Conflict of Interest

SCUS does not have a contractual relationship or other contract with any State personnel, contractor or subcontractor involved in the development of the RFP. No SCUS personnel have had contact with any MDHS personnel involved in the development of the RFP.

### C. Legal Entity

Copies of SCUS Articles of Incorporation, Bylaws, Resolutions, and proof of legal status are attached.

### D. Subcontractor Work

SCUS proposes to partner with Jefferson Davis County School District (JDCSD) and East Tallahatchie School District (ETSD) to deliver afterschool program activities.

#### 1) Role and Responsibilities of SCUS

- Act as fiscal agent and be responsible for managing the grant program including financial and programmatic reporting.
- Share responsibility for continuous program improvement, including setting annual program goals, evaluating program activities and reviewing prior year outcomes.
- Continuously develop and modify a strong scientifically based afterschool/summer program model that meets the needs of students and parents.
- Provide necessary training for program staff in-person and/or in a distance-training format and additional opportunities for professional development.
- Provide support and resource materials to ensure best practices.
- A Save the Children Program Specialist will serve as the main liaison to districts and will provide technical assistance and management assistance to ensure effective coordination, implementation, and monitoring of programs.
- Provide the online SCORE System, instructions about how to use it, and technical assistance as needed.
- Work to retain staff.
- Monitor attendance data reports.
- Subgrant funds to districts.

#### 2) Role and Responsibilities of JDCSD and ETSD

- Recruit and refer students and families for the afterschool/summer program.
- Operate and house the program.
- Administer pre and post-tests.
- Hire and provide onsite supervision of the program's tutors and teachers.
- Responsible for onsite data collection; track goals and objectives for program.

- Track expenditures and ensure they comply with program requirements.
- Coordinate the implementation of curriculum, instruction, and assessment programs and monitor instructional delivery.
- Monitor student attendance of the program by collecting attendance rosters and overseeing attendance database and tracking number of days in attendance per student
- Support MDHS by gathering student/parent data, helping compose, distribute and collect surveys and completing other activities necessary for project evaluation and reporting purposes.

SCUS will ensure services are not duplicated.

E. Inducement

No attempt has been made or will be made by SCUS to induce any other person or firm to submit or not to submit a proposal.

F. Provision of Services

SCUS has sole and complete responsibility for the completion of all services provided under the contract, except for those items specifically defined as State responsibilities.

G. Independent Price Determination

The prices proposed have been arrived at independently, without consultation, communication, or agreement, for the purpose of restriction of competition, as to any other party or with any competitor; and that unless otherwise required by law, the prices quoted have not knowingly been disclosed by SCUS prior to award, either directly or indirectly, to any other Respondent/contractor or competitor.

H. Certification of Proposed Costs/Proposal Validity

The costs quoted in the proposal will remain in effect through the term of the subgrant and SCUS's proposal will be valid for sixty (60) days after the proposal opening date.

I. Employment Discrimination

SCUS will not discriminate in our employment practices with regard to race, color, religious beliefs/practices, creed, age, national origin, sex, or mental or physical disability.

J. Subcontractor Statement

Subcontractor statements are included in Appendix II, signed by district superintendents.

K. Use of Federal Funds

Funds will not be expended for sectarian instruction, worship, prayer or proselytization purposes and that no federal funds or State funds will be used to influence any government official. Expenses incurred for TANF services provided for another funding source/grant will not be charged to this grant and that individuals receiving TANF services under another funding source/grant will not be included in the count for the number of participants served in this grant.

L. Availability of Respondent Records

All SCUS records subject to audit and evaluation by MDHS will be located in the State of Mississippi.

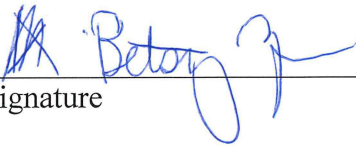
M. Authority to Bind

Betsy Zorio, the individual signing this proposal, is authorized to make decisions regarding prices quoted on behalf of SCUS.

No person has participated and will not participate in any action contrary to those requirements stated above.

N. Provision of TANF Services

SCUS agrees to provide all TANF services as outlined in this proposal and as required by the RFP to accomplish the goals and intent of the project.



Signature

November 13, 2019

Date

Vice President, U.S. Programs and Advocacy

Title

Save the Children Federation, Inc.

Organization

Will L. Russell  
Superintendent of Education



**Board of Education**  
Terri Stamps, District 1  
Bobby L. Wilson, District 2  
Nadine Thompson, District 3  
Shonda Burre, District 4  
Von Norwood, District 5

October 21, 2019

State of Mississippi  
Department of Human Services  
Christopher Freeze, Executive Director  
200 South Lamar Street  
Jackson, MS 39201

Re: Letter of Collaboration

Dear Mr. Freeze:

I am writing in support of Save the Children's application for afterschool program activities through the Temporary Assistance for Needy Families (TANF) grant program (RFP No. 19100101 TANF APA). As Superintendent of Jefferson Davis County School District (JDCSD), I would highly recommend Save the Children as a grantee to provide age-appropriate out-of-school-time educational and enrichment programming for children and youth attending high-poverty schools.

We have worked with Save the Children for ten years to provide afterschool program services in JDCSD, where 100% of students are eligible to receive free or reduced-priced lunch. Our partnership with Save the Children has been a great benefit to our learning community, and we have worked closely together to achieve impressive results for children and youth. Last school year, 70% of participants of the afterschool programs at G.W. Carver Elementary and J.E. Johnson Elementary showed significant reading growth. Additionally, Save the Children child development experts have strengthened the technical skills and knowledge of program and school professionals, provided access to research-based curricula and materials, and provided ongoing support for effective program management and administration.

Save the Children is dedicated to serving children and families in some of the most rural and under-resourced regions of the state. Their programs are an important resource in fostering the potential of children and youth living in poverty to ensure they have the opportunity to lead healthy, productive lives.

Sincerely,

A handwritten signature in black ink that reads 'Will L. Russell'.

Will L. Russell, Superintendent of Education  
Jefferson Davis County School District

P.O. Box 1197 1025 Third Street Prentiss, Mississippi 39474 601-792-4267  
[www.jdcسد.com](http://www.jdcسد.com)





October 17, 2019

Mr. Will Russell  
Jefferson Davis School District  
1025 3rd Street / P. O. Box 1197  
Prentiss, MS 39474

Dear Mr. Russell,

I hope this letter finds you well. As you may know, Save the Children receives and is applying to receive continued federal TANF grant funding through the Mississippi Department of Human Services. It is the intent of Save the Children to utilize this funding in part to support the Afterschool programs that Save the Children and your district have contracted to conduct this program year (2019-2020). One of the requirements of this MS DHS TANF funding is that your school provides the following assurances:

1. *General scope of the work to be performed by the subcontractor:*

The Jefferson Davis School District intends to provide an afterschool education program for elementary age students focusing on literacy and other appropriate subjects during the 2019-2020 school year at JE Johnson Elementary and GW Carver Elementary.

2. *Willingness to perform the work indicated:*

The Jefferson Davis School District is willing to provide this programming.

3. *Non-discrimination:*

The Jefferson Davis School District is responsible for hiring staff associated with this program. The school district does not discriminate in its employment practices with regard to race, color, religious beliefs/practices, creed, age, national origin, sex, or physical handicap, disability, genetic information, or any other consideration made unlawful by federal, state, or local laws.

  
Mr. Will Russell, Superintendent, Jefferson Davis School District

Thank you for your time and consideration,

Patrick Iannone, MS State Director, Save the Children



# East Tallahatchie School District



**Dr. Darron L. Edwards, Superintendent**  
411 East Chestnut Street  
Charleston, MS 38921

662-647-5524 phone • 662-647-3720 fax

October 28, 2019

State of Mississippi  
Department of Human Services  
Christopher Freeze, Executive Director  
200 South Lamar Street  
Jackson, MS 39201

Re: Letter of Collaboration

Dear Mr. Freeze:

I am writing in support of Save the Children's application for afterschool program activities through the Temporary Assistance for Needy Families (TANF) grant program (RFP No. 19100101 TANF APA). As Superintendent of East Tallahatchie School District in Tallahatchie County, I would highly recommend Save the Children as a grantee to provide age-appropriate out-of-school-time educational and enrichment programming for children and youth attending high-poverty schools.

We have worked with Save the Children for 2 years to provide afterschool program services at Charleston Elementary School, where 100% of students are eligible to receive free or reduced-priced lunch. Our partnership with Save the Children has been a great benefit to our school community, and we have worked closely together to achieve impressive results for children and youth. Last school year, 74% of regular participants of the afterschool program showed significant reading growth. Additionally, Save the Children child development experts have strengthened the technical skills and knowledge of program and school professionals in our learning community, provided access to research-based curricula and materials, and provided ongoing support for effective program management and administration.

Save the Children is dedicated to serving children and families in some of the most rural and under-resourced regions of the state. Their programs are an important resource in fostering the potential of children and youth living in poverty to ensure they have the opportunity to lead healthy, productive lives.

Sincerely,

A handwritten signature in black ink, appearing to be "D. Edwards", written over a white background.

Dr. Darron L. Edwards  
Superintendent  
East Tallahatchie School District



October 17, 2019

Dr. Darron Edwards  
East Tallahatchie School District  
411 East Chestnut Street  
Charleston, MS 38921

Dear Dr. Edwards,

I hope this letter finds you well. As you may know, Save the Children receives and is applying to receive continued federal TANF grant funding through the Mississippi Department of Human Services. It is the intent of Save the Children to utilize this funding in part to support the Afterschool program that Save the Children and your district have contracted to conduct this program year (2019-2020). One of the requirements of this MS DHS TANF funding is that your school provides the following assurances:

1. *General scope of the work to be performed by the subcontractor:*

The East Tallahatchie School District intends to provide an afterschool education program for elementary age students focusing on literacy and other appropriate subjects during the 2019-2020 school year at Charleston Elementary.

2. *Willingness to perform the work indicated:*

The East Tallahatchie School District is willing to provide this programming.

3. *Non-discrimination:*

The East Tallahatchie School District is responsible for hiring staff associated with this program. The school district does not discriminate in its employment practices with regard to race, color, religious beliefs/practices, creed, age, national origin, sex, or physical handicap, disability, genetic information, or any other consideration made unlawful by federal, state, or local laws.

A handwritten signature in black ink, appearing to be "D. Edwards", written over a horizontal line.

Dr. Darron Edwards, Superintendent, East Tallahatchie School District

Thank you for your time and consideration,

501 Kings Highway East, Ste 400  
Fairfield, CT 06825

1-800 Save the  
Children  
SavetheChildren.org

899 North Capital Street,  
NE  
Washington, DC 20002-  
4263





October 30, 2019

State of Mississippi  
Department of Human Services  
Christopher Freeze, Executive Director  
200 South Lamar Street  
Jackson, MS 39201

Re: Letter of Collaboration

Dear Mr. Freeze:

I am writing in support of Save the Children's application for afterschool program activities through the Temporary Assistance for Needy Families (TANF) grant program (RFP No. 19100101 TANF APA). As Superintendent of Marion County School District in Marion, I would highly recommend Save the Children as a grantee to provide age-appropriate out-of-school-time educational and enrichment programming for children and youth attending high-poverty schools.

We have worked with Save the Children for twelve years to provide afterschool program services at East Marion, where 96.12% of students are eligible to receive free or reduced-priced lunch. Our partnership with Save the Children has been a great benefit to our learning community, and we have worked closely together to achieve impressive results for children and youth. Last school year, 74% of regular participants of the afterschool program showed significant reading growth. Additionally, Save the Children child development experts have strengthened the technical skills and knowledge of program and school professionals in our learning community, provided access to research-based curricula and materials, and provided ongoing support for effective program management and administration.

Save the Children is dedicated to serving children and families in some of the most rural and under-resourced regions of the state. Their programs are an important resource in fostering the potential of children and youth living in poverty to ensure they have the opportunity to lead healthy, productive lives.

Sincerely,

A handwritten signature in blue ink that reads 'Wendy Bracey'. The signature is written in a cursive, flowing style.

Wendy Bracey  
Superintendent  
Marion County School District

Marion County School District  
1010 Hwy 13 North  
Columbia, MS 39429  
601-736-7193



SECOND AMENDED AND RESTATED BYLAWS  
OF  
SAVE THE CHILDREN FEDERATION, INC.  
(A Connecticut Nonstock Corporation)

Adopted February 17, 2005

ARTICLE I  
GENERAL

These Bylaws are intended to supplement and implement applicable provisions of law and of the Certificate of Incorporation (the "Certificate of Incorporation") of Save the Children Federation, Inc. (the "Corporation") with respect to the regulation of the affairs of the Corporation.

ARTICLE II  
TRUSTEES

SECTION 1. Number, Election and Term of Office. All corporate powers shall be exercised by or under the authority of, and the activities property and affairs of the Corporation managed by or under the direction of, a board of directors to be known as the Board of Trustees. Unless otherwise provided, the term "Trustee" or "Trustees" as used in these Bylaws shall include ex-officio Trustees.

The Board of Trustees shall consist of not less than three (3) and not more than thirty-five (35) Trustees, exclusive of ex-officio Trustees. Trustees shall be elected by the members at the annual meeting of the members for one year terms to succeed those whose terms have expired. A trustee shall serve until the expiration of his or her term or until the qualification of his or her successor, if any.

The number of offices of Trustees on the Board of Trustees (such offices hereinafter referred to as "Trusteeships" and such number of offices hereinafter referred to as the "number of Trusteeships"), excluding, in each case, offices of ex-officio Trustees, shall be the number, within the minimum and maximum number of Trusteeships set forth in this Article II, Section 1, fixed by resolution of the Board of Trustees or, in the absence of such a resolution, shall be the aggregate of the number of Trustees elected at each of the previous three Annual Meetings of the Corporation at which Trustees were elected and additions to such number, if any, resulting from increases in the number of Trusteeships made during such period in accordance with this Article II, Section 1

SECTION 2. Chair of the Board of Trustees. The Trustees shall annually elect a Chair of the Board who shall create the agenda for and preside at regular or special

meetings of the Board of Trustees and Executive Committee. A person may serve as Chair of the Board of Trustees only for so long as such person remains a Trustee. A person who has served six consecutive full annual terms as Chair of the Board of Trustees shall not be eligible for reelection to such office until he or she has ceased to hold such office for at least two consecutive years. The Chair shall serve as an ex-officio member of all Board Committees.

SECTION 3. Vice Chair(s) of the Board of Trustees. The Board may also annually elect up to three Vice Chair(s) who shall have such power and perform such duties as the Chair of the Board of Trustees or the Board of Trustees may from time to time prescribe and shall perform such other duties as may be prescribed by these Bylaws. At the request of the Chair of the Board of Trustees, or in the case of his or her absence or inability to act, the Vice Chair of the Board of Trustees (and if there are more than one such Vice Chair, the Vice Chair so chosen to act by the Chair of the Board of Trustees, if the Chair's absence or inability to act was foreseen, or by the President, if the Chair's absence or inability to act was not foreseen) shall perform the duties of the Chair of the Board of Trustees and, when so acting, shall have the powers of, and be subject to all the restrictions upon, the Chair of the Board of Trustees.

SECTION 4. Limitation on Consecutive Terms. A Trustee, other than an ex-officio Trustee, who has served six consecutive full annual terms on the Board of Trustees shall not be eligible for election to the Board of Trustees until he or she has ceased to be a Trustee for at least one year. When the Chair of the Board of Trustees relinquishes his or her position as Chair, such Trustee shall also relinquish his or her Trusteeship if he or she has served six consecutive full annual terms on the Board of Trustees, including time served on the Board of Trustees while occupying the office of Chair of the Board of Trustees; provided, however, that he or she may continue to serve on the Board of Trustees as an ex-officio Trustee of the Corporation following the relinquishment of his or her office as Chair of the Board of Trustees for one full calendar year and until the next succeeding Annual Meeting thereafter. For purposes of this section, service as a Trustee for less than one year shall not be considered a full term.

SECTION 5. Removal. A Trustee may be removed from office, either with or without cause, at any time, by vote of not less than two-thirds of the Trustees entitled to vote.

SECTION 6. Resignation. Any Trustee of the Corporation may resign from the Corporation by submitting to the Chair of the Board of Trustees or the Secretary of the Corporation a written letter of resignation. All resignations shall, unless a contrary indication is contained therein, become effective upon and from the date of delivery thereof.

SECTION 7. Vacancies. Newly created Trusteeships resulting from an increase in the number of Trusteeships made in accordance with Article II, Section 1, and vacancies occurring in the Board for any reason, may be filled for the unexpired term by the Board of Trustees or, if the Trustees remaining in office constitute fewer than a

quorum of the Board of Trustees, by the affirmative vote of a majority of all the Trustees remaining in office.

SECTION 8. Compensation. Excluding the President, who serves as a voting ex officio member, the members of the Board of Trustees shall serve without salary or other compensation except reimbursement of reasonable out of pocket expenses incurred in connection with services provided to or for the benefit of the Corporation.

### ARTICLE III MEETINGS OF TRUSTEES

SECTION 1. Place of Meeting. Meetings of the Board of Trustees may be held at such time and place, either within or without the State of Connecticut, as the Chair of the Board of Trustees may designate in the notice of meeting.

SECTION 2. Annual Meeting. The Chair of the Board of Trustees shall designate a date each year for the Annual Meeting of the Corporation. At the Annual Meeting, the Board of Trustees shall elect Trustees to the Class of Trustees whose term expires at such meeting. The Trustees shall also annually elect, at the Annual Meeting, the Chair, the Vice Chair(s) and the officers of the Corporation. The Trustees shall also transact such other business as shall properly come before them.

SECTION 3. Regular Meetings. All other regular meetings of the Board of Trustees may be held at such date, time and place as the Board of Trustees may determine. In addition to the Annual Meeting and unless and until otherwise changed by a resolution of the Board of Trustees, the Board of Trustees shall hold no fewer than two (2) regular meetings per year.

SECTION 4. Special Meetings. Special meetings of the Board of Trustees may be held at any time and place upon call of the Chair of the Board of Trustees or upon call of any three (3) or more Trustees.

SECTION 5. Notice. Appropriate written or oral notice of each meeting of the Board of Trustees shall be given to each Trustee at least fourteen (14) days prior to any Annual Meeting or regular meeting and at least two (2) days prior to any special meeting; provided, however, that notice of the Annual Meeting shall be in writing. Any Trustee may waive notice of any meeting in writing or by attendance at or participation in the meeting unless the Trustee, at the beginning of the meeting or promptly upon his or her arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting. Each notice of a meeting of the Board of Trustees shall state the place, day, and hour of the meeting and shall include such other information, if any, required to be included therein pursuant to the Connecticut Revised Nonstock Corporation Act, the Certificate of Incorporation or these Bylaws. Each notice of a special meeting of the Board of Trustees shall state generally the nature of the business to be transacted and the Board shall be authorized to take action only as to such matters stated in the notice of special meeting.

SECTION 6. Quorum. The greater of (i) one-third of the total of the number of Trusteeships and ex-officio Trustees at the time or (ii) three Trustees shall constitute a quorum; provided, however, that at least three current members of the Executive Committee are among those present. Except as otherwise provided by law or these Bylaws, the act of a majority of the Trustees present at any meeting at which a quorum is present at the time of the act shall be the act of the Board of Trustees.

SECTION 7. Trustee Participation in Meeting by Telephone. A Trustee may participate in a special or regular meeting of the Board of Trustees or Executive Committee or any other Committee of the Board by means of a conference telephone or similar communications equipment enabling all Trustees participating in the meeting to hear one another, and participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

SECTION 8. Trustees' Action Without Meeting. If all of the Trustees severally or collectively consent in writing to any action taken or to be taken by the Corporation, such action shall be as valid as though it had been authorized at a meeting of the Board of Trustees. The Secretary of the Corporation shall file such consent or consents with the minutes of the meetings of the Board of Trustees.

#### ARTICLE IV COMMITTEES

SECTION 1. Creation and Powers of Committees. Three or more Trustees shall be designated annually by the Board of Trustees to constitute, respectively, an Executive Committee (subject to the provisions of Article IV, section 3), a Nominations Committee (subject to the provisions of Article IV, section 4), a Finance and Administration Committee and an Audit Committee, as well as any other Committees which the Board of Trustees deems necessary. The creation of a Committee, the appointment of Trustees to it and the designation of a Chair and Vice Chair if desired shall be approved by a majority of all the Trustees in office when the action is taken.

To the extent specified by these Bylaws or by resolution of the Board of Trustees, each Committee may exercise the authority of the Board, except that a Committee may not (i) remove or elect any Chair, Vice Chair or other officer, (ii) approve the Corporation's budget, (iii) fill vacancies on the Board of Trustees or on any of its Committees, (iv) amend the Certificate of Incorporation, (v) adopt, amend or repeal these Bylaws, (vi) approve a plan of merger, approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation, other than in the usual and regular course of affairs of the Corporation, or approve a proposal to dissolve the Corporation, or (vii) exercise any other authority prohibited by law. Committees shall keep full records of their proceedings and shall report the same to the Board of Trustees.



SECTION 2. Committee Action. Except as otherwise provided in these Bylaws with respect to particular committees, meetings of committees of the Board of Trustees may be called by the respective chair thereof or by any two members of the committee on at least three (3) days written or oral notice. At all meetings of the committee, the greater of (i) one-third of the total number of committee members or (ii) three committee members shall constitute a quorum for the transaction of business; provided, however, that at least two current members of the Executive Committee are among those present. Except as otherwise provided by law or these Bylaws, the act of a majority of the committee members present at any meeting at which a quorum is present at the time of the act shall be the act of the committee. The provisions of Article III Section 5, 7 and 8 of these Bylaws relating to waiver of notice, participation by telephone and action by consent without a meeting shall apply to committees.

SECTION 3. Executive Committee. The Chair of the Board of Trustees, the Vice Chair(s) of the Board of Trustees, the Chair of the Audit Committee, the Chair of the Finance and Administration Committee, the Chair of the Nominations Committee, and additional Trustees, if any, chosen by the Board of Trustees, shall be designated as members of the Executive Committee; provided that there shall be no more than eleven (11) members of the Executive Committee, excluding any ex-officio members.

Meetings of the Executive Committee may be held at any time and place upon call by the Chair of the Board of Trustees or by three (3) or more members of the Executive Committee. The Executive Committee may act on behalf of the Corporation when the Board of Trustees is not in session; provided, however, that the Executive Committee shall not be authorized to (i) remove or elect any Chair, Vice Chair or other officer, (ii) approve the Corporation's budget, (iii) fill vacancies on the Board of Trustees or on any of its Committees, (iv) amend the Certificate of Incorporation, (v) adopt, amend or repeal these Bylaws, (vi) approve a plan of merger, approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation, other than in the usual and regular course of affairs of the Corporation, or approve a proposal to dissolve the Corporation, or (vii) exercise any other authority prohibited by law

SECTION 4. Nominations Committee. The Chair of the Board of Trustees shall be designated as a member, and a Vice Chair of the Board of Trustees shall be designated as an alternate member, of the Nominations Committee, and the remaining members shall be chosen by the Board of Trustees in accordance with Article IV, Section 1

The Nominations Committee shall meet at such times as it shall determine and shall nominate the Trustees, the Chair and Vice Chair(s) and officers to be elected at each Annual Meeting as well as any candidates to fill vacancies on the Board of Trustees. The Nominations Committee shall notify the Secretary in writing, at least twenty-one (21) days before the Annual Meeting, of the names of the candidates to be presented and the Secretary shall include a copy thereof with the notice of the Annual Meeting.

The Nominations Committee shall disqualify candidates from election to the Board of Trustees who are current employees of the corporation, other than the President and/or who are the immediate relations of current members of the Board of Trustees, including the President

**SECTION 5 Audit Committee** The members of the Audit Committee shall be chosen by the Board of Trustees in accordance with Article IV, Section 1, except that no member of the Audit Committee may be a member of the Corporation's staff (including the President). Members of the Finance and Administration Committee may serve on the Audit Committee, provided, however, that the Chair of the Audit Committee may not be a member of the Finance and Administration Committee and members of the Finance and Administration Committee shall constitute less than one-half of the membership of the Audit Committee. The Board of Trustees shall endeavor, to the greatest extent possible, to ensure that at least one member of the Audit Committee has sufficient financial expertise to understand, analyze and reasonably assess the financial statements of the Corporation and the competency of any auditing firm engaged by the Corporation.

The Audit Committee shall have general responsibility for advising the Board of Trustees on matters relating to the review and approval of the Corporation's financial statements and federal tax returns; the effectiveness of the Corporation's internal financial control and risk management systems; the effectiveness of the Corporation's internal audit function; the effectiveness of the Corporation's process for monitoring compliance with laws and regulations affecting financial reporting and the Corporation's Code of Ethics and Business Conduct; and such other duties as these Bylaws and the Board of Trustees may from time to time prescribe.

The Audit Committee shall recommend to the Board for its approval certified public accountants in accordance with Article VIII, Section 3 to serve as the Corporation's independent auditor. The Audit Committee shall approve the independent auditor's compensation; shall confer with the independent auditors to satisfy its members that the financial affairs of the Corporation are in order; shall review and determine whether to accept the audit; shall assure that any non-audit services performed by the independent auditor conform with applicable standards for auditor independence; and shall assess the performance of any services the independent auditor provides.

The Audit Committee shall meet at least three times during each year and at such additional special meetings as may be called by its Chair

**SECTION 6. Finance and Administration Committee** The Finance and Administration Committee shall have general responsibility for advising the Board of Trustees on, and approving policies related to, the financial and administrative operations of the Corporation ensuring that the Corporation is operated in a financially and administratively prudent manner.

The Finance and Administration Committee shall review annual budgets for the Corporation and any revisions thereto, and shall recommend such budgets or revisions to

the Board of Trustees for approval; shall annually review and approve the compensation, including benefits, of the officers of the Corporation to assure that it is just and reasonable; shall review and approve the compensation, including benefits, of the President/CEO and the Treasurer/Chief Financial Officer whenever their term of employment is renewed or extended or their compensation is modified, except when modification of their compensation extends to substantially all employees of the Corporation

The Finance and Administration Committee shall recommend, implement, modify or amend the Corporation's investment policies, guidelines and procedures as appropriate from time to time, including but not limited to the authority to establish, and delegate any or all of such authority to, an Investment Committee that may comprise members of the Board and independent experts in the field of investments, and to the Corporation's officers

The Finance and Administration Committee shall meet at least three times during each year and at such additional special meetings as may be called by its Chair.

SECTION 7. Term of Committee Membership. In consultation with the Nominating Committee, the Board of Trustees shall appoint Committee members, Committee Chairs and Vice Chairs. Such individuals shall serve one year terms and may be reelected as long as they remain Trustees.

## ARTICLE V OFFICERS

SECTION 1. Officers. The Board of Trustees shall annually elect officers of the Corporation, who shall include the following: a President and Chief Executive Officer, an Executive Vice President and Chief Operating Officer, a Secretary, a Treasurer and Vice President for Finance and Administration who shall also be the Chief Financial Officer, and a General Counsel. Subject to the approval of the Board at the Annual Meeting, the President may designate other officer positions who shall serve such functions delegated to them by the President. Any two (2) or more of said offices may be held by the same person, except that the offices of President and Secretary and the offices of President and Vice President may not be held by the same person. In the event of the President's absence, the President (or, in the case of his inability to act, the Chair) may designate the Executive Vice President or any other officer to perform the duties of the President. When so acting, such officer shall have the powers of, and be subject to all the restrictions upon, the President.

SECTION 2. President. The President shall be the Chief Executive Officer and shall have general charge and direction of the business of the Corporation, shall represent the Corporation before the general public and to the International Save the Children Alliance, shall implement the policies of the Corporation established from time to time by the Board of Trustees, shall have power to sign and execute all agreements in the name of the Corporation, to sign checks, drafts, notes and orders for the payment of money, to

grant powers of attorney, and to appoint and discharge agents and employees, and shall perform such other duties as are properly required of him or her by the Board of Trustees. The President may delegate these powers and authorities to officers and employees of the Corporation in any manner consistent with these Bylaws. The President (together with the Corporation's Chief Financial Officer) shall review the Corporation's federal tax return to ensure that it is accurate, complete and filed on a timely basis; and shall certify the appropriateness of the Corporation's financial statements and that they fairly and accurately present the financial condition and operations of the Corporation. The President shall be a voting ex-officio member of the Board of Trustees as well as all Board Committees, other than the Audit Committee

SECTION 3. Executive Vice President. The Executive Vice President shall be the Chief Operating Officer and shall perform the functions of the President at his or her request or in the event of his or her death, disability or prolonged absence and shall have such general duties as the President shall specify. The Executive Vice President shall have the power to sign and execute all agreements in the name of the Corporation, to sign checks, drafts, notes and orders for the payment of money, to grant powers of attorney, and to appoint and discharge agents and employees; the responsibility, together with the President, for ensuring that the Corporation's business plans, strategies, programs and projects are aligned and implemented across all segments of the organization in accordance with the mission and values established by the Board of Trustees, President and officers; the responsibility for providing operational leadership for the day to day management of the Corporation. The Executive Vice President shall attend all meetings of the Board Committees and shall be an ex officio member of all internal committees

SECTION 4. Secretary. Except as otherwise specified herein, the Secretary shall keep the minutes of the meetings of the Board of Trustees and of the Board Committees and shall give notice of all such meetings as required by these Bylaws. The Secretary shall have custody of such minutes, the seal of the Corporation and the records of the Corporation, except to the extent some other person is authorized to have custody and possession thereof by a resolution of the Board of Trustees. The Secretary shall be authorized to authenticate the records of the Corporation. When the Board of Trustees or the Executive Committee meets in executive session, the Chair of the Board of Trustees may delegate temporarily to another person the responsibilities of the Secretary. The Secretary shall perform such other duties as may be from time to time specified by the Chair. There may be one or more Assistant Secretaries appointed by the Corporation on nomination by the President to assist the Secretary. Any Assistant Secretary shall have the power to affix and attest the corporate seal of the Corporation, to authenticate the records of the Corporation, to attest the execution of documents on behalf of the Corporation, and shall perform other duties as may be assigned by the Secretary or the Board of Trustees; and in the absence or disability of the Secretary, the Assistant Secretary may be designated by the Chair to exercise the powers of the Secretary.

SECTION 5. Treasurer. The Treasurer shall be the Vice President of Finance and Administration and Chief Financial Officer of the Corporation. The Treasurer shall have the power to sign and execute all agreements in the name of the Corporation, to sign

checks, drafts, notes and orders for the payment of money, and to appoint and discharge agents and employees; shall have the care and custody of the general funds, securities, properties and assets of the Corporation; shall deposit funds and securities in her or his care in such bank or banks, trust companies or depositories as he or she shall designate; shall invest, disburse and dispose of the same; shall maintain accurate books of accounts, recording therein the accounts of all monies, funds, securities, properties and assets in her or his custody, showing at all times the amount of all the property belonging to the Corporation wherever located, and showing the amount of disbursements made in the disposition of property. The Treasurer shall provide such books and records when required by the Board of Trustees or any of its Committees and shall periodically render to the President of the Corporation and the Board of Trustees, whenever they may require it, an account of all transactions as Treasurer and of the financial condition of the Corporation.

The Treasurer shall manage the internal audit function and shall cause internal audits to be performed, and shall cause an annual audit to be performed by the independent auditor recommended by the Audit Committee and approved by the Board of Trustees. The Treasurer (together with the Corporation's President) shall review the Corporation's federal tax return to ensure that it is accurate, complete and filed on a timely basis, and shall certify the appropriateness of the Corporation's financial statements and that they fairly and accurately present the financial condition and operations of the Corporation. The Treasurer shall attend and cause minutes to be prepared of the meetings of the Audit and Finance and Administration Committees, and any Investment Committee established by the Finance and Administration Committee.

SECTION 6. General Counsel. Subject to the authority of the President and the Board of Trustees, the General Counsel shall have chief responsibility for conduct of all of the legal affairs of the Corporation and shall be authorized to retain or approve the retention of counsel on behalf of the Corporation. The General Counsel shall have the authority, as delegated by the President, to settle, compromise and adjust any claims made by or against the Corporation or any controversies in which the Corporation has an interest, and to carry out the terms and provisions of such settlements, compromises, or adjustments; the authority to execute agreements and releases in connection with the Corporation's interest in estates; the responsibility for management of the Corporation's compliance program; and shall perform such other duties as the President or the Board of Trustees shall specify from time to time in connection with legal and related matters affecting the Corporation. The General Counsel shall attend the meetings of the Audit and Finance and Administration Committees. There may be one or more Deputy or Associate General Counsels appointed by the Corporation on nomination by the President to assist the General Counsel.

SECTION 7. Removal. Any officer may be removed by the Board of Trustees at any time with or without cause. The President shall have the authority to remove any officer prior to the end of his or her term; provided, however, that the President shall first present the reasons for such action to the Chair of the Board and, where appropriate, the Chair of any relevant Committee.

ARTICLE VI  
TRUSTEE AND OFFICER  
STANDARDS OF CONDUCT

Trustees and officers with discretionary authority shall discharge their duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner he or she reasonably believes to be in the best interest of the Corporation. In discharging their duties, Trustees and officers are entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by one or more officers or employees of the Corporation whom the Trustee or officer reasonably believes to be reliable and competent in the matters presented; or legal counsel, public accountants or other persons as to matters the Trustee or officer reasonably believes are within the person's professional or expert competence. Trustees may rely on information, opinions, reports or statements, including financial statements and other financial data, prepared or presented by a committee of the Board of Trustees of which he or she is not a member if the Trustee reasonably believes the committee merits confidence.

ARTICLE VII  
INDEMNIFICATION

The Corporation shall provide indemnity to its Trustees, officers, employees and agents as provided in its Certificate of Incorporation.

ARTICLE VIII  
FINANCES

SECTION 1. Fiscal Year. The fiscal year of the Corporation shall commence October 1 of each calendar year and shall close September 30 of the following calendar year.

SECTION 2. Annual Budget. The Board of Trustees shall approve the annual budget of the Corporation.

SECTION 3. Use of Certified Public Accountants. A financial statement shall be prepared by a certified public accounting firm in accordance with Generally Accepted Accounting Principles and shall, among other things, contain the annual balance sheet of assets and liabilities and an annual operating statement showing receipts and disbursements.

ARTICLE IX  
CONFLICTS OF INTEREST

SECTION 1. Definition of Conflicts of Interest. A conflict of interest will be deemed to exist whenever an individual is in the position to approve or influence Corporation policies or actions that involve (or could ultimately harm or benefit



financially) the following: (a) the individual, (b) a person related to the individual (spouse and spouse's parents and siblings; children, grandchildren, siblings, parents, and their spouses; a person having the same home as the individual; a trust or estate of which the individual is a substantial beneficiary; or a trust, estate, incompetent person or minor for which the individual acts in a fiduciary capacity); or (c) any organization in which the individual or a related person is a director, trustee, officer, member, general partner, employee or more than 10% shareholder.

**SECTION 2. Disclosure of Conflicts of Interest.** A Trustee or officer shall disclose any conflict of interest: (a) prior to voting on or otherwise discharging his or her duties with respect to any matter involving the conflict that comes before the Board of Trustees or any committee; (b) prior to entering into any transaction involving the conflict; (c) as soon as possible after the Trustee or officer learns of the conflict; and (d) on an annual conflict of interest disclosure form. The Secretary of the Corporation shall distribute annually to all Trustees and officers, a form soliciting the disclosure of all conflicts of interest, including specific information concerning the terms of any transaction with the Corporation and whether the process for approval set forth in Section 3 of this Article VIII was used.

**SECTION 3 Approval of Transactions Involving Conflicts of Interest.** A Trustee or officer who has or learns about a conflict of interest should disclose promptly to the Secretary of the Corporation the material facts surrounding the conflict of interest. All efforts should be made to disclose any such conflict of interest before any transaction is finalized. If practicable, at the time of the discussion and decision concerning the authorization of such transaction, the interested Trustee or officer should not be present. If present, the interested Trustee or officer should not participate in the discussion or approval of the transaction.

Following receipt of information concerning such a transaction, the Trustees shall consider the material facts concerning the proposed transaction including the process by which the decision was made to recommend entering into the transaction on the terms proposed. The Trustees shall determine using reasonable business judgment whether the proposed transaction has terms that are fair and reasonable and consistent with the Corporation's best interests, and shall set forth the basis for their decision in the minutes of the meeting, including the material facts surrounding the conflict of interest and whether or not the interested Trustee or officer was present during the discussion and approval process.

**SECTION 4. Validity of Transactions.** No transaction involving a conflict of interest with a Trustee or officer shall be either void or voidable for this reason alone or by reason alone that such Trustee or officer are present at the meeting of the Board of Trustees, or of a committee thereof, which authorizes such transaction, or that his or their votes are counted for such purpose, if the material facts as to such Trustee's or officer's interest in such transaction has been disclosed in good faith or is known to the Trustees, and the Trustees authorize such transaction by a vote sufficient for such purpose without counting the vote or votes of such interested Trustee or officer.

ARTICLE X  
CORPORATE SEAL

The corporate seal of the Corporation shall be circular in form with the name of the Corporation and the words "Connecticut" and "Seal" thereon.

ARTICLE XI  
AMENDMENTS

These Bylaws may be altered, amended, added to or repealed by the affirmative vote of at least two-thirds of the Trustees present at any meeting at which a quorum is present. Any notice of a meeting of the Board of Trustees at which these Bylaws are proposed to be altered, amended, added to or repealed shall include notice of such proposed action and shall have been served personally upon, or mailed to the last known address of, each Trustee of the Corporation at least seven (7) days prior to the date of said meeting.

ARTICLE XII  
REFERENCE TO CONNECTICUT GENERAL STATUTES

Reference in these Bylaws to a provision of the Connecticut General Statutes or any provision of law set forth in such Statutes is to such provision of the General Statutes of Connecticut, Revision of 1958, as amended, or the corresponding provision(s) of any subsequent Connecticut law. Reference in these Bylaws to a provision of the Connecticut Revised Nonstock Corporation Act is to such provision of the Connecticut Revised Nonstock Corporation Act, as amended, or the corresponding provision(s) of any subsequent Connecticut law.

Revised March 30, 2005

AMENDED [DocX971] AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
SAVE THE CHILDREN FEDERATION, INC  
(A Connecticut Nonstock Corporation)

FIRST: The name of the corporation is Save the Children Federation, Inc. (the "Corporation").

SECOND: The nature of the activities to be conducted and the purpose to be promoted or carried out by the Corporation is to work within the United States and throughout the world to make lasting, positive differences in the lives of disadvantaged children, their families, and their communities, to engage in charitable, scientific, literary, or educational activities within the meaning of Section 501(c)(3) of the Internal Revenue Code and to engage in any lawful act or activity for which a corporation may be formed under the Connecticut Revised Nonstock Corporation Act except for any express limitations contained herein.

THIRD: The Corporation shall have all powers granted by law, all powers that are or may hereafter be conferred by the laws of the State of Connecticut upon corporations without capital stock, and all legal powers necessary or convenient to effect any or all of the purposes stated in this Certificate of Incorporation, whether or not such powers are set forth herein; provided, however, that no such powers and privileges may be exercised, nor shall any activities be conducted, by the Corporation, if the same are inconsistent with the Corporation's nonprofit purposes or are not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code; and provided that no substantial part of the Corporation's activities shall consist of carrying on propaganda, or otherwise attempting, to influence legislation, and that the Corporation shall not participate in or intervene in (including the publication or distribution of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

FOURTH: The Corporation shall be nonprofit. It shall not have or issue shares of stock or make distributions. No part of the income or net earnings of the Corporation is distributable to, or shall inure to the benefit of any Trustee or officer of the Corporation, or to any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation), and no Trustee or officer of the Corporation, or any private individual, shall be entitled to share in the distribution of any of the corporate assets upon its dissolution.

FIFTH: The Corporation shall have no members.

SIXTH: The duration of the Corporation shall be perpetual.

SEVENTH: Notwithstanding anything herein to the contrary, if at any time the Corporation is or shall become a private foundation within the meaning of Section 509(a) of the Internal Revenue Code, then the Corporation will be subject to the following for so long as it shall remain a private foundation:

1. The Corporation shall make distributions for each taxable year at such times and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code.
2. The Corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code.

3. The Corporation shall not retain any excess business holdings as defined in Section 4943 (c) of the Internal Revenue Code.
4. The Corporation shall not make any investments in such manner as to jeopardize the carrying out of its exempt purposes and to subject it to tax under Section 4944 of the Internal Revenue Code.
5. The Corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

EIGHTH: All corporate powers shall be exercised by or under the authority of, and the activities, property and affairs of the Corporation managed by or under the direction of, a self-perpetuating board of directors known as the Board of Trustees. To the extent not otherwise provided in this Certificate of Incorporation, the Bylaws shall prescribe the number, terms of office, qualifications (if any) and manner of election or appointment of Trustees, and such provisions may be amended from time to time in such lawful manner as the Bylaws shall prescribe. Unless otherwise provided, the term "Trustee" or "Trustees" as used in this Certificate of Incorporation shall include ex-officio Trustees.

The Trustees of the Corporation, other than ex-officio Trustees, shall be classified, as to their term of office, into three classes, as nearly equal in number as possible, designated, respectively, "Class I," "Class II," and "Class III," so that the term of office of one class of Trustees shall expire each year. At each Annual Meeting of the Corporation, successors to the class of Trustees whose terms of office expire at such Annual Meeting shall be elected to hold office for the term of three years and until their successors shall be elected and shall qualify. If the number of Trusteeships (as defined in the Bylaws) is changed by the Board of Trustees, any increase or decrease shall be apportioned among the classes of Trustees so as to maintain the number of Trusteeships in each class of Trustees as nearly equal as possible.

The person occupying the position of President of the Corporation shall, while he or she occupies such position, be an ex-officio Trustee of the Corporation and shall be counted in determining a quorum and have the power to vote. An immediate past Chair of the Board of Trustees who would otherwise be required to relinquish his or her Trusteeship as described in Article II, Section 4 of the Bylaws may continue to serve on the Board of Trustees as an ex-officio Trustee of the Corporation for one full calendar year and until the next succeeding Annual Meeting thereafter. Any immediate past Chair who so serves as an ex-officio Trustee shall be counted in determining a quorum and have the power to vote.

NINTH: (a) No person who is or was a Trustee of the Corporation shall be personally liable to the Corporation for monetary damages for breach of duty as a Trustee in an amount that exceeds the compensation, if any, received by the Trustee for serving the Corporation during the year of the violation if such breach did not (a) involve a knowing and culpable violation of law by the Trustee, (b) enable the Trustee or an associate, as defined in Section 33-840 of the Connecticut General Statutes, to receive an improper personal economic gain, (c) show a lack of good faith and a conscious disregard for the duty of the Trustee to the Corporation under circumstances in which the Trustee was aware that his or her conduct or omission created an unjustifiable risk of serious injury to the Corporation, or (d) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of the Trustee's duty to the Corporation. Any lawful repeal or modification of this Article or the adoption of any provision inconsistent herewith by the Board of Trustees of the Corporation shall not, with respect to a person who is or was a Trustee, adversely affect any limitation of liability, right or protection of such person existing at or prior to the effective date of such repeal, modification or adoption of a provision inconsistent herewith.

(b) The limitation of liability of any person who is or was a Trustee provided for in this Article shall not be exclusive of any other limitation or elimination of liability contained in, or which may be provided to any person under, Connecticut law as in effect on the effective date of this Certificate of Incorporation and as thereafter amended.

TENTH: In the event of dissolution of the Corporation or the winding up of its affairs, subject to any restrictions on use or transfer that may exist, the assets of the Corporation remaining after all liabilities and obligations have been satisfied or provided for shall be paid over, transferred or conveyed, in accordance with a plan for distribution of assets adopted by the Board of Trustees, to one or more organizations that meet the following conditions:

- 1 The organization shall be organized and operated either (a) exclusively for the purposes set out in Article SECOND above, or (b) exclusively for purposes determined by the Board of Trustees to be similar to or supportive of those set out in Article SECOND above; and
- 2 The organization shall either be: (a) an organization exempt from federal income taxation under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) of the Internal Revenue Code, or (b) the Federal or a State government or political subdivision thereof, such assets to be used for a public purpose.

Any such assets not so distributed shall be disposed of by the Superior Court of the district in which the principal office of the Corporation is then located, exclusively for such purposes, or to such organization or organizations, as said court shall determine, that are exempt from federal taxation under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3) of the Internal Revenue Code, or to the Federal or a State government or political subdivision thereof for a public purpose.

ELEVENTH: This Certificate of Incorporation may be amended by a resolution adopted by not less than two-thirds of the Board of Trustees present at a meeting at which a quorum is present, provided that the Certificate of Incorporation shall not be amended to permit the Corporation to engage in any activity that would be inconsistent with its classification as an organization described in Section 501(c)(3) of the Internal Revenue Code or as an organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

TWELFTH: The Corporation shall provide its Trustees with the full amount of indemnification that the Corporation is permitted to provide pursuant to the Connecticut Revised Nonstock Corporation Act. In furtherance of the foregoing, the Corporation shall indemnify its Trustees against liability to any person for any action taken, or any failure to take any action, as a Trustee, except liability that (a) involved a knowing and culpable violation of law by the Trustee, (b) enabled the Trustee or an associate, as defined in Section 33-840 of the Connecticut General Statutes, to receive an improper personal economic gain, (c) showed a lack of good faith and a conscious disregard for the duty of the Trustee to the Corporation under circumstances in which the Trustee was aware that his or her conduct or omission created an unjustifiable risk of serious injury to the Corporation, or (d) constituted a sustained and unexcused pattern of inattention that amounted to an abdication of the Trustee's duty to the Corporation.

The Corporation shall indemnify and advance expenses to each officer, employee or agent of the Corporation who is not a Trustee to the same extent as the Corporation is permitted to provide the same to a Trustee, and may indemnify and advance expenses to such persons to the extent permitted by Section 33-1122 of the Connecticut Revised Nonstock Corporation Act.

Notwithstanding any provision hereof to the contrary, the Corporation shall not indemnify any

Trustee, officer, employee or agent against any penalty excise taxes assessed against such person under Section 4958 of the Internal Revenue Code

THIRTEENTH: Reference in this Certificate of Incorporation to a provision of the Internal Revenue Code is to such provision of the Internal Revenue Code of 1986, as amended, or the corresponding provision(s) of any subsequent federal income tax law. Reference in this Certificate of Incorporation to a provision of the Connecticut General Statutes or any provision of Connecticut law set forth in such Statutes is to such provision of the General Statutes of Connecticut, Revision of 1958, as amended, or the corresponding provision(s) of any subsequent Connecticut law. Reference in this Certificate of Incorporation to a provision of the Connecticut Revised Nonstock Corporation Act is to such provision of the Connecticut Revised Nonstock Corporation Act, as amended, or the corresponding provision(s) of any subsequent Connecticut law.



AMENDED AND RESTATED  
BYLAWS  
OF  
SAVE THE CHILDREN FEDERATION, INC  
(A Connecticut Nonstock Corporation)  
ARTICLE I  
GENERAL

These Bylaws are intended to supplement and implement applicable provisions of law and of the Certificate of Incorporation (the "Certificate of Incorporation") of Save the Children Federation, Inc. (the "Corporation") with respect to the regulation of the affairs of the Corporation.

ARTICLE II  
TRUSTEES

**SECTION 1. Number, Election and Term of Office** All corporate powers shall be exercised by or under the authority of, and the activities property and affairs of the Corporation managed by or under the direction of, a board of directors to be known as the Board of Trustees. Unless otherwise provided, the term "Trustee" or "Trustees" as used in these Bylaws shall include ex-officio Trustees.

The Board of Trustees shall consist of not less than three (3) but no more than thirty-five (35) Trustees, exclusive of ex-officio Trustees. As provided in the Certificate of Incorporation, the Trustees of the Corporation, other than ex-officio Trustees, shall be classified, as to their term of office, into three classes, as nearly equal in number as possible, designated, respectively, "Class I," "Class II," and "Class III" (each referred to herein as a "Class of Trustees" and collectively, "Classes of Trustees") so that the term of office of one Class of Trustees shall expire each year. At each Annual Meeting of the Corporation, successors to the Class of Trustees whose terms of office expire at such Annual Meeting shall be elected to hold office for the term of three years and until their successors shall be elected and shall qualify. If the number of Trusteeships (as hereinafter defined) is changed by the Board of Trustees, any increase or decrease shall be apportioned among the Classes of Trustees so as to maintain the number of Trusteeships in each Class of Trustees as nearly equal as possible.

The number of offices of Trustees on the Board of Trustees and in each Class of Trustees (such offices hereinafter referred to as "Trusteeships" and such number of offices hereinafter referred to as the "number of Trusteeships"), excluding, in each case, offices of ex-officio Trustees, shall be the number, within the minimum and maximum number of Trusteeships set forth in this Article II, Section 1, fixed by resolution of the Board of Trustees or, in the absence of such a resolution, shall be the aggregate of the number of Trustees elected to each of the three Classes of Trustees at each of the previous three Annual Meetings of the Corporation at which Trustees were elected and additions to such number, if any, resulting from increases in the number of Trusteeships made during such period in accordance with this Article II, Section 1.

**SECTION 2. Chair of the Board of Trustees.** The Trustees shall annually elect a Chair of the Board who shall create the agenda for and preside at regular or special meetings of the Board of Trustees and Executive Committee. A person may serve as Chair of the Board of Trustees only for so long as such person remains a Trustee. A person who has served six consecutive full annual terms as Chair of the Board of Trustees shall not be eligible for reelection to such office until he or she has ceased to hold such office for at least two consecutive years. The Chair shall serve as an ex-officio member of all Board Committees.

SECTION 3. Vice Chair(s) of the Board of Trustees. The Board may also elect up to three Vice Chair(s) who shall have such power and perform such duties as the Chair of the Board of Trustees or the Board of Trustees may from time to time prescribe and shall perform such other duties as may be prescribed by these Bylaws. At the request of the Chair of the Board of Trustees, or in the case of his or her absence or inability to act, the Vice Chair of the Board of Trustees (and if there are more than one such Vice Chair, the Vice Chair so chosen to act by the Chair of the Board of Trustees, if the Chair's absence or inability to act was foreseen, or by the President, if the Chair's absence or inability to act was not foreseen) shall perform the duties of the Chair of the Board of Trustees and, when so acting, shall have the powers of, and be subject to all the restrictions upon, the Chair of the Board of Trustees.

SECTION 4. Limitation on Consecutive Terms. A Trustee, other than an ex-officio Trustee, who has served two consecutive full terms on the Board of Trustees shall not be eligible for election to the Board of Trustees until he or she has ceased to be a Trustee for at least one year. When the Chair of the Board of Trustees relinquishes his or her position as Chair, such Trustee shall also relinquish his or her Trusteeship if he or she has served two consecutive full terms on the Board of Trustees, including time served on the Board of Trustees while occupying the office of Chair of the Board of Trustees; provided, however, that he or she may continue to serve on the Board of Trustees as an ex-officio Trustee of the Corporation following the relinquishment of his or her office as Chair of the Board of Trustees for one full calendar year and until the next succeeding Annual Meeting thereafter. For purposes of this section, a term that is less than three years shall not be considered a full term.

SECTION 5. Removal. A Trustee may be removed from office, either with or without cause, at any time, by vote of not less than two-thirds of the Trustees entitled to vote.

SECTION 6. Resignation. Any Trustee of the Corporation may resign from the Corporation by submitting to the Chair of the Board of Trustees or the Secretary of the Corporation a written letter of resignation. All resignations shall, unless a contrary indication is contained therein, become effective upon and from the date of delivery thereof.

SECTION 7. Vacancies. Newly created Trusteeships resulting from an increase in the number of Trusteeships made in accordance with Article II, Section 1, and vacancies occurring in the Board for any reason, shall be filled for the unexpired term by the Board of Trustees or, if the Trustees remaining in office constitute fewer than a quorum of the Board of Trustees, by the affirmative vote of a majority of all the Trustees remaining in office.

### ARTICLE III MEETINGS OF TRUSTEES

SECTION 1. Place of Meeting. Meetings of the Board of Trustees may be held at such time and place, either within or without the State of Connecticut, as the Chair of the Board of Trustees may designate in the notice of meeting.

SECTION 2. Annual Meeting. The Chair of the Board of Trustees shall designate a date each year for the Annual Meeting of the Corporation. At the Annual Meeting, the Board of Trustees shall elect Trustees to the Class of Trustees whose term expires at such meeting. The Trustees shall also annually elect, at the Annual Meeting, the Chair, the Vice Chair(s) and the officers of the Corporation. The Trustees shall also transact such other business as shall properly come before them.

SECTION 3. Regular Meetings. All other regular meetings of the Board of Trustees may be held at such date, time and place as the Board of Trustees may determine.

SECTION 4. Special Meetings. Special meetings of the Board of Trustees may be held at any time and place upon call of the Chair of the Board of Trustees or upon call of any three (3) or more Trustees.

SECTION 5. Notice. Appropriate written or oral notice of each meeting of the Board of Trustees shall be given to each Trustee at least fourteen (14) days prior to any Annual Meeting or regular meeting and at least two (2) days prior to any special meeting; provided, however, that notice of the Annual Meeting shall be in writing. Any Trustee may waive notice of any meeting in writing or by attendance at or participation in the meeting unless the Trustee, at the beginning of the meeting or promptly upon his or her arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting. Each notice of a meeting of the Board of Trustees shall state the place, day, and hour of the meeting and shall include such other information, if any, required to be included therein pursuant to the Connecticut Revised Nonstock Corporation Act, the Certificate of Incorporation or these Bylaws. Each notice of a special meeting of the Board of Trustees shall state generally the nature of the business to be transacted and the Board shall be authorized to take action only as to such matters stated in the notice of special meeting.

SECTION 6. Quorum. The greater of (i) one-third of the total of the number of Trusteeships and ex-officio Trustees at the time or (ii) three Trustees shall constitute a quorum; provided, however, that at least three current members of the Executive Committee are among those present. Except as otherwise provided by law or these Bylaws, the act of a majority of the Trustees present at any meeting at which a quorum is present at the time of the act shall be the act of the Board of Trustees.

SECTION 7. Trustee Participation in Meeting by Telephone. A Trustee may participate in a special or regular meeting of the Board of Trustees or Executive Committee or any other Committee of the Board by means of a conference telephone or similar communications equipment enabling all Trustees participating in the meeting to hear one another, and participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

SECTION 8. Trustees' Action Without Meeting. If all of the Trustees severally or collectively consent in writing to any action taken or to be taken by the Corporation, such action shall be as valid as though it had been authorized at a meeting of the Board of Trustees. The Secretary of the Corporation shall file such consent or consents with the minutes of the meetings of the Board of Trustees.

#### ARTICLE IV COMMITTEES

Section 1. Creation and Powers of Committees. Three or more Trustees shall be designated by the Board of Trustees to constitute, respectively, an Executive Committee (subject to the provisions of Article IV, section 2), a Nominations Committee, a Finance Committee and an Audit Committee, as well as any other Committees which the Board of Trustees deems necessary. The creation of a Committee and the appointment of Trustees to it shall be approved by a majority of all the Trustees in office when the action is taken. To the extent specified by the Board of Trustees, each Committee may exercise the authority of the Board, except that a Committee may not (i) fill vacancies on the Board of Trustees or on any of its Committees, (ii) amend the Certificate of Incorporation, (iii) adopt, amend or repeal these Bylaws, (iv) approve a plan of merger, approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation, other than in the usual and regular course of affairs of the Corporation, or approve a proposal to dissolve the Corporation, or (v) exercise any other authority prohibited by law. Committees shall keep full records of their proceedings and shall report the same to the Board of Trustees.

Section 2 Executive Committee. The Chair of the Board of Trustees, the Vice Chair(s) of the Board of Trustees, the Chair of the Audit Committee, the Chair of the Finance Committee, the Chair of the Nominations Committee, and additional Trustees, if any, chosen by the Board of Trustees, shall be designated as members of the Executive Committee; provided that there shall be no more than eleven (11) members of the Executive Committee, excluding any ex-officio members

Meetings of the Executive Committee may be held at any time and place upon call by the Chair of the Board of Trustees or by three (3) or more members of the Executive Committee. The Executive Committee may act on behalf of the Corporation when the Board of Trustees is not in session; provided, however, that the Executive Committee shall not be authorized to (i) remove or elect any Chair, Vice Chair or other officer, (ii) approve the Corporation's budget, (iii) fill vacancies on the Board of Trustees or on any of its Committees, (iv) amend the Certificate of Incorporation, (v) adopt, amend or repeal these Bylaws, (vi) approve a plan of merger, approve a sale, lease, exchange or other disposition of all, or substantially all, of the property of the Corporation, other than in the usual and regular course of affairs of the Corporation, or approve a proposal to dissolve the Corporation, or (vii) exercise any other authority prohibited by law.

Section 3 Nominations Committee. The Chair of the Board of Trustees shall be designated as a member, and a Vice Chair of the Board of Trustees shall be designated as an alternate member, of the Nominations Committee, and the remaining members shall be chosen by the Board of Trustees in accordance with Article IV, Section 1

The Nominations Committee shall meet at such times as it shall determine and shall nominate the Trustees, the Chair and Vice Chair(s) and officers to be elected at each Annual Meeting as well as any candidates to fill vacancies on the Board of Trustees. The Nominations Committee shall notify the Secretary in writing, at least twenty-one (21) days before the Annual Meeting, of the names of the candidates to be presented and the Secretary shall include a copy thereof with the notice of the Annual Meeting

Section 4. Audit Committee. The Audit Committee shall recommend to the Board the selection of certified public accountants in accordance with Article VII, Section 3, and shall have such power and perform such duties as the Board of Trustees may from time to time prescribe and shall perform such other duties as may be prescribed by these Bylaws.

Section 5. Finance Committee. The Finance Committee shall exercise general oversight over the finances of the corporation, ensuring that the corporation is operated in a financially prudent manner.

Section 6. Term of Committee Membership. In consultation with the Nominating Committee, the Board of Trustees shall appoint Committee members, Committee Chairs and Vice Chairs. Such individuals shall serve one year terms and may be reelected as long as they remain Trustees.

## ARTICLE V OFFICERS

SECTION 1. President. The President shall be the Chief Executive Officer and shall have general charge and direction of the business of the Corporation, shall represent the Corporation before the general public and shall perform such other duties as are properly required of him or her by the Board of Trustees. The President shall be an ex-officio member of the Board of Trustees as well as all Board Committees, other than the Audit Committee

SECTION 2. Secretary. The Secretary shall keep the minutes of the meetings of the Board of

Trustees and of the Board Committees and shall give notice of all such meetings as required by these Bylaws. The Secretary shall have custody of such minutes, the seal of the Corporation and the records of the Corporation, except to the extent some other person is authorized to have custody and possession thereof by a resolution of the Board of Trustees. The Secretary shall be authorized to authenticate the records of the Corporation. When the Board of Trustees or the Executive Committee meets in executive session, the Chair of the Board of Trustees may delegate temporarily to another person the responsibilities of the Secretary. The Secretary shall perform such other duties as may be from time to time specified by the Chair.

SECTION 3. Treasurer. The Treasurer shall have the care and custody of the general funds, securities, properties and assets of the Corporation; shall deposit funds and securities in her or his care in such bank or banks, trust companies or depositories as he or she shall designate; shall invest, disburse and dispose of the same; shall maintain accurate books of accounts, recording therein the accounts of all monies, funds, securities, properties and assets in her or his custody, showing at all times the amount of all the property belonging to the Corporation wherever located, and showing the amount of disbursements made in the disposition of property. The Treasurer shall provide such books and records when required by the Board of Trustees or any of its Committees.

SECTION 4. Other Officers. Subject to the approval of the Board at the Annual Meeting, the President may designate other officer positions, including an Executive Vice President, other Vice Presidents and a General Counsel, who shall serve such functions delegated to them by the President. In the event of the President's absence, the President (or, in the case of his inability to act, the Chair) may designate the Executive Vice President or any other officer to perform the duties of the President. When so acting, such officer shall have the powers of, and be subject to all the restrictions upon, the President.

SECTION 5. Removal. Any officer may be removed by the Board of Trustees at any time with or without cause. The President shall have the authority to remove any officer prior to the end of his or her term; provided, however, that the President shall first present the reasons for such action to the Chair of the Board and, where appropriate, the Chair of any relevant Committee.

## ARTICLE VI INDEMNIFICATION

The Corporation shall provide indemnity to its Trustees, officers, employees and agents as provided in its Certificate of Incorporation.

## ARTICLE VII FINANCES

SECTION 1. Fiscal Year. The fiscal year of the Corporation shall commence October 1 of each calendar year and shall close September 30 of the following calendar year.

SECTION 2. Annual Budget. The Board of Trustees shall approve the annual budget of the Corporation.

SECTION 3. Use of Certified Public Accountants. A financial statement shall be prepared by a certified public accounting firm in accordance with Generally Accepted Accounting Principles and shall, among other things, contain the annual balance sheet of assets and liabilities and an annual operating statement showing receipts and disbursements.

## ARTICLE VIII

### CORPORATE SEAL

The corporate seal of the Corporation shall be circular in form with the name of the Corporation and the words "Connecticut" and "Seal" thereon.

### ARTICLE IX AMENDMENTS

These Bylaws may be altered, amended, added to or repealed by the affirmative vote of at least two-thirds of the Trustees present at any meeting at which a quorum is present. Any notice of a meeting of the Board of Trustees at which these Bylaws are proposed to be altered, amended, added to or repealed shall include notice of such proposed action and shall have been served personally upon, or mailed to the last known address of, each Trustee of the Corporation at least seven (7) days prior to the date of said meeting.

### ARTICLE X REFERENCE TO CONNECTICUT GENERAL STATUTES

Reference in these Bylaws to a provision of the Connecticut General Statutes or any provision of law set forth in such Statutes is to such provision of the General Statutes of Connecticut, Revision of 1958, as amended, or the corresponding provision(s) of any subsequent Connecticut law. Reference in these Bylaws to a provision of the Connecticut Revised Nonstock Corporation Act is to such provision of the Connecticut Revised Nonstock Corporation Act, as amended, or the corresponding provision(s) of any subsequent Connecticut law.



[REDACTED]

SAVE THE CHILDREN FEDERATION INC

[REDACTED]  
501 KINGS HWY E STE 400  
FAIRFIELD CT 06825

Employer ID number: [REDACTED]  
Form 990 required: [REDACTED]

Dear Taxpayer:

We're responding to your request dated Feb. 15, 2019, about your tax-exempt status.

We issued you a determination letter in July, 1964, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c) (3).

We also show you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If you're required to file a return, you must file one of the following by the 15th day of the 5th month after the end of your annual accounting period:

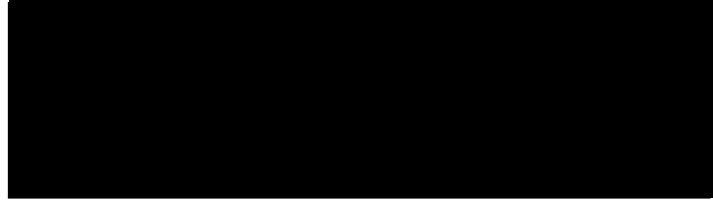
- Form 990, Return of Organization Exempt From Income Tax
- Form 990EZ, Short Form Return of Organization Exempt From Income Tax
- Form 990-N, Electronic Notice (e-Postcard) for Tax-Exempt Organizations Not Required to File Form 990 or Form 990-EZ
- Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation

According to IRC Section 6033(j), if you don't file a required annual information return or notice for 3 consecutive years, we'll revoke your tax-exempt status on the due date of the 3rd required return or notice.

You can get IRS forms or publications you need from our website at [www.irs.gov/forms-pubs](http://www.irs.gov/forms-pubs) or by calling 800-TAX-FORM (800-829-3676).

If you have questions, call 877-829-5500 between 8 a.m. and 5 p.m.,

RFP No. 19100101 TANF APA



SAVE THE CHILDREN FEDERATION INC

  
501 KINGS HWY E STE 400  
FAIRFIELD CT 06825

local time, Monday through Friday (Alaska and Hawaii follow Pacific time).

Thank you for your cooperation.

Sincerely yours,

*Debbie Kennamer*

Debbie Kennamer, Operations Manager  
Accounts Management Operations 4



**AMENDMENT #1  
REQUEST FOR PROPOSALS NO. 19100101 TANF APA  
Afterschool Program Activities**

Amendments to the RFP are as follows:

- 1. First paragraph of Section 2.3 shall be amended to state:

MDHS is soliciting non-profit organizations *and non-federal entities* to implement a program for age appropriate services, in multiple locations, with a priority given to entities that target children and youth attending high poverty/low performing schools or at-risk youth attending schools in high poverty areas where high juvenile justice referrals take place. Programs will service the target populations during non-school hours or periods when school is not in session such as afterschool and summer recess. Programs will also commit to 50% of the total served being a SNAP or TANF recipient. Providers being reimbursed for the care of children from the Childcare Development Funds (CCDF) grant cannot be reimbursed for those same children under this RFP.

- 2. Fourth paragraph of Section 2.3 A., "Service Area Description" shall be amended to state:

The Lead Agency shall be responsible for ~~hiring~~ *retaining* and managing all qualified staff, securing signed written agreements with other entities to provide coverage in the selected geographical area, assure program compliance, spending oversight of funds by sub-recipients or contractors, monitoring the programs and services, and take full responsibility of any sub-recipient that has entered into an agreement to provide services and do not meet their obligations. The Lead Agency will serve as the single point of contact for all program issues.

- 3. Questions and Answers are attached.

Please acknowledge receipt of Amendment #1 by returning it, along with your proposal package, by November 15, 2019, at 2:00 PM, CST. This acknowledgement should be enclosed in your proposal package. **Failure to submit this acknowledgement may result in rejection of the proposal package.**

Save the Children Federation, Inc.  
Name of Company

Betsy Zorio, Vice President  
Authorized Official's Typed Name/Title

Betsy Z  
Signature of Authorized Official  
(No stamped signature)

11/4/19  
Date

Should an amendment to the RFP be issued, it will be posted on the MDHS website (www.mdhs.ms.gov) in a manner that all Respondents will be able to view. Further, Respondents must acknowledge receipt of any amendment to the solicitation by signing and returning the amendment with the proposal package, by identifying the amendment number and date in the space provided for this purpose on this form, or by letter. The acknowledgment must be received by MDHS by the time and at the place specified for receipt of proposals. It is the Respondent's sole responsibility to monitor the website for amendments to the RFP.



**AMENDMENT #2  
REQUEST FOR PROPOSALS NO. 19100101 TANF APA  
AFTERSCHOOL PROGRAM ACTIVITIES**

Amendment to the RFP is as follows:

- 1. Section 4.3(9) is amended to reflect the following:

Estimate the annual cost of the service as directed in Section 4.1.8 4.1.9 to include the required Budget Narrative and Price Estimate (Cost Estimation Worksheet). Cost data submitted at this stage is binding, but is subject to being negotiated down if your organization is chosen as a finalist. MDHS reserves the right to solicit a Best and Final Offer (BAFO) from Respondents that provided a responsible proposal but whose proposed cost exceeds MDHS' anticipated funding for the program. Respondents are encouraged to provide their best proposed cost and/or pricing in their initial response to the RFP. Should MDHS decide to exercise its right to solicit a BAFO, MDHS will provide in writing the requirements, process, and schedule for submitting a BAFO response.

Please acknowledge receipt of Amendment #2 by returning it, along with your proposal package, by November 15, 2019, at 2:00 PM, CT. This acknowledgement should be enclosed in your proposal package. **Failure to submit this acknowledgement may result in rejection of the proposal package.**

Save the Children Federation, Inc.

Name of Company

Betsy Zorio, Vice President

Authorized Official's Typed Name/Title

Betsy Z

Signature of Authorized Official  
(No stamped signature)

11/4/19

Date

Should an amendment to the RFP be issued, it will be posted on the MDHS website (www.mdhs.ms.gov) in a manner that all Respondents will be able to view. Further, Respondents must acknowledge receipt of any amendment to the solicitation by signing and returning the amendment with the proposal package, by identifying the amendment number and date in the space provided for this purpose on this form, or by letter. The acknowledgment must be received by MDHS by the time and at the place specified for receipt of proposals. It is the Respondent's sole responsibility to monitor the website for amendments to the RFP.



**AMENDMENT #3  
REQUEST FOR PROPOSALS NO. 19100101 TANF APA  
AFTERSCHOOL PROGRAM ACTIVITIES**

Amendment to the RFP is as follows:

- 1. Second sentence under chart of Section 4.1.9 is amended to reflect the following:

**NO MORE THAN ~~15%~~ 10% OF THE TOTAL ESTIMATED COST MAY BE BUDGETED FOR ADMINISTRATIVE COSTS.**

Please acknowledge receipt of Amendment #3 by returning it, along with your proposal package, by November 15, 2019, at 2:00 PM, CT. This acknowledgement should be enclosed in your proposal package. **Failure to submit this acknowledgement may result in rejection of the proposal package.**

Save the Children Federation, Inc.

Name of Company

Betsy Zorio, Vice President

Authorized Official's Typed Name/Title

Betsy Z

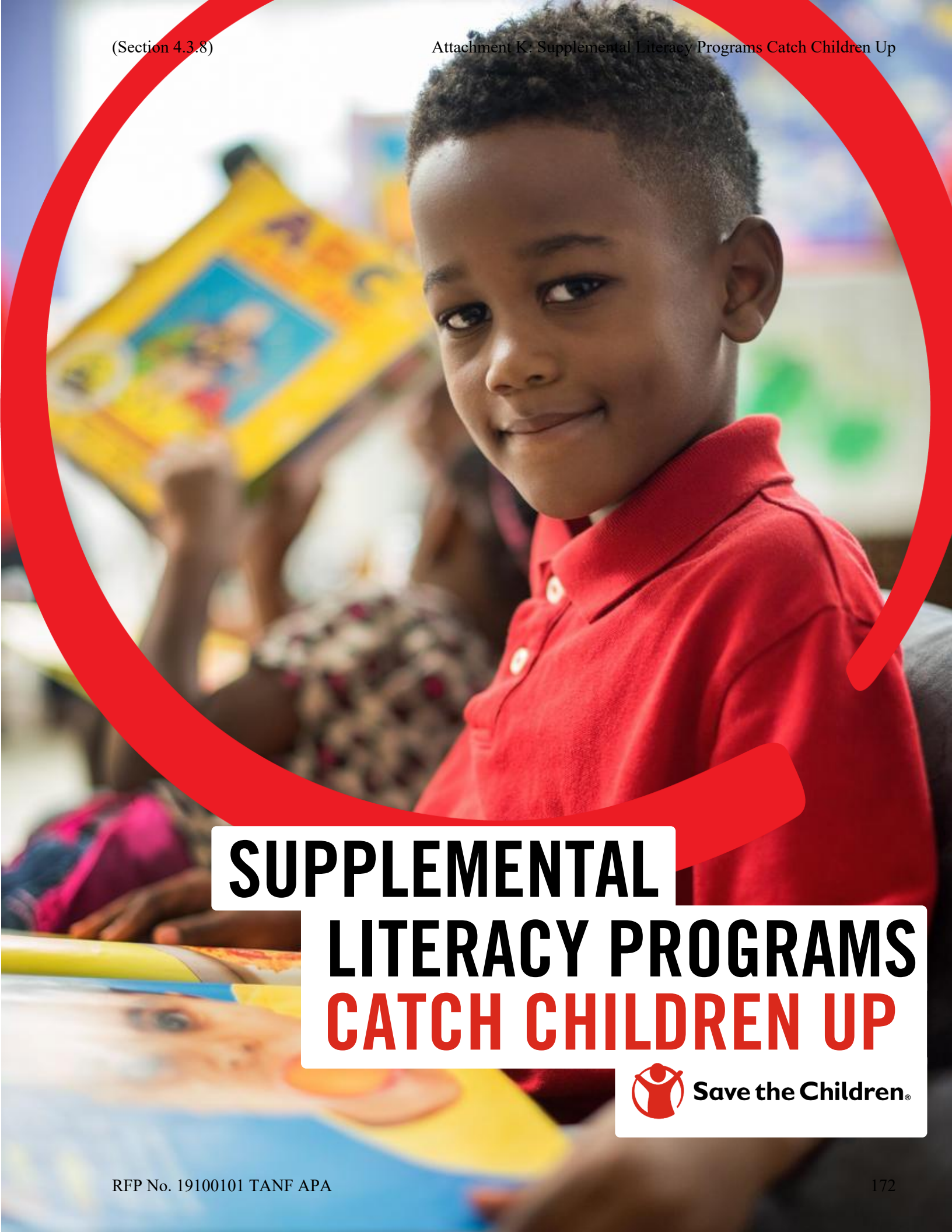
Signature of Authorized Official  
(No stamped signature)

11/4/19

Date

Should an amendment to the RFP be issued, it will be posted on the MDHS website (www.mdhs.ms.gov) in a manner that all Respondents will be able to view. Further, Respondents must acknowledge receipt of any amendment to the solicitation by signing and returning the amendment with the proposal package, by identifying the amendment number and date in the space provided for this purpose on this form, or by letter. The acknowledgment must be received by MDHS by the time and at the place specified for receipt of proposals. It is the Respondent's sole responsibility to monitor the website for amendments to the RFP.





**SUPPLEMENTAL**  
**LITERACY PROGRAMS**  
**CATCH CHILDREN UP**



**Save the Children.**



# Supplemental Literacy Programs Catch Children Up: Effective Strategies to Reduce Achievement Gap Faced by Students in Rural America, A Randomized Controlled Trial Study

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## ABSTRACT

Children who are not reading on grade level by the end of third grade are at greater risk of dropping out of high school than their peers who have reached this essential milestone. Children who are living in poverty *and* not reading on grade level by the end of third are at even greater risk. Children in rural America<sup>1</sup> are especially likely to be both poor and below grade level.

Save the Children offers in-school literacy programming to elementary school students in kindergarten through third grade living in high-poverty, rural communities in order to help them overcome these obstacles and acquire the literacy skills that will position them for lifelong success. The purpose of this study was to determine, through the implementation of a rigorous, randomized controlled trial study design at nine program sites in Mississippi, whether Save the Children's daily, in-school literacy programming produces greater test score gains for students reading below grade level than participation in schools' language arts curriculum alone.

The study results indicate Save the Children's programming produces statistically significant literacy and reading comprehension test score gains for K-3<sup>rd</sup> grade students in Mississippi who began the school year reading below grade level. The results indicate that in-school literacy programming featuring Read-Alouds and Guided Independent Reading Practice in daily, half-hour one-on-one and small group tutoring sessions may help children living in low-income communities in rural America acquire the literacy skills they need to succeed throughout their education careers and beyond.

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<sup>1</sup> We classify counties as rural if they are not part of Metropolitan Statistical Areas. The United States Office of Management and Budget (OMB) considers a county to be part of a Metropolitan Statistical Area if the county contains an urban core with a population of a least 50,000, or is adjacent to a county with a core of that size and has close social and economic ties with that core. For more information, see <https://www.census.gov/programs-surveys/metro-micro/about.html>.

## INTRODUCTION

If a child is not reading on grade level by the end of third grade, that child is four times more likely to leave high school<sup>2</sup> without a diploma than a child who has achieved this milestone. A child not reading on grade level by the end of third grade who has also lived for a year or more in poverty is at even greater risk for not completing high school.<sup>3</sup> Children's early literacy skills are the foundation for their learning in all subject areas, not just language arts. Early deficits can affect lifelong success.

Children living in rural parts of the United States are especially likely to face the double jeopardy of growing up in poverty and not having had the opportunity to develop their basic literacy skills in elementary school. 23.5% of children living outside metropolitan areas in the United States were living in poverty in 2016. By contrast, 18.8% of children in metropolitan areas were living in poverty in 2016, the most recent year for which Census data were available at the time of the writing of this report.<sup>4</sup> In 2015, 69.5% of children living in small towns had 4<sup>th</sup> grade reading scores that were below proficient as compared to 60.4% of fourth graders living in suburban communities.<sup>5</sup>

Save the Children provides multifaceted support to vulnerable children ages 0 to 8 and their families living in rural parts of the United States that will help give those children a more equitable opportunity to acquire the literacy, numeracy and socio-emotional skills by the end of third grade that will position them for lifelong success. Save the Children supports rural children ages 0 to 5 and their families with home visits, book bag exchanges and kindergarten readiness playgroups as tactics to accelerate rural children's early learning. Once children are old enough to attend school, Save the Children provides kindergarten transition supports to children and families; summer and out-of-school-time enrichment-focused programming to counter the "summer slide" in the academic skills of low-income children, and in-school literacy supports to children who are not yet reading on grade level. This report summarizes the findings of a rigorous, randomized control trial study that examined the effectiveness of the in-school literacy supports in Save the Children's suite of 0-8 programming.

The randomized controlled trial was conducted in nine elementary schools in seven rural school districts implementing Save the Children's in-school literacy programming in Mississippi<sup>6</sup>. Students reading below grade level were randomly assigned to treatment and control groups at the beginning of the school year. The study's authors were able to compare the test scores of students who participated in 90 or more days of supplemental, in-school literacy programming focused on reading practice through Read-Alouds and Guided Independent Reading Practice with the test scores of similar students at the same schools who did not participate in the programming. The analysis results confirmed that the students who participated in the programming had significantly higher early literacy and reading comprehension test scores than the students who did not participate in the programming. These results indicate that in-school programs targeted at students reading below grade level that focus on Read-Alouds and Guided Independent Reading Practice help reduce the achievement gap between students in non-metropolitan and metropolitan areas of the United States.

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<sup>2</sup> Statistic was calculated using data on high school graduation by age 19.

<sup>3</sup> Donald J. Hernandez, *Double Jeopardy: How Third-Grade Reading Skills and Poverty Influence High School Graduation*. (Baltimore, Maryland: The Annie E. Casey Foundation. 2011).

<sup>4</sup> Save the Children. *U.S. Complement to the End of Childhood Report 2018: Growing Up Rural in America*. (Fairfield, Connecticut: 2018). Page 4.

<sup>5</sup> National Center for Education Statistics. "Rural Education in America." Accessed December 21, 2018. <https://nces.ed.gov/surveys/ruraled/tables/b.2.a.-1r.asp>.

<sup>6</sup> In one of the nine Mississippi schools, Save the Children also provided afterschool programming and some children from both the treatment and the control groups were enrolled.

## PROGRAM OVERVIEW

Schools in low-income rural communities often lack supports for struggling readers. Small rural districts are less likely to have curriculum specialists to help teachers incorporate state-of-the-art pedagogical practices.<sup>7</sup> They are also less likely to be able to offer supplemental education services to help children who need additional support in the classroom.<sup>8</sup> Save the Children's in-school literacy programming for kindergarten through third graders therefore fills an important gap by providing supplemental literacy supports to students who would likely not otherwise receive them. During the 2016–2017 school year, Save the Children provided in-school and afterschool programming supports to over 9,000 students in high poverty, rural regions of 10 U.S. states.

Within Save the Children's in-school literacy programs, there are two major programmatic approaches: one that tutors use with kindergarten and first graders, and another that tutors use with second and third graders. Save the Children's **Emergent Reader** programming for kindergarten and first graders focuses on beginning reading skills. Children practice daily reading easy texts aloud and participate in hands-on active learning in small groups to support increased growth in phonemic awareness, letter recognition, sound-symbol correspondence and beginning sight words. Tutors monitor students' reading performance through individual module assessments targeting these skills. Tutors administer the module assessments weekly to gauge skill mastery and to inform students' subsequent placement in the different modules over time.

Save the Children's **Developing Reader** programming for second and third graders also incorporates Guided Independent Reading Practice with books aligned to students' interests and skill levels. Tutors monitor children's progress by having them regularly complete Renaissance Accelerated Reader online book quizzes, which help tutors support students in selecting developmentally appropriate books as skill levels improve. Programming may also include small-group tutoring sessions that focus on phonics, sight words, and vocabulary development.

Both the Emergent and Developing Reader approaches are five days per week, 30 minutes per day. Children are pulled out of their regular classes (but not literacy classes) to attend the program in groups of 5-10. See Appendix A for more detailed descriptions of Save the Children's Emergent and Developing Reader programs.

## METHODS

### Sample Characteristics

The study was conducted in a subset of the schools with Save the Children in-school literacy programming: nine elementary schools in seven rural Mississippi school districts. The nine schools in the study sample comprised all the locations where Save the Children was implementing in-school programming within the state of Mississippi during the 2016–2017 school year. At each of the schools in the study sample, more than 90% of the students enrolled were participating in the Free and Reduced Price Meals program, and Save the Children programming had been implemented at each of the sites for a minimum of seven years. At one of the sites, Save the Children was also implementing an after school program that students in both the treatment and control groups attended and therefore should not have influenced the results of this study. Save the Children's regional and national offices closely monitor program quality at all its program sites through site visits and oversight of student assessment data, providing additional guidance when sites do not achieve quality benchmarks.

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<sup>7</sup> Michel McNeil, "Rural Areas Perceive Policy Tilt," *Education Week*, August 28, 2009, 1 and 22.

<sup>8</sup> Leslie M. Anderson and Katrina G. Laguarda. "Case Studies of Supplemental Services Under the No Child Left Behind Act: Findings from 2003-04." (Washington, D.C.: U.S. Department of Education, Office of Planning, Evaluation and Policy Development. 2005).

## Study Design

The authors employed a clustered, randomized controlled trial study design to collect the data that would allow them to test whether in-school literacy program participation improved children's literacy and reading comprehension test scores. The randomized controlled trial design is the gold standard for collecting data to test the effectiveness of education interventions as it enables researchers to mitigate selection bias as well as any possible differences between the treatment and control groups on unmeasured factors. Weaker studies—where, for example, the performance of students whose families signed them up for a program are compared to the performance of students whose families did not—are subject to selection bias. If at the conclusion of the program, the test scores of the students who participated in the program are higher than the test scores of the student that did not, researchers have no convincing basis for determining whether these differences were due to program effects, or were due to the fact that families who are already more deeply engaged in supporting their students' success are also more likely to enroll their children in additional programming. By assigning children at random to treatment and control groups, that weakness is eliminated: no one can argue that whatever influenced a child's enrollment might also influence their likelihood of success in the program.

To determine eligibility for both the in-school literacy program and the study, all kindergarten and first grade students in the study sample completed Renaissance's STAR Early Literacy diagnostic assessment (SEL) and all second and third graders took Renaissance's online STAR Reading assessment. Students receiving test scores below the cutoff points<sup>9</sup> for assignment to Tier 2 and Tier 3 reading supports based on the Federal Response to Intervention (RTI) guidelines, but who had not received Individual Education Plans, were eligible for participation in both the program and the study. Because the number of children who were reading below grade level greatly exceeded staff capacity, not all children who needed literacy support could participate in the in-school literacy program. Random assignment of eligible students to intervention and control groups therefore met both programmatic and evaluation needs.

The study population of students was drawn from all of the grades at each school participating in the supplemental literacy program. Approximately 110 students at each of the nine schools (1,000 students total) were assigned in equal proportions to the treatment and control groups. Roughly the same number of students were selected for the study from each grade participating in the program at each school. (See Appendix B for a more detailed description of the random assignment process.) Students were included in the final analysis if they completed the pre- and post-tests within the appropriate timeframe, attended 90 or more days, and had student records that included information on their gender.

Within each school, the Save the Children literacy program takes place outside of the children's regular classroom, which means children not participating in the program cannot overhear or benefit from it unintentionally. Children attending the program leave their classroom at a time when the school's regular curriculum is not addressing literacy. Therefore, children in the program receive the same literacy education provided by the school as children not in the program, and the Save the Children literacy program is truly supplemental to the school curriculum. Differences in pre-test scores between the program participants and the comparison control group were not statistically significant and indicate the treatment and control groups were comparable (See Table 1).

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<sup>9</sup> The cutoff point for second and third graders was a normal curve equivalent score of 50 or lower. The cutoff point for kindergarten and first graders was a scaled score of 674 or lower.

**Table 1: Mean Pre-Test Scores for the Treatment and Control Groups by Grade Level Groupings**

|   | <b>Save the Children program participants</b> | <b>Comparison group non-participants</b> |
|---|---|--|
| <b>Kindergarten–1<sup>st</sup> grade</b>                        | <b>N=285</b>                                  | <b>N=262</b>                             |
| <b>Average pre-test SEL scaled score (standard deviation)*</b>  | 527.4 (94.9)                                  | 526.5 (90.4)                             |
| <b>2<sup>nd</sup>–3<sup>rd</sup> grade</b>                      | <b>N=155</b>                                  | <b>N=160</b>                             |
| <b>Average pre-test STAR scaled score (standard deviation)*</b> | 183.9 (83.6)                                  | 177.5 (77.5)                             |

\* Includes pre-test scores only for children who also completed post-tests

## Outcome Measurement

The nine Mississippi schools participating in the study administered school-wide early literacy and reading comprehension testing at the start of the school year. Students in kindergarten and first grade completed Renaissance’s STAR Early Literacy diagnostic assessment (SEL). The twenty-minute online adaptive diagnostic assessment measures students’ vocabulary, phonics, language and numeracy skills and their understanding of literacy concepts such as words and letters. Students who completed the assessment received a scaled score that ranged from 300-900. Renaissance computes scaled scores based on the number of correct responses and the difficulty of the items. The same scaled score range is used for all test takers, which enables consistent comparison and analysis across grade levels.

Students in second and third grade completed Renaissance’s online STAR Reading assessment, which measures students’ skills in a variety of literacy domains. Students who completed the assessment received scaled scores between 0 and 1400, as well as normed scores in percentiles and Normal Curve Equivalents (NCEs). The SEL and STAR Reading post-test assessments were administered at least 90 days after the pre-test.

## Statistical Analysis

The central research question posed for this evaluation is whether kindergarten through third graders reading below grade level who participate in Save the Children’s in-school literacy programming achieve greater literacy gains than their counterparts who do not participate in the programming. The authors used hierarchical linear modeling (HLM) to measure whether students randomly selected to receive the in-school literacy supports achieved greater gains in their literacy and reading comprehension test scores (See Appendix C for detailed model descriptions). This statistical approach nests students in schools, and analytical approach to account for: the sampling and assignment strategy which selected participant and comparison students from the same school population; and the common experiences shared by students in the same school that could influence their test score gains, regardless of program participation.

Using HLM also allowed the authors to control for additional factors at the individual-level that could impact individual students’ achievement (e.g., prior test scores, grade) and at the school-level such as average school wide STAR or SEL test scores. For example, differences in average school-wide test scores could be indicative of factors within the school that impact all children, both participants in the Save the Children program and non-participating students. At the individual-level, children’s prior test performance and grade could impact the magnitude of their SEL or STAR gains, again independent of their participation in Save the Children programming.

## RESULTS

The authors found positive, statistically significant results for the effect of children’s participation in Save the Children’s in-school literacy programs. Both the kindergarten–1<sup>st</sup> grade model, which measured the program’s influence on early literacy, and the second–third grade model, which measured the program’s influence on reading comprehension, yielded statistically significant differences in the treatment and control groups’ post-test results. Kindergarten and first-graders in Save the Children programming gained, on average, 20 more points on the SEL post-test compared with students who did not receive services ( $\gamma_{20}=20.174$ ,  $se=6.528$ ,  $p\leq 0.01$ ). Second- and third-grade participants in Save the Children programming also made greater gains in comparison to second- and third-grade non-participants—gaining, on average, 17 more points on the STAR test between pre- and post-assessments ( $\gamma_{20}=17.081$ ,  $se=8.507$ ,  $p\leq 0.05$ ) than their non-participating peers (see Table 2). (See Appendix C for the full results of HLM models and more information about the model building process).

**Table 2: Average Pre- and Post-Test Score Change for the Treatment vs. Control Groups by Grade Level**

| Grade Level   | Save the Children program participants |                |
|---|--|----------------|
|   | Coefficient                            | Standard error |
| <b>Kindergarten–1<sup>st</sup> grade</b>  |  |                |
| Average SEL pre-test and post-test score change for Save the Children participants compared with non-participants | 20.2***                                | 6.5            |
| <b>2<sup>nd</sup>–3<sup>rd</sup> grade</b>  |  |                |
| Average SEL pre-test and post-test score change for Save the Children participants compared with non-participants | 17.1*                                  | 8.5            |

Statistical significance: \*  $p\leq 0.05$ ; \*\*  $p\leq 0.01$ ; \*\*\*  $p\leq 0.001$

Other findings of interest included a statistically significant effect of grade in the kindergarten–first grade models, which suggested the program may have produced stronger results for first grade students than for kindergarten students. In order to more closely examine the grade level differences, the authors ran additional analyses which indicate that while there was a positive effect of participation in Save the Children programming for children in both kindergarten and first grade, the effect was greater – and only statistically significant for – children in first grade (See Appendix C for further discussion). There was, however, no statistically significant difference in the pre-test and post-test score change for second graders as compared to third graders. Gender was also not significant in the second to third grade model.

## IMPLICATIONS

This study provides strong evidence for the effectiveness of Save the Children’s in-school literacy intervention. By randomly assigning students to treatment groups that participated in the daily in-school literacy programming and control groups that did not, the authors were able to ensure that the only difference between the two groups was their participation in the program. And as a result, differences in the outcome could be more confidently attributed to students’ participation rather than other unmeasured factors. In addition, the study was conducted in one of the more challenging public education contexts in the United States: Mississippi was ranked 44<sup>th</sup> in the nation in 2017 for its



fourth grade reading scores.<sup>10</sup> The intervention's success there suggests that in-school literacy programming featuring Read-Alouds and Guided Independent Reading Practice in daily, half-hour one-on-one and small group tutoring sessions may help close achievement gaps in other states with large rural populations.

Save the Children's In-School Literacy Program is, however, only one of a suite of programs Save the Children offers children and their families in some of the most marginalized rural communities in the United States. Future research will examine the degree to which the full suite of programming – including in-school literacy programming for K-3<sup>rd</sup> grade children – influences 3<sup>rd</sup> grade reading scores. Save the Children hypothesizes that by offering year-round learning supports to children from birth to age eight, they are less likely to fall behind early in their educational careers, positioning them to succeed over the course of their entire school careers and beyond.

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<sup>10</sup> "The Nation's Report Card," National Assessment of Educational Progress (NAEP), accessed December 21, 2018. <https://www.nationsreportcard.gov/>.

## APPENDICES

### APPENDIX A: Save the Children's Emergent and Developing Reader Programs

Save the Children offers a variety of literacy activities through its in-school literacy program:

- For children in Kindergarten and first grade who are reading below grade level, literacy activities that target beginning reading skills are available. Emergent Reader literacy activities include extended read-aloud with developmentally appropriate follow-up activities; reading together time where easy text is practiced orally by students daily; and hands-on active learning to support increased growth in phonemic awareness, letter recognition, sound-symbol correspondence and beginning sight words.
- For students in grades 2-3 reading below grade level, these activities include Guided Independent Reading Practice, which is supported by Read Alouds with related fluency-building activities. Technology is used to maximize children's learning through monitoring progress with regular Renaissance Accelerated reader book quizzes. Small-group tutoring sessions – targeting phonics, sight words, and vocabulary development – may also be incorporated to support children's reading skill development.

Study participants in grades K-1 received Emergent Reader literacy activities daily for 30-minutes. Daily activities included a Read Aloud with fluency building and vocabulary learning experiences incorporating grade-level books and materials. In addition, study participants in grades K-1 utilized hands-on literacy activities that promote active learning in small groups. Activities targeted specific reading skills such as phonemic awareness, letter recognition, sound-symbol correspondence, and beginning sight words.

For students in grades K-1, reading performance was monitored through individual module assessments that target phonemic awareness, letter recognition, sound-symbol correspondence, and beginning sight words. Module assessments were administered weekly to determine skill mastery, and subsequent student placement in different modules over time.

Study participants in the second and third grades received literacy activities that featured Read Alouds with related fluency building and vocabulary activities one week a month on successive days for 30 minutes a day in small groups of 5-10. Read Alouds were implemented using the following procedures:

1. The teacher introduced the book in an enthusiastic way to the students.
  - The teacher mentioned the title, author and, perhaps, the illustrator.
  - The teacher provided student-friendly definitions for vocabulary words that needed to be discussed before reading.
2. The teacher read the book aloud to the students.
  - The teacher read with expression at an appropriate speed, varying the pace to pause for emphasis and to allow time for students to think about what's happening or what might come next.
  - The teacher paused at planned stopping points to highlight key vocabulary terms.
3. After reading, the teacher spent a short amount of time discussing the book.
  - The teacher asked open-ended questions that required more than a yes or no response, or initiated a high-level discussion related to the book.

4. In addition, related vocabulary and fluency-building activities were incorporated to support Read Alouds.
  - Fluency-building primarily consisted of choral reading, while vocabulary learning games were used to highlight key terms from Read Aloud texts.

Study participants in grades 2-3 also received daily experiences in Guided Independent Reading Practice for 3 weeks a month on successive days for 30 minutes a day in small groups of 5-10. Guided Independent Reading Practice was implemented using the following procedures:

1. Students self-selected an appropriate book.
  - Based on the results of a beginning-of-program STAR assessment, each student's reading range was identified. This range of book levels was explained to the student, and they were shown how to select books of interest that have been labelled within their range.
2. Students read the book.
  - The teacher guided students as they read, suggesting word-level and discourse-level strategies as needed (i.e., to make sure students were able to decode challenging words and comprehend what was read).
3. Teacher checked for comprehension.
  - The teacher asked the students to summarize the text or asked him/her to describe what was happening in each picture.
4. Students took a Renaissance Accelerated Reader (AR) quiz.
  - Students took the quiz in a timely fashion (no more than one day after completing their book). Students were instructed to read each question and all response choices carefully before selecting their answers. Immediate feedback was provided on student performance through the AR reading software program.

For students in grades 2-3, reading performance was monitored on a daily basis using Renaissance's Accelerated Reader (AR) software program. When using AR, children choose books they want to read. To help them select successfully, every book has an assigned book level, interest level and point value. Book level indicates the readability of the text, while interest level relates to content. Point values are assigned to books based on the book's length. The intent is for children to read books that are appropriate to their reading level and interest.

**APPENDIX B: Random Assignment Procedure**

The study's authors processed the randomized selection and assignment. Those implementing the literacy program in the schools provided the pretest reports but were not involved in the selection or assignment. Once all inclusion and exclusion criteria were applied to the sampling frame, individual child results were split into groups by grade within each school. Each child was assigned a unique sequential identification number and a random integer set generator was used to create lists of random number sets in the schools' grades ranges. As described above in the Study Design section, equal numbers of children were selected from each school. However, as each school offered programming to different grade ranges (most served K-3, but some served K-2 or K-1), the number of children selected from each grade varied by the grades served at their school. For schools serving K-3, the first 16 random numbers and the corresponding child identification numbers were assigned to the intervention group receiving the literacy program. The subsequent 16 random numbers and the corresponding child identification numbers were assigned to the control group. The same process was used for schools serving fewer grades, specifically study groups with 22 children were generated for schools serving K-2 and 33 children per study group for schools serving K-1. If schools were able to provide programming to more children than were assigned to the intervention group, children who were reading below grade level at the beginning of the year but who were not selected for either the control or intervention group may have participated in the program but were not included in this study.

## APPENDIX C: Hierarchical Linear Modeling (HLM) Descriptions & Results

### Kindergarten & First Grade Model: Emergent Reader

#### Descriptive Statistics

**Table C-1: Characteristics of Participant and Non-Participant Groups**

|  | Participants in Save<br>the Children program<br>(N=285) | Non-participant<br>comparison students<br>(N=262) |
|--|---|---|
| Grade  |   |   |
| Percent of children enrolled in Kindergarten<br>(N=309)          | 28.0%   | 28.5%   |
| Percent of children enrolled in 1 <sup>st</sup> grade<br>(N=238) | 24.1  | 19.4  |
| Average pre-test SEL scaled score (standard<br>deviation)        | 527.4 (94.9)  | 526.5 (90.4)                                      |

#### Model Building

To build the models for analysis, we first reviewed the information available for the participant and non-participant groups. Data for race and gender were not available for a large proportion (83 percent) of the non-participant comparison students. Therefore, we opted not to include these variables in our models, because doing so would have excluded most of our comparison group. We did, however, have the grade in which children were enrolled for both participants and non-participants, and opted to include this covariate.

Next, we added a level-2 covariate, the school mean of pre-test STAR Early Literacy (SEL) scaled score, to the model as a predictor of the level-1 intercept and, in a second model, as a predictor the level-1 intercept of pre-test SEL scale score. We tested these models against one another and against the model with no level-2 covariates. These tests suggested that the model using school mean as a predictor of the level-1 intercept was the best fitting model.

Finally, we tested models that fixed or allowed the level-2 slopes to randomly vary. Using a likelihood ratio test of model deviance statistics, we determined that a model that allowed level-2 slopes to vary fit better than a model with fixed level-2 slopes, and the best fitting model fixed the level-2 slope predicting treatment group while allowing the slopes of grade and pre-test SEL scale score to vary. The final model appears below:

#### Level 1:

$$\text{SEL scaled score (post-test)} = \beta_0 + \beta_1 [\text{Grade}] + \beta_2 [\text{Treatment}] + \beta_3 (\text{SEL scaled score [pre-test]}) + r$$

#### Level 2:

$$\beta_0 = \gamma_{00} + \gamma_{01} [\text{Site mean pre-test SEL scaled score}] + \mu_1$$

$$\beta_1 = \gamma_{10} + \mu_1$$

$$\beta_2 = 20$$

$$\beta_3 = 30 + \mu_3$$

## Assumptions Checking

To check the assumptions of the multilevel model, we first examined the level-1 and level-2 residuals. These tests indicated that the model met the assumptions of normal distribution of level-1 variance, though there did appear to be some deviation from multivariate normality at level-2. The lack of multivariate normality is, perhaps, not surprising given the relatively few covariates in the model; deviation from normality may, for example, indicate that there are additional factors influencing the results that were not included as covariates in the model. Further, we have nine level-2 schools, and with additional schools, the distribution could more closely approximate normal. Typically, we would report the results using robust standard errors to account for this slight deviation from multivariate normality; in this case, however, we do not for two reasons. First, robust standard errors are appropriate only for datasets with a moderate to large number of level-2 units, and with nine level-2 units these data do not meet that criterion. Second, comparing the results between the normal and robust standard errors, the differences appear to be primarily in the effect of prior achievement, not a focal variable of this analysis.

Finally, we checked for homogeneity of level-1 variance and found that the model met this assumption.

## Results

**We find significant positive results for the effect of children’s participation in Save the Children’s literacy intervention, with an average increase in the SEL scale score for participating kindergarten and first-grade children of 20 more points between pre-test and post-test compared with non-participants ( $\gamma_{20}=20.174$ ,  $se=6.528$ ,  $p\leq 0.01$ , see Table C-2).**

An examination of the raw differences in the SEL scale scores between pre-test and post-test SEL scale scores by grade suggests that there may have been a greater increase in SEL scale scores across both participant and non-participant groups for children in kindergarten (non-participants: 208 points v. participants: 219 points) and a smaller overall increase in SEL scale scores in first grade, but a greater difference between children in the non-participant and participant groups (non-participants: 114 points v. participants: 149 points, see Table C-3).

**Table C-2. Results of the Analysis of SEL Scale Scores, All Grades**

| Fixed effects                                      | Coeff. (se)         |        |    |        |
|--|---------------------|--------|----|--------|
| For intercept, $\beta_0$                           |                     |        |    |        |
| Intercept, $\gamma_{00}$                           | 723.592 (14.756)*** |        |    |        |
| Site-mean pre-test SEL scaled score, $\gamma_{01}$ | -1.226 (0.958)      |        |    |        |
| For GRADE slope, $\beta_1$                         |                     |        |    |        |
| Intercept, $\gamma_{10}$                           | -54.859 (20.706)*   |        |    |        |
| For TREATMENT GROUP slope, $\beta_2$               |                     |        |    |        |
| Intercept, $\gamma_{20}$                           | 20.174 (6.528)**    |        |    |        |
| For PRE-TEST SEL SCALE SCORE slope, $\beta_3$      |                     |        |    |        |
| Intercept, $\gamma_{30}$                           | 0.742 (0.085)***    |        |    |        |
| Random effects                                     | Variance component  | sd     | df | $\chi$ |
| Intercept, $\tau_{00}$                             | 1582.603***         | 39.782 | 7  | 59.490 |
| Grade slope, $\tau_{10}$                           | 3075.325***         | 55.456 | 8  | 33.953 |
| Pre-test SEL scaled score slope, $\tau_{30}$       | 0.209***            | 0.044  | 8  | 21.598 |

\*  $p\leq 0.05$ ; \*\*  $p\leq 0.01$ ; \*\*\*  $p\leq 0.001$



**Table C-3. Comparison of Mean SEL Scaled Scores, By Grade**

|              | Non-participants |               |            | Participants |              |            |
|--------------|------------------|---------------|------------|--------------|--------------|------------|
|              | Pre-test         | Post-test     | Difference | Pre-test     | Post-test    | Difference |
| Kindergarten | 480.5 (74.9)     | 688.4 (111.1) | 207.9      | 468.0 (81.7) | 687.5 (96.7) | 218.5      |
| Grade 1      | 594.2 (65.0)     | 708.1 (83.3)  | 113.9      | 595.1 (56.5) | 744.0 (78.9) | 148.9      |

To more closely examine the differences at each grade, we ran additional analyses which indicate that while there was a positive effect of participation in Save the Children programming for children in both kindergarten and first grade, the effect was greater and significant for children in first grade. For kindergarten, participation in the literacy intervention was associated with an SEL scale score increase of approximately 9 more points than non-participating kindergarteners ( $\gamma_{10}=8.983$ ,  $se=9.237$ ,  $p=0.334$ , see Table C-4). The impact for first graders was an increase of nearly 36 more in SEL scale score between the pre- and post-assessment than their non-participating peers, and the effect of participation was significant ( $\gamma_{10}=35.664$ ,  $se=9.143$ ,  $p\leq 0.001$ , see Table C-5).

**Table C-4. Results of the Analysis of SEL Scaled Scores, Kindergarten**

| Fixed effects                                     | Coeff. (se)         |        |    |        |
|---|---------------------|--------|----|--------|
| For intercept, $\beta_0$                          |                     |        |    |        |
| Intercept, $\gamma_{00}$                          | 690.953 (15.518)*** |        |    |        |
| Site-mean pre-test SEL scale score, $\gamma_{01}$ | -0.439 (1.854)      |        |    |        |
| For TREATMENT GROUP slope, $\beta_1$              |                     |        |    |        |
| Intercept, $\gamma_{10}$                          | 8.983 (9.237)       |        |    |        |
| For PRE-TEST SEL SCALE SCORE slope, $\beta_2$     |                     |        |    |        |
| Intercept, $\gamma_{20}$                          | 0.81 (0.098)***     |        |    |        |
| Random effects                                    | Variance component  | sd     | df | $\chi$ |
| Intercept, $\tau_{00}$                            | 1722.087***         | 41.498 | 7  | 68.145 |
| Pre-test SEL scale score slope, $\tau_{20}$       | 0.221*              | 0.049  | 8  | 18.300 |

\*  $p\leq 0.05$ ; \*\*  $p\leq 0.01$ ; \*\*\*  $p\leq 0.001$

**Table C-5. Results of the Analysis of SEL Scaled Scores, First Grade**

| Fixed effects                                     | Coeff. (se)        |        |    |        |
|---|--------------------|--------|----|--------|
| For intercept, $\beta_0$                          |                    |        |    |        |
| Intercept, $\gamma_{00}$                          | 709.799 (9.030)*** |        |    |        |
| Site-mean pre-test SEL scale score, $\gamma_{01}$ | 0.243 (1.013)      |        |    |        |
| For TREATMENT GROUP slope, $\beta_1$              |                    |        |    |        |
| Intercept, $\gamma_{10}$                          | 35.664 (9.143)***  |        |    |        |
| For PRE-TEST SEL SCALE SCORE slope, $\beta_2$     |                    |        |    |        |
| Intercept, $\gamma_{20}$                          | 0.666 (0.075)***   |        |    |        |
| Random effects                                    | Variance component | sd     | df | $\chi$ |
| Intercept, $\tau_{00}$                            | 288.481**          | 16.985 | 7  | 18.400 |

\*  $p\leq 0.05$ ; \*\*  $p\leq 0.01$ ; \*\*\*  $p\leq 0.001$

## Second & Third Grade Model: Developing Reader

### Descriptive Statistics

**Table C-6. Characteristics of Participant and Non-Participant Groups**

|  | Participants in Save<br>the Children program<br>(N=155) | Non-participant<br>comparison students<br>(N=160) |
|--|---|---|
| Grade  |   |   |
| Percent of children enrolled in 2 <sup>nd</sup> grade<br>(N=144) | 18.4%   | 27.3%   |
| Percent of children enrolled in 3 <sup>rd</sup> grade<br>(N=171) | 32.4  | 21.9  |
| Gender   | (N=151)   | (N=152)   |
| Male (N=156)   | 50.6%   | 49.4%   |
| Female (N=147)   | 49.0  | 51.0  |
| Average pre-test STAR scaled score (standard<br>deviation)       | 183.9 (83.6)  | 177.5 (77.5)                                      |

### Model Building

We first reviewed the information available about the students comprising to participant and non-participant groups to identify potential covariates for the analysis. Grade level was available for all participants and non-participants, and we opted to include this covariate in our model. Gender was available for almost all students (94.2 percent) and testing during model development showed it decreased model deviance. Data for children's race/ethnicity were not available for a substantial portion of the population (approximately 37 percent). Although missing race/ethnicity data were distributed equally across the participant and non-participant groups, we opted not to include race in our models, because doing so would have excluded approximately one-third of both participants and non-participants. No other variables describing the characteristics of participating students were available for the analysis.

Next, we added a level-2 covariate, the school mean of pre-test STAR Reading scaled scores, to the model as a predictor of the level-1 intercept and, in a second model, as a predictor the level-1 intercept of pre-test STAR scaled scores. We tested these models against one another and against the model with no level-2 covariates. These tests suggested that the model using school mean pre-test STAR scaled scores as a predictor of the level-1 intercept was the best fitting model.

Finally, we tested models that fixed or allowed the level-2 slopes to randomly vary. Using a likelihood ratio test of model deviance statistics, we determined that a model with fixed level-2 slopes yielded the best fitting model. The final model appears below:

**Level 1:**

SEL scaled score (post-test) =  $\beta_0 + \beta_1$  [Grade] +  $\beta_2$  [Treatment] +  $\beta_3$ (Gender) +  $\beta_4$ (Pre-test STAR scaled score) +  $r$

**Level 2:**

$$\beta_0 = \gamma_{00} + \gamma_{01} \text{ [Site mean pre-test STAR scaled score]}$$

$$\beta_1 = \gamma_{10}$$

$$\beta_2 = \gamma_{20}$$

$$\beta_3 = \gamma_{30}$$

$$\beta_4 = \gamma_{40}$$

**Assumptions Checking**

To check the assumptions of the multilevel model, we first examined the level-1 and level-2 residuals. These tests indicated that the model met the assumptions of normal distribution of level-1 variance, though there did appear to be some deviation from multivariate normality at level-2. The lack of multivariate normality is, perhaps, not surprising given the relatively few covariates in the model; deviation from normality may, for example, indicate that there are additional factors influencing the results that were not include as covariates in the model. Further, we have only seven level-2 schools, and, with additional schools, the distribution could more closely approximate normal. Typically, we would report the results using robust standard errors to account for this slight deviation from multivariate normality; in this case, however, we do not. Robust standard errors are appropriate only for datasets with a moderate to large number of level-2 units, and with seven level-2 units these data do not meet that criterion.

Finally, we checked for homogeneity of level-1 variance and found that the model met this assumption.

**Results**

**We find significant positive results for the effect of children’s participation in Save the Children’s literacy intervention, with participating children gaining an average of 17 more scale score points on the STAR between pre-test and post-test compared with non-participating students ( $\gamma_{20}=17.081$ ,  $se=8.507$ ,  $p \leq 0.05$ , see Table C-7).**

The negative effect of grade, which was significant in our analyses of changes in performance on the SEL assessment for children in kindergarten and first grade, is not significant for the second and third graders included in these analyses (see Table C-8 for a comparison of pre- and post-test scores by grade). Additional analyses suggest that there may be a slightly larger effect of participation in the literacy program for children in third grade, though these effects are not significant, possibly due to the relatively small number of children and schools available for these individual grade analyses.

**Table C-7. Results of the Analysis of STAR Reading Scaled Scores**

| Fixed effects   | Coeff. (se)        |          |     |        |
|---|--------------------|----------|-----|--------|
| For intercept, $\beta_0$                                      |                    |          |     |        |
| Intercept, $\gamma_{00}$                                      | 324.968            | (29.036) | *** |        |
| Site (School?)-mean pre-test STAR scaled score, $\gamma_{01}$ | 0.322              | (0.423)  |     |        |
| For GRADE slope, $\beta_1$                                    |                    |          |     |        |
| Intercept, $\gamma_{10}$                                      | -19.592            | (11.148) |     |        |
| For TREATMENT GROUP slope, $\beta_2$                          |                    |          |     |        |
| Intercept, $\gamma_{20}$                                      | 17.081             | (8.507)  | *   |        |
| For GENDER slope, $\beta_3$                                   |                    |          |     |        |
| Intercept, $\gamma_{30}$                                      | 1.33               | (8.373)  |     |        |
| For PRE-TEST STAR SCALED SCORE slope, $\beta_4$               |                    |          |     |        |
| Intercept, $\gamma_{40}$                                      | 1.045              | (0.067)  | *** |        |
| Random effects  | Variance component | sd       | df  | $\chi$ |
| Intercept, $\tau_{00}$  | 351.546            | 18.750   | 5   | 19.890 |

\*  $p \leq 0.05$ ; \*\*  $p \leq 0.01$ ; \*\*\*  $p \leq 0.001$

**Table C-8. Comparison of Mean STAR Reading Scaled Scores, by Grade**

|         | Non-participants |               |            | Participants |               |            |
|---------|------------------|---------------|------------|--------------|---------------|------------|
|         | Pre-test         | Post-test     | Difference | Pre-test     | Post-test     | Difference |
| Grade 2 | 138.5 (50.8)     | 241.7 (101.8) | 103.2      | 131.3 (51.1) | 243.4 (101.8) | 111.7      |
| Grade 3 | 226.1 (77.9)     | 313.8 (105.0) | 88.7       | 245.0 (71.7) | 357.3 (92.8)  | 112.3      |