GROVING



Strong CHILDREN and FAMILIES



Dear Educare DC Friends,

Working in an early childhood community, growth is all around us. Infants master sitting, and move to crawling and walking; toddlers explore the power of language; and pre-K children become early maestros of their movement, feelings and behaviors. Each child's growth reveals the awe-inspiring development within their precious bodies and brains. At Educare DC, we are privileged to support, guide, and inspire this growth in our children.

We are also privileged to provide a community for adult growth. As told through the pictures and words of this 2018 report, the growth of our parents, staff and board serve as a loving web of adult relationships supporting the growth of our children. As a result, Educare DC's data is stronger than ever in classroom quality, parent engagement and staff satisfaction. Our internal systems and interdisciplinary approach enable more effective supports for teachers, allowing them – in turn - to better focus on students. We have built a culture of learning and growing, of problem solving and trying again when the first time wasn't good enough. By refining our work, supporting parents and families, and building teacher capacity, we are increasingly extending our impact through advocacy, training and leadership to benefit children we will never even meet.

Thank you for your generous support, and for your partnership in growing the future.

With deep appreciation,

Pyper Davis

Executive Director

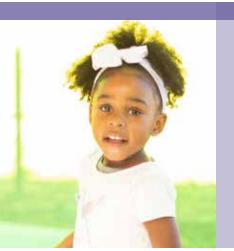


REFINING OUR WORK

TEACHING AND LEARNING

Educare DC's first and primary commitment is serving the 160 children in our classrooms. We are proud to have received exemplary Classroom Assessment Scoring System (CLASS) scores from the Office of the State Superintendent for Education (OSSE) in September 2018. CLASS is a national assessment widely valued for measuring early learning classroom quality.

These scores are the result of intentional and intensive supports we have put in place, including a Professional Learning Community for teachers, new training for coaches, and additional investments in our curriculum



CLASS SCORES EXCEEDING OUALITY THRESHOLD



Instructional Support

Classroom Organization Emotional Support



Educare DC also earned outstanding scores on the Infant/Toddler Environmental Rating Scale (ITERS), which measures the classroom environment and quality in our infant and toddler classrooms. In October 2018, we had an average of score of 5.84 for nine classrooms, an improvement from last year's score of 5.68 for seven classrooms. This means that we are maintaining and building on our quality practices. We are especially proud that two of the nine classrooms scored a 6.5 out of 7, which is remarkably high.

HEALTH AND WELLNESS

Because children must be healthy to learn and develop, Educare DC offers vital health and wellness services to our children. Our health and nutrition manager, mental health coordinator, and special education coordinator make up our comprehensive services team. Together, they coordinate developmental screenings for all 160 of our children using the Ages and Stages Questionnaire (ASQ), and provide targeted support for those children who need it.





The team also hosts on-site hearing, vision, and dental screenings, assists families with enrollment into Medicaid and WIC, works with parents and teachers to manage students' chronic conditions, coordinates on-site therapeutic services, and provides referrals to specialists when needed.

Many of Educare's children have experienced significant trauma related to the challenges of poverty. Our dedicated mental health and special education staff work with children, parents and teachers to reduce the impact of trauma and to coach adaptive behaviors to support a child's development. We continue to invest in mental health supports and trauma-informed practices as a cornerstone of our overall plan for school performance and quality.





160 children screened for developmental milestones,

hearing and vision



children had at least one area of concern or delay*



28 children went on to receive therapeutic services from our expert partners



The remaining

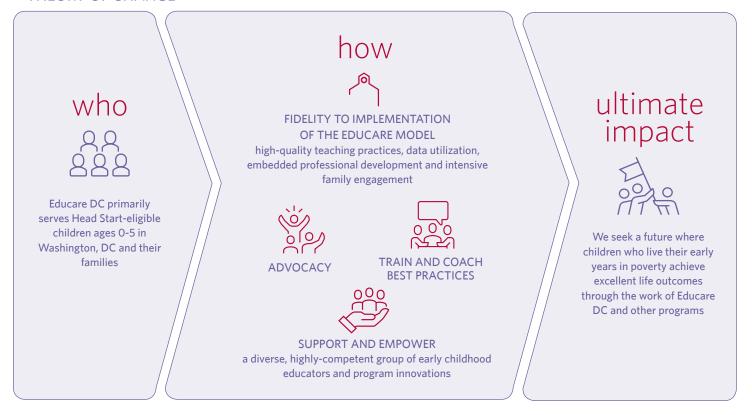
children received specialized support and instruction from our skilled teachers and staff

*3 cognitive, 3 fine motor, 6 language, 3 social-emotional, 62 children had delays in two or more areas.

THEORY OF CHANGE

Throughout 2018, Educare DC's leadership staff participated in Leading for Impact (LFI), a program led by the Bridgespan Group which helps ambitious nonprofits pursue strategic opportunities and build capacity. This two-year program combines intensive workshops and ongoing organizational coaching, which has enabled the Educare team to delve in to strategy and organizational development in a way that will strengthen Educare for many years. As part of LFI, Educare DC's leadership team worked to fully articulate and document our Theory of Change.

THEORY OF CHANGE









SUPPORTING PARENTS AND FAMILIES

Educare DC's two-generation approach is based on the principle that a child's needs should be addressed within the context of the entire family. Every Educare family is matched with a family engagement specialist, who collaborates closely with parents as partners in the education of their children. Our staff support parents in developing strong, nurturing relationships with their children and in striving towards their own personal goals. Educare DC offers access to computers, mental health supports, and support in times of crisis. We connect families to vetted community partners for financial planning, job training, and to provide assistance for families experiencing homelessness. These resources are important to ensuring that parents have what they need to create a safe and stable environment for their children and themselves

PARENT CONNECTIONS ARE GROWING*

2015-16 **14111** of parents were engaged* 2016-17 of parents were engaged 86% 2017-18 of parents were engaged

* defined as Educare DC parents who regularly have conversations with other Educare DC parents.

BUILDING COMMUNITY

Strong peer support and knowledge-sharing can make the challenging job of raising a child easier. We are proud that our families have built a connected community here at Educare, with the number of engaged parents increasing over the past three years.

PARTNERS IN SUPPORTING FAMILIES

Educare DC works with many other nonprofit organizations throughout our community. These partners share Educare's core beliefs related to child development and support for families, and each partner enhances the services we are able to offer to children and families. In 2018, we continued our work with DC Diaper Bank, which provides diapers and other meaningful personal care items to our families, and were thrilled to add a new partner, LIFT DC. LIFT DC is a nonprofit organization that works to break the cycle of poverty for families. The LIFT team provides sustained intensive financial coaching for Educare DC families, starting with eight families and increasing over the school year to 20.

Educare DC remains a pilot site for the Early Childhood Innovation Network (ECIN), which has been holding cohort-based mindfulness classes for our parents and caregivers. Over each eight-week cohort, expert facilitators guide parents through the fundamentals of mindfulness and support them as they develop their own mindfulness routines.





We are thrilled that ECIN's data, recently presented at the American Academy for Child and Adolescent Psychiatry (AACAP) annual meeting, show an increase in parent-to-parent support and mindful parenting, as well as decreases in sleep disturbance in parents, parenting-related stress, and anxiety, depressive, and trauma symptoms in parents.





"Their teachers have been phenomenal and the boys have developed really special bonds with them. Their teachers take the time to cater to each child's individual needs and they know them like the back of their hands. King can now write his own name, which is so exciting for his Dad and me."

— Patrice G, parent of King and Prince



FAMILY FUN DAYS

Four times a year we host family fun days. These school-wide events engage the whole family and are opportunities to have fun, connect as a community, and highlight additional resources that are available for our families.

Our 2018 Summer Festival was our biggest family event to date! In the morning, we hosted a Health and Wellness Expo with partners from Amerihealth and AprilMay Corporation. Fifty-five adults had their sugar, blood pressure, and height and weight screened, and 17 children had their well-baby checks on site. Over 30 community partners, including PNC and WIC, were on site to provide information to families.

Parents and staff also enjoyed "yoga with mom" and other physical activities. It was a terrific way to strengthen our existing partnerships and provide valuable health services to our children and community. In the afternoon, children enjoyed playing on a moon bounce, face painting, and carnival-themed games.

"It is a rare public-policy initiative that promotes fairness and social justice and at the same time promotes productivity in the economy and in society at large. Investing in disadvantaged young children is such a policy."

— James Heckman, Nobel Laureate In Economics

BUILDING TEACHER CAPACITY

SUPPORTING STAFF

Our focus on building community continues on the staff side with initiatives to reduce the impact of secondary trauma on staff, celebrate team and school successes, grow our positive organizational culture, and encourage greater cross-team collaboration.

We conducted an employee survey in fall 2017, and completed a second survey in fall 2018, with 85% staff participation. The 2018 survey showed progress in nearly every area compared with fall 2017, and many questions showed double-digit improvements.

We are proud that all of our investments in staff and in our school community are borne out in our staff retention data. For 2018, we had 93% retention of targeted staff and 83% overall staff retention.



89%

agree that our supervisor, or someone at work, seems to care about us a person



80%

agree that someone at Educare DC talked to us about our progress in the last six months



81%

agree that we have had opportunities at work to learn and grow over the last year







EXPANDING OUR IMPACT

ADVOCATING FOR CHILDREN

Educare DC has built a notably stronger voice as an advocate for young children in DC over the past year, and has deepened our connections and relationships with other advocacy groups across early learning, health, and mental health. We are proud to have become a resource for a number of DC council members and their staff as they consider policy that impacts vulnerable young children.

We have also engaged with different city agencies, deputy mayors, and related staff to help identify structures or programs that can be improved. Educare DC leadership, staff, and parents have testified on several pieces of legislation supporting young children in DC. For example, Educare DC's school director and an Educare DC parent testified at the DC City Council's FY19 budget hearing and a second parent submitted written testimony. In July, our family engagement supervisor and our mental health coordinator testified at a DC City Council Health Committee hearing on Adverse Childhood Experiences.

We are proud that prior advocacy contributed to the unanimous passage of the Birth-to-Three for All DC Amendment Act on June 26, 2018, which establishes several new programs and expands existing programs to support the health and development of children under three years old. In the second half of the year, we shifted focus to the implementation of the Birth-to-Three Act and to ensuring that serving low-income vulnerable children remains a top priority throughout implementation.

As a demonstration site, Educare DC is uniquely designed to host local and national leaders and policymakers. We were proud to host Dr. Deborah Bergeron at the end of 2018. Dr. Bergeron had been newly named as the Director of the Office of Head Start. We were excited for this opportunity to show off the amazing work we have done throughout the year. During her visit, Dr. Bergeron toured the school, visited several classes and with her guitar in hand, made time to have a sing-a-long with students.

As a relatively new provider in DC and with less than two years of advocacy under our belts, we feel proud to be "at the table" in important discussions about the development and education of young children.

LEARNING BREAKFAST

Our third annual breakfast on May 15 featured Dr. Eldar Shafir, a professor of behavioral science and public policy at Princeton University and co-author of Scarcity: Why Having Too Little Means So Much. We had 85 people accept our invitation—nearly double our number from last year—including early childhood experts, donors and supporters, city officials and policy makers, federal legislative staff, partner organizations, and thought leaders. One city leader said the breakfast was "the most worthwhile hour [he had] spent in a long time."







LEADERS IN THE FIELD

We are thrilled that school director, Jamal Berry was named a 2018 PBS KIDS Early Learning Champion. This new two-year program recognizes committed educators who work with young children, from infants to second graders, and offers a variety of community building, leadership and professional learning opportunities provided by PBS and member stations over the next two years.

As a PBS Early Learning Champion, Jamal has created goals with WHUT around becoming more trauma informed, and utilizing his voice to inform the community about trauma and early childhood education.

Also in 2018, Pyper Davis was selected to join the Pahara-Aspen Education Fellowship. This is a two-year, cohort-based program that identifies exceptional leaders in the educational excellence and equity movement, facilitates their dynamic growth, and strengthens their collective efforts to dramatically improve public schools, especially those serving low-income children and communities. We feel lucky that Pyper was selected as one of the few voices for early childhood education in the cohort.

"Educare DC is pushing for innovative solutions that will make high-quality early learning available to more children, including working tirelessly to ensure that educators are better supported and are recognized for their supremely valuable work"

— Wendy Goldberg, Educare DC Board Chair



REMEMBERING **ACFYSON AHMAD**

2016 - 2018

Our entire community was heartbroken by the loss of one of our youngest students in April 2018. Aceyson was a bright, playful, and friendly two-year-old, a delight to his teachers, classmates, and family. We continue to mourn his tragic and untimely death. His memory is a reminder of the tender and precious nature of our work.

SHARING BEST PRACTICES

Educare DC is committed to supporting the greater early learning community by offering high-quality trainings to local early childhood education practitioners. In 2018, we trained more than 60 early childhood educators from other DC organizations in data utilization and embedded professional development, giving teams of leaders and staff in early childhood programs the tools to support a continuous cycle of learning and collaboration in their day-to-day work.

School director, Jamal Berry, also ran a Community of Practice (COP) for local early childhood education practitioners throughout 2018. COPs are groups of people who share a concern or a passion for something they do, and learn how to do it better as they interact regularly. The goal is to help strengthen the quality of practitioners' work, connect them with resources, and to build a stronger network of quality providers. This COP was a pilot to learn which practitioners would benefit the most and how we can best support them to commit to ongoing learning. The practices of this COP have since been integrated into the COP run by the QRIS quality facilitators. We are continuing to provide training supports for that group.

"I've been to your program, as you know I've toured, and I'm blown away by the work that Educare does. I wish we could get more Educare programs in the city, because it's really a great program."

— At-Large Council-member David Grosso, Chairperson of the Committee on Education



FISCAL YEAR 2018 FINANCIAL REPORT

GELMAN, ROSENBERG & FREEDMAN CERTIFIED PUBLIC ACCOUNTANTS

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

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INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Educare of Washington, DC (Educare), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 financial statements.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Educare as of June 30, 2018, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

REPORT ON SUMMARIZED COMPARATIVE INFORMATION

We have previously audited Educare's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 13, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

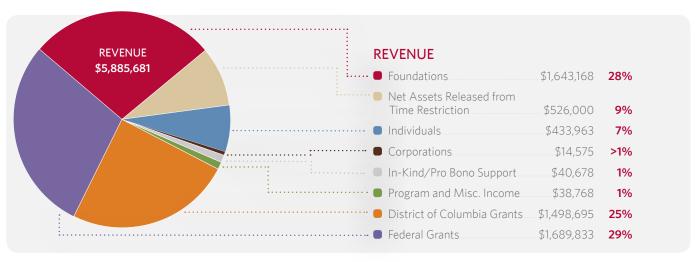
In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2018 on our consideration of Educare's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Educare's internal control over financial reporting and compliance.

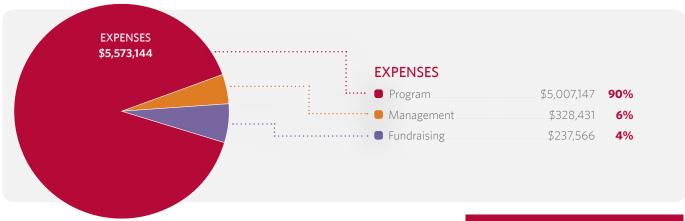
gelmen Roserbey & Freedman November 19 2018

FISCAL YEAR 2018 FINANCIAL REPORT

REVENUE AND EXPENSES SUMMARY

Fiscal year ending June 30, 2018





TOTAL NET ASSETS \$14,186,319







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