



SCHOLARSHIPS
— *for* KIDS —

2018 ANNUAL REPORT

[OUR SCHOOLS]

ANNISTON

Sacred Heart of Jesus Catholic School

BESSEMER

Bessemer Academy

BIRMINGHAM

American Academy of Young Professionals

Banks Academy

Brooklane Baptist Academy

Central Park Christian

Cornerstone Schools of Alabama

Ephesus Academy

John Carroll Catholic High School

Our Lady of Sorrows Catholic School

Our Lady of the Valley Catholic School

Spring Valley School

St. Barnabas Regional Catholic School

St. Francis Catholic School

St. Rose Academy

COLUMBIANA

Cornerstone Christian School

CULLMAN

Sacred Heart Catholic School

St. Bernard Preparatory School

St. Paul's Lutheran School

DECATUR

St. Ann Catholic School

DOTHAN

Houston Academy

Northside Methodist School

ENSLEY

Build Up - Ensley

Holy Family Catholic Academy

Holy Family Cristo Rey Catholic High School

FAIRFIELD

Restoration Academy

FLORENCE

Shoals Christian School

St. Joseph Catholic School

GADSDEN

St. James Catholic School

HOOVER

Prince of Peace Catholic School

HUEYTOWN

Brooklane Baptist School

HUNTSVILLE

The Country Day School

Grace Lutheran School

Holy Family Regional Catholic School

Holy Spirit Regional Catholic School

Huntsville Achievement School

Lincoln Academy

St. John Paul II Catholic High School

Valley Fellowship School

IRONDALE

Jefferson Christian School

LANETT

Springwood School

MADISON

Madison Academy

St. John the Baptist Catholic School

MOBILE

Faith Academy

Prichard Preparatory School

St. Luke's Episcopal School

St. Mary's Catholic School

MONTGOMERY

Alabama Christian Academy

Churchill Academy

Holy Cross Montgomery Catholic School

Montgomery Catholic Preparatory School

Montgomery Christian School

Success Unlimited

Sylvan Learning of Montgomery

Trinity Presbyterian School

Valiant Cross Academy

PELHAM

Indian Springs School

SELMA

Ellwood Christian Academy

SUMITON

Sumiton Christian School

TUSCALOOSA

The Capitol School

Holy Spirit Catholic School

Tuscaloosa Academy

HOW TO DONATE:

1 Go to myalabamataxes.alabama.gov.

2 Set up a MAT account, or sign in.

3 Click on "Report a donation to an SGO."

4 Choose SCHOLARSHIPS FOR KIDS.

5 Enter your donation amount.
(Up to 50% of your tax liability)

6 Mail your check.
You will receive confirmation by mail from
the Alabama Department of Revenue.



SCHOLARSHIPS
— for KIDS —

P.O. BOX 10204
BIRMINGHAM, AL 35202

OUR LEADERSHIP



H. Thomas Wells, Jr.
Chair

“ Scholarships for Kids offers students across Alabama strong educational options at some of the best K-12 schools in the State. Our process allows your tax dollars to develop the future leaders of our Alabama. We are responsible stewards of this program, and work every day to ensure that students under the Alabama Accountability Act are offered every opportunity to allow them to achieve the highest level of success, so that our State, our communities and our families will benefit for years to come. ”



Warren E. Callaway
Executive Director

“ Everyday, we hear stories of how Scholarships for Kids is making a difference in our State. You are the reason for the change. By exercising tax choice, you are allowing a family to exercise educational choice. It’s just that simple. There is no better full circle opportunity to serve our State than what the Alabama Accountability Act provides. The Alabama taxpayer is receiving a tax credit, the student is receiving access to quality education, and the outlook for our State becomes even brighter with every passing year. We hope you will continue with us as community partners as we grow this program to enhance the quality of life for all in Alabama. ”

WE ARE
ALABAMA.

WE ARE
SCHOLARSHIPS
FOR KIDS.

STAFF

Warren E. Callaway,
Executive Director

Tasha Jones Steele,
Director of School Relations

BOARD OF DIRECTORS

H. Thomas Wells, Jr. Chair

R. Steven Briggs, Treasurer

Betsy Bugg Holloway, Ph.D.,
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Robert Record, M.D.

Nicolas Smith, M.D., F.A.C.S.

THE FACTS

WHAT HAPPENED IN 2018?

At ten o'clock in the morning on March 1, 2018 the "countdown clock" hit zero. This was unprecedented. Only in 2017, for the first time near midnight on December 31st, did the clock wind down to zero. In year's prior, it hadn't hit zero at all.

What does "zero" mean on the countdown clock? The Alabama legislature authorizes a certain amount of tax credits under the Alabama Accountability Act. In 2013, the original legislation authorized \$25 million in total; in 2015, the legislature raised the tax credit pool to a total of \$30 million, where it stands today.

The Alabama Department of Revenue has been charged with making sure no more than \$30 million in tax credits are taken each year. The countdown clock appears unobtrusively on a page within the "myalabamataxes" (MAT) website. On January 1, of each year it is set at the maximum dollars of tax credits allowed. As taxpayers declare to make a donation to a Scholarship Granting Organization (SGO), their prorata contribution is "reserved" and taken off the clock; hence, the notion of a countdown.

In 2017, over sixty percent of Scholarships For Kids' donations were received in December (the time when taxpayers typically think about year-end tax planning). In 2018, our donation cycle came by the end of March, with around forty percent of the dollars coming from first-time donors.

WE ARE COMMUNITIES, SUPPORTING COMMUNITIES.

Why the rush? The federal Tax Cuts and Jobs Act which was signed into law on December 22, 2017, created a tax loophole that allowed taxpayers who's total state and local tax bill was in excess of \$10,000 to benefit by making a donation to an SGO. This provision is the so-called SALT limitation. Realizing this opportunity, tax professionals advised their clients to make a donation to receive a positive impact on their federal tax returns. Not surprisingly, the IRS realized this loophole had a negative effect on the intent of the Tax Cuts and Jobs Act and in August, proposed to close the loophole.

While it appears a taxpayer will no longer benefit from making a tax credit donation to an SGO, it still costs the taxpayer nothing to donate. In other words, a donor is simply redirecting what would have been a state tax expense to an SGO like Scholarships for Kids with the belief that children across Alabama will benefit from the educational opportunities provided by the scholarships.

Please be sure to give again in 2019!

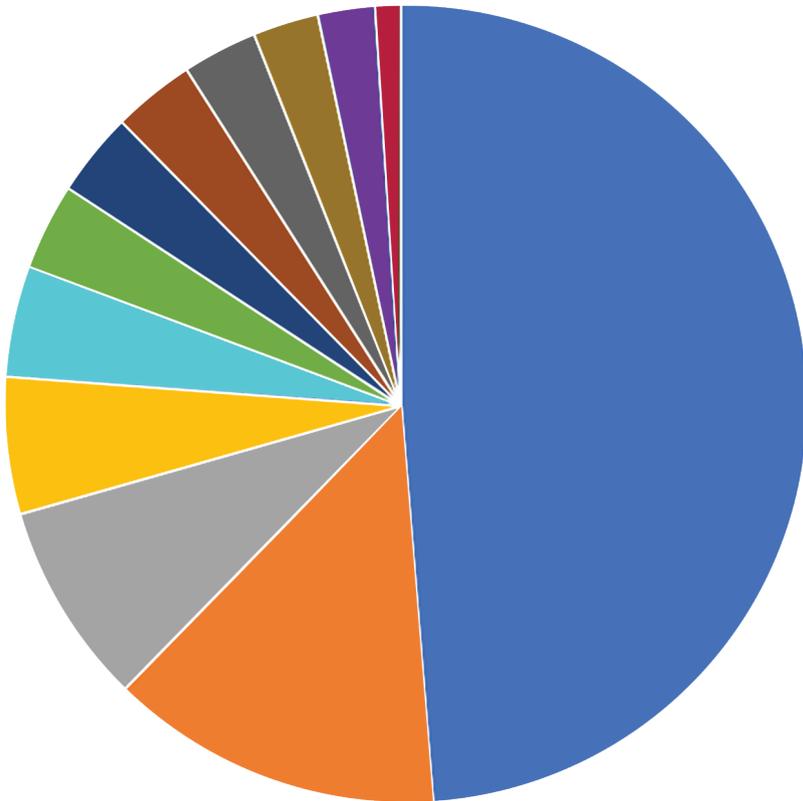
"Your tax dollars are put to excellent use.

The decision to donate to this foundation allows children with great potential, to have access to opportunities they may otherwise not have been afforded. Your donations connect disadvantaged kids to a whole new world of adventure and success.

Thank you."

**-Eve Brackin,
Mother of Matthew Brackin,
Northside Methodist School, Dothan**

OUR STUDENTS



- Birmingham 49%
- Huntsville 14%
- Montgomery 8%
- Mobile 6%
- Cullman 5%
- Gadsden 3%
- Tuscaloosa 3%
- Dothan 3%
- Selma 3%
- Florence 3%
- Anniston 2%
- Other 1%

SCHOLARSHIPS BY AREA



100%

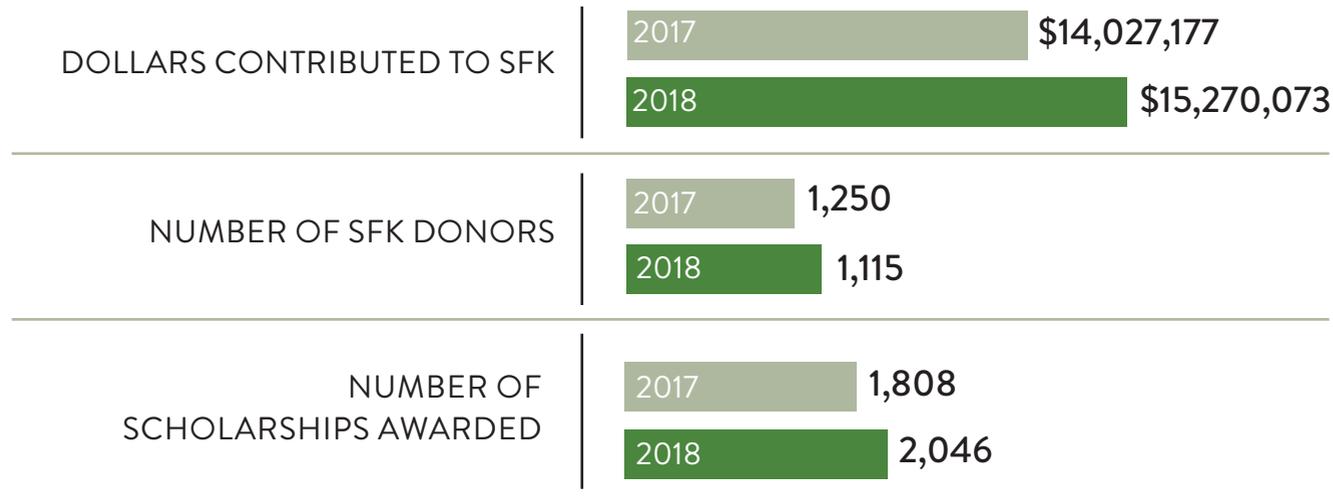
of dollars dispersed by Scholarships for Kids to Alabama's students are donated by you, Alabama's taxpayers.



OUR DONORS

Donations made in a calendar year are set aside for the following academic year scholarships. These time periods do not overlap. No less than 95% of donations are restricted and must be used for scholarships; if the funds are not expended by the end of the academic period, the unexpended funds must be returned to the Alabama Department of Revenue. Scholarships for Kids has not had to return any unexpended funds in any time period since its inception.

IN 2017, AVAILABLE TAX CREDITS WERE NOT EXHAUSTED UNTIL DECEMBER 31. IN 2018, ALL DOLLARS WERE CLAIMED BY MARCH 1.



DONOR HISTORY

	NUMBER OF DONORS	TOTAL DOLLARS DONATED
2013	753	\$6,345,343
2014	650	\$12,145,367
2015	981	\$9,870,680
2016	1,065	\$10,741,864
2017	1,250	\$14,027,177
2018	1,115	\$15,270,073

AVERAGE HOUSEHOLD INCOME OF SCHOLARSHIP RECIPIENTS:

\$23,124

PERCENT OF DONATIONS USED FOR OPERATIONS:

4.37%

TOTAL TAX CREDITS AVAILABLE:

\$30,000,000

OUR FINANCIALS

Statement of Financial Position December 31, 2017

	Unrestricted	Temporarily Restricted	Total
Assets			
Cash	\$815,685	\$16,336,760	\$17,152,445
Certificate of deposit	-	\$503,584	\$503,584
Scholarship donations receivable	-	\$1,765,130	\$1,765,130
Other receivables	-	\$2,363	\$2,363
Total assets	\$815,685	\$18,607,837	\$19,423,522
Liabilities & Net Assets			
Liabilities			
Accounts payable & accrued expenses	\$40,346	-	\$40,346
Total liabilities	\$40,346	-	\$40,346
Net assets	\$775,339	\$18,607,837	\$19,383,176
Total liabilities & net assets	\$815,685	\$18,607,837	\$19,423,522

	Unrestricted	Temporarily Restricted	Total
Support & Revenue			
Scholarship donations	-	\$14,027,177	\$14,027,177
General donations	\$21,184	-	\$21,184
Interest income	\$877	\$35,084	\$35,961
Net assets released from restriction:			
Scholarships	\$10,023,224	\$(10,023,224)	-
Administration	\$701,358	\$(701,358)	-
Total support & revenue	\$10,746,643	\$3,337,679	\$14,084,322
Expenses			
Program services:			
Scholarships	\$10,023,224	-	\$10,023,224
Other program services	\$355,388	-	\$355,388
Supporting activities	\$141,368	-	\$141,368
Total expenses	\$10,519,980	-	-
Change in Net Assets	\$226,663	\$3,337,679	\$3,564,342
Net assets - beginning of year	\$548,676	\$15,270,158	\$15,818,834
Net assets - end of year	\$775,339	\$18,607,837	\$19,383,176

[OUR FUTURE

THIS IS WHY.



PARKER DUNCAN
Trinity Presbyterian School

Parker Duncan is one of Alabama's great role models in the making. His positive outlook, his willingness to try new things and his smarts, make him a natural born leader. "I'm not sure what I want to be when I grow up, but I want to be someone who makes an impact on society and the world around me. I want to be something great. My teachers and coaches at Trinity lead me, and I know that if I take their ideas to heart and work hard, I can achieve my goals." Parker is one of the Alabama Accountability Act's first scholarship recipients. He received his first scholarship from Scholarships for Kids in 2013 to attend Montgomery Christian School. "I have the best memories from Montgomery Christian. It was a small school, so I basically knew everyone. They shaped who I am, taught me to speak correctly, how to articulate my words and use manners. I am forever grateful for what they have done for me." Parker served as the 2017-2018 president of Trinity's Student Government Association. He also works with Change for Change, a program where students give coins to people in need. He played on the football and tennis teams and won the Team Captain award in football.

“ I love the atmosphere of Trinity Presbyterian School. The way things are done here changes the way you act and feel. When I walked through the doors for the first time, I felt an amazing source of comfort and relief. I felt at home and it was an amazing moment in my life. I still love the way that feels, even now, three years later. It wasn't hard to fit in honestly. I just found out who the people were who were like me. ”

- PARKER DUNCAN

2018 SENIOR STANDOUT



MATTHEW PHILIP BRACKIN
Attending: Wallace Community College

Advanced Diploma, Salutatorian, Honor Graduate, Member of the American Christian Honor Society, Presidential Award for Academic Excellence, Band - 1 year, Soccer - 1 year, Tennis - 2 years, Football - 1 year, offered scholarships to Huntingdon College and Troy University, accepted a full academic scholarship from Wallace Community College, applying for scholarship to South Alabama's Pre-Med Program, 300 Community Service Hours

WE TAKE THE
RESPONSIBILITY
OF PLANNING
FOR THE FUTURE
LEADERS OF OUR
STATE VERY
SERIOUSLY.



Ellwood Christian Academy
Selma, AL

THE RIGHT CHOICE

Ms. Roslyn Humphrey Farris is an exceptional educator. She has taught for 38 years in the public school system and is in her sixth year of teaching at Ellwood Christian Academy. A graduate of the University of Alabama with a B.S. and M.A. in Special Education and a minor in Psychology and English, and an inductee to the International Honor Society for Education, Kappa Delta Pi—education runs through her veins.

At Ellwood, Roslyn teaches reading and serves as the Director of Curriculum with a mission to deliver students a well-rounded program in a Christian based environment. Ellwood's small faculty and small class sizes—10 students on average—are of great benefit to the students. "In the public school system, students and teachers face many challenges," explains Farris. "Because of the larger class sizes, students may miss out on the individualized attention which helps to establish a bond with their teachers." At Ellwood, which currently serves K through 12th graders, teachers are often able to teach the same students for more than one year.

"By the second or third year, they know my expectations and I've developed an alliance with my parents which results in improved communication between home and school."

Roslyn shares that there are also challenges that many teachers face, "There are unrealistic expectations placed on teachers due to high stakes testing, and frequent testing often results in lost learning time. This has caused great despair among so many public school teachers who have a love of teaching and the development of young minds. There is a sense of frustration and a feeling of failure."

Roslyn stresses that education is not only about the work, but about the environment in which students learn. "We open our doors to all students, regardless of their circumstances and conditions and offer them an education in a nurturing, safe and Christian environment. We encourage and support students, who have sometimes found education unfriendly and uncool. We give them a second chance to love school and look forward to a bright future."

No one school, curriculum, environment or program fits the needs of all students. Many families simply need another choice for their children. When asked to share insight about a life impacted, "A young man whose parents would not have been able to afford private school tuition was able to attend our school through the Alabama Accountability Act. His parents were always active in his education and a positive asset to our school. I had the honor of teaching him for three years and I was able to witness the 9th grader, who was quiet and uncertain about many things grow into a class leader." The young man is pursuing an engineering degree at Tuskegee University.

“Teaching in either public or private is not for the weak, you must be strong and committed to the job incessantly,” Farris says.

“If one is not committed, the students are the first to know and will suffer the most.”



Ms. Roslyn Humphrey Farris
Ellwood Christian Academy, Selma, AL

OUR ACCOUNTABILITY ACT

(AAA) ALABAMA ACCOUNTABILITY ACT

A state sponsored program that allows YOU, the Alabama taxpayer, to redirect up to 50% of your tax liability to Scholarships for Kids and receive a dollar for dollar tax credit.

WHO BENEFITS FROM THESE SCHOLARSHIPS?

Income eligible K-12th grade students are able to attend a qualifying school of their parents' choice. We partner with quality schools to ensure that students are receiving a quality education, and an education that fits their individual needs.

The AAA reserves \$30 million dollars annually in tax credits for Alabama taxpayers to take advantage of this opportunity. 100% of dollars awarded to Scholarships for Kids students are donated by in-state taxpayers.

FACTS ABOUT THE HEALTH OF THE EDUCATIONAL TRUST FUND (ETF)

- Since FY2014 the ETF has increased each year and is currently awarding 11.7% more funds in FY2019 to public school districts across the State than it did in FY2014.
- During that same time period, the overall enrollment in public schools has declined by 1.1% from 739,295 children to 730,925 children. This means that state funds allocated to school districts has grown from \$5,275 per student in FY2014 to \$5,959 per student in FY2019, an increase of 13%.
- During the same time period the Accountability Act has allowed \$146,617,919 in tax credits to go toward funding scholarships for children. The ETF State allocations has totaled \$24,672,796,886. Accountability Act spending accounts for 0.59% of education spending in the State.



DID YOU KNOW?

THE AVERAGE COST FOR A STUDENT TO ATTEND A PUBLIC SCHOOL IN ALABAMA WAS \$9,213 IN 2017.

*(Source: ALSDE Quick Facts)

AVERAGE SCHOLARSHIP AMOUNT AWARDED BY SFK:

2017-2018:

\$5,889.66

2018-2019:

\$6,600.00

MISSION • VISION • VALUES

To support education and educational opportunities. We provide scholarships to children from lower income families to attend private K-12 schools of their parents' choice. We emphasize the importance of parents investing.

To develop a consistent and reliable fundraising process that allows for a consistent number of scholarships to be awarded annually to students in our partner schools.

We will endeavor to achieve the highest possible impact with the funds we handle. We will accomplish this with efficiency, with transparency, and with accountability to all our constituencies.



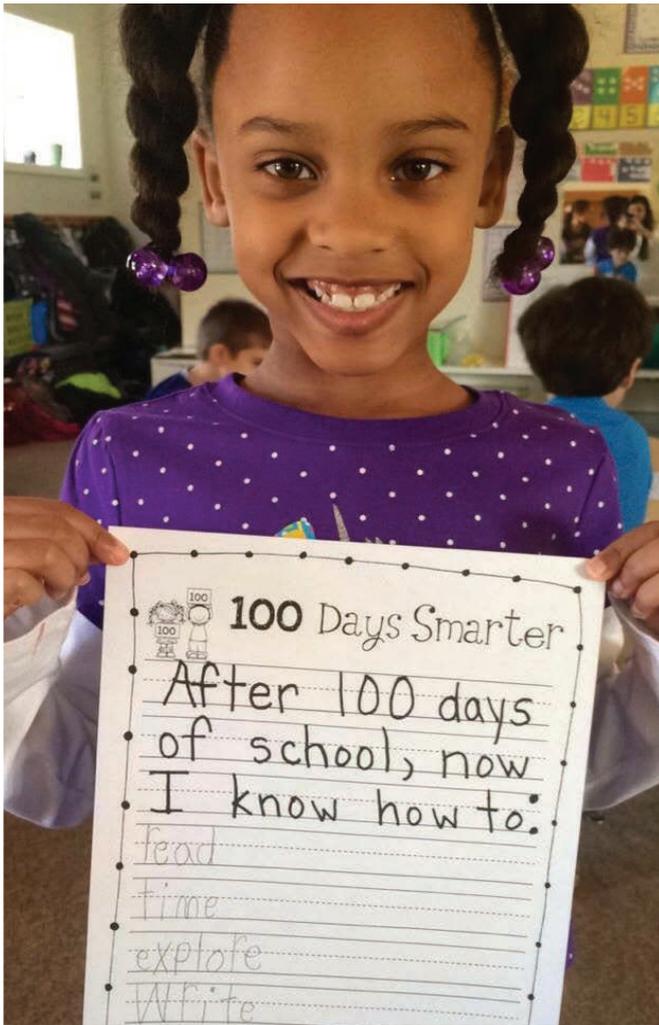
Tasha Jones Steele
Director of School Relations



Children want to learn, and many are capable of achieving more if provided resources best suited for each individual child. Scholarships for Kids is expanding the learning opportunities for children who have few alternate options.

- TASHA JONES STEELE





SCHOLARSHIPS
— for **KIDS** —

SCHOLARSHIPSFORKIDS.ORG
P.O. BOX 10204 • BIRMINGHAM, AL 35202

