A PROMISE
from the heart

2017 ANNUAL REPORT

Children’s Home Society
OF NORTH CAROLINA
<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clients Served</td>
<td>17,862</td>
<td></td>
</tr>
<tr>
<td>Children in Foster Care to Permanency</td>
<td>801</td>
<td>92% of those leaving our care had only one placement</td>
</tr>
<tr>
<td>Children in Child Specific Recruitment</td>
<td>322</td>
<td>68% completing care found adoptive families</td>
</tr>
<tr>
<td>Youth in Wise Guys</td>
<td>4,806</td>
<td>83% of those completing testing after six months reported increased communication with their parents about sexual-decision making</td>
</tr>
<tr>
<td>Children in Intensive Family Preservation</td>
<td>775</td>
<td>97% remained with their biological families after one year</td>
</tr>
</tbody>
</table>

2017 Impact:

- 17,862 clients served
- 801 children in foster care to permanency
- 322 children in child specific recruitment
- 4,806 youth in Wise Guys
- 775 children in intensive family preservation

Total clients served: 17,862
Total children in foster care to permanency: 801
Total children in child specific recruitment: 322
Total youth in Wise Guys: 4,806
Total children in intensive family preservation: 775
A PROMISE FROM THE HEART.

Children’s Home Society of North Carolina has made a promise – a promise to promote the right of every child to a permanent, safe, and loving family. This is a promise that comes not only from the hearts of our dedicated staff, but from our committed volunteers, donors, and community partners.

The struggles and issues in North Carolina are real. Today, there are more than 11,000 children living in foster care, a number that has grown more than 25% in the past five years alone. While we were pleased to serve nearly 18,000 children and families last year, the reality is that we need to do more. Our promise requires us to do more.

Children’s Home Society is striving to do more, through innovation, through investment in proven programs, and through advocacy. Innovation through programs like our award-winning male responsibility and teen pregnancy prevention program Wise Guys, which touched the lives of over 4,800 young men last year. Investment in proven programs like Child Specific Adoption Recruitment, where the longest waiting children in foster care are three times more likely to be placed for adoption. And advocacy on the local, state, and national level.

Thank you so much for your support and all that we accomplished together in 2017. Going forward, we need your support and involvement more than ever. Children are counting on us. Families are counting on us. Our promise is important.

Our very best,

Ginni Lineberry
Chair, Board of Trustees

Brian K. Maness
President & CEO

FINANCIALS

Consolidated Statement of Activities
For the Year Ended June 30, 2017.

REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Contracts</td>
<td>$14,209,826</td>
</tr>
<tr>
<td>Private Contributions</td>
<td>4,375,547</td>
</tr>
<tr>
<td>Grants from Private Foundations</td>
<td>5,441,884</td>
</tr>
<tr>
<td>United Way Support</td>
<td>349,962</td>
</tr>
<tr>
<td>Program Fees</td>
<td>476,900</td>
</tr>
<tr>
<td>Events</td>
<td>197,375</td>
</tr>
<tr>
<td>Investment Income</td>
<td>473,568</td>
</tr>
<tr>
<td>Other Income</td>
<td>1,357</td>
</tr>
<tr>
<td>Total Public Support, Revenue (Expense)</td>
<td>$25,835,581</td>
</tr>
</tbody>
</table>

EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>$5,651,541</td>
</tr>
<tr>
<td>Foster Care</td>
<td>3,315,635</td>
</tr>
<tr>
<td>Adoption</td>
<td>3,176,209</td>
</tr>
<tr>
<td>Family Support</td>
<td>2,801,621</td>
</tr>
<tr>
<td>Education</td>
<td>1,844,975</td>
</tr>
<tr>
<td>Family Finding</td>
<td>1,584,319</td>
</tr>
<tr>
<td>Total Program Services</td>
<td>$16,789,981</td>
</tr>
</tbody>
</table>

Net income is the result of multi-year investments in CHS’s four-year strategic plan and Promise of Family Campaign.
Family is precious and fight for what you believe and who you love.”

THE SAVAGE FAMILY

CHS’s Intensive Family Preservation program helps families like the Savages increase their family’s strengths, enhance their children’s development, and remain together.

99% of family education clients felt better prepared to handle future issues in their families.

$15.2 million saved for the state of North Carolina by keeping children with their biological families.
My instructor was very beneficial. He brought the perfect amount of information and humor for a productive environment. I learned a lot about other people and myself. Wise Guys is one of the courses I will value most coming out of high school.”

WILLIAM MILLER

“I’m a firm believer that people should consider adopting older children. They want to be loved and accepted. That’s what everybody wants. They deserve a chance in life, an opportunity to have a future and a forever family. I believe that with my whole heart. It’s so sad they were thrown a curve ball.”

JONI MORRIS

Youth aging out of foster care face more struggles in early adulthood:

- Absence of Mentorship
- Early Parenthood
- Homelessness
- Incomplete Education
- Substance Abuse
- Incarceration
- Unemployment
- Health Issues

CAPTURING HEARTS

Older Adoption

Percentage increase in youth aging out of foster care in North Carolina in 2016 compared to 2015. Highest numbers since mid-2000.

10.4%

19%

of CHS adoptions placed teenagers.
STRENGTHENING HEARTS
Foster Care

“This is what I tell my children about being a foster family. These children’s mom and dad aren’t able to take care of them right now. They have issues they are working through, and while they can’t take care of them, we are going to welcome them into our home. We’re not their parents, but we are going to love these kids and take care of them while their parents are improving their lives.”

SALLIE HARRELL, RN – NICU

70% of children in foster care who participated in CHS’s Family Finding program established life-long connections.

400+ children are in CHS Foster Care on any given day.

YOUNG AT HEART
Adoption

“Twenty years ago, we completed our foster care classes. We never imagined that we would become parents for a three and four-year-old at this stage of our lives. After adopting four wonderful children we feel truly fortunate. I know we couldn’t have done this without the care and support from the social workers and staff at Children’s Home Society. We are truly grateful!”

DEBBI AND STEVE CAUSEY

178 adoptive placements were completed last year, far more than any other private agency in the state.
Thank you to the Crawford family for supporting CHS in many ways. Emily created the child-drawn artwork for our holiday card, and Gio raised $600 for the Little Red Stocking Fund by selling baked treats. Adoptive mom and dad, Mary and Morgan, are donors to CHS, and Mary is on our Triangle Community Leadership Council.

Thanks to our generous supporters, 16,000 children have found permanent, safe, and loving families since 1902.

“The reason we support CHS is that they make it possible for the dream of a forever family to come true for children like Emily and Gio, and for parents like us. CHS has given us our family and given family to so many others. We want to give back.”

MARY AND MORGAN CRAWFORD

Supporters

40% of CHS’ funding comes from individual, corporate, and foundation contributions.
MISSION
To promote the right of every child
to a permanent, safe, and loving family.

VISION
To be a leader in transforming families
and communities so children can thrive.

CORE VALUES
Compassion
Integrity
Excellence
Innovation

* Life Member