

Cooperative for Education (CoEd)



Breaking the Cycle of Poverty in Guatemala through Education

2017 Annual Report

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By working together across multiple countries and organizations, we've been able to have a tremendous impact on the quality of education in Guatemala. *Monte Cristo, February 2017.*

As we celebrate the conclusion of another year and reflect on all we've accomplished, it strikes us just how important supporters like YOU were to all of our successes in 2017. After celebrating our 20th anniversary in 2016, we're launching into the next two decades in a big way, poised for major growth in a number of areas. But none of these would be possible without the support of partners who care about kids in Guatemala just as much as we do.

Celebrating Longstanding Partnership

If you've been reading these reports for a while, you may recall that we owe the seeds of our very first program expansion—more than 20 years ago—to the members of the worldwide service organization Rotary International, who noticed the potential in our first textbook school model, and the Rotary clubs who chipped in to help bring the program to other schools. Over the years, this network of CoEd and Rotarians with an interest in improving education in Guatemala, known as the Guatemala Literacy Project (GLP), has grown to include 546 Rotary clubs and 75 districts in 8 countries. While Rotary funds traditionally cover the hard costs, like books and computers, we rely on our network of foundation and individual supporters to help

ensure that the programs are delivered in a comprehensive, sustainable way. This results in a perfect marriage that has had a lasting impact in Guatemala:

- We've established **sustainable Textbook Programs in 193 schools**, including 13 new schools in 2017. More than 26,000 students study with CoEd textbooks every day. And this February, our 2018 deliveries will increase that number by 1,400 students in 10 schools.
- We've set up **45 state-of-the-art Computer Centers**, serving more than 12,000 students. Two of these centers were established during 2017, and we'll inaugurate an additional two centers this February, providing almost 800 more students with highly marketable technological skills.
- We've **trained 500+ primary-school teachers through the Culture of Reading Program (CORP)**, equipping them with the literacy instruction tools to help nearly 15,000 children develop a love of reading and learning every day. During 2017, we worked with over 150 teachers in 40 schools, and in the upcoming year, we'll bring 84 new teachers into the CORP family.

Partnering for Steady Expansion

The educational programs described above remain the core of our services, and we're committed to growing them steadily in the coming years. One major boon to this growth is our current GLP partnership, which is stronger than ever, combined with our relatively new partner north of the border, Canadian Friends of Cooperative for Education. In the past year, our GLP partners led the charge in raising \$153,000 from Canadian clubs and districts alone. Thanks to matching funds from the Government of Canada and Rotary International, we're now in the process of submitting our largest Global Grant ever, for nearly \$700,000! Once approved by The Rotary Foundation, these funds will support the projects being delivered in 2019.

The 35 new Canadian clubs joining the GLP this year aren't the only thing to brag about. We're dramatically increasing our visibility across the Rotary world. In the past year, we participated in a forum panel at the national Rotary convention in Atlanta, and even more impressively, hosted the President of Rotary International and his wife on a visit to our Education Center campus during their trip to Guatemala. As a result, we doubled our network of Rotary clubs in Guatemala.

Magnifying Our Programs' Impact

Despite the impressive results these programs have had—such as 95% of Computer Center graduates going on to find jobs or further their education—we are committed to finding new ways to increase positive change in Guatemala. For example, we know that



Joe gives the thumbs up to the new laptop lab model the Computer Centers Program team developed to best meet the needs of the new 2017 schools. *Chitay Las Rosas, February 2017.*



Beneficiaries of the Scholarship and Youth Development Program greet Rotary International President Ian Riseley and his wife Juliet during a visit to CoEd's Education Center in Guatemala. *San Lucas Sacatepéquez, August 2017.*

there are still kids in our program communities who are being left behind. Kids who, despite the love of learning they gained through CORP, can't afford to go on to middle school and get the benefit of CoEd textbooks and computers. That's why our Scholarship and Youth Development Program provides the perfect opportunity for growth that complements the work of all of our other three programs.

CoEd scholarships target the kids who are most at risk of dropping out, who despite good academic performance would never be able to afford to enroll in middle school. These kids deserve the same opportunities—not just as their peers, but as our kids here in the U.S. That's just one of the reasons behind the massive expansion of the Scholarship and Youth Development Program—otherwise known as the Thousand Girls Initiative that you've heard so much about in the past two years.

Another reason is that in poor families in Guatemala, all too commonly, the girls are pulled out of school first. According to the World Economic Forum's 2017 Global Gender Gap Report, Guatemala ranks the worst in all of Latin America on progress toward gender parity, and also ranks lower than countries such as India and most of sub-Saharan Africa. Clearly, there's a long way to go, but our Thousand Girls Initiative provides a place to start. It starts by reaching the most at-risk kids and keeping them in school. It starts by targeting mainly girls, in an effort to even the playing field. It starts by providing them with the skills and the self-confidence to demand equality, now and throughout their lives. It starts by creating a generation of educated women who will lead the way forward for all of Guatemala.

Believing in Each Other

Embarking on the Thousand Girls Initiative has taken us on a journey of massive growth. In 2017, we provided scholarships and youth development activities to 353 students in 8 communities. This represents a nearly 300% increase over the number of students the program served five years ago. We're taking another massive leap forward in 2018, growing to 13 communities and 546 students. This dramatic growth means asking our supporters to step up in a BIG way, to take on sponsoring more students than ever before. There is still much to be done, but we're grateful for how many kids we've reached so far, thanks to your belief that **these kids deserve an education.**

And, as you show these students how much you care about their futures, something magical happens. They develop the values of living in solidarity with OTHERS. So your support is not only helping these kids, it's benefiting entire communities. Not only do students design and carry out community service projects during their time in the program, they also go on to live these values for the rest of their lives. Program graduate Tiofila, for example, graduated with a degree in computers, and got a job teaching at



Thanks to the opportunity she was given by the Scholarship and Youth Development Program, Tiofila is living a life of service. Read her full story at www.cooperativeforeducation.org/tiofila. Sacatepéquez, August 2016.

her town's elementary school. But when she saw a need in her community for basic medical care, she went back to school to train as a nursing assistant. Now, she offers care to people in her community, allowing them to pay whatever they can. She does this work because she really values living "in solidarity with others—giving without expecting anything back." And none of this would have been possible without the sponsor who believed in

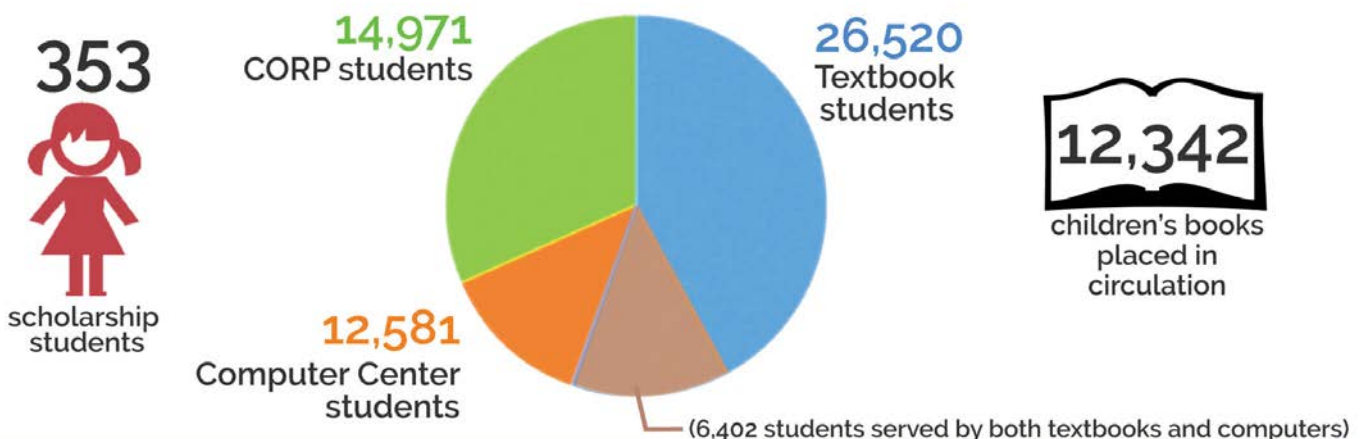
Tiofila, who, without expecting anything in return, kept her in school and enabled her to become her best self through education.

Thank YOU for believing in students like Tiofila, for believing in the value of our work, for believing that we are all on this journey together. We are all better when we work together, and we look forward to many more years of partnering to produce positive change in Guatemala.

Yours in service,

Joe Berninger, Executive Director

How Your Support Made a Difference in 2017





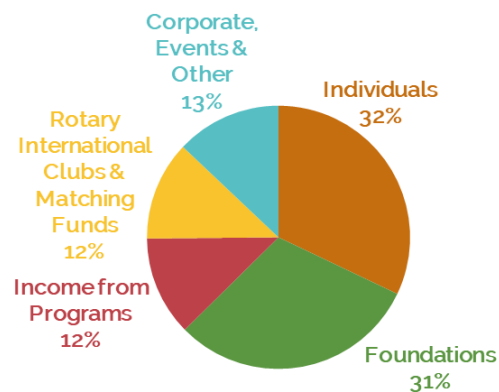
Financial Highlights

(January 1, 2017 – December 31, 2017)

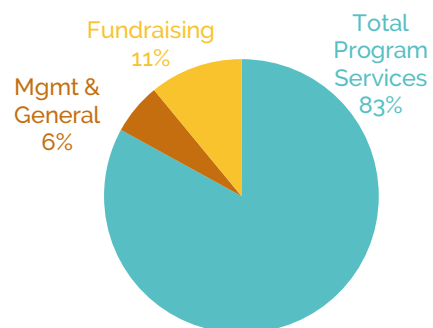
ANNUAL REVENUE 2017	Jan. – Dec. 2016	Jan. – Dec. 2017
Individuals	\$608,384	\$1,042,718
Foundations	\$1,623,668	\$992,909
Income from Programs	\$526,834	\$397,944
Rotary International Clubs & Matching Funds	\$438,129	\$396,602
Corporate, Events & Other	\$271,812	\$420,772
TOTAL REVENUE	\$3,468,827	\$3,250,945

ANNUAL EXPENSES 2017	Jan. – Dec. 2016	Jan. – Dec. 2017
Program Services		
Textbook Cooperatives	\$606,720	\$466,304
Computer Centers	\$506,654	\$480,461
CORP	\$439,065	\$521,603
Youth Development Program	\$337,235	\$414,071
Direct Education (Bridges Program)	\$736,102	\$999,895
Partnerships & Special Projects	\$181,074	\$111,488
Total Program Services	\$2,806,850	\$2,993,822
Mgmt & General	\$117,944	\$217,583
Fundraising	\$305,471	\$394,782
Total Support Services	\$423,415	\$612,365
TOTAL EXPENSES	\$3,372,890	\$3,606,187
Contribution to Net Income	\$95,937	(\$355,242)

Annual Revenue 2017



Annual Expenses 2017



Note to Financials

Although our 2017 financials show a deficit, there are three main explanations, described below. Much of this deficit is due to one-time transitions:

- In 2017, we hired a new CFO. As is common with a new CFO at the helm, some financial and accounting restructuring and improvements are to be expected. (For example, our financials are now presented on the accrual basis, which dramatically impacts when revenue and expense items hit the books, as well as how assets and liabilities are tracked.) These adjustments account for more than half of the deficit, but this money didn't actually move around— we're just accounting for it differently now. You won't see this apparent decrease again now that we're past the transition to accrual basis.
- Secondly, income was lower than projected due to an unexpected \$100,000 decrease from one of our major foundation funders.
- Finally, in 2017, we transitioned to our new Education Center. Once we moved, there were some expenses that we could not have anticipated (such as the need for a new drainage system). However, we did raise funds in 2015-16 (shown as a surplus in previous years) to cover these types of expenses.

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