

**TEACH OUR CHILDREN FUND, INC.
dba Fort Wayne Center for Learning**

Financial Statements

For the years ended June 30, 2017 and 2016

**TEACH OUR CHILDREN FUND, INC.
dba FORT WAYNE CENTER FOR LEARNING**

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INDEPENDENT AUDITOR'S REPORT

To the Board Members of
Teach Our Children Fund, Inc.
dba Fort Wayne Center for Learning

We have audited the accompanying financial statements of Teach Our Children Fund, Inc. (a nonprofit organization) dba Fort Wayne Center for Learning, which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years 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. 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.

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 financial statements referred to above present fairly, in all material respects, the financial position of Teach Our Children Fund, Inc. as of June 30, 2017, and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Roger Sipe CPA Firm, LLC
Roger Sipe CPA Firm, LLC

Fort Wayne, Indiana
September 29, 2017

TEACH OUR CHILDREN FUND, INC.
dba FORT WAYNE CENTER FOR LEARNING

Statements of Financial Position
June 30, 2017 and 2016

	2017	2016
CURRENT ASSETS		
Cash	\$ 126,212	\$ 128,611
Certificates of Deposit	24,977	75,037
Grants Receivable	10,000	6,500
Accounts Receivable - Program Fees	26,527	30,662
Total Current Assets	187,716	240,810
PROPERTY AND EQUIPMENT		
Furniture and Fixtures	16,629	26,746
Office Equipment	4,732	4,732
Less: Accumulated Depreciation	(19,756)	(28,645)
Total Fixed Assets	1,605	2,833
OTHER ASSETS		
Certificates of Deposit	50,017	-
Marketable Securities	11,642	11,479
Grants Receivable	10,000	-
Total Other Assets	71,659	11,479
Total Assets	\$ 260,980	\$ 255,122
CURRENT LIABILITIES		
Accounts Payable	\$ 214	\$ 178
Accrued Liabilities	12,573	21,807
Deferred Income	2,270	1,940
Total Current Liabilities	15,057	23,925
Total Liabilities	15,057	23,925
NET ASSETS		
Temporarily restricted	30,547	-
Unrestricted	215,376	231,197
Total Net Assets	245,923	231,197
Total Liabilities and Net Assets	\$ 260,980	\$ 255,122

See Independent Auditor's Report and Notes to Financial Statements.

**TEACH OUR CHILDREN FUND, INC.
dba FORT WAYNE CENTER FOR LEARNING**

**Statement of Activities
Year Ended June 30, 2017**

	Unrestricted	Temporarily Restricted	Total
REVENUE			
Contributions	\$ 22,618	\$ 7,013	\$ 29,631
Grants	57,179	20,000	77,179
Special events	17,581	-	17,581
Program fees - instruction	240,187	-	240,187
Tuition assistance	(73,507)	(1,455)	(74,962)
In-kind contributions	67,305	-	67,305
Miscellaneous	309	-	309
Interest earned	933	-	933
Dividends	358	-	358
Unrealized gain (loss) on investments	(423)	-	(423)
Total revenue	332,540	25,558	358,098
EXPENSES			
Program services	274,849	-	274,849
General and administrative	50,637	-	50,637
Fundraising	17,886	-	17,886
Total expenses	343,372	-	343,372
Change in net assets from activities	(10,832)	25,558	14,726
CHANGE IN NET ASSETS			
Net assets released from restrictions satisfaction of donor restrictions for:			
Programs services	-	-	-
Board directed restriction on net assets	(4,989)	4,989	-
Change in temporarily restricted net assets	(4,989)	4,989	-
Change in net assets	(15,821)	30,547	14,726
NET ASSETS BEGINNING OF YEAR	231,197	-	231,197
NET ASSETS END OF YEAR	\$ 215,376	\$ 30,547	\$ 245,923

See Independent Auditor's Report and Notes to Financial Statements.

TEACH OUR CHILDREN FUND, INC.
dba FORT WAYNE CENTER FOR LEARNING

Statement of Activities
Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Total
REVENUE			
Contributions	\$ 42,680	\$ -	\$ 42,680
Grants	58,500	-	58,500
Special events	11,482	-	11,482
Program fees - instruction	259,947	-	259,947
Tuition assistance	(73,134)	-	(73,134)
In-kind contributions	68,475	-	68,475
Miscellaneous	1,187	-	1,187
Interest earned	804	-	804
Dividends	304	-	304
Unrealized gain (loss) on investments	861	-	861
	371,106	-	371,106
EXPENSES			
Program services	265,268	-	265,268
General and administrative	52,028	-	52,028
Fundraising	17,268	-	17,268
	334,564	-	334,564
Change in net assets from activities	36,542	-	36,542
CHANGE IN NET ASSETS			
Net assets released from restrictions satisfaction of donor restrictions for:			
Programs services	1,200	(1,200)	-
Board directed restriction on net assets	-	-	-
	1,200	(1,200)	-
Change in net assets	37,742	(1,200)	36,542
NET ASSETS BEGINNING OF YEAR	193,455	1,200	194,655
NET ASSETS END OF YEAR	\$ 231,197	\$ -	\$ 231,197

See Independent Auditor's Report and Notes to Financial Statements.

**TEACH OUR CHILDREN FUND, INC.
dba FORT WAYNE CENTER FOR LEARNING**

**Statement of Functional Expenses
Year Ended June 30, 2017**

	Program Services	Management and General	Fundraising	Total
PROGRAM SERVICES				
Personnel Expenses:				
Salaries and wages	\$ 154,357	\$ 25,079	\$ 13,362	\$ 192,798
Payroll taxes	12,090	1,855	983	14,928
Benefits	27,155	4,010	2,311	33,476
Payroll processing	706	115	56	877
Total personnel expenses	194,308	31,059	16,712	242,079
Building/Occupancy Expenses:				
Rent expense - in-kind	56,763	10,017	-	66,780
Repairs and maintenance	1,534	271	-	1,805
Technology	3,486	615	-	4,101
Telephone	1,883	332	-	2,215
Total building/occupancy expenses	63,666	11,235	-	74,901
Other Expenses:				
Advertising and marketing	1,714	-	-	1,714
Bad debts	-	-	-	-
Bank service charges	1,403	248	-	1,651
Depreciation	1,044	184	-	1,228
Dues and subscriptions	-	45	-	45
Insurance	5,360	946	-	6,306
Miscellaneous	-	137	-	137
Office supplies	1,815	320	-	2,135
Postage and shipping	332	59	-	390
Program supplies	1,975	-	-	1,975
Professional development	665	-	-	665
Professional fees	-	6,250	-	6,250
Recruiting	318	-	-	318
Resource library	56	-	-	56
Special event expenses	-	-	1,174	1,174
Staff appreciation	877	155	-	1,032
Travel and conferences	1,316	-	-	1,316
Total other expenses	16,875	8,343	1,174	26,392
TOTAL PROGRAM SERVICES EXPENSES	\$ 274,849	\$ 50,637	\$ 17,886	\$ 343,372

See Independent Auditor's Report and Notes to Financial Statements.

**TEACH OUR CHILDREN FUND, INC.
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**Statement of Functional Expenses
Year Ended June 30, 2016**

	Program Services	Management and General	Fundraising	Total
PROGRAM SERVICES				
Personnel Expenses:				
Salaries and wages	\$ 150,445	\$ 24,446	\$ 13,024	\$ 187,915
Payroll taxes	12,319	1,816	962	15,097
Benefits	23,349	4,527	2,366	30,242
Payroll processing	728	114	59	901
Total personnel expenses	186,841	30,903	16,411	234,155
Building/Occupancy Expenses:				
Rent expense - in-kind	56,763	11,712	-	68,475
Repairs and maintenance	1,429	252	-	1,681
Technology	1,454	256	-	1,710
Telephone	1,860	328	-	2,188
Total building/occupancy expenses	61,506	12,548	-	74,054
Other Expenses:				
Advertising and marketing	2,182	-	-	2,182
Bad debts	-	-	-	-
Bank service charges	1,409	249	-	1,658
Depreciation	1,907	337	-	2,244
Dues and subscriptions	-	45	-	45
Insurance	5,232	923	-	6,155
Miscellaneous	-	198	-	198
Office supplies	2,054	363	-	2,417
Postage and shipping	353	62	-	415
Program supplies	1,295	-	-	1,295
Professional development	413	-	-	413
Professional fees	300	6,250	-	6,550
Recruiting	736	-	-	736
Resource library	188	-	-	188
Special event expenses	-	-	857	857
Staff appreciation	852	150	-	1,002
Travel and conferences	-	-	-	-
Total other expenses	16,921	8,577	857	26,355
TOTAL PROGRAM SERVICES EXPENSES	\$ 265,268	\$ 52,028	\$ 17,268	\$ 334,564

See Independent Auditor's Report and Notes to Financial Statements.

TEACH OUR CHILDREN FUND, INC.
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Statements of Cash Flows
For the Years Ended June 30, 2017 and 2016

	2017	2016
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 14,726	\$ 36,542
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	1,228	2,244
Realized and unrealized (gains) losses on investments (net)	423	(861)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	4,135	(6,554)
(Increase) decrease in grants receivable	(13,500)	(6,500)
Increase (decrease) in liabilities	(8,868)	(58)
Cash flows from operating activities	(1,856)	24,813
CASH FLOWS USED BY INVESTING ACTIVITIES		
Funds invested in certificates of deposit	(75,000)	(40,000)
Funds invested in stocks	(543)	(821)
Funds from redemption of certificates of deposit	75,000	40,000
Cash flows used by investing activities	(543)	(821)
INCREASE (DECREASE) IN CASH	(2,399)	23,992
CASH BALANCE - beginning of year	128,611	104,619
CASH BALANCE - end of year	\$ 126,212	\$ 128,611

SUPPLEMENTAL DISCLOSURES

In-kind contributions	\$ 66,780	\$ 68,475
Non-cash expenses	\$ 66,780	\$ 68,475

See Independent Auditor's Report and Notes to Financial Statements.

TEACH OUR CHILDREN FUND, INC.
dba FORT WAYNE CENTER FOR LEARNING

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Teach Our Children Fund, Inc. dba Fort Wayne Center for Learning (the Center) is a not-for-profit organization whose mission is to help children develop a positive self-image through the improvement of the critical learning skills necessary to be successful learners. Their vision is to be an essential part of a community that values and encourages all children and their unique abilities to learn.

The Center started its first year of operations in July 2003 and started educational programs in September 2003. Programs are developed for each student and can be intensive and/or continuing in nature. Instruction is one-to-one, individualized and long term. Program fees are generated from initial assessments and instruction to students. Fees for private pay families are determined by a sliding scale that takes into account a family's household income as well as the number of children that live in the household in which the student resides. We also contract with agencies who work with children in foster care or who are on probation, and those fees are set per the contracted amount.

Method of Accounting

The Center prepared its financial statements on the accrual basis for the fiscal years ended June 30, 2017 and 2016. Under this basis, receipts are recognized when earned, and expenditures are recognized when incurred.

Basis of Presentation

In the accompanying statements of financial position, funds have been combined into fund groups in accordance with FASB ASC 958-210-45-9, "Classification of Net Assets". Under the FASB, the Center is required to report information regarding its financial position and activities according to two classes of net assets: unrestricted and temporarily restricted

Unrestricted: Net assets that are not subject to donor-imposed stipulations.

Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by outside parties. Donor-imposed stipulations are reported as unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized.

Temporarily restricted: Net assets whose use by the Center is subject to donor-imposed stipulations that can be fulfilled by actions of the Center pursuant to those stipulations or that expire by passage of time.

The Center does not have any permanently restricted net assets.

TEACH OUR CHILDREN FUND, INC.
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NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting standards generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue, expenses and changes in net assets during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Center includes in its cash and cash equivalents the balances of checking and savings accounts along with petty cash.

Accounts Receivable

The direct charge-off method is used to account for losses in collection of accounts receivable. An allowance for uncollectible accounts is considered unnecessary by management because all accounts expected to be uncollectible have been written off.

Fixed Assets

Expenditures for property and equipment or items which substantially increase the useful life of existing assets are capitalized at cost. Depreciation is computed using the straight line method over the useful lives of the assets. Routine repairs and maintenance are expensed when incurred. Depreciation charged against income was \$1,228 and \$2,244 for the years ended June 30, 2017 and 2016, respectively.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consists of debt securities with original maturities greater than twelve months.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporary or permanently restricted net assets depending on the nature of the restrictions. When restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**TEACH OUR CHILDREN FUND, INC.
dba FORT WAYNE CENTER FOR LEARNING**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Expenses

The costs of providing the instructional program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising Costs

Advertising costs are charged to program services when incurred and are included in advertising and marketing. The amounts charged for the years ending June 30, 2017 and 2016 were \$1,714 and \$2,182, respectively.

Income Taxes

The Center is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Center's Forms 990, Return of Organization Exempt from Income Tax, for the years ending in 2017, 2016, and 2015 are subject to examination by the IRS, generally for three years after they are filed.

Reclassification

Certain reclassifications have been made to conform prior year's financial statements to the current presentation. The reclassifications have no effect on previously reported operational results.

NOTE B - KUNZE FAMILY FUND

The Center established the Kunze Family Fund (KFF) in October of 2016. The fund's purpose is to further assist families whose annual household income places them on the lowest end of our sliding fee scale. Funds from the KFF are used to lower the Minimum fee of \$20/ session to a per session fee that is affordable for that family in need. KFF money can also be used to help a family that- due to extraordinary circumstances such as an illness- are unable to afford services at the sliding scale level indicated by their income.

	<u>2017</u>	<u>2016</u>
The fund consists of:		
Temporary Restricted net assets	\$ 7,013	\$ -
Board designated funds	<u>3,534</u>	<u>-</u>
	<u>\$ 10,547</u>	<u>\$ -</u>

These amounts are included in temporarily restricted net assets totalling \$30,547 for 2017 and zero for 2016.

TEACH OUR CHILDREN FUND, INC.
dba FORT WAYNE CENTER FOR LEARNING

NOTES TO FINANCIAL STATEMENTS
June 30, 2017 and 2016

NOTE C - BUILDING LEASE

The Center leases office space for its main facilities. The current lease is for the period January 1, 2017 to December 31, 2017 with monthly payments of \$0. The fair market value of the lease of the 3,300 square foot office was \$20.50 per square foot for the six months ended December 31 and \$21.00 per square foot for the six months ended June 30, 2016. The estimated square footage of the office changed in 2016 to 3,180 square feet. The fair market value of the lease was \$21.00 per square foot for the year ended June 30, 2017.

The fair market value of the lease for the years ended June 30, 2017 and 2016 has been included as in-kind contributions and rent expense of \$66,780 and \$68,475, respectively.

NOTE D - Grants Receivable

Grants receivable in less than one year are included in current assets. These totaled \$10,000 and \$6,500 on June 30, 2017 and 2016, respectively. At June 30, 2017 the Center had \$10,000 which is receivable in the year ending June 30, 2019. This amount is included in other assets.

NOTE E- FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and accounts receivable are representative of their respective fair values due to their relatively short maturities. The fair values of certificates of deposit are based on their current balances. The fair value of preferred stocks are based on quoted market prices.

The Center believes the carrying value of Certificates of Deposits are representative of their respective fair values based upon its intention to hold the Certificates of Deposits to maturity and avoid early surrender charges.

NOTE F - SUBSEQUENT EVENTS

Management of the Center has evaluated events and transactions for possible recognition or disclosure through September 29, 2017, the date these financial statements were available to be issued.