

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

**Financial Statements**

**For the years ended June 30, 2016 and 2015**

**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, 2016 and 2015, 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, 2016, and 2015, 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  
November 1, 2016

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

**Statements of Financial Position**  
June 30, 2016 and 2015

	<b>2016</b>	<b>2015</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 128,611	\$ 104,619
Grants Receivable	6,500	-
Accounts Receivable - Program Fees	30,662	24,108
<b>Total current assets</b>	<b>165,773</b>	<b>128,727</b>
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and Fixtures	26,746	26,746
Office Equipment	4,732	4,732
Less: Accumulated Depreciation	(28,645)	(26,401)
<b>Total fixed assets</b>	<b>2,833</b>	<b>5,077</b>
<b>INVESTMENTS</b>		
Certificates of Deposit	75,037	74,955
Marketable Securities	11,479	9,879
<b>Total long term investments</b>	<b>86,516</b>	<b>84,834</b>
<b>Total assets</b>	<b>\$ 255,122</b>	<b>\$ 218,638</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 178	\$ 251
Accrued Payroll	18,624	16,746
Payroll Liabilities	3,183	2,894
Deferred Income	1,940	4,092
<b>Total current liabilities</b>	<b>23,925</b>	<b>23,983</b>
<b>Total liabilities</b>	<b>23,925</b>	<b>23,983</b>
<b>NET ASSETS</b>		
Temporarily restricted	-	1,200
Unrestricted	231,197	193,455
<b>Total net assets</b>	<b>231,197</b>	<b>194,655</b>
<b>Total liabilities and net assets</b>	<b>\$ 255,122</b>	<b>\$ 218,638</b>

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE</b>			
Contributions	\$ 42,680	\$ -	\$ 42,680
Grants	58,500	-	58,500
Special events (no in-kind contributions)	11,482	-	11,482
Program fees - instruction	186,813	-	186,813
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
	<u>371,106</u>	<u>-</u>	<u>371,106</u>
<b>EXPENSES</b>			
Program services	265,268	-	265,268
General and administrative	52,028	-	52,028
Fundraising	17,268	-	17,268
	<u>334,564</u>	<u>-</u>	<u>334,564</u>
<b>Change in net assets from activities</b>	36,542	-	36,542
<b>CHANGE IN NET ASSETS</b>			
Net assets released from restrictions satisfaction of donor restrictions for:			
Programs services	1,200	(1,200)	-
	<u>1,200</u>	<u>(1,200)</u>	<u>-</u>
<b>Change in temporarily restricted net assets</b>	1,200	(1,200)	-
	<u>1,200</u>	<u>(1,200)</u>	<u>-</u>
<b>Change in net assets</b>	37,742	(1,200)	36,542
	<u>37,742</u>	<u>(1,200)</u>	<u>36,542</u>
<b>NET ASSETS BEGINNING OF YEAR</b>	<u>193,455</u>	<u>1,200</u>	<u>194,655</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 231,197</u>	<u>\$ -</u>	<u>\$ 231,197</u>

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, 2015

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>REVENUE</b>			
Contributions	\$ 23,584	\$ -	\$ 23,584
Grants	71,345	-	71,345
Special events (including in-kind of \$472)	69,495	1,200	70,695
Program fees - instruction	175,432	-	175,432
In-kind Contributions	67,650	-	67,650
Miscellaneous	5,143	-	5,143
Interest earned	196	-	196
Unrealized gain (loss) on investments	(155)	-	(155)
<b>Total revenue</b>	<b>412,690</b>	<b>1,200</b>	<b>413,890</b>
<b>EXPENSES</b>			
Program services	282,344	-	282,344
General and administrative	49,884	-	49,884
Fundraising	34,828	-	34,828
<b>Total expenses</b>	<b>367,056</b>	<b>-</b>	<b>367,056</b>
<b>Change in net assets from activities</b>	<b>45,634</b>	<b>1,200</b>	<b>46,834</b>
<b>CHANGE IN NET ASSETS</b>			
Net assets released from restrictions by satisfaction of donor restrictions for:			
Programs services	837	(837)	-
<b>Change in temporarily restricted net assets</b>	<b>837</b>	<b>(837)</b>	<b>-</b>
<b>Change in net assets</b>	<b>46,471</b>	<b>363</b>	<b>46,834</b>
<b>NET ASSETS BEGINNING OF YEAR</b>	<b>146,984</b>	<b>837</b>	<b>147,821</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 193,455</b>	<b>\$ 1,200</b>	<b>\$ 194,655</b>

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, 2016

	Program Services	Management and General	Fundraising	Total
<b>PROGRAM SERVICES</b>				
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
<b>TOTAL PROGRAM SERVICES EXPENSES</b>	<b>\$ 265,268</b>	<b>\$ 52,028</b>	<b>\$ 17,268</b>	<b>\$ 334,564</b>

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, 2015**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>PROGRAM SERVICES</b>				
Personnel Expenses:				
Salaries and wages	\$ 149,757	\$ 22,243	\$ 11,898	\$ 183,898
Payroll taxes	12,624	1,550	829	15,003
Benefits	31,159	6,996	3,807	41,962
Payroll processing	<u>715</u>	<u>83</u>	<u>41</u>	<u>839</u>
Total Personnel Expenses	194,255	30,872	16,575	241,702
Building/Occupancy Expenses:				
Rent expense - in-kind	57,503	10,147	-	67,650
Repairs and maintenance	1,281	226	-	1,507
Technology	1,543	272	-	1,815
Telephone	<u>1,839</u>	<u>325</u>	<u>-</u>	<u>2,164</u>
Total Building/Occupancy Expenses	62,166	10,970	-	73,136
Other Expenses:				
Advertising and marketing	5,932	-	-	5,932
Bad debts	100	-	675	775
Bank service charges	1,142	202	-	1,344
Depreciation	1,739	308	-	2,047
Dues and subscriptions	-	45	-	45
Insurance	5,086	898	-	5,984
Miscellaneous	-	205	-	205
Office supplies	1,938	342	-	2,280
Postage and shipping	563	87	-	650
Program supplies	2,116	-	-	2,116
Professional development	1,285	-	-	1,285
Professional fees	4,275	5,800	-	10,075
Recruiting	-	-	-	-
Resource library	137	-	-	137
Special event expenses	-	-	17,578	17,578
Staff appreciation	880	155	-	1,035
Travel and conferences	<u>730</u>	<u>-</u>	<u>-</u>	<u>730</u>
Total Other Expenses	<u>25,923</u>	<u>8,042</u>	<u>18,253</u>	<u>52,218</u>
<b>TOTAL PROGRAM SERVICES EXPENSES</b>	<b><u>\$ 282,344</u></b>	<b><u>\$ 49,884</u></b>	<b><u>\$ 34,828</u></b>	<b><u>\$ 367,056</u></b>

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, 2016 and 2015

	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>		
Change in net assets	\$ 36,542	\$ 46,834
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	2,244	2,047
Realized and unrealized (gains) losses on investments (net)	(861)	155
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(6,554)	5,137
(Increase) decrease in grants receivable	(6,500)	-
Increase (decrease) in liabilities	(58)	(1,306)
	24,813	52,867
<b>CASH FLOWS USED BY INVESTING ACTIVITIES</b>		
Funds invested in certificates of deposit	(40,000)	(75,001)
Funds invested in stocks	(821)	(9,988)
Funds from redemption of certificates of deposit	40,000	
Purchases of property and equipment	-	(5,247)
	(821)	(90,236)
<b>INCREASE (DECREASE) IN CASH</b>	23,992	(37,369)
<b>CASH BALANCE - beginning of year</b>	104,619	141,988
<b>CASH BALANCE - end of year</b>	\$ 128,611	\$ 104,619

**SUPPLEMENTAL DISCLOSURES**

In-kind contributions	\$ 68,475	\$ 68,122
Non-cash expenses	\$ 68,475	\$ 68,122

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, 2016 and 2015

**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 are determined by a sliding scale, which is based on the annual household income of the home in which the student resides.

**Method of Accounting**

The Center prepared its financial statements on the accrual basis for the fiscal years ended June 30, 2016 and 2015. 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.**  
**dba FORT WAYNE CENTER FOR LEARNING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016 and 2015

**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 \$2,244 and \$2,047 for the years ended June 30, 2016 and 2015, 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 increase in temporary or permanently 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, 2016 and 2015

**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 and in the statements of functional expenses. 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, 2016 and 2015 were \$2,182 and \$5,932, 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 Exempts from Income Tax, for the years ending in 2016, 2015, and 2014 are subject to examination by the IRS, generally for three years after they are filed.

**NOTE B - BUILDING LEASE**

The Center leases office space for its main facilities. The current lease is for the period January 1, 2016 to December 31, 2016 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 per year for the year ended June 30, 2015 and the six months ended December 31, 2015. The fair market value of the lease was \$21.00 per square foot for the six months ended June 30, 2016.

The fair market value of the lease for the years ended June 30, 2016 and 2015 has been included as in-kind contributions of \$68,475 and \$67,650, respectively.

Lease expenses for the years ended June 30, 2016 and 2015 were \$68,475 and \$67,650, respectively.

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

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016 and 2015

**NOTE C - INVESTMENTS**

Long term investments reported at fair market value June 30, 2016 and 2015 and are as follows:

	2016	2015
Certificates of Deposit	\$75,037	\$74,955
Stocks	<u>11,479</u>	<u>9,879</u>
<b>Total</b>	<u><u>\$86,516</u></u>	<u><u>\$84,834</u></u>

**NOTE D- 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 E - SUBSEQUENT EVENTS**

Management of the Center has evaluated events and transactions for possible recognition or disclosure through November 1, 2016, the date these financial statements were available to be issued.