

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

Financial Statements

For the years ended June 30, 2023 and 2022

**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

Opinion

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, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Teach our Children Fund, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of the internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about Teach Our Children Fund, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Teach Our Children Fund, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, which raise substantial doubt about Teach Our Children Fund, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Sipe CPA Firm, LLC
Fort Wayne, Indiana
October 10, 2023

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

Statements of Financial Position

June 30, 2023 and 2022

	2023	2022
CURRENT ASSETS		
Cash	\$ 50,202	\$ 103,940
Certificates of Deposit	59,337	110,087
Grants Receivable	38,500	-
Accounts Receivable	8,127	5,000
Total Current Assets	156,166	219,027
PROPERTY AND EQUIPMENT		
Furniture and Fixtures	16,629	16,629
Office Equipment	12,638	12,638
Less: Accumulated Depreciation	(27,790)	(26,778)
Total Fixed Assets	1,477	2,489
OTHER ASSETS		
Endowment Fund	17,642	16,227
Marketable Securities	5,922	5,720
Total Other Assets	23,564	21,947
Total Assets	\$ 181,207	\$ 243,463
CURRENT LIABILITIES		
Accrued Liabilities	\$ 15,017	\$ 14,505
Deferred Income	8,341	16,465
Total Current Liabilities	23,358	30,970
Total Liabilities	23,358	30,970
NET ASSETS		
With Donor Restrictions	6,748	5,228
Without Donor Restrictions	151,101	207,265
Total Net Assets	157,849	212,493
Total Liabilities and Net Assets	\$ 181,207	\$ 243,463

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, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE			
Contributions	\$ 29,285	\$ 1,995	\$ 31,280
Grants	76,200	8,500	84,700
Special events	5,000	-	5,000
Program fees - instruction	161,302	-	161,302
Tuition assistance	(46,185)	-	(46,185)
In-kind contributions	70,649	-	70,649
Miscellaneous	99	-	99
Interest earned	3,676	-	3,676
Dividends	731	-	731
Unrealized gain (loss) on investments	(666)	-	(666)
	<u>300,091</u>	<u>10,495</u>	<u>310,586</u>
EXPENSES			
Program services	281,960	-	281,960
General and administrative	57,631	5,500	63,131
Fundraising	20,139	-	20,139
	<u>359,730</u>	<u>5,500</u>	<u>365,230</u>
Change in net assets from activities	(59,639)	4,995	(54,644)
CHANGE IN NET ASSETS			
Net assets released from restrictions satisfaction of donor restrictions for:			
Programs services	3,475	(3,475)	-
Board directed restriction on net assets	-	-	-
	<u>3,475</u>	<u>(3,475)</u>	<u>-</u>
Change in net assets	(56,164)	1,520	(54,644)
NET ASSETS BEGINNING OF YEAR	<u>207,265</u>	<u>5,228</u>	<u>212,493</u>
NET ASSETS END OF YEAR	<u><u>\$ 151,101</u></u>	<u><u>\$ 6,748</u></u>	<u><u>\$ 157,849</u></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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions	\$ 22,369	\$ 2,555	\$ 24,924
Grants	33,000	-	33,000
Special events	27,175	-	27,175
Program fees - instruction	178,007	-	178,007
Tuition assistance	(77,775)	-	(77,775)
In-kind contributions	70,649	-	70,649
Miscellaneous	34,775	-	34,775
Interest earned	1,640	-	1,640
Dividends	458	-	458
FFCRA Tax Credits	69,718	-	69,718
Unrealized gain (loss) on investments	(674)	-	(674)
	359,342	2,555	361,897
EXPENSES			
Program services	252,299	-	252,299
General and administrative	54,860	-	54,860
Fundraising	19,750	-	19,750
	326,909	-	326,909
	32,433	2,555	34,988
CHANGE IN NET ASSETS			
Net assets released from restrictions satisfaction of donor restrictions for:			
Programs services	2,536	(2,536)	-
Board directed restriction on net assets	-	-	-
	2,536	(2,536)	-
	34,969	19	34,988
NET ASSETS BEGINNING OF YEAR	172,296	5,209	177,505
NET ASSETS END OF YEAR	\$ 207,265	\$ 5,228	\$ 212,493

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, 2023**

	Program Services	Management and General	Fundraising	Total
PROGRAM SERVICES				
Personnel Expenses:				
Salaries and wages	\$ 158,511	\$ 29,886	\$ 16,117	\$ 204,514
Payroll taxes	10,424	2,224	1,191	13,839
Benefits	28,231	4,410	2,663	35,304
Payroll processing	1,036	195	104	1,335
Total personnel expenses	198,202	36,715	20,075	254,992
Building/Occupancy Expenses:				
Rent expense - in-kind	60,052	10,597	-	70,649
Repairs and maintenance	2,174	384	-	2,558
Technology	2,622	463	-	3,085
Telephone	2,413	426	-	2,839
Total building/occupancy expenses	67,261	11,870	-	79,131
Other Expenses:				
Advertising and marketing	2,766	-	-	2,766
Bank service charges	1,025	181	-	1,206
Depreciation	861	152	-	1,013
Dues and subscriptions	-	45	-	45
Insurance	6,508	1,148	-	7,656
Miscellaneous	-	28	-	28
Office supplies	858	151	-	1,009
Program supplies	991	-	-	991
Professional development	30	-	-	30
Professional fees	-	7,000	-	7,000
Recruiting	2,471	-	-	2,471
Special event expenses	-	-	64	64
Staff appreciation	685	121	-	806
Endowment fund expenses	302	53	-	355
Board Expense	-	5,667	-	5,667
Total other expenses	16,497	14,546	64	31,107
TOTAL PROGRAM SERVICES EXPENSES	\$ 281,960	\$ 63,131	\$ 20,139	\$ 365,230

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, 2022

	Program Services	Management and General	Fundraising	Total
PROGRAM SERVICES				
Personnel Expenses:				
Salaries and wages	\$ 136,192	\$ 26,124	\$ 12,731	\$ 175,047
Payroll taxes	9,878	2,050	1,120	13,048
Benefits	23,304	5,174	3,016	31,494
Payroll processing	1,206	169	1,383	2,758
Total personnel expenses	170,580	33,517	18,250	222,347
Building/Occupancy Expenses:				
Rent expense - in-kind	60,052	10,597	-	70,649
Repairs and maintenance	2,122	374	-	2,496
Technology	3,482	614	-	4,096
Telephone	2,425	428	-	2,853
Total building/occupancy expenses	68,081	12,013	-	80,094
Other Expenses:				
Advertising and marketing	1,518	-	-	1,518
Bank service charges	1,211	214	-	1,425
Depreciation	1,423	251	-	1,674
Dues and subscriptions	-	45	-	45
Insurance	5,973	1,054	-	7,027
Miscellaneous	-	324	-	324
Office supplies	1,740	307	-	2,047
Postage and shipping	129	23	-	152
Program supplies	388	-	-	388
Professional development	30	-	-	30
Professional fees	-	6,500	-	6,500
Recruiting	-	396	-	396
Special event expenses	-	-	1,500	1,500
Staff appreciation	771	136	-	907
Endowment fund expense	455	80.0	-	535
Total other expenses	13,638	9,330	1,500	24,468
TOTAL PROGRAM SERVICES EXPENSES	\$ 252,299	\$ 54,860	\$ 19,750	\$ 326,909

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

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

Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ (54,644)	\$ 34,988
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	1,013	1,674
Realized and unrealized (gains) losses on investments (net)	547	545
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(3,127)	10,967
(Increase) decrease in grants receivable	(38,500)	15,000
(Increase) decrease in accounts payable	276	-
(Increase) decrease in accrued expenses	235	-
Increase (decrease) in liabilities	(8,123)	(1,664)
Cash flows from operating activities	(102,323)	61,510
CASH FLOWS USED BY INVESTING ACTIVITIES		
Funds invested in certificates of deposit	-	(110,000)
Funds invested in endowment	(1,415)	(550)
Funds from redemption of certificates of deposit	50,000	15,000
Cash flows used by investing activities	48,585	(95,550)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Repayment on short term notes	-	(34,775)
Cash flows provided by financing activities	-	(34,775)
INCREASE (DECREASE) IN CASH	(53,738)	(68,815)
CASH BALANCE - beginning of year	103,940	172,755
CASH BALANCE - end of year	\$ 50,202	\$ 103,940

SUPPLEMENTAL DISCLOSURES

In-kind contributions	\$ 70,649	\$ 70,649
Non-cash expenses	\$ 70,649	\$ 70,649
Debt forgiven	\$ -	\$ 34,775

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, 2023 and 2022

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. The Center also contracts 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, 2023 and 2022. 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

Without donor restrictions: 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.

With donor restrictions: 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, 2023 and 2022

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 \$1,013 and \$1,674 for the years ended June 30, 2023 and 2022, 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, 2023 and 2022

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, 2023 and 2022 were \$2,766 and \$1,518, 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 2023, 2022, and 2021 are subject to examination by the IRS, generally for three years after they are filed.

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 the 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>2023</u>	<u>2022</u>
The fund consists of:		
With donor restrictions	\$ 3,748	\$ 5,228
Board designated funds	-	-
	<u>\$ 3,748</u>	<u>\$ 5,228</u>

These amounts are included in with donor restrictions totaling \$3,748 for 2023 and \$5,228 for 2022.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE C - BUILDING LEASE

The Center leases office space for its main facilities. The current lease is for the period February 1, 2023 to January 31, 2028 with monthly payments of \$0. The fair market value of the lease of the 3,286 square foot office was \$21.50 per square foot for the twelve months ended June 30, 2023.

The fair market value of the lease for the years ended June 30, 2023 and 2022 has been included as in-kind contributions and rent expense of \$70,649 and \$70,649, respectively.

NOTE D - GRANTS RECEIVABLE

Grants receivable in less than one year are included in current assets. These totalled \$38,500 and \$0 on June 30, 2023 and 2022, respectively.

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 - ENDOWMENT FUND

The Company invested in an endowment fund with the Community Foundation of Greater Fort Wayne on January 31, 2020. Below are the activities related to the endowment funds during the years ended June 30, 2023 and 2022:

		<u>2023</u>		<u>2022</u>
Beginning Balance	\$	16,227	\$	15,677
Company Funds Invested		1,526		1,418
Investment Return:				
Investment income		228		232
Net Appreciation (Depreciation)		202		(565)
Investment fees and expenses		<u>(541)</u>		<u>(535)</u>
Ending Balance	\$	<u>17,642</u>	\$	<u>16,227</u>

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE G - SUBSEQUENT EVENTS

Management of the Center has evaluated events and transactions for possible recognition or disclosure through October 10, 2023, the date these financial statements were available to be issued.

The CARES Act was enacted on March 27, 2020. Among the provisions contained in the CARES Act is the creation of the PPP that provides for SBA Section 7(a) loans for qualified small business. PPP Loan proceeds are available to be used to pay for payroll costs, including salaries, commissions, and similar compensation, group health care benefits, and paid leaves; rent; utilities; and interest on certain other outstanding debt. The amount that will be forgiven will be calculated in part with reference to the Company's full-time headcount during the eight-week period following the funding of the PPP loan.

The Economic Aid Act was enacted on December 27, 2020. Among the provisions contained in the Economic Aid Act is the extension of the authority to make PPP loans. PPP Loan proceeds are available to be used to pay for payroll costs, including salaries, commissions, and similar compensation, group health care benefits, and paid leaves; rent; utilities; and interest on certain other outstanding debt. The amount that will be forgiven will be calculated in part with reference to the Company's full-time headcount during the twenty-four-week period following the funding of the PPP loan.

In March of 2021, the Company applied for additional PPP funding (2nd draw) under the Economic Aid Act. In March of 2021 the Company received \$34,775 of PPP funds under reduction of income qualifications. In accordance with the loan forgiveness requirements of the CARES Act, the Company used all the proceeds from the PPP Loan primarily payroll costs and health care benefits, thus the Company applied for and was granted forgiveness of the loan during fiscal year ended June 30, 2022. The loan was forgiven on October of 2021 and was moved from the liability to Miscellaneous income.