



WEATHERING THE STORM

2020 ANNUAL REPORT



Our Mission

Provide developmentally appropriate child care in a nurturing environment that promotes growth of the whole child while responding to the needs of the family.





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A Family Through It All

Thinking back to the beginning of our 2020 fiscal year—October of 2019, to be precise—things were complex for EC3. We were operating two centers near capacity, our original center on West Malcolm X Street serving 110 children, and another one on the campus of Lansing Community College (LCC) serving 75 children. This dual management arrangement, which began in August 2017, was an incredibly innovative and challenging endeavor that taught us much. By the autumn of 2019, we were ready to expand upon what we were learning: we were setting out to create a separate legal entity that would allow the two centers to continue operating independently while also inviting other centers to come

under the “umbrella” of our mission for quality in early learning. In January of 2020, the Board of Directors held a special Saturday retreat to outline the next steps toward a drastic change in the way we approached early learning advocacy and management.

And then ... COVID-19 struck.

In mid-March 2020, LCC made the decision to close its campus, including EC3’s center there, due to the pandemic. A week later, the entire state shut down with the first of several “stay-home” orders, and EC3’s primary location closed as well. At the time, we thought we’d be back to work within a few weeks; nobody could foresee the

scope and magnitude of the pandemic, or how it would keep Michigan—and the world—in the grip of socially-distanced lockdown.

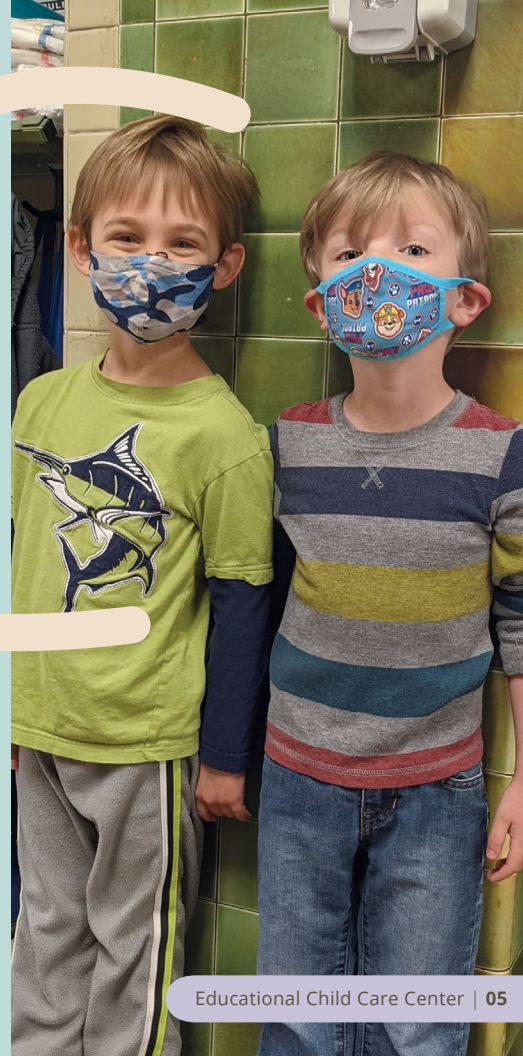
In short order, we applied for and received a Paycheck Protection Program (P3) loan and we used it to continue paying all the staff from both centers—86 employees in all. The funds only took us through six weeks, and we made the hard decision to layoff all employees. Without a revenue stream of tuition, we were unable to continue operations.

In May, the state’s licensing agency developed guidelines for safe operations of child care providers.

These guidelines included increased sanitizing and cleaning duties, smaller group sizes, and social distancing for children and staff as much as possible. Teachers and staff were required to wear masks, and common rooms had capacity limits. While EC3 was still closed, the management team went to work. We installed Plexiglas shields in the staff lounge and the office. We set up a table at the main entrance so everyone coming into the building would be screened each day. The way we served food had to be modified, so we made plans for that; gym use would be restricted; and we would no longer maintain our habit of having the children brush their teeth after meals. We put in place systems for increased

recordkeeping, as we were required to maintain documentation of adherence to the guidelines.

It took the better part of three months to make the preparations and train the staff about how to work in the “new normal.” It became apparent that LCC was not planning to open their facility for quite a while, and we permanently separated from most of those staff members. When we opened EC3’s original building in July, we had only 25 children attending; many families were reluctant to send their children into group care. As a result, we could only bring back a handful of teachers, leaving the rest on layoff. The tuition revenue was not sufficient





to support even these, but there were funds included in the CARES Act that allowed the Michigan Department of Education to provide grant funding to child care centers that were open. These grant funds were vital to EC3's survival from July through September, as enrollment was very slow to increase.

Fundraising became more essential than ever for EC3 to make it through the pandemic challenge and also prepare us for other kinds of financial trauma. In September 2020, we requested grant funding from the Capital Region Community Foundation (CRCF) to purchase a powerful customer relationship management (CRM) system that would allow us to aggregate our many sources of fundraising data from nearly forty years of operation. We

received the grant and began setting up a system for tracking donations, as well as staying engaged with families long after they leave EC3. This was the first bit of hope that, if we were able to make it through the current crisis, we would end up better, stronger than we were when it all began.

Much more has happened since that fiscal year ended in September 2020, and almost all of it has been positive and oriented toward new sustainability. Having met almost weekly at the height of the summer shutdown, the EC3 Board of Directors went through its own substantial changes. Shifting gears from the plan for expansion at the beginning of the fiscal year, the Board settled its focus on getting EC3 back into shape in all respects, including governance.

It spent time learning how to better recruit new members, and the Board began in earnest to change its own orientation and governing practices. Several new members joined the Board in the fall of 2020, including some who were not parents of currently-enrolled children. The Board sought to become better equipped in supporting the management team and teachers at EC3. In the 2021 fiscal year, the Board is poised to provide the strategic direction that will sustain EC3 far into the future.

The changes EC3 has endured in the last eighteen months have been painful. It has been difficult to adjust to working in a place where coworkers can no longer congregate in the staff lounge at lunchtime or attend meetings and trainings in person. We miss one

another even though we are all in the building. But the bonds between us and the continued interest in supporting children and families has allowed us to still operate as “EC3.” The feeling one gets when entering the building is still there: it is cheery and safe and loving. This is a testament to the deeply ingrained belief that when the atmosphere is filled with caring and joy and affection, children can thrive despite adverse circumstances. EC3 is making it through the pandemic the same way it has made it through so many other hard times over the course of the last 37 years: by loving children, advocating for the field of early learning, and relying on one another and the families who continue to recognize that it matters.

We are STILL an EC3 family.



Message from Leadership

By Christopher Jackson, Chair



Many words could be used to describe the past year-and-a-half—pivotal, challenging, depressing, paradigm-shifting—yet no matter who you ask, there is no doubt that 2020 was a year unlike any other in the past century. As an EC3 parent myself, I recognize that our families have faced adversity in their work-life balance, the temporary loss of child care, overall mental and emotional fatigue, and many family challenges. Yet, I also recognize that EC3's families continue to rise to the challenges we have faced, demonstrating the true strength of our commitment to our children and their education. This

commitment comes from the understanding of how important high-quality early learning is for our children's futures, and of the unique opportunities that EC3 provides. To our EC3 families, I want to say "thank you" for your commitment to your children and to EC3 during these challenging times.

This commitment is not only found in our EC3 families, but also in our EC3 teachers and staff, all of whom have gone above and beyond expectations during this time. Our teachers and staff have worked tirelessly every day to ensure our children receive the best education and care, all while navigating the challenges of protecting the health

and safety of themselves and their classrooms. This commitment to our families and passion for our children's growth was demonstrated by our teachers' willingness to meet virtually with their classes last spring while EC3's doors remained shuttered, and their continued support of our children through Michigan's spikes in COVID-19 cases. I speak for all our Board members and EC3 families when I say "thank you" to all our teachers and staff for their efforts and the positive impacts they will have on our children's futures.

While we have no doubt that our families, teachers, and staff remain committed to the success of EC3, it is important that the Board of Directors

reaffirms its own commitment to EC3's goals of providing high-quality education and making a positive impact on our community. Prior to the COVID-19 pandemic, the EC3 Board initiated a plan for growth by creating an umbrella organization to support not only EC3 and our sister center, Early LCC (now closed), but also to support and advocate for sustainable access to high-quality early learning across the Lansing region. While the pandemic brought our focus to the immediate needs of EC3's operations, we remain committed to strengthening the organization and its families while continuing to be a voice for change and an advocate for equitable, affordable access to high quality education.



Over the past eighteen months, the Board of Directors has continued laying the groundwork for EC3's future by expanding our ranks to include not only families of currently-enrolled children, but also former EC3 families and other members of the Greater Lansing community. Furthermore, the Board is reevaluating its governing documents to ensure alignment with our commitment to families and staff so these documents convey the foundational and enduring mission of our EC3. Most importantly, the Board recognizes the ongoing commitment of EC3's families and staff despite great personal hardship throughout the pandemic—which is why the Board reduced tuition by more than 3% in 2020, keeping the

focus on maintaining quality of care while creating minimal impact on teachers and staff.

Although we will undoubtedly continue to face challenges and changes in the coming months and years, I want to say “thank you” to every member of the EC3 family. Without your commitment to EC3 and the brighter future it creates for our families and community, we would not have been able to weather this storm and carry our mission forward.



A Teacher's Perspective

By Wanda Bancroft, Preschool Teacher



When I began interviewing in the summer of 2000, I hoped to find a job teaching preschool that would pay the bills and let me use the skills I developed running my own child care center. I didn't know much about EC3 when I applied, but once I set foot in the building I realized this was a place that would be much more than a job to me.

One of the first things that struck me was how familiar it felt. I grew up in Lansing and attended its schools, and this building felt like home to me. Then I was captured by EC3's diversity—among both staff and children. There

were adults and children of many ages and races represented here, including many special needs kids. The vibe was warm and inviting—the children's faces beamed and teachers said hello when I passed them in the hallways. By the time the interview was over, I knew this was the place for me.

After a day or two, I received a call from Eastminster Child Development Center with a job offer. I really needed to work at this point, but no other place felt right like EC3 did. I took a chance and called EC3's program director, asking if she'd decided about the position. She said she was behind in the process, but yes, she wanted to offer me the job. Even though

EC3 was only able to pay me at an hourly rate that was fifty cents below what Eastminster offered, I took the job at EC3 because it was where I wanted to be.

Once I was hired, and got to be part of it, I felt it even more. There was a real community among the staff; even though the teachers had different backgrounds and education levels, they shared a passion for children of all ages. I was blown away by how much learning was taking place at even the infant and toddler levels, and when those same children made it to my preschool classroom it was obvious they had been learning every step of the way.

EC3 is where I belong because it reflects what I believe in. EC3 represents what our world could be if people would just work together and get along.

EC3 has seen some hard times, from financial crisis to staffing and leadership problems, and a few times it seemed as though the end was near. But it always rises again, like a phoenix from ashes. At the beginning of the pandemic, nobody knew what would happen to EC3 or the whole world of child care, but we stuck together even when our doors were closed, getting in touch with families and encouraging each other—and now we're starting to see more kids return. Child care is becoming an important topic in the news and is being

recognized as a critical part of everyday life. We've always known this to be true, but now it's finally getting the recognition it deserves.

Two decades later, I feel the same way about EC3 as I did back then. EC3 has provided me with the opportunity to grow and learn professionally, and it has also been a place where my personal growth is supported and encouraged. We practice nurturing the "whole child" and extend that regard to the "whole person" in everyone.





Economic Endurance

By Dan Horn, Treasurer



Volatility. It's a word you never want to read in an annual report, much less within the section on financials, but you know what we mean. We experienced volatility in our homes and workplaces over the past year; we witnessed volatility more recently in the political arena; and we even saw volatility manifest itself in a major shipping thoroughfare after a large boat found itself stuck sideways. These types of events continue to remind us that no one can predict the future. There are few ways to say it more transparently: This past year was volatile for EC3.

In March of 2020, our enrollment fell from 184 students to zero overnight as a result of the COVID-19 pandemic. A shutdown we thought would last a couple of weeks stretched into three long months. Before this temporary closing, we operated two centers at or above 90% capacity relative to staffing levels. With much trepidation and great concern for the safety of our families and our staff, we opened our doors again in July—but only the doors at our main facility on Malcolm X Street. The Board made the difficult decision to close the Early LCC program indefinitely due to the loss of major funding. Upon EC3's re-opening, our enrollment level hovered around 22% capacity. The impact of all this can't be overlooked on

the financial statements: For the year ended September 30, 2020, working capital declined by \$219,000 compared to the year before and revenue was down 36%, or approximately \$972,000. As a percent of total revenue of \$1,704,000, grants and contributions made up 23% for the most recent fiscal year, much of which came from agencies to support programs related to Early LCC.

It would be easy to get lost in all the bad news, but fortunately that's not the end of the story. As we were closing our doors initially, we obtained \$413,000 from the Paycheck Protection Program (P3) loan made available under the CARES Act. This was immensely helpful

in enabling our employees to keep providing for themselves and their families during such uncertainty. The P3 loan was by far the most significant factor in the change in working capital. After accounting for the effects of forgiveness, working capital increased by \$180,000. The loan has since been fully forgiven.

We continue to put resources toward areas that are the most essential for meeting our mission. Total annual expenses for the year ended September 30, 2020 were \$1,951,000, 82% of which were allocated to programmatic functions (17% were applied to management and general and 1% for fundraising). Employee compensation,

benefits, and related payroll taxes accounted for 84% of all costs and our most significant expenditures. Despite revenue declines, EC3 generated \$49,000 of positive cash flow from operations.

In September of 2020, the Board took steps to reduce tuition rates by more than 3% to help Lansing families and motivate enrollment. This was combined with a shift in the CEO's role toward greater emphasis on fundraising, promoting the long-term stability of the program, and expanding access. Slowly, enrollment levels began to creep upward.

In January 2021, we successfully refinanced our mortgage and consolidated a term loan. Later that

month, we obtained a second P3 loan of \$197,000 which we expect to be fully forgiven later this year. In February, teachers and staff began receiving COVID-19 vaccinations. By the end of that month, we had working capital of \$75,000 after accounting for the forgiveness impact of the P3 loans. We continue moving forward, hoping that "stability" becomes a more common descriptor in the months and years ahead.

A complete copy of our annual financial statement review performed by an independent CPA firm can be found at http://ec3kids.org/reports_financial.

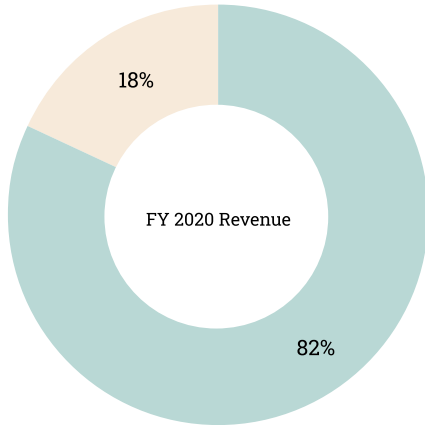


the roots.
stems, or leaves
of plants.

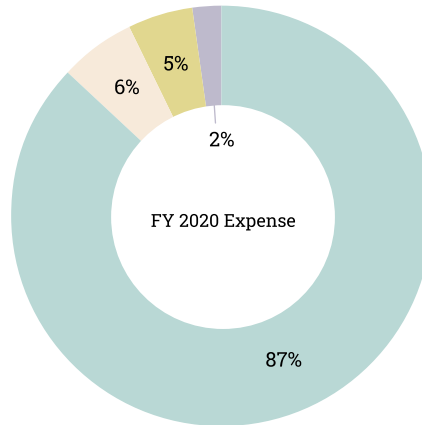
stems

Statement of Financial Position

- Tuition and Fee Income
\$1,398,355.87
- Fundraising, Donations,
and Other Income
\$308,940.56



Assets	9/30/2020	9/30/2019
Current Assets		
Cash	\$127,110	\$103,517
Accounts receivable	\$17,890	\$26,612
Prepaid expenses	\$827	
Total Current Assets	\$145,827	\$130,129
Property and equipment, net	\$332,804	\$361,239
Total Assets	\$478,631	\$491,368



- Staff \$1,668,770.18
- Building \$101,105.13
- Program \$109,198.21
- Administration \$47,156.81

Liabilities and Net Assets	9/30/2020	9/30/2019
Current Liabilities		
Accounts payable	\$3,596	\$29,835
Deferred revenue	\$40,329	\$59,490
Accrued wages	\$31,343	\$126,161
Accrued paid time off	\$40,918	\$55,382
Accrued interest	\$1,546	
Refundable advance	\$413,400	
Line of credit		\$12,800
Current portion of long-term debt	\$15,643	\$14,882
Other current liabilities	\$4,213	\$3,944
Total Current Liabilities	\$550,988	\$302,494
Long-term debt, net of current portion	\$235,190	\$249,051
Total Liabilities	\$786,178	\$551,545
Net Assets (Deficiency)		
Without donor restrictions	-\$316,308	-\$68,182
With donor restrictions	\$8,761	\$8,005
Total Net Assets (Deficiency)	-\$307,547	-\$60,177
Total Liabilities and Net Assets	\$478,631	\$491,368

Want to Impact a Child's Life? So Do We.

As a nonprofit child care organization, EC3 relies on donations to help maintain the delicate balance between affordable tuition rates and high-quality programming, experienced teachers, and a safe and pleasant facility. There are many ways for enrolled families, alumni, community members, and businesses to support EC3's mission of providing developmentally appropriate child care in a nurturing environment that promotes growth of the whole child while responding to the needs of the family.

- **GENERAL FUND:** Donations made via check, credit/debit card, ACH, or on an EC3 account support our general operations and help us through times of financial uncertainty.

- **BUILDING BLOCKS FUND:** A gift to the Building Blocks Fund supports improvements to EC3's facility and grounds. Building Blocks contributions are held in a restricted fund overseen by the Board of Directors, ensuring that our legacy Main Street School will be home for generations of young children to come. Contributions over \$250 are memorialized by a plaque in EC3's entranceway.

- **PLANNED GIVING:** Making a planned gift to EC3 during your lifetime, or naming EC3 in your will or trust, exemplifies a lifetime passion and commitment to our mission and provides long-term financial

sustainability for EC3. You may also designate EC3 as a beneficiary of your retirement plan or life insurance policy, or you can create a charitable gift annuity which provides immediate support to EC3 during your lifetime.

- **THIRD PARTY RESIDUAL GIVING:** EC3 has partnered with outside organizations who offer fundraising options. There is no direct cost – they simply donate a portion of your sale back to EC3.

Make a donation at:
<http://ec3kids.org/donate>



Amazon Smile: Amazon.com supports charities by giving 0.5% of each sales order to a charity of your choice, and EC3 can be your designee. <http://smile.amazon.com/ch/38-2566227>



iGive: Online stores within the iGive network give a portion of the money you spend to benefit EC3. <https://www.iGive.com/EducationalChildCareCenterEC3>



Kroger Community Rewards: Register your Kroger Plus card and a percentage of your purchases will be donated to EC3. <https://www.kroger.com/i/community/community-rewards>

We are profoundly grateful for the generosity of our community—the individuals and organizations listed here who have made contributions in the past year that are allowing EC3 to invest in its teachers and its environment. The pandemic may have given us a “new normal,” but our commitment to our mission is helping young children to thrive even as they face challenges.



Family Donors

Oct. 1, 2019 to Sep. 30, 2020

Karley Abramson & Phil Stadler

Amy & Chris Babcock

Mike & Lavonne Blonde

Bruce Burger

Courtney Burgess

Katelyn & Sean Carey

Julie & Jeff Cassidy

Betsy Clinton

Erin & Jeff Cobb

Jennifer Cuthbert & Patrick LeBeau

Dana & Josh DeBruyn

Mary Ellen Denny

Rachel Duran

Erin Emerson & Ryan Fink

Tammy Epling

Heather & Greg Feuerstein

Jamie Fortin

David Fosdick & Holly Cranmer-Fosdick

Casey Fowler
Sharon Frischman
Laura Geist & Jason Rapelje
Kristin & Joel Hofman
Thomas & Wendy Hofman
Daniel A. Horn
Deborah Hull
Sara & Chris Jackson
Colleen Johnson & Ellen Ives
Katie & Paul Jones
Lisa Jones
Jennifer & Jason Koontz
Nell Kuhnmuensch & Roy Saper
Mark & Gabrielle Lawrence
Lauren & Michael Leeds
Anita & John Lloyd
Amber Lundberg
Rachel & Bryan Mangiavellano
Ann-Marie & Joseph Mapes

Christine & Zachary Marshall
Beverly Miller
Michael Morgan
Thomas & Samara Morgan
Jeff Padden
Maggie & Dominick Pallone
Lauren & Jason Palmer
Michelle & Rodney Parkkonen
Jennifer Patrick
Jason & Susan Peters
Jennifer & Roy Plowman
Regina & Greg Rambat
Matt & Brenda Resch
Alyssa & Tim Riley
Alani & David Stephens
Mark & Ellen Sullivan
Madonna Throop
Elisabeth Tobia
Marney & Matt Turner

Carl Utess & Tara Becker-Utess
Sara & Bradley Wurfel
Christina Young

Corporate Donors

Oct. 1, 2019 to Sep. 30, 2020

Amazon.com
Bartsch Memorial Trust
Capital Region Community Foundation
Foster Swift, P.C.
Grandair Aviation
Kroger
Lifetouch
Michigan Department of Education
Resch Strategies
Scholastic Book Fairs
VFG Solutions, LLC
Voss Insurance Services

Leadership

Elisabeth Tobia | EC3-Early LCC



Team Members

Cheryl Adkins | EC3
Azhanae Ailing | Early LCC
Sarah Alsaadi | EC3
Christina Bach | Early LCC
Wanda Bancroft | EC3
Alison Barner | EC3
Bailee Berrien | EC3
Roger Bertram | EC3
Marley Bitz | EC3
Amanda Brock | EC3
Nicolas Burford | Early LCC

Taylor Burford | Early LCC
Genesha Burton | EC3
Sophie Cantrell | Early LCC
Christopher Carlisle | EC3
Catherine Carroll | Early LCC
Chalene Cierlik | EC3
Buffy Clements | Early LCC
Lisbeth Clinton | EC3
Claudia Conley | EC3
Christena DeCook | EC3
Elizabeth DeZeeuw | Early LCC
Dani Douglas | EC3
Juliann Douglas | EC3
Amy Dungey | EC3
Raquel Duran | EC3
Erica Earley | Early LCC
Marisa Ellsworth | Early LCC
Jennifer Enterline | EC3
Tammy Epling | EC3
Lacey Fate | Early LCC
Jamie Fortin | EC3
Alex Foster | EC3
Casey Fowler | EC3
Abigail Gronsman | EC3

Lisa Gross | EC3
Sarah Gubler | Early LCC
Mikaela Harns | EC3
Jeannie Howell | Early LCC
Wyatt Humphrey-Phillips | EC3
Shukri Husein | Early LCC
Sara Jackson | Early LCC
Kia Johnson | Early LCC
McKena Leach | Early LCC
Eliza Lewis | EC3
Abigail Lucas | Early LCC
Anna Maier | Early LCC
Ehricka Masalkoski | EC3
Angela Mendenhall | EC3
Beverly Miller | Early LCC
Allison Mordarski | EC3
Lyra Murphy | Early LCC
Carley O'Byrne | EC3
Melissa Parker | Early LCC
Jennifer Patrick | Early LCC
Ashley Pettit | Early LCC
Joshua Pettit | Early LCC
Chimari Pitts | EC3
Takeeshe Polite | Early LCC

Jessica Reinecke | Early LCC
Jesica Robbins | EC3
Toller Saller | Early LCC
Ilham Sarhan | EC3
Ada Scott | EC3
Lindsay Simpson | EC3
Hannah Skinner | EC3
Trayvon Speed | Early LCC
Sofia Stathoulia | EC3
Sarah Stein | EC3
Hannah Stephon | Early LCC
Mercedes Steward | EC3
Tammy Stoops | EC3
Bridget Vander Hoff | Early LCC
Breanna Warren | EC3
Amberlynn Wells | Early LCC
Helen Weston | EC3
Lynette Williams | EC3
Tamara Williams | Early LCC
Claudine Wilson | EC3
Audrey Wright | EC3
Cynthia Wrzesinski | Early LCC
Christina Young | EC3

Board of Directors

KRISTI BICY

Member-at-Large through December 2019
Special Education Teacher, Okemos Public School District

SYNTHIA BRITTON

Member-at-Large through June 2020
Early Childhood Advocate, Michigan Department of Health & Human Services

JEWEL DAVIS-TOMBUL

Vice Chair, Program Committee Chair
Owner & Educational Consultant, Educational Training Solutions, LLC

JOEL D'SOUZA

Member-at-Large beginning March 2021
Business Analyst, Office of Administrative Hearings & Rules, Michigan Department of Licensing & Regulatory Affairs

JENNIFER ESTILL

Member-at-Large beginning December 2020,
Marketing Committee Chair
Principal, Creative Director, and Founder at Redhead

MARK FREEMAN

Member-at-Large beginning April 2021
Director of Engineering, Jonal Laboratories

DARLING GARCIA

Member-at-Large through August 2020
Director of Community Services, Elder Law of Michigan

LAURA GEIST

Member-at-Large beginning October 2020
Manager, Grants Administration Section, Michigan Department of Health & Human Services

DAN HORN

Treasurer, Finance Committee Chair
Senior Manager of Assurance Services, Clark Schaefer Hackett

CHRIS JACKSON

Chair, Executive Committee Chair
Senior Consultant, Deloitte

ANN-MARIE MAPES

Member-at-Large
Educational Technology Manager, Office of Systems, Evaluation, & Technology, Michigan Department of Education

CHRISTINE MARSHALL

Member-at-Large
Controller, Lunarline, Inc.

JENNIFER PLOWMAN

Secretary
Executive Assistant, Ingham County Information & Technology Department

MATT RANDALL

Member-at-Large through March 2021
Data Director, Michigan House of Representatives

MICHELLE RICHARD

Member-at-Large through January 2020
Early Childhood Advocate, Michigan Department of Labor & Economic Opportunity





Forward Together

EC3 has been providing child care and education for 37 years. Since then, we've grown not only in size and impact, but we've grown to be an integral community link as well. This past year, through disruption and uncertainty, we proved the power of togetherness. And it's together — children, families, teachers, staff, and board members — that we will continue to learn, continue to laugh, and continue to grow.



EDUCATIONAL CHILD CARE CENTER
1715 West Malcolm X St, Lansing, MI 48915
517.485.6825 | ec3kids.org