

develops math, science,
and engineering awareness
while learning concepts
of shape, weight, and
usefulness as a tool

vocabulary and
concepts of volume
and measurement



sensory activation,
coordination, and
connection to smell,
touch, and taste



THE EDUCATIONAL VALUE OF
Everyday Objects

explores tactility
with sticky and
smooth surfaces

improves cognition
by using a higher
level of thinking while
planning, organizing,
and problem solving
how to join two items

A DIRECTIONAL GUIDE TO

What's Inside This Report

Letter From the Executive Director	3
Parent Story	5
Educator Story	7
Letter From the Chair	11
Family Donors	12
Corporate Donors	13
Financial Summary	14
Board of Directors	Back Cover



social & emotional
development by
recognizing their own
name and personally
special words



develops language &
literacy by associating
letters with the
sounds they make

DISCOVERING EDUCATIONAL BREAKTHROUGHS IN Modest Everyday Objects

When I first came to EC3 as a parent/customer, in 2002, I was often impressed by the relative simplicity of classroom activities and projects. Simple items, such as shaving cream and paper plates and buttons, were used to teach Helen concepts of chemistry and geometry and physics and mathematics that I completely overlooked at the time. It was only later, as she made her way through elementary school, that I began to identify those activities as the building blocks for serious innovation and creativity. I also started to understand how EC3's process of exposing students to such concepts within a safe and nurturing social environment established her as a collaborative thinker; now that she's in high school working with her classmates on a variety of projects, I draw the distinct connection between the fun she had at EC3 and the success she has in school now.

Over the past six years in current my position at EC3, we have gone through several periods of severe financial hardship. There have been times when putting off the purchase of new supplies and equipment was the only way to keep going without making cuts to the teaching staff. To the great credit of this same teaching staff, children were always afforded experiences that enriched their minds and bodies. The very best early educators can impact the lives of young children even without the latest new games and materials—and EC3's teachers are the very best, indeed.

Providing developmentally appropriate child care in a nurturing environment that promotes growth of the whole child while responding to the needs of the family is EC3's mission. Recruiting and retaining the very best early childhood educators is foundational to that mission, as is leveraging all available resources—both material and human. Throughout the pages of this report, you will see evidence of EC3's steadfast commitment and dedication to children and families while furthering the mission.

On behalf of the Board of Directors, we express sincere gratitude to our families, our staff, our donors, and the many other people who help make EC3 an exceptional place to be.



ELISABETH WESTON
Executive Director

creative exploration:
an acceptable way to
make a mess



sensory activation,
coordination, and
connection: smell,
touch, taste

“EC3 is much more than fun and games; kids here learn to be appropriately independent, mature, and responsible as well.”

OBSERVATIONS FROM
An EC3 Family



We are the Blair family and we currently have two children attending EC3—Christian, age 5, is currently in the Bear room, and Cameron, age 3, is currently in the Gecko room. Our family came to EC3 in June of 2013 when Christian was just over a year old. We learned about EC3 through a neighbor whose son was attending, and we quickly discovered that most of our neighbors with small children were EC3 families as well. When we decided to return to our normal work schedules we weighed several options. Originally we were simply looking for child care; what we found in EC3 was so much more.

I distinctly remember our first visit to Toddlerland. We were sold almost instantly: the sand, the paint, the glue, the glitter—but most importantly, the smiles. We found a place where kids get to be kids, and part of being a kid is touching everything and making a mess. Young children learn through play, and it was immediately evident that EC3 excels in providing an environment where kids can play in a safe, fun, engaging, and developmentally-appropriate way that allows them to learn about the world.

But EC3 is much more than fun and games; kids here learn to be appropriately independent, mature, and responsible as well. Every time I step foot in EC3 and poke my head into one of the rooms, I’m reminded that kids love structure, and they thrive when they know what’s expected of them. I love watching the one-year-olds in Toddlerland sit at the table quietly, politely eating with utensils and no sippy cups, and cleaning up after themselves when their done. If you’ve never seen it, it’s truly a sight to see. If only meal time looked the same in our home.

As we get ready to send Christian to kindergarten in the fall, we are excited for what the future holds but sad that his EC3 days are coming to an end. Thankfully Cameron will still be around for a couple more years.

Jonathan & Kyre Blair

sharpens cognition
by improvising
and using abstract
thinking to make
an object represent
something else

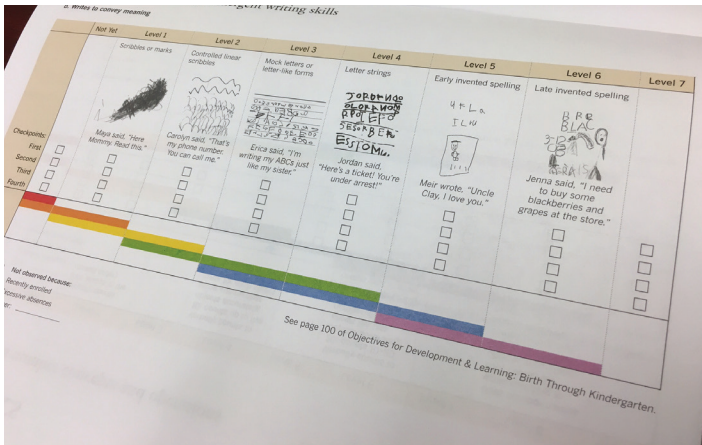


demonstrates
flexibility of
thought

“Tucked inside EC3’s remarkably loving and fun environment is a rigor, a method, and a dedication to exceptional development that prepares children for responsive engagement with the world around them...”

LOVE, NURTURE, AND A

Big Dose of Curriculum



“Teachers make decisions every day that help lay a solid foundation for children’s present and future development and learning. Effective teachers understand child development—who children are and how they develop and learn. They use this information to guide planning and decision making. Teachers also get to know children as individuals—their interests, strengths, experiences, needs, language, and family background. With that information, they individualize instruction in order to build meaningful relationships with children and help each child succeed.” (Creative Curriculum Volume Three, Objectives for Development and Learning).

EC3’s teachers have always known and understood the areas of development and learning: social-emotional, physical,

language, and cognitive. Additionally, EC3’s teachers have long incorporated content knowledge and effective teaching strategies to maximize learning for children. Tucked inside EC3’s remarkably loving and fun environment is a rigor, a method, and a dedication to exceptional development that prepares children for responsive engagement with the world around them.

EC3’s curriculum combines attention to the developmental levels of students with child-directed activities that promote growth across the domains of development. Our play-based, hands-on daily activities promote curiosity, experimentation, and independence. Teachers develop lesson plans that are challenging, open-ended, and based on children’s interests and cultures.

Ongoing student progress monitoring is completed by EC3 teachers in order to make data-based decisions for planning and instruction. Daily observation of a student’s development allows teachers to customize instruction to support individual student needs and provide concentrated support as needed. Yearly developmental screening, combined with ongoing observational assessments, give a clear view of a child’s growth and developmental levels. This information is shared during parent conferences, and is used to set goals for the upcoming months.





FURTHER EXPLORATION INTO Seemingly Humble Play

We say it all the time—children learn through play. Our job at EC3 is enabling play to become the foundation for later learning, as children solve problems and enhance their understanding of the world around them. Play is also a fundamental component of helping children learn to interact with others. The parallel play observed in infants and toddlers, who use similar materials near one another without interacting, gives way over time to cooperative play as preschoolers, who begin collaborative decision-making, rule setting, and working toward common goals.

1

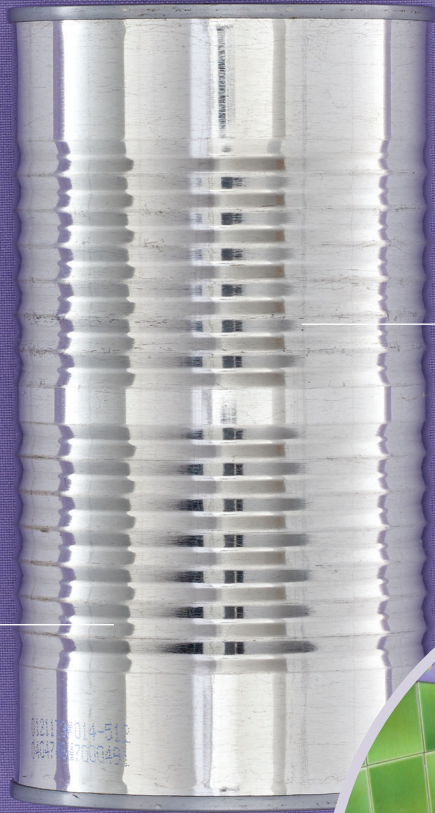
Math/science development:
concepts of size, volume,
and flow

2

Solves problems socially through
negotiation with friends

3

Balances needs and rights of
self and others



shows creativity
in recycling and
reusing materials

math and
language
development:
concepts of shape,
size, location, and
design relevant to
learning to read



A WINDOW INTO EC3

From the Board Chair

Over the last three decades, EC3 has seen its fair share of financial hardship. In our earliest years, the mid-1980s, we received significant operational funding from a State of Michigan grant. That vanished in the early 1990s, putting into motion the challenge of staying operational based solely on parent-paid tuition revenue. When we purchased our school building in 2006, our financial obligations multiplied because we had to become responsible for property upkeep. And when the recession of 2008-2010 hit, EC3 suffered along with the rest of mid-Michigan.

Since 2011, one of EC3's guiding priorities has been to stabilize the financial health of the organization. Here are the facts that underlie our financial operations:

- EC3 gets most of its revenue (nearly 95%) from tuition.
- EC3 spends most of its money (over 75%) on staff salaries, benefits, and professional development.
- EC3 does not currently have any "rainy day fund" or investments to rely upon when enrollment dips and money gets tight. In essence, EC3 lives paycheck-to-paycheck.

We began studying our enrollment data to identify patterns that impact cash flow, and here are those facts:

- Enrollment dips each fall, when summer camp closes and a whole group of children leave to enter kindergarten.
- Enrollment typically rises over the course of six months and then remains strong until the next fall.
- EC3's expenses remain fairly constant, with only modest fluctuations when we experience staffing changes.

What this means is that at the beginning of our fiscal year we operate in the red, and by mid-year we are able to catch up and operate in the black.

One way to remedy this cycle without raising tuition is to increase EC3's non-tuition revenue; the spring auction in April 2016 was a great success in this capacity, bringing in over \$53,000. Another remedy is to build our cash reserves used for building maintenance, so operating funds won't be utilized for mechanical or structural infirmities. To this end, we encourage graduating families and alumni to support our "Building Blocks Campaign" by purchasing a brick on the wall of our entryway.

As a parent cooperative nonprofit organization, all of EC3's constituent families are its "owners" and share a special interest in its financial health. This annual report is only a small part of getting to know and understand how EC3 operates; I encourage you to read our Board of Directors meeting minutes and review our financial statements, all of



STEPHEN PURCHASE
Chair

which can be found on the website. Armed with this knowledge and our faith in EC3's outstanding program, we can better support the organization that has become like a second family to our children.

FY 2015 Family Donors

John & Leah Addis
Mathew Penniman & Jill Arnold
Gary Ashby & Stephanie Gewirtz
Chris & Amy Babcock
Joe & Carol Bacile
Ben & Bryan Barron
Julie Barron
Brad & Katie Barron
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MSU Federal Credit Union

The Benevity Community

Consumers Energy Helping

Lifetouch

Redhead Design Studio

Impact Fund

Neighbors Program

Meijer

Resch Strategies

Vibrant Greens LLC

Foster Swift, P.C.

Minuteman Sewer &
Drain Cleaning

Voss Financial Group, LLC

GrandAir Aviation

Scholastic Book Fairs

Such Video

“My child just graduated and is in kindergarten now. She was very familiar with the classroom setting thanks to EC3 and was very comfortable. I really appreciate all of the wonderful care and instruction that she received.”

PARENT FEEDBACK FROM FALL 2016 SURVEY



develops 1:1
correspondence,
counts objects, and
compares group sizes

sorts and classifies
by likenesses and
differences of size,
color, and shape

“EC3 is such a special place. We love the care our son receives and the support he and we get from everyone at EC3. We couldn’t be happier.”

PARENT FEEDBACK FROM FALL 2015 SURVEY

THE BUSINESS OF Making It Work

EC3 has traditionally brought in most of its operating funds from tuition and fees paid by families of enrolled children, and this was the case in FY 2015 (October 1, 2015 through September 30, 2016).

Appropriately for a 501(c)(3) nonprofit organization, the vast majority of EC3’s budget (approximately 84%) was spent on its program—that is, the staff and materials used to care for and educate children and their families. Owning a 1929-built structure brings with it an ongoing host of repairs and improvements, but EC3 has managed to contain such costs to just 10% or less of its budget. Administrative expenses took up the remainder.

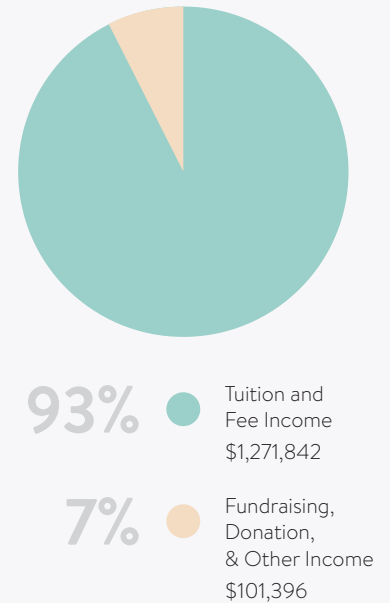


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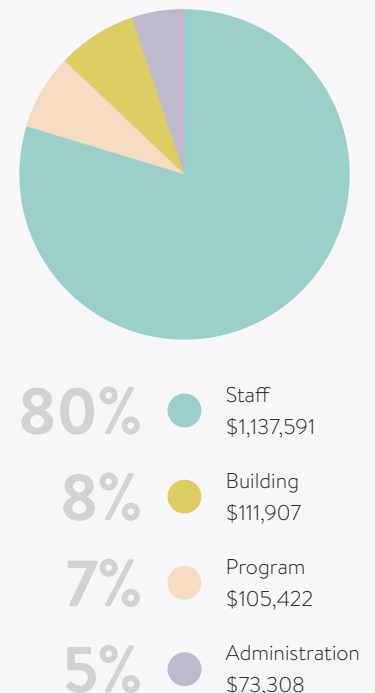
Statement of Financial Position

Assets	9/30/16	9/30/15
Current assets		
Cash	\$8,283	\$12,480
Accounts receivable	\$13,809	\$48,625
Prepaid expenses	\$7,220	\$2,182
Total current assets	\$29,312	\$63,287
Fixed assets, net of accumulated depreciation	\$446,026	\$453,597
Total assets	\$475,338	\$516,884
Liabilities and net assets	9/30/16	9/30/15
Liabilities		
Current liabilities		
Accounts payable	\$14,313	\$19,130
Accrued wages	\$54,666	\$45,048
Accrued vacation	\$12,270	\$11,489
Other accrued liabilities	\$1,063	\$1,395
Line of credit	\$67,677	\$39,182
Deferred revenue		\$8,962
Mortgage payable		\$241,705
Current portion of mortgage payable	\$7,822	
Current portion of lease payable	\$1,204	\$2,994
Total current liabilities	\$159,015	\$369,905
Noncurrent liabilities		
Noncurrent portion of mortgage payable	\$227,800	
Noncurrent portion of lease payable		\$1,610
Total noncurrent liabilities	\$227,800	\$1,610
Total liabilities	\$386,815	\$371,515
Net assets		
Unrestricted	\$85,277	\$115,281
Temporarily restricted	\$3,246	\$30,088
Total net assets	\$88,523	\$145,369
Total liabilities and net assets	\$475,338	\$516,884

FY 2015 REVENUE



FY 2015 EXPENDITURES





EDUCATIONAL CHILD CARE CENTER

1715 West Malcolm X St, Lansing, MI 48915

517.485.6825 || ec3kids.org

THE UNWAVERING DEDICATION OF

A Volunteer Board of Directors

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