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October 28, 2014

Board of Directors
Crescent Avenue Weekday School
1232 Crescent Avenue
Fort Wayne, IN 46805

We have reviewed the audit report prepared by Galen D. Maust, P.C., for the period January 1, 2012 to December 31, 2012. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of Crescent Avenue Weekday School, as of December 31, 2012, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

CRESCENT AVENUE WEEKDAY SCHOOL
FORT WAYNE, IN
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

PREPARED BY
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CERTIFIED PUBLIC ACCOUNTANT
3470 STELLHORN ROAD
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Galen D. Maust P.C.

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Crescent Avenue Weekday School
Fort Wayne, Indiana

I have audited the accompanying statements of financial position of Crescent Avenue Weekday School as of December 31, 2012 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crescent Avenue Weekday School at December 31, 2012, and the results of its activities and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Galen D. Maust, C.P.A.

July 9, 2013

CRESCENT AVENUE WEEKDAY SCHOOL

Statement of Financial Position

December 31, 2012

ASSETS

Cash and Cash Equivalents	\$	35,817
Prepaid Expense		1,654
Property and Equipment - Net (Note 3)		<u>1,937</u>
TOTAL ASSETS	\$	<u>39,408</u>

LIABILITIES AND NET ASSETS

Employee Withholdings	\$	<u>409</u>
Total Liabilities		<u>409</u>
Net Assets:		
Unrestricted	\$	<u>38,999</u>
Total Net Assets		<u>38,999</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>39,408</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART
OF THE FINANCIAL STATEMENTS.

CRESCENT AVENUE WEEKDAY SCHOOL

Statement of Activities
For the Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total All Funds</u>
<u>Public Support</u>			
Contributions and Grants	\$ 1,107	\$ 245,800	\$ 246,907
Total Public Support	<u>1,107</u>	<u>245,800</u>	<u>246,907</u>
<u>Revenues</u>			
Miscellaneous Income	2,364	0	2,364
Registration and Tuition	179,891	0	179,891
Fundraising (Net of Expense of \$4,909)	2,159	0	2,159
Total Revenues	<u>184,414</u>	<u>0</u>	<u>184,414</u>
<u>Net Assets Released from Restrictions</u>			
Satisfaction of Program Restrictions	<u>245,800</u>	<u>(245,800)</u>	<u>0</u>
Total Net Assets Released from Restrictions	<u>245,800</u>	<u>(245,800)</u>	<u>0</u>
TOTAL PUBLIC SUPPORT, REVENUES AND OTHER GAINS			
	<u>431,321</u>	<u>0</u>	<u>431,321</u>
<u>Expenses</u>			
Program Services	280,080	0	280,080
Management and General	99,562	0	99,562
Contribution to Affiliated Organization	15,000	0	15,000
TOTAL EXPENSES	<u>394,642</u>	<u>0</u>	<u>394,642</u>
CHANGE IN NET ASSETS	36,679	0	36,679
NET ASSETS - BEGINNING OF YEAR	<u>2,320</u>	<u>0</u>	<u>2,320</u>
NET ASSETS - END OF YEAR	<u>\$ 38,999</u>	<u>\$ 0</u>	<u>\$ 38,999</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

CRESCENT AVENUE WEEKDAY SCHOOL

Statement of Functional Expenses
For the Year Ended December 31, 2012

	Program Services	Management and General	Total
Salaries and Wages	\$ 204,853	\$ 76,486	\$ 281,339
Fringe Benefits	6,117	2,284	8,401
Payroll Taxes	14,954	5,584	20,538
Total Payroll and Fringe Benefits	<u>225,924</u>	<u>84,354</u>	<u>310,278</u>
Marketing and Advertising	0	8,545	8,545
Telephone	581	217	798
Repairs and Maintenance	1,003	374	1,377
Dues and Subscriptions	0	248	248
Supplies	18,657	2,730	21,387
Field Trip Expense	90	0	90
Food	31,869	0	31,869
Special Events	962	0	962
Computer and Copier Expense	0	1,562	1,562
Bank Fees	90	1,089	1,179
Miscellaneous Expense	825	410	1,235
Total Expenses Before Depreciation	<u>280,001</u>	<u>99,529</u>	<u>379,530</u>
Depreciation of Equipment	<u>79</u>	<u>33</u>	<u>112</u>
TOTAL FUNCTIONAL EXPENSES	<u><u>\$ 280,080</u></u>	<u><u>\$ 99,562</u></u>	<u><u>\$ 379,642</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

CRESCENT AVENUE WEEKDAY SCHOOL

Statement of Cash Flows
For the Year Ended December 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:	
CHANGE IN NET ASSETS	\$ 36,679
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES:	
Depreciation	112
Increase in Prepaid Expense	(74)
Decrease in Payroll Withholding	<u>(601)</u>
Net Cash Provided By Operating Activities	<u>36,116</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Equipment	<u>(2,049)</u>
Net Cash Used in Investing Activities	<u>(2,049)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payment of Notes Payable	<u>(3,500)</u>
Net Cash Used in Financing Activities	<u>(3,500)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	30,567
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>5,250</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 35,817</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

CRESCENT AVENUE WEEKDAY SCHOOL
Notes to Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Crescent Avenue Weekday School is affiliated with Crescent Avenue United Methodist Church and is a nonprofit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies for the 50% charitable contributions deduction limitation. The Organization has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

The Organization offers weekday child care for children in Fort Wayne, Indiana. Within a Christian atmosphere of love and acceptance, the organization seeks to create an environment that promotes and reinforces a child's self-worth and competence.

Accrual Basis

The financial statements include the accounts of the Organization and were prepared on the accrual basis of accounting.

Financial Statement Presentation

Under Statement of Financial Accounting Standards No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Contributions

In accordance with Statement of Financial Accounting Standards No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

CRESCENT AVENUE WEEKDAY SCHOOL
Notes to Financial Statements (Continued)

Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$500; the fair market value of donated capital services, property and equipment is similarly capitalized.

Donated Materials and Services

Donated materials and services are reflected in these financial statements as public support received and operating expenses to the extent there is an objective basis available to measure the value of such materials and services.

Allocation of Functional Expenditures

Expenditures are allocated to programs and supporting services based on the nature of the expenditure. Certain of the allocations are based on management's estimates of employees' time devoted to the various services.

Unemployment Compensation

For Indiana Employment Security Act purposes, the Organization has elected to reimburse the State for unemployment compensation claims paid rather than to fund the State unemployment compensation reserve.

CRESCENT AVENUE WEEKDAY SCHOOL
Notes to Financial Statements (Continued)

NOTE 2. OPERATING LEASE COMMITMENT

On October 31, 2008, the organization entered into a five year operating lease for a digital copier requiring monthly lease payments of \$102. The organization has the option to purchase the copier at its fair market value at the end of the lease term. Lease expense for 2012 was \$1,387.

NOTE 3. PROPERTY AND EQUIPMENT DEPRECIATION

Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives of the assets. At December 31, 2012, the costs of such assets were as follows:

Furniture & Equipment 7-10 Years	\$ <u>2,049</u>
Total Cost	2,049
Less: Accumulated Depreciation	<u>112</u>
Net	\$ <u><u>1,937</u></u>

NOTE 4. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated. There are no reportable events.