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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, 2013 to December 31, 2013. 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, 2013, 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, 2013

PREPARED BY
GALEN D. MAUST, P.C.
CERTIFIED PUBLIC ACCOUNTANT
3470 STELLHORN ROAD
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I N D E X

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6

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 financial statements of Crescent Avenue Weekday School which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to 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.

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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crescent Avenue Weekday School as of December 31, 2013, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Galen D. Maust, C. Pa.

June 10, 2014

CRESCENT AVENUE WEEKDAY SCHOOL

Statement of Financial Position
December 31, 2013

<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 33,557
Property and Equipment - Net (Note 3)	<u>3,666</u>
TOTAL ASSETS	\$ <u>37,223</u>
 <u>LIABILITIES AND NET ASSETS</u>	
Employee Withholdings	\$ <u>110</u>
Total Liabilities	<u>110</u>
Net Assets:	
Unrestricted	\$ <u>37,113</u>
Total Net Assets	<u>37,113</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>37,223</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, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total All Funds</u>
<u>Public Support</u>			
Contributions and Grants	\$ 3,563	\$ 233,839	\$ 237,402
Total Public Support	3,563	233,839	237,402
 <u>Revenues</u>			
Miscellaneous Income	1,483	0	1,483
Registration and Tuition	173,457	0	173,457
Fundraising (Net of Expense of \$3,281)	2,782	0	2,782
Total Revenues	177,722	0	177,722
 <u>Net Assets Released from Restrictions</u>			
Satisfaction of Program Restrictions	233,839	(233,839)	0
Total Net Assets Released from Restrictions	233,839	(233,839)	0
 TOTAL PUBLIC SUPPORT, REVENUES AND OTHER GAINS			
	415,124	0	415,124
 <u>Expenses</u>			
Program Services	298,852	0	298,852
Management and General	103,158	0	103,158
Contribution to Affiliated Organization	15,000	0	15,000
TOTAL EXPENSES	417,010	0	417,010
CHANGE IN NET ASSETS	(1,886)	0	(1,886)
NET ASSETS - BEGINNING OF YEAR	38,999	0	38,999
NET ASSETS - END OF YEAR	\$ 37,113	\$ 0	\$ 37,113

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, 2013

	Program Services	Management and General	Total
Salaries and Wages	\$ 218,589	\$ 75,982	\$ 294,571
Fringe Benefits	9,255	3,216	12,471
Payroll Taxes	16,564	5,756	22,320
Total Payroll and Fringe Benefits	<u>244,408</u>	<u>84,954</u>	<u>329,362</u>
Marketing and Advertising	0	5,381	5,381
Telephone	496	173	669
Repairs and Maintenance	2,839	987	3,826
Dues and Subscriptions	0	425	425
Supplies	18,087	2,370	20,457
Audit Fees	0	2,250	2,250
Food	30,602	0	30,602
Special Events	1,844	0	1,844
Computer and Copier Expense	0	4,655	4,655
Bank Fees	6	1,684	1,690
Miscellaneous Expense	327	195	522
Total Expenses Before Depreciation	<u>298,609</u>	<u>103,074</u>	<u>401,683</u>
Depreciation of Equipment	<u>243</u>	<u>84</u>	<u>327</u>
TOTAL FUNCTIONAL EXPENSES	<u><u>\$ 298,852</u></u>	<u><u>\$ 103,158</u></u>	<u><u>\$ 402,010</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, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:	
CHANGE IN NET ASSETS	\$ (1,886)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES:	
Depreciation	327
Decrease in Prepaid Expense	1,654
Decrease in Payroll Withholding	<u>(298)</u>
Net Cash Used in Operating Activities	<u>(203)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Equipment	<u>(2,057)</u>
Net Cash Used in Investing Activities	<u>(2,057)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,260)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>35,817</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 33,557</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. Lease expense for 2013 was \$ 1,840.

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, 2013, the costs of such assets were as follows:

Furniture & Equipment 7-10 Years	\$ 4,106
Total Cost	<u>4,106</u>
Less: Accumulated Depreciation	<u>440</u>
Net	<u>\$ 3,666</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.