

CANYON CREST ACADEMY FOUNDATION, INC.
AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors and Members
Canyon Crest Academy Foundation, Inc.

Report on the Financial Statements

I have audited the accompanying financial statements of Canyon Crest Academy Foundation, Inc., which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Auditor's Responsibility

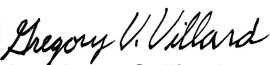
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether 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.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Canyon Crest Academy Foundation, Inc. as of June 30, 2017, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.


La Mesa, California
March 8, 2018

CANYON CREST ACADEMY FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

ASSETS

Current Assets:

Cash & Cash Equivalents	\$ 1,074,265
Investments	128,031
Other Receivables	2,506
Prepaid Camp Expenses	4,475
Total Current Assets	1,209,277

Property & Equipment:

Furniture, Fixtures, & Equipment	4,143
Computer Software	1,320
Total Property & Equipment	5,463
Less Accumulated Depreciation	(5,463)
Net Property & Equipment	-

Other Assets

Organization Costs	500
Less Accumulated Amortization	(500)
Net Other Assets	-

Total Assets	\$ 1,209,277
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable and Accrued Expenses	\$ 291,016
Unearned and Deferred Revenue	346,666
Section 125 Fund	2,143
Security Deposit	10,000
Total Current Liabilities	649,825

Total Liabilities	649,825
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Net Assets

Unrestricted	341,023
Temporarily restricted	218,429
Total Net Assets	559,452

Total Liabilities and Net Assets	\$ 1,209,277
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See accompanying notes and independent auditor's report.

CANYON CREST ACADEMY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Contributed Support	\$ 154,627	\$ 643,558	\$ 798,185
Special Events	79,503	74,612	154,115
Program Revenue	400,066	431,266	831,332
Interest	251	-	251
Gain (Loss) on Investments	(378)	-	(378)
Net assets released from restrictions & adjustments	1,100,523	(1,100,523)	-
 Total Support and Revenue	 1,734,592	 48,913	 1,783,505
 EXPENSES			
Academics	25,889	-	25,889
Athletics	469,333	-	469,333
Envision	192,366	-	192,366
Grad Night	47,622	-	47,622
Counseling, College Career Center	58,013	-	58,013
Technology	89,298	-	89,298
Special Events	34,274	-	34,274
General & Administrative	51,770	-	51,770
Salaries & Related Expenses	145,881	-	145,881
Other Program Expenses	276,981	-	276,981
 Total Expenses	 1,391,427	 -	 1,391,427
 Change in Net Assets	 343,165	 48,913	 392,078
 Net Assets			
Beginning of year	(2,142)	169,516	167,374
End of year	\$ 341,023	\$ 218,429	\$ 559,452

See accompanying notes and independent auditor's report.

CANYON CREST ACADEMY FOUNDATION, INC.
STATEMENT OF CASH FLOWS
JUNE 30, 2017

Cash Flows from Operating Activities

Change in Net Assets	\$ 392,078
Reconciliation to net cash provided by (used in) operating activities:	
(Increase) decrease in operating assets	
Investments	(128,031)
Other Receivables	1,540
Prepaid Camp Expenses	3,461
Increase (decrease) in operating liabilities	
Accounts Payable and Accrued Expenses	73,061
Unearned and Deferred Revenue	160,975
Section 125 Fund	929
Security Deposit	<u>10,000</u>
Net cash provided by (used in) operating activities	<u>514,013</u>
 Increase (Decrease) in Cash and Cash Equivalents	 \$ 514,013

Cash and Cash Equivalents

Beginning of year	<u>560,252</u>
End of year	<u><u>\$ 1,074,265</u></u>

See accompanying notes and independent auditor's report.

CANYON CREST ACADEMY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Special Events	58,747	-	23,149	81,896
Other Program Events	221,065	-	-	221,065
Salaries & Related Expenses	87,529	58,352	-	145,881
Academic	103,050	-	-	103,050
Counseling, College Career Center	23,773	-	-	23,773
Technology	59,298	-	-	59,298
Non-Employee Compensation	365,875	-	-	365,875
Equipment & Supplies	194,568	-	-	194,568
Tournaments & Travel	55,244	-	-	55,244
Officials & Trainers	7,679	-	-	7,679
Transportation	72,647	-	-	72,647
Management & General Expenses	31,066	29,385	-	60,451
Total Expenses	<u>\$1,280,541</u>	<u>\$ 87,737</u>	<u>\$ 23,149</u>	<u>\$ 1,391,427</u>

See accompanying notes and independent auditor's report.

CANYON CREST ACADEMY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1. NATURE OF ORGANIZATION

Canyon Crest Academy Foundation, Inc. ("the Organization") was incorporated on March 10, 2004 under the general non-profit laws of the State of California. The mission of the Organization is to partner with students, parents, and staff to facilitate community involvement and provide financial support for the Canyon Crest Academy's educational programs and priorities. Located in San Diego, California, the Organization solicits funds from businesses, parents, and the educational community for high school programs including academics, arts, athletics, and technology.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

The Organization utilizes the accrual method of accounting for financial statement presentation, in accordance with accounting principles generally accepted in the United States of America.

Revenue Recognition

Revenue from donations, fundraisers, etc. are available for general use unless specifically restricted by the donor. Other than promises to give, revenues from donations are not recognized until received.

Donated Services

A number of businesses and unpaid volunteers have made significant contributions of time to the Organization's fundraising and operations. Contributed services are recorded at fair value at the date of donation only if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During the year, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Basis of Presentation

Financial Statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, restricted, and permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Restricted Support and Net Assets

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are satisfied within the same reporting period, are reported as unrestricted support in the period.

CANYON CREST ACADEMY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Property and Equipment

Office furniture, fixtures, and equipment have been recorded at cost if purchased or at fair market value at the time of donation. The Organization's policy is to capitalize acquisitions of property and equipment in excess of \$500. Depreciation is provided over the estimated useful lives of the respective depreciable assets on a straight-line basis.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with initial maturity of three months or less to be cash equivalents.

Income Tax Status

The Organization has qualified for tax-exempt status under Internal Revenue Code Section 501(c)(3) and California Revenue Code Section 23701(d). The Organization has also been classified by the Internal Revenue Service as an entity that is not a private foundation within the meaning of Section 170(c)(2). Income for certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. No provision for income taxes has been made in the accompanying financial statements since there is no unrelated business activity.

The Organization recognizes the financial statement benefit of tax positions, such as its income tax exempt filing status, only after determining that the relevant tax authority would more likely than not sustain the position following an audit. The Organization is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California purposes is generally three and four years, respectively.

Allocation of Functional Expenses

The costs of providing the various programs have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 3. CONCENTRATIONS OF CASH & CASH EQUIVALENTS

The Organization maintains cash in several accounts in financial institutions which are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times during the year cash balances may exceed this amount. At June 30, 2017, the Organization had \$598,400 in excess of the FDIC amount.

NOTE 4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at June 30, 2017:

Quest	\$ 24,130
Grad Night	39,910
Athletics	105,780
Envision	<u>48,609</u>
Total	<u>\$218,429</u>

CANYON CREST ACADEMY FOUNDATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017

A summary of temporarily restricted net assets is as follows:

Balance – June 30, 2016	\$169,516
Current year net income	49,308
Current year adjustments	<u>(395)</u>
Balance – June 30, 2017	<u>\$218,429</u>

NOTE 5. FAIR VALUE MEASUREMENTS

Fair values are measured along the following criteria:

- Level 1 input: Quoted prices in active markets for identical assets
- Level 2 input: Significant observable inputs
- Level 3 input: Significant unobservable inputs

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- Cash and cash equivalents: The carrying amount approximates fair value because of the short maturities.
- Certificates of deposit: The fair value of certificates of deposit is determined based on quoted market prices.

Fair values of the Organization's financial instruments at June 30, 2017 are as follows, and all values are classified as Level 1 inputs:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial Assets:		
Cash and Cash Equivalents	\$1,074,265	\$1,074,265
Investments	128,409	128,031

NOTE 6. DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 8, 2018.