

CANYON CREST ACADEMY FOUNDATION, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

I have reviewed the accompanying financial statements of Canyon Crest Academy Foundation, Inc., which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

### **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.

### **Accountant's Responsibility**

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles general accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

### **Accountant's Conclusion on the Financial Statements**

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

  
La Mesa, California  
May 12, 2016

CANYON CREST ACADEMY FOUNDATION, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2015

**ASSETS**

**Current Assets:**

Cash & Cash Equivalents	\$ 612,943
Pledges Receivable	3,415
Prepaid Camp Expenses	<u>14,713</u>
Total Current Assets	631,071

**Property & Equipment:**

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

**Other Assets**

Organization Costs	500
Less Accumulated Amortization	<u>(500)</u>
Net Other Assets	-

Total Assets	<u><u>\$ 631,071</u></u>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable and accrued expenses	\$ 151,917
Deferred Revenue	<u>142,750</u>
Total Current Liabilities	<u>294,667</u>

Total Liabilities	294,667
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**Net Assets**

Unrestricted	13,645
Temporarily restricted	<u>322,759</u>

Total Net Assets	<u>336,404</u>
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Total Liabilities and Net Assets	<u><u>\$ 631,071</u></u>
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See accompanying notes and independent accountant's review report.

CANYON CREST ACADEMY FOUNDATION, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>			
Contributed support	\$ 126,933	\$ 544,590	\$ 671,523
Special Events	37,510	169,522	207,032
Program Revenue	24,128	175,485	199,613
Interest	90	-	90
Net assets released from restrictions	848,442	(848,442)	-
 Total Support and Revenue	 1,037,103	 41,155	 1,078,258
 <b>EXPENSES</b>			
Academics	151,264	-	151,264
Athletics	360,776	-	360,776
Envision	244,116	-	244,116
Grad Night	42,601	-	42,601
Counseling, College Career Center	34,891	-	34,891
Technology	52,814	-	52,814
Special Events	33,403	-	33,403
General & Administrative	41,678	-	41,678
Salaries & Related Expenses	108,741	-	108,741
Other Program Expenses	150,504	-	150,504
Total Supporting Services	464,632	-	464,632
 Total Expenses	 1,220,788	 -	 1,220,788
 Change in Net Assets	 (183,685)	 41,155	 (142,530)
 Net Assets			
Beginning of year	197,330	281,604	478,934
End of year	\$ 13,645	\$ 322,759	\$ 336,404

See accompanying notes and independent accountant's review report.

CANYON CREST ACADEMY FOUNDATION, INC.  
STATEMENT OF CASH FLOWS  
JUNE 30, 2015

<b>Cash Flows from Operating Activities</b>	
Change in Net Assets	\$ (142,530)
Reconciliation to net cash provided by (used in) operating activities:	
(Increase) decrease in operating assets	
Pledges Receivable	2,636
Prepaid Camp Expenses	(10,239)
Increase (decrease) in operating liabilities	
Accounts payable and accrued expenses	69,467
Deferred Revenue	<u>102,375</u>
Net cash provided by (used in) operating activities	<u>21,709</u>
 <b>Increase (Decrease) in Cash and Cash Equivalents</b>	 \$ 21,709
 <b>Cash and Cash Equivalents</b>	
Beginning of year	<u>591,234</u>
End of year	<u><u>\$ 612,943</u></u>

See accompanying notes and independent accountant's review report.

CANYON CREST ACADEMY FOUNDATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2015

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Special Events	-	-	87,935	87,935
Other Program Events	-	-	100,893	100,893
Salaries & Related Expenses	78,302	30,439	-	108,741
Academic	183,770	-	-	183,770
Counseling, College Career Center	7,200	-	-	7,200
Technology	52,814	-	-	52,814
Non-Employee Compensation	308,344	-	-	308,344
Equipment & Supplies	202,306	-	-	202,306
Tournaments & Travel	21,056	-	-	21,056
Officials & Trainers	31,335	-	-	31,335
Transportation	69,542	-	-	69,542
Management & General Expenses	29,154	17,698	-	46,852
	<u>\$ 983,823</u>	<u>\$ 48,137</u>	<u>\$ 188,828</u>	<u>\$ 1,220,788</u>

See accompanying notes and independent accountant's review report.

CANYON CREST ACADEMY FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

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 Organization’s education programs and priorities. Located in San Diego, California, the Organization solicits funds from businesses, parents, and the community for 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, 2015

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, 2015, the Organization had \$208,951 in excess of the FDIC amount.

NOTE 4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at June 30, 2015:

Quest	\$ 49,427
Grad Night	43,703
Athletics	197,766
Envision	<u>31,863</u>
Total	<u>\$322,759</u>



CANYON CREST ACADEMY FOUNDATION, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2015

A summary of temporarily restricted net assets is as follows:

Balance – June 30, 2014	\$281,604
Current year net income	50,010
Current year adjustments	<u>(8,855)</u>
Balance – June 30, 2015	<u>\$322,759</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 Association’s financial instruments at June 30, 2015 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	\$612,943	\$612,943

NOTE 6. DATE OF MANAGEMENT’S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through May 12, 2016.