

CANYON CREST ACADEMY FOUNDATION, INC.
AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

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INDEPENDENT AUDITOR'S 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, 2019, 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

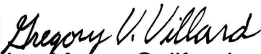
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether 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, 2019, 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
November 1, 2019

CANYON CREST ACADEMY FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total
Current Assets:			
Cash & Cash Equivalents	\$ 782,471	\$ 330,946	\$ 1,113,417
Certificates of Deposit	609,862	-	609,862
Investments	301,314	-	301,314
Other Receivables	9,746	-	9,746
Prepaid Camp Expenses	1,392	-	1,392
Total Current Assets	<u>1,704,785</u>	<u>330,946</u>	<u>2,035,731</u>
Property & Equipment:			
Furniture, Fixtures, & Equipment	4,143	-	4,143
Computer Software	1,320	-	1,320
Total Property & Equipment	<u>5,463</u>	<u>-</u>	<u>5,463</u>
Less Accumulated Depreciation	<u>(5,463)</u>	<u>-</u>	<u>(5,463)</u>
Net Property & Equipment	-	-	-
Other Assets			
Organization Costs	500	-	500
Less Accumulated Amortization	<u>(500)</u>	<u>-</u>	<u>(500)</u>
Net Other Assets	-	-	-
Total Assets	<u>\$ 1,704,785</u>	<u>\$ 330,946</u>	<u>\$ 2,035,731</u>

LIABILITIES AND NET ASSETS

Current Liabilities:			
Accounts Payable and Accrued Expenses	\$ 410,003	\$ -	\$ 410,003
Unearned and Deferred Revenue	414,106	-	414,106
Retirement Plan Payable	2,328	-	2,328
Security Deposit	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Current Liabilities	<u>836,437</u>	<u>-</u>	<u>836,437</u>
Total Liabilities	836,437	-	836,437
Net Assets			
Without Donor Restrictions	868,348	-	868,348
With Donor Restrictions	<u>-</u>	<u>330,946</u>	<u>330,946</u>
Total Net Assets	<u>868,348</u>	<u>330,946</u>	<u>1,199,294</u>
Total Liabilities and Net Assets	<u>\$ 1,704,785</u>	<u>\$ 330,946</u>	<u>\$ 2,035,731</u>

See accompanying notes and independent auditor's report.

CANYON CREST ACADEMY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributed Support	\$ 129,004	\$ 588,084	\$ 717,088
Special Events	223,898	5,012	228,910
Program Revenue	559,537	529,407	1,088,944
Interest & Gain (Loss) on Investments	24,091	-	24,091
Net assets released from restrictions & adjustments	<u>1,119,705</u>	<u>(1,119,705)</u>	<u>-</u>
 Total Support and Revenue	 <u>2,056,235</u>	 <u>2,798</u>	 <u>2,059,033</u>
 EXPENSES			
Academics	115,656	-	115,656
Athletics	402,343	-	402,343
Envision	220,504	-	220,504
Grad Night	61,282	-	61,282
Counseling, College Career Center	86,361	-	86,361
Technology	79,497	-	79,497
Stem	77,451	-	77,451
Special Events	33,683	-	33,683
General & Administrative	64,217	-	64,217
Salaries & Related Expenses	259,794	-	259,794
Other Program Expenses	<u>449,752</u>	<u>-</u>	<u>449,752</u>
 Total Expenses	 <u>1,850,540</u>	 <u>-</u>	 <u>1,850,540</u>
 Change in Net Assets	 205,695	 2,798	 208,493
 Net Assets			
Beginning of year	<u>662,653</u>	<u>328,148</u>	<u>990,801</u>
End of year	<u>\$ 868,348</u>	<u>\$ 330,946</u>	<u>\$ 1,199,294</u>

See accompanying notes and independent auditor's report.

CANYON CREST ACADEMY FOUNDATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Cash Flows from Operating Activities			
Change in Net Assets	\$ 205,695	\$ 2,798	\$ 208,493
Reconciliation to net cash provided by (used in) operating activities:			
(Increase) decrease in operating assets			
Investments	(63,971)	-	(63,971)
Other Receivables	(5,884)	-	(5,884)
Prepaid Camp Expenses	10,314	-	10,314
Other Prepaid Expenses	19,565	-	19,565
Increase (decrease) in operating liabilities			
Accounts Payable and Accrued Expenses	127,164	-	127,164
Unearned and Deferred Revenue	13,829	-	13,829
Retirement Plan Payable	(554)	-	(554)
Net cash provided by (used in) operating activities	306,158	2,798	308,956
Increase (Decrease) in Cash and Cash Equivalents	\$ 306,158	\$ 2,798	\$ 308,956
Cash and Cash Equivalents			
Beginning of year	1,086,175	328,148	1,414,323
End of year	\$ 1,392,333	\$ 330,946	\$ 1,723,279

See accompanying notes and independent auditor's report.

CANYON CREST ACADEMY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Special Events	92,977	-	33,684	126,661
Other Program Events	248,172	-	-	248,172
Salaries & Related Expenses	140,288	119,506	-	259,794
Academic	209,210	-	-	209,210
Counseling, College Career Center	65,261	-	-	65,261
Technology	79,497	-	-	79,497
Non-Employee Compensation	360,490	-	-	360,490
Equipment & Supplies	194,387	-	-	194,387
Tournaments & Travel	77,836	-	-	77,836
Officials & Trainers	7,297	-	-	7,297
Transportation	15,587	-	-	15,587
Management & General Expenses	34,066	172,282	-	206,348
Total Expenses	<u>\$1,525,068</u>	<u>\$ 291,788</u>	<u>\$ 33,684</u>	<u>\$ 1,850,540</u>

See accompanying notes and independent auditor's report.

CANYON CREST ACADEMY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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

These financial statements reflect the financial position, results of operation, and cash flows for Canyon Crest Academy Foundation as a separate legal entity rather than as a component unit of the San Dieguito Union High School District.

The financial statements of the Organization have been prepared on the accrual basis in accordance with U.S. generally accepted accounting principles, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

CANYON CREST ACADEMY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

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.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restriction, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net asset without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Investments

Investments in all debt securities and equity securities with readily determinable market values are recorded at fair market values in the Statement of Financial Position. Realized and unrealized gains and losses are included in the accompanying Statement of Activities and Changes in Net Assets. Fair market value is determined from quoted market prices.

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.

CANYON CREST ACADEMY FOUNDATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

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.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2019:

Stem	\$ 49,734
Athletics	171,504
Envision	<u>109,708</u>
 Total	 <u>\$330,946</u>

A summary of donor restricted net assets is as follows:

Balance – June 30, 2018	\$328,148
Current year net income	49,576
Current year adjustments	5,000
Reclassification of Grad Nite Due to FASB reporting changes	<u>(51,778)</u>
 Balance – June 30, 2019	 <u>\$330,946</u>

Satisfaction of purpose restriction & adjustments:

Current Year Adjustments	\$(5,000)
Stem	185,836
Reclassification of Grad Night	51,778
Athletics	607,383
Envision	<u>279,708</u>
 Total	 <u>\$1,119,705</u>

CANYON CREST ACADEMY FOUNDATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

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, 2019 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	\$1,113,419	\$1,113,419
Certificates of Deposit	609,862	609,862
Investments	301,314	303,318

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 November 1, 2019.