



See what's possible.

CANYON CREST ACADEMY FOUNDATION, INC.

AUDIT REPORT

JUNE 30, 2024

CANYON CREST ACADEMY FOUNDATION, INC.
TABLE OF CONTENTS
JUNE 30, 2024

INDEPENDENT AUDITORS' REPORT..... 1

FINANCIAL STATEMENTS:

 STATEMENT OF FINANCIAL POSITION..... 3

 STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS..... 4

 STATEMENT OF FUNCTIONAL EXPENSES..... 5

 STATEMENT OF CASH FLOWS..... 6

NOTES TO FINANCIAL STATEMENTS..... 7



INDEPENDENT AUDITORS' REPORT

Board of Directors
Canyon Crest Academy Foundation, Inc.
San Diego, California

Report on Audit of Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Canyon Crest Academy Foundation, Inc. (the "Foundation"), as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. As described in Note 2 to the financial statements, the Foundation has not recognized or disclosed the value of contributed facilities provided for its use, which constitute contributed nonfinancial assets. Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, require such contributions to be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and to be disclosed in the notes to the financial statements. In our opinion, the failure to recognize and disclose these contributed facilities results in an understatement of contributions revenue and a corresponding understatement of expenses and net assets.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are independent of the Foundation in accordance with the relevant ethical requirements relating to our audit, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



San Diego, California
July 18, 2025

FINANCIAL STATEMENTS

CANYON CREST ACADEMY FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS

Cash and cash equivalents	\$ 1,239,573
Certificates of deposit	874,881
Investment	428,475
Other receivables	635
Prepaid expenses	6,584
TOTAL ASSETS	\$ 2,550,148

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ 160,954
Deferred revenue	379,065
Retirement plan payable	4,668
Security deposit	10,000
Total liabilities	554,687

Net assets:

Without donor restrictions	1,252,306
With donor restrictions	743,155
Total net assets	1,995,461
TOTAL LIABILITIES AND NET ASSETS	\$ 2,550,148

CANYON CREST ACADEMY FOUNDATION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributed support	\$ 263,800	616,428	\$ 880,228
Contributed nonfinancial assets (in-kind)	17,008	-	17,008
Special events	247,904	26,856	274,760
Program revenue	255,006	149,082	404,088
License income	503,883	283,434	787,317
Interest on investments	46,877	-	46,877
Unrealized gain/(loss) on investments	49,916	-	49,916
Net assets released from restrictions	1,093,711	(1,093,711)	-
TOTAL SUPPORT AND REVENUE	2,478,105	(17,911)	2,460,194
EXPENSES			
Program expense	1,555,832	-	1,555,832
Management and general	438,380	-	438,380
Fundraising	146,116	-	146,116
TOTAL EXPENSES	2,140,328	-	2,140,328
CHANGES IN NET ASSETS	337,777	(17,911)	319,866
NET ASSETS, BEGINNING OF YEAR	914,529	761,066	1,675,595
NET ASSETS, END OF YEAR	\$ 1,252,306	\$ 743,155	\$ 1,995,461

CANYON CREST ACADEMY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services	Management and General	Fundraising	Total
Special events	\$ 51,894	\$ -	\$ 21,905	\$ 73,799
Academic	174,879	-	-	174,879
Counseling, College Career Center	37,780	-	-	37,780
Non-employee compensation	231,740	-	-	231,740
Equipment, supplies, uniforms	238,847	-	-	238,847
Tournaments, conferences & travel	184,038	-	-	184,038
Officials & trainers	8,434	-	-	8,434
Fundraising expenses	-	-	66,339	66,339
License expense	73,297	-	-	73,297
Athletic other expense	35,590	-	-	35,590
Athletic coaching expense	156,965	-	-	156,965
Robotics team expense	56,225	-	-	56,225
Science Olympiad expenses	4,264	-	-	4,264
Envision other expenses	2,044	-	-	2,044
Camp expenses	41,405	-	-	41,405
Facilities expense	258,430	-	-	258,430
Salaries & related expense	-	356,935	57,872	414,807
Management & general expenses	-	81,445	-	81,445
Total Expenses	\$ 1,555,832	\$ 438,380	\$ 146,116	\$ 2,140,328

CANYON CREST ACADEMY FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 319,866
Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities:	
(Increase)/decrease in operating assets	
Investments	(15,255)
Other Receivables	804
Prepaid Expenses	2,725
Increase/(decrease) in operating liabilities	
Accounts payable	(3,059)
Deferred revenue	(52,954)
Retirement plan payable	(12,954)
Net Cash Provided by/(Used in) Operating Activities	<u>239,173</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	239,173
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,875,281
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,114,454</u>

CANYON CREST ACADEMY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – NATURE OF ORGANIZATION

Canyon Crest Academy Foundation, Inc. ("the Foundation") was incorporated on March 10, 2004, under the general non-profit laws of the State of California. The mission of the Foundation 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 Foundation utilizes the accrual method of accounting for financial statement presentation, in accordance with accounting principles generally accepted in the United States of America (US GAAP).

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 Foundation'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 Preparation: These financial statements reflect the financial position, results of operation, and cash flows of the 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 Foundation have been prepared on the accrual basis in accordance with US GAAP, which require the Foundation 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 Foundation'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 Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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 statement of activities.

CANYON CREST ACADEMY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates: The preparation of financial statements in conformity with US GAAP 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.

In-kind Contributions: In-kind contributions include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. In addition to in-kind contributions, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

In-kind contributions for the years ended June 30, 2024, are as follows:

Science equipment	\$ 14,214
Supplies and equipment	1,214
Legal services	1,580
Total	<u>\$ 17,008</u>

Office space was provided by the San Dieguito Union High School District on behalf of the Foundation. However the Foundation was not able to provide a valuation of this contribution to CWDL. As a result, this in-kind contribution was not included in the Foundation's financial statements. Donated supplies and materials include items donated to the Foundation for the use of the Foundation or the District. The value of the supplies and materials is based on the fair value of the same or similar products in the local market.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with initial maturity of three months or less to be cash equivalents

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.

CANYON CREST ACADEMY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid expenses: Prepaid expenses are recorded at the carrying amount(s) as of financial position date. Prepaid expenses are made in advance of when the economic benefit of the cost will be realized, and which will be expensed in future periods with the passage of time or when a triggering event occurs.

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 Foundation'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.

Accounts Payable and Accrued Expenses: Accounts payable are amounts owed to vendors or suppliers for services incurred for which payment is made in a timely manner and in full, from current financial resources.

Deferred Revenue: Deferred revenue arises when potential revenue does not meet the criteria for recognition in the current period and when resources are received by the Foundation prior to the incurrence of expenses. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the statement of financial position and revenue is recognized.

Retirement Plan Payable: The Foundation withheld a portion of an employee's vacation payout and the employer's matching contribution related to the employee's vacation contribution, pending the fulfillment of all required conditions. Specifically, \$4,000 was withheld from the employee's vacation payout. Additionally, \$668, representing the employer's matching portion of the employee's vacation contribution, was also withheld. These amounts will be released once all applicable criteria have been satisfied.

Income Tax Status: The Foundation has qualified for tax-exempt status under Internal Revenue Code Section 501(c)(3) and California Revenue Code Section 23701(d). The Foundation 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 Foundation'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 Foundation 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 Foundation 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, management and fundraising activities have been summarized on a functional basis in the statement of activities. The statement 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.

CANYON CREST ACADEMY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2024:

Stem	\$ 142,150
Athletics	332,086
Envision	268,919
Total	<u>\$ 743,155</u>

A summary of donor restricted net assets is as follows:

Balance - June 30, 2023	\$ 761,066
Current year net income/(loss)	<u>(17,911)</u>
Balance - June 30, 2024	<u>\$ 743,155</u>

Satisfaction of purpose restriction & adjustments:

Stem	\$ 253,944
Athletics	647,974
Envision	191,793
Total	<u>\$ 1,093,711</u>

CANYON CREST ACADEMY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – 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 Foundation's financial instruments at June 30, 2024 are as follows, and all values are classified as Level 1 inputs:

	Carrying Amount	Fair Value
Financial Assets:		
Cash and cash equivalents	\$ 1,239,573	\$ 1,239,573
Certificates of deposit	874,881	874,881
Investments	358,927	428,475

NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Foundation's financial assets as of the financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets at year end	\$ 2,550,148
Less those unavailable for general expenditures	
Within one year due to:	
Donor restricted to Stem Funds	(142,150)
Donor restricted to Athletics	(332,086)
Donor restricted to Envision	(268,919)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,806,993</u>

CANYON CREST ACADEMY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2024, consist of the following:

Vendors	\$ 29,722
Accrued payroll expenses	6,977
Due to district	124,255
Total Accounts Payable	\$ 160,954

NOTE 7 – DEFERRED REVENUE

Deferred revenue as of June 30, 2024, consist of the following:

Contracts	\$ 249,490
Camps	129,575
Total Accounts Payable	\$ 379,065

NOTE 8 – LITIGATION

The Foundation is currently a defendant in litigation filed by a former employee. In response, the Board of Directors has authorized the suspension of all payout allocations and accrued vacation payables until the legal matter is resolved. As of the date of issuance of these financial statements, the outcome of the litigation is not determinable. Accordingly, no liability related to this matter has been recognized in the accompanying financial statements.

NOTE 9 – FACILITY EXPENSE

The Foundation incurred the following expenses related to the operations of the campus facility:

Dafibrillators & Cabinet	\$ 6,479
Art Sheds	8,784
Bulletin Boards	1,577
Cage Furniture	27,780
Innovative Classroom Furniture (9 rooms)	165,817
Counseling Furniture	37,208
Sculpture Garden Additions	6,920
Softball Shed Flooring	902
Instrumental Music Workstation	2,963
Total	\$ 258,430

NOTE 10 – DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through July 18, 2025.