CANYON CREST ACADEMY FOUNDATION, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2025

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Cambaliza McGee LLP
CERTIFIED PUBLIC ACCOUNTANTS | BUSINESS ADVISORS

Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of Canyon Crest Academy Foundation, Inc. which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our 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, 2025, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Canyon Crest Academy Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for 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.

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 Canyon Crest Academy Foundation, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but not absolute assurance, and therefore it is not a guarantee that an audit conducted in accordance with GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- 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 Canyon Crest Academy Foundation, Inc.'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 Canyon Crest Academy Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

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.

Cambaliza McGee LLP

Cambaliza McGee LLP
Newport Beach, CA
January 21, 2026

CANYON CREST ACADEMY FOUNDATION, INC.
Statement of Financial Position
June 30, 2025

Assets

	Without Donor Restrictions	With Donor Restrictions	Total
Current assets:			
Cash and cash equivalents	$ 608,358	$ 720,151	$ 1,328,509
Certificate of deposit	918,140	-	918,140
Investments	412,541	-	412,541
Other receivables	268	-	268
Prepaid expenses	6,016	-	6,016
Total assets	$ 1,945,323	$ 720,151	$ 2,665,474

Liabilities and net assets

	Without Donor Restrictions	With Donor Restrictions	Total
Current liabilities:			
Accounts payable and accrued expenses	$ 164,709	$ -	$ 164,709
Unearned and deferred revenue	402,117	-	402,117
Security deposits	10,000	-	10,000
Total liabilities	576,826	-	576,826
Net assets:			
Without donor restrictions	1,368,497	-	1,368,497
With donor restrictions	-	720,151	720,151
Total net assets	1,368,497	720,151	2,088,648
Total liabilities and net assets	$ 1,945,323	$ 720,151	$ 2,665,474

See notes to financial statements and independent auditor's report.

CANYON CREST ACADEMY FOUNDATION, INC.
Statement of Activities
Year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributed support	$ 127,860	$ 494,221	$ 622,081
Special events	121,949	19,089	141,038
Program revenue	599,916	382,593	982,509
Interest on investments	73,862	-	73,862
Unrealized gain on investments	28,796	-	28,796
Total revenues and support	952,383	895,903	1,848,286
Net assets released from restrictions	918,907	(918,907)	-
Expenses:			
Program services:			
STEM	96,230	-	96,230
Athletics	475,584	-	475,584
Envision	215,393	-	215,393
Academic	100,738	-	100,738
Counseling and college career center	36,274	-	36,274
Support services:			
Fundraising	141,113	-	141,113
Management and general	689,768	-	689,768
Total expenses	1,755,100	-	1,755,100
Change in net assets	116,190	(23,004)	93,186
Net assets, beginning of year	1,252,307	743,155	1,995,462
Net assets, end of year	$ 1,368,497	$ 720,151	$ 2,088,648

See notes to financial statements and independent auditor's report.

CANYON CREST ACADEMY FOUNDATION, INC.
Statement of Cash Flows
Year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Cash flow from operating activities:			
Change in net assets	$ 116,190	$ (23,004)	$ 93,186
Reconciliation to net cash provided by operating activities:			
(Increase) decrease in operating assets			
Other receivables	367	-	367
Prepaid expenses	568	-	568
Increase (decrease) in operating liabilities			
Accounts payable and accrued expenses	10,738	-	10,738
Unearned and deferred revenue	16,068	-	16,068
Retirement plan payable	(4,667)	-	(4,667)
Net cash provided by operating activities	23,074	-	23,074
Cash flow from investing activities:			
Change in investments	11,950	-	11,950
Purchase of certificates of deposits	(43,259)	-	(43,259)
Net cash provided by investing activities	(31,309)	-	(31,309)
Increase (Decrease) in cash and cash equivalents	107,955	(23,004)	84,951
Cash and cash equivalents			
Beginning of year	500,403	743,155	1,243,558
End of year	$ 608,358	$ 720,151	$ 1,328,509

See notes to financial statements and independent auditor's report.

CANYON CREST ACADEMY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

						Supporting Services		
	STEM	Athletic	Envision	Academic	Counseling & College Career Center	Management and General	Fundraising	Total
Advertising	$ -	$ -	$ -	$ -	$ -	$ 18,833	$ 29,604	$ 48,437
Bank fees	-	-	-	-	-	-	862	862
Camps and clinics	-	26,819	-	-	-		-	26,819
Computer fees	-	-	-	-	-	13,372	2,239	15,611
Credit card processing fees	-	-	-	-	-	26,497	-	26,497
Equipment, supplies, uniforms	48,313	163,074	45,048	35,100	6,137	4,908	10,275	312,855
Events	-	-	-	-	-	9,437	56,190	65,627
Facilities expense	-	-	-	-	-	270,472	-	270,472
Insurance	-	-	-	-	-	3,693	-	3,693
Printing and postage	-	5,603	-	508	-	410	7,382	13,903
Professional fees	-	-	2,125	-	-	79,452	-	81,577
Rent	-	-	16,821	-	-	-	15,967	32,788
Salaries and related expenses	17,883	180,106	114,283	20,524	2,612	177,896	4,976	518,280
Student wellness activities	-	-	-	-	21,583	-	-	21,583
Taxes, licenses and fees	-	-	-	-	-	84,798	-	84,798
Tournaments	11,676	26,842	-	26,157	5,942	-	-	70,617
Travel and entertainment	18,358	73,140	37,116	18,449	-	-	13,618	160,681
Total expenses	$ 96,230	$ 475,584	$ 215,393	$ 100,738	$ 36,274	$ 689,768	$ 141,113	$ 1,755,100

See notes to financial statements and independent auditor's report.

NOTE A – ORGANIZATION

Nature of Activities

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 B – 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 and Expense 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:

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation – continued

- *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.

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.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United Staes 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.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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 for Expenses

The costs of program and supporting services 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.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 C – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2025:

Stem	$	152,138
Athletics		381,070
Envisions		186,943
Total	$	720,151

A summary of donor restricted net assets is as follows:		
Beginning balance - June 30, 2024	$	743,155
Current year net income		(23,004)
Ending balance - June 30, 2025	$	720,151

Satisfaction of purpose restriction and adjustments:		
Stem	$	143,532
Athletics		548,627
Envisions		226,748
Total	$	918,907

NOTE D – FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures* established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

NOTE D – FAIR VALUE MEASUREMENTS – CONTINUED

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value.

- Cash and cash equivalents are measured at fair value, which generally equals their carrying amount due to their short-term nature and high liquidity. The valuation approach is based on Level 1 inputs under the fair value hierarchy, meaning quoted prices in active markets for identical assets.
- 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, 2025 are as follows, and all values are classified as level 1 inputs.

	Fair Value
Financial assets:	
Cash and cash equivalents	$ 1,328,509
Certificates of deposit	918,140
Investments - Mutual funds and stocks	412,541
Total financial assets	$ 2,659,190

Note E – INVESTMENTS

The Organization's investments consist of stocks and mutual funds, which are measured at fair value in the accompanying financial statements. Fair value is determined based on quoted market prices in active markets.

Stocks: Investments in stocks are valued at their market price as of the reporting date. Unrealized gains and losses are included in the statement of activities.

Mutual Funds: Investments in mutual funds are valued at the net asset value (NAV) per share as reported by the fund. Unrealized gains and losses are included in the statement of activities.

As of June 30, 2025, all investments in stocks and mutual funds are classified as Level 1 within the fair value hierarchy.

The following table sets forth estimated fair values, of the Organization's investments measured and recorded on a recurring basis at June 30, 2025:

	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Obeservable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Mutual Funds:				
Blend	$ 50,781	$ -	$ -	$ 50,781
International Blend	23,910	-	-	23,910
Growth	163,650	-	-	163,650
Bond	104,720	-	-	104,720
Value	46,180	-	-	46,180
Index	20,115	-	-	20,115
Total Mutual Funds	$ 409,356	$ -	$ -	$ 409,356
Stocks:				
Communication industry	$ 3,185	$ -	$ -	$ 3,185
Total Equity securities	$ 3,185	$ -	$ -	$ 3,185
Total Investments at fair value	$ 412,541	$ -	$ -	$ 412,541

NOTE F – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization'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 financial position date.

Financial assets at year end	$ 2,659,190
Less those unavailable for general expenditures within one year due to:	
Donor restricted to Stem Funds	(152,138)
Donor restricted for Athletics	(381,070)
Donor restricted to Envision	(186,943)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,939,039

NOTE G – UNEARNED AND DEFERRED REVENUE

As of June 30, 2025, the Organization recorded $402,117 in unearned and deferred revenue related to summer camps and Saddleback College's dual enrollment programs. These amounts represent cash received for services not yet rendered.

NOTE H – FACILITIES EXPENSE

The Organization has a contract with the San Dieguito Union High School District (the "District") which allows for the use of various District facilities. The District charges the Organization an allocation fee. For the year end June 30, 2025, facilities expense totaled $270,472, which is included in the statement of functional expense.

Facilities expense is made up of the following for the year ended June 30, 2025:

Boards	$	5,632
Facilities upgrades		24,233
Furnitures		177,140
Safety equipment		6,434
Nest upgrades		57,034
Total	$	270,473

NOTE I – LITIGATION

The Organization's prior executive director has filed suit against the Organization for wrongful termination. As of the date of this report, the outcome of this lawsuit is unknown and has not been reflected on these financial statements.

NOTE J – SUBSEQUENT EVENT

Management has evaluated subsequent events through January 21, 2026, the date on which the financial statements were available to be issued.