

WHITE NELSON DIEHL EVANS LLP
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Torrey Pines High School Foundation, Inc.
Del Mar, California

We have audited the accompanying financial statements of the Torrey Pines High School Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibilities 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk 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 Foundation'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 Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Torrey Pines High School Foundation, Inc. as of June 30, 2015, 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.

White Nelson Diehl Evans LLP

Carlsbad, California
November 3, 2015

TORREY PINES HIGH SCHOOL FOUNDATION, INC.

Statement of Financial Position
June 30, 2015

Assets

Current Assets:

Cash and cash equivalents - Unrestricted .	\$ 145,140
Cash and cash equivalents - Temporarily Restricted	1,305,519
Accounts receivable - Temporarily Restricted	3,604
Prepaid expenses - Temporarily Restricted	<u>41,967</u>
Total Current Assets	<u>1,496,230</u>

Endowment Investments:

Endowment funds - Temporarily Restricted	561
Endowment funds - Permanently Restricted	<u>144,486</u>
Total Endowment Investments	<u>145,047</u>

Total Assets	<u><u>\$ 1,641,277</u></u>
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TORREY PINES HIGH SCHOOL FOUNDATION, INC.

Statement of Financial Position (Continued)

June 30, 2015

Liabilities and Net Assets

Current Liabilities:

Accounts payable

Accounts payable from temporarily restricted assets \$ 20,221

Deferred revenue, payable from temporarily restricted assets 145,162

Total Liabilities 165,383

Net Assets:

Unrestricted 145,140

Temporarily restricted 1,187,732

Permanently restricted 143,022

Total Net Assets 1,475,894

Total Liabilities and Net Assets \$ 1,641,277

TORREY PINES HIGH SCHOOL FOUNDATION, INC.

Statement of Activities
For the Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support, Revenues, and Reclassifications:				
Contributions	\$ 139,454	\$ 896,287	\$ -	\$ 1,035,741
Special events	137,388	30,845	-	168,233
Sales of goods	15,369	501,550	-	516,919
Registration fees	121,714	320,386	-	442,100
Interest income	3,064	-	1,596	4,660
Unrealized gain on investments	-	76	669	745
Net assets released from restrictions	1,791,075	(1,791,075)	-	-
Total public support, revenues, and reclassifications	<u>2,208,064</u>	<u>(41,931)</u>	<u>2,265</u>	<u>2,168,398</u>
Expenses and Losses:				
Program Services:				
Athletics:				
Equipment, uniforms and spirit wear	399,338	-	-	399,338
Coaches, instructors and referees	369,565	-	-	369,565
Travel, banquets and other	558,522	-	-	558,522
Registration and tournaments	74,524	-	-	74,524
Gifts and grants to school for school programs	107,751	-	-	107,751
Academic, educational and student activities	376,664	-	-	376,664
Total program services	<u>1,886,364</u>	<u>-</u>	<u>-</u>	<u>1,886,364</u>
Supporting Services:				
Fundraising	56,676	-	-	56,676
Management and general	184,359	-	981	185,340
Total supporting services	<u>241,035</u>	<u>-</u>	<u>981</u>	<u>242,016</u>
Total expenses and losses	<u>2,127,399</u>	<u>-</u>	<u>981</u>	<u>2,128,380</u>
Changes in net assets	80,665	(41,931)	1,284	40,018
Net assets at beginning of year, as previously stated	105,530	1,229,663	141,738	1,476,931
Prior period adjustment (Note 8)	(41,055)	-	-	(41,055)
Net assets at beginning of year, as restated	<u>64,475</u>	<u>1,229,663</u>	<u>141,738</u>	<u>1,435,876</u>
Net assets at end of year	<u>\$ 145,140</u>	<u>\$ 1,187,732</u>	<u>\$ 143,022</u>	<u>\$ 1,475,894</u>

TORREY PINES HIGH SCHOOL FOUNDATION, INC.

Statement of Cash Flows
For the Year Ended June 30, 2015

Operating activities:

Increase in net assets	\$ 40,018
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Net unrealized gain on investments	(113)
Changes in:	
Prepaid expenses	123
Accounts receivable	(1,014)
Accounts payable	(11,714)
Accrued liabilities	(2,250)
Deferred revenue	7,306
Net cash provided (used) by operating activities	<u>32,356</u>
Net increase (decrease) in cash and cash equivalents	32,356
Cash and cash equivalents at beginning of year	<u>1,418,303</u>
Cash and cash equivalents at end of year	<u>\$ 1,450,659</u>
Reconciliation to Statement of Financial Position:	
Cash and cash equivalents - Unrestricted	\$ 145,140
Cash and cash equivalents - Temporarily Restricted	<u>1,305,519</u>
	<u>\$ 1,450,659</u>

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Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

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Del Mar, California

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Our responsibility is to express an opinion on these financial statements based on our audit. 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.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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White Nelson Diehl Evans LLP

Carlsbad, California
December 6, 2016

TORREY PINES HIGH SCHOOL FOUNDATION, INC.

Statement of Financial Position
June 30, 2016

Assets

Current Assets:

Cash and cash equivalents - Unrestricted	\$ 207,310
Cash and cash equivalents - Temporarily Restricted	1,184,500
Accounts receivable - Temporarily Restricted	12,322
Prepaid expenses - Temporarily Restricted	<u>87,908</u>

Total Current Assets 1,492,040

Endowment Investments:

Endowment funds - Temporarily Restricted	564
Endowment funds - Permanently Restricted	<u>141,838</u>

Total Endowment Investments 142,402

Total Assets \$ 1,634,442

See accompanying independent auditors' report and notes to financial statements.

(Continued)

TORREY PINES HIGH SCHOOL FOUNDATION, INC.

Statement of Financial Position (Continued)
June 30, 2016

Liabilities and Net Assets

Current Liabilities:

Accounts payable	
Accounts payable from temporarily restricted assets	\$ 18,417
Deferred revenue, payable from temporarily restricted assets	150,420
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Total Liabilities	168,837

Net Assets:

Unrestricted	207,310
Temporarily restricted	1,116,457
Permanently restricted	141,838
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Total Net Assets	1,465,605
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Total Liabilities and Net Assets	\$ 1,634,442

TORREY PINES HIGH SCHOOL FOUNDATION, INC.

Statement of Activities
For the Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support, Revenues, and Reclassifications:				
Contributions	\$ 153,703	\$ 943,185	\$ -	\$ 1,096,888
Special events	84,745	57,944	-	142,689
Sales of goods	14,190	495,179	-	509,369
Registration fees	138,775	451,555	-	590,330
Interest income	3,066	-	2,053	5,119
Net assets released from restrictions	2,019,057	(2,019,057)	-	-
Total public support, revenues, and reclassifications	2,413,536	(71,194)	2,053	2,344,395
Expenses and Losses:				
Program Services:				
Athletics:				
Equipment, uniforms and spirit wear	462,026	-	-	462,026
Coaches, instructors and referees	355,200	-	-	355,200
Travel, banquets and other	691,658	-	-	691,658
Registration and tournaments	112,015	-	-	112,015
Gifts and grants to school for school programs	161,097	-	-	161,097
Academic, educational and student activities	338,769	-	-	338,769
Total program services	2,120,765	-	-	2,120,765
Supporting Services:				
Fundraising	34,130	-	-	34,130
Management and general	196,471	-	1,182	197,653
Unrealized loss on investments	-	81	2,055	2,136
Total supporting services	230,601	81	3,237	233,919
Total expenses and losses	2,351,366	81	3,237	2,354,684
Changes in net assets	62,170	(71,275)	(1,184)	(10,289)
Net assets at beginning of year	145,140	1,187,732	143,022	1,475,894
Net assets at end of year	\$ 207,310	\$ 1,116,457	\$ 141,838	\$ 1,465,605

See accompanying independent auditors' report and notes to financial statements.

TORREY PINES HIGH SCHOOL FOUNDATION, INC.

Statement of Cash Flows
For the Year Ended June 30, 2016

Operating activities:	
Decrease in net assets	\$ (10,289)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Net unrealized loss on investments	2,136
Changes in:	
Prepaid expenses	(45,941)
Accounts receivable	(8,718)
Accounts payable	(1,804)
Deferred revenue	5,767
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Net cash provided (used) by operating activities	(58,849)
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Net increase (decrease) in cash and cash equivalents	(58,849)
Cash and cash equivalents at beginning of year	1,450,659
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Cash and cash equivalents at end of year	\$ 1,391,810
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Reconciliation to Statement of Financial Position:	
Cash and cash equivalents - Unrestricted	\$ 207,310
Cash and cash equivalents - Temporarily Restricted	1,184,500
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	\$ 1,391,810
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