

To: Frank Xu, President, and Dr. Wenyan Wu, Executive Director, Californians for Equal Rights Foundation

From: David Trimner, Managing Partner of TrimnerBeckham, PLLC

Date: October 7, 2024

Re: Canyon Crest Academy Foundation

Executive Summary

The Ravens for Transparency (RfT) Report:

- Identifies several violations of IRS tax disclosure requirements,
- Presents valid criticism of the accounting practices of the Canyon Crest Academy Foundation (CCAF, the Foundation),
- Contains criticisms of certain policies and procedures that are not in violation of either generally accepted accounting practices (GAAP) or IRS reporting requirements, and
- Suggests reforms, some of which have more validity than others.

We are not presenting a legal opinion; we are offering our nonprofit accounting perspective. The RfT report is generally accurate and does not constitute “misinformation,” “libel,” or “defamation.” Instead, the report appears to be a good faith effort to highlight inefficiencies and lack of transparency, and it is probably subject to whistleblower protection.

Our recommendations are:

- Request a copy of CCAF’s Whistleblower Protection Policy,
- Request a copy of CCAF’s Compensation Policy,
- File [IRS Form 13909, Tax-Exempt Organization Complaint Referral](#),
- File [Form CT-9, Complaint to the California Attorney General Regarding a Charity or Charitable Solicitation](#), and
- Report CCAF to the [State of California Department of Industrial Relations](#) for potentially misclassifying its workers.

Resources

In conducting our review, we relied upon:

- [The CCA Foundation: Shady Practices, Incompetence, and Secrecy](#)
- [CCAF: Integrity, Governance, and Transparency](#)
- [Our Response to the CCA Foundation: Unaddressed Concerns and Misleading Claims](#)
- [CCAF: Further Update to Recent Media Events](#)
- [CCAF: Where Your Donations Go](#)
- Taketa, Kristen. [“Two San Diego teens investigated their high school foundation’s finances. Then one got called in to the principal.”](#) San Diego Union-Tribune
- Place, Leo. [Students allege major financial issues at Canyon Crest Foundation.](#) The Coast News Group