

**Lawrence Family Jewish Community  
Centers of San Diego County**

**CONSOLIDATED FINANCIAL  
STATEMENTS**

**JUNE 30, 2014**

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**JUNE 30, 2014**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Lawrence Family Jewish Community Centers of San Diego County  
San Diego, California

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Lawrence Family Jewish Community Centers of San Diego County ("LFJCC") and the Center for Jewish Culture ("CJC"), (collectively the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2014 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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, we 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 consolidated financial statements.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### Auditors' Responsibility (Continued)

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

### Opinion

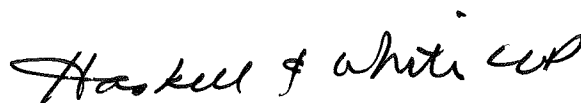
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lawrence Family Jewish Community Centers of San Diego County as of June 30, 2014 and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Report on Summarized Comparative Information

The financial statements of the Organization as of and for the year ended June 30, 2013, were audited by other auditors whose report dated December 20, 2013, expressed an unmodified opinion on those statements. In their opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The summarized comparative information for the year ended June 30, 2013 included in the supplementary information for the year ended June 30, 2014 has been derived from Lawrence Family Jewish Community Centers of San Diego County's 2013 financial statements. The financial statements of the Organization as of June 30, 2013, were audited by other auditors whose report dated December 20, 2013, expressed an unmodified opinion on those statements.



HASKELL & WHITE LLP

San Diego, California  
July 8, 2015

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Consolidated Statements of Financial Position  
As of June 30, 2014 and 2013**

<b>ASSETS</b>		
	2014	2013
<b>Current assets:</b>		
Cash and cash equivalents	\$ 3,712,074	\$ 3,119,689
Investments	193,128	74,148
Accounts receivable, net	229,011	86,716
Contributions receivable, net	401,454	1,497,832
Prepaid expenses	468,447	372,181
Total current assets	5,004,114	5,150,566
<b>Noncurrent Assets:</b>		
Contributions receivable, net	318,000	222,627
Investments	4,828,627	4,474,860
Property and equipment, net	8,826,818	9,639,573
Total noncurrent assets	13,973,445	14,337,060
Total assets	\$ 18,977,559	\$ 19,487,626
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 359,537	\$ 157,646
Accrued payroll liabilities	686,163	515,498
Deferred income	2,433,532	2,337,485
Current portion of notes payable	50,000	70,606
Total current liabilities	3,529,232	3,081,235
<b>Noncurrent Liabilities:</b>		
Notes payable, net of current portion	8,824	57,662
Total liabilities	3,538,056	3,138,897
<b>Commitments (Note 9)</b>		
<b>Net Assets:</b>		
Unrestricted:		
Undesignated	9,175,472	9,728,399
Board-designated endowment funds	1,785,621	1,629,250
Total unrestricted	10,961,093	11,357,649
Temporarily restricted	1,938,951	2,451,621
Permanently restricted	2,539,459	2,539,459
Total net assets	15,439,503	16,348,729
Total liabilities and net assets	\$ 18,977,559	\$ 19,487,626

The accompanying notes are integral part of the consolidated financial statements.

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Consolidated Statements of Activities  
For the Years Ended June 30, 2014 and 2013**

	Unrestricted	Temporarily Restricted	Permanently Restricted	2014 Total	2013 Total
<b>Revenue and Support:</b>					
Program fees	\$ 6,313,284	\$ -	\$ -	\$ 6,313,284	\$ 6,011,752
Contributions and grants	2,648,314	407,044	-	3,055,358	2,935,014
Membership fees	1,166,606	-	-	1,166,606	1,155,552
Rental income	473,125	-	-	473,125	504,891
Investment income	197,557	383,811	-	581,368	322,676
Special event	253,075	-	-	253,075	263,625
Miscellaneous income	146,730	-	-	146,730	107,890
Net assets released from restriction	<u>1,303,525</u>	<u>(1,303,525)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenue and support</b>	<u>12,502,216</u>	<u>(512,670)</u>	<u>-</u>	<u>11,989,546</u>	<u>11,301,400</u>
<b>Expenses:</b>					
<b>Program Services:</b>					
LFJCC programs	5,273,486	-	-	5,273,486	5,439,983
Center for Jewish Culture	2,090,941	-	-	2,090,941	1,575,275
Facilities	<u>2,377,305</u>	<u>-</u>	<u>-</u>	<u>2,377,305</u>	<u>2,794,470</u>
<b>Total program services</b>	<u>9,741,732</u>	<u>-</u>	<u>-</u>	<u>9,741,732</u>	<u>9,809,728</u>
<b>Supporting Services:</b>					
General and administrative	2,298,503	-	-	2,298,503	2,124,595
Fundraising	<u>550,486</u>	<u>-</u>	<u>-</u>	<u>550,486</u>	<u>533,116</u>
<b>Total supporting services</b>	<u>2,848,989</u>	<u>-</u>	<u>-</u>	<u>2,848,989</u>	<u>2,657,711</u>
<b>Total program and supporting services</b>	<u>12,590,721</u>	<u>-</u>	<u>-</u>	<u>12,590,721</u>	<u>12,467,439</u>
Diversion of assets	233,523	-	-	233,523	-
Special events	<u>74,528</u>	<u>-</u>	<u>-</u>	<u>74,528</u>	<u>84,106</u>
<b>Total expenses</b>	<u>12,898,772</u>	<u>-</u>	<u>-</u>	<u>12,898,772</u>	<u>12,551,545</u>
Change in net assets	(396,556)	(512,670)	-	(909,226)	(1,250,145)
Net assets at beginning of year	<u>11,357,649</u>	<u>2,451,621</u>	<u>2,539,459</u>	<u>16,348,729</u>	<u>17,598,874</u>
Net assets at end of year	<u>\$ 10,961,093</u>	<u>\$ 1,938,951</u>	<u>\$ 2,539,459</u>	<u>\$ 15,439,503</u>	<u>\$ 16,348,729</u>

The accompanying notes are integral part of the consolidated financial statements.

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Consolidated Statements of Cash Flows  
For the Years Ended June 30, 2014 and 2013**

	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ (909,226)	\$ (1,250,145)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	867,053	974,517
Bad debt write-offs	297,860	-
Net realized and unrealized (gains) on investments	(524,171)	(239,411)
Permanently restricted contributions	-	(370,590)
Increase (decrease) in cash from changes in:		
Accounts receivable	(440,155)	(29,314)
Contributions receivable	1,001,005	1,105,346
Prepaid expenses	(96,266)	(37,292)
Accounts payable and accrued expenses	201,891	(63,433)
Accrued payroll liabilities	170,665	18,894
Deferred income	96,047	299,878
Net cash provided by operating activities	664,703	408,450
Cash flows from investing activities:		
Investment purchases	115,136	(470,747)
Interest and dividends received	(63,712)	-
Purchases of property and equipment	(54,298)	(56,627)
Net cash used in investing activities	(2,874)	(527,374)
Cash flows from financing activities:		
Proceeds from notes payable	-	150,000
Payments on note payable	(69,444)	(65,589)
Permanently restricted contributions	-	370,590
Net cash (used in) provided by financing activities	(69,444)	455,001
Net increase in cash and cash equivalents	592,385	336,077
Cash and cash equivalents at beginning of year	3,119,689	2,783,612
Cash and cash equivalents at end of year	\$ 3,712,074	\$ 3,119,689
Supplemental disclosures of noncash investing and financing activities:		
Cash paid for interest	\$ 2,924	\$ 4,231

The accompanying notes are integral part of the consolidated financial statements.

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Notes to Consolidated Financial Statements  
June 30, 2014 and 2013**

**1. Organization and Significant Accounting Policies**

**Organization**

The consolidated financial statements of the Organization include the following entities:

*Lawrence Family Jewish Community Centers of San Diego County*

Lawrence Family Jewish Community Centers of San Diego County ("LFJCC") is a California 501(c)(3) Not-For-Profit organization that was incorporated in November 1945. The mission of LFJCC is to connect the community to Jewish heritage, identity, experiences and values to ensure the continuity and vibrancy of the Jewish community. This mission is accomplished by promoting the physical and mental well-being of the community and offering a rich array of stimulating and innovative social, cultural, educational, and recreational programs and services. LFJCC is committed to providing a welcoming and inclusive environment for San Diego's diverse Jewish community and the greater general community.

*San Diego Center for Jewish Culture*

San Diego Center for Jewish Culture ("CJC") is a California 501(c)(3) Not-For-Profit organization that was incorporated in January 1999. CJC is housed at LFJCC. CJC provides a wide array of multi-disciplined offerings, and is the largest local institution solely dedicated to exploring the Jewish experience through the arts. CJC's mission is to expand and enrich cultural life in San Diego by presenting the finest in Jewish artistic expressions, encouraging the preservation of Jewish culture and heritage and nurturing new creativity in the arts.

LFJCC operates the following programs:

*Qualcomm Sports, Fitness & Aquatics Complex*

The facility consists of the following activity centers:

- Jacobs Fitness Center is a 3,000 square foot facility with state-of-the-art CYBEX and Paramount strength and Precor and Star Trac cardiovascular equipment. In addition, The Jacobs Fitness Center includes certified personal trainers, massage therapy, fitness classes, pilates training, babysitting and aerobic and dance studios.
- Albert A. Huntler Tennis Center consists of four lighted, hard surface courts. In addition, there is an on-staff teaching pro, adult and junior group clinics, individual lessons, tournaments and socials and summer camps.
- Friedenberg Olympic Pool is an outdoor heated pool. In addition, there is a Jacuzzi, wading pool for children, masters swim program and youth swim team.
- Jacobs Family Gymnasium consists of an NBA regulation basketball court.



**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Notes to Consolidated Financial Statements (continued)  
June 30, 2014 and 2013**

**1. Organization and Significant Accounting Policies (continued)**

**Organization (continued)**

*Qualcomm Sports, Fitness & Aquatics Complex (continued)*

- Mandell Weiss Eastgate Park is a lighted multi-purpose field with an outdoor amphitheater and a picnic and barbecue area. The field is used for men's and coed softball leagues and soccer and flag-football leagues.

*Early Childhood Education*

Lawrence Family Jewish Community Center Early Childhood Education program is designed to develop the social, emotional, physical, and intellectual well-being of each child through our developmental milestone curriculum. The focus is on creating a safe and nurturing environment which offers opportunities for exploration and discovery. The program has been structured to develop curiosity, imagination, self-esteem, caring for others, and the ability to play both cooperatively and independently. The program is committed to expanding community access to recreational and social programs for children with disabilities.

*Youth Department*

The Youth Department at LFJCC provides a nurturing and safe environment, a caring and professional staff, and enriching and quality programs for youth K-6. The department offers a wide variety of programs to ensure that the perfect activity is available to meet the child's interests and parent's schedule. Programs consist of:

- J-Team After School Enrichment Program
- Summer and Spring break camps
- Youth Activities
- Special Programs
- Enrichment Classes
- Sports programs

*Teen Department*

Lawrence Family Jewish Community Center's Teen Department hosts a variety of enriching events and leadership opportunities while bringing together teens of diverse backgrounds from all over San Diego. The programming establishes a strong Jewish community for teens and allows participants to develop into emotionally well-rounded leaders of the future.

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Notes to Consolidated Financial Statements (continued)  
June 30, 2014 and 2013**

**1. Organization and Significant Accounting Policies (continued)**

**Organization (continued)**

*Senior Adult Department*

The Senior Adult Department at LFJCC promotes Jewish cultural heritage and values by providing social, educational, and recreational programs. Through these programs participants strengthen their connections to their community and keep alive history and traditions. The Senior Adult Department encourages participants to learn, grow and enrich their lives among others who share their values.

CJC operates the following program:

*Center for Jewish Culture*

CJC offers a wide variety of multi-disciplinary artistic programs that explore cultural identities and perspectives, promote cross cultural understanding and highlight human themes of family, tolerance, compassion and hope. These programs, including the San Diego Jewish Film Festival, San Diego Jewish Book Fair, Performing Arts Series, Holocaust Education Program, Jewish Adult Education, Gotthelf Art Gallery and the J\*Company Youth Theatre, foster ideas of cultural appreciation and respect.

Approximately 40,000 tickets are sold or provided annually to residents, visitors, and students for San Diego Center for Jewish Culture events. CJC facilities feature the 500-seat David & Dorothea Garfield Theatre, a 10,000 volume Samuel & Rebecca Astor Judaica library, the Gotthelf Art Gallery, and a community Holocaust Memorial Garden.

J\*Company Youth Theatre is the leading youth theatre program in San Diego, garnering local and national attention with its award winning productions as well as providing a foundation for young artists to train and develop their creative potential, giving them the opportunity to express themselves through the dramatic arts.

**Significant Accounting Policies**

*Consolidated Financial Statements*

The consolidated financial statements include the accounts of LFJCC and CJC. All material intercompany transactions have been eliminated in consolidation.

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Notes to Consolidated Financial Statements (continued)  
June 30, 2014 and 2013**

**1. Organization and Significant Accounting Policies (continued)**

**Significant Accounting Policies (continued)**

*Method of Accounting*

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America (GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities.

*Financial Statement Presentation*

The consolidated financial statements present information regarding the financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

- Unrestricted net assets - Net assets not subject to donor imposed stipulations.
- Temporarily restricted net assets - Net assets subject to donor imposed stipulations that will be met by actions of the Organization and/or the passage of time. When a donor stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- Permanently restricted net assets - Net assets subject to donor imposed stipulations requiring that they be maintained permanently by the Organization. The income from these assets is available for either general operations or specific programs as specified by the donor.

The FASB has issued reporting standards for endowments of not-for-profit Organizations subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and enhanced disclosures for all endowment funds. The standards provide guidance on classifying the net assets associated with donor-restricted endowment funds held by organizations that are subject to an enacted version of UPMIFA, which serves as a model act for states to modernize their laws governing donor-restricted endowment funds. The standards also require additional disclosures about endowments (both donor-restricted funds and board-designated funds) to enable users of consolidated financial statements to understand the net asset classification, net asset composition, changes in net asset composition, spending policies, and related investment policies of its endowment funds.

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Notes to Consolidated Financial Statements (continued)  
June 30, 2014 and 2013**

**1. Organization and Significant Accounting Policies (continued)**

**Significant Accounting Policies (continued)**

*Estimates*

The preparation of consolidated 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 disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Risks and Uncertainties*

LFJCC invests in various types of investment securities which are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated statement of financial position.

*Fair Value Measurements*

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

- Level 1 inputs are quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the investment

The Organization's consolidated statement of financial position includes the following financial instruments that are required to be measured at fair value on a recurring basis:

- Investments at Jewish Community Foundation are considered Level 2 assets and are reported at fair value based on the fair value of the underlying assets in the funds as reported by the fund manager, Jewish Community Foundation, since these funds are valued by the fund manager and are not traded in an active market.

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Notes to Consolidated Financial Statements (continued)  
June 30, 2014 and 2013**

**1. Organization and Significant Accounting Policies (continued)**

**Significant Accounting Policies (continued)**

*Allowance for Doubtful Accounts*

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable. The allowance for doubtful accounts was approximately \$16,000 and \$39,000 at June 30, 2014 and 2013, respectively.

*Contributions*

Contributions are recognized when the donor makes a promise to give to the Organization that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Uncollectible contributions receivable are recognized on the allowance method based on historical experience and management's evaluation of outstanding contributions receivable. The allowance for uncollectible contributions receivable was approximately \$10,050 and \$29,000 at June 30, 2014 and 2013, respectively.

*Capitalization and Depreciation*

The Organization capitalizes all expenditures in excess of \$1,000 for property and equipment at cost, while donations of property and equipment are recorded as support at their estimated fair values. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated useful asset lives as follows:

Land improvements	15 years
Buildings and improvements	5 - 25 years
Equipment and furnishings	5 - 10 years
Computer equipment	3 - 5 years
Vehicles	5 years

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Notes to Consolidated Financial Statements (continued)  
June 30, 2014 and 2013**

**1. Organization and Significant Accounting Policies (continued)**

**Significant Accounting Policies (continued)**

*Capitalization and Depreciation (continued)*

Depreciation totaled \$867,053 and \$974,517 for the years ended June 30, 2014 and 2013, respectively.

Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of property or equipment, the asset account is reduced by the cost and the accumulated depreciation account is reduced by the depreciation taken prior to the sale. Any resultant gain or loss is then recorded as income or expense.

*Impairment of Real Estate*

LFJCC reviews its investment in real estate for impairment whenever events and changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future undiscounted net cash flows expected to be generated by the property and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of real estate exceeds the fair value of such property. There were no impairment losses recognized in 2014 and 2013.

*Compensated Absences*

Vested and accumulated vacation is recorded as an expense and liability as benefits accrue to employees. The accrued vacation liability totaled \$162,188 and \$157,990 at June 30, 2014 and 2013, respectively, and is included in accrued payroll liabilities.

*Revenue and Expense Recognition*

Revenue from memberships is recognized on a pro-rata basis over the period the memberships are earned during the year. Deferred revenue totaled \$491,795 and \$459,678 at June 30, 2014 and 2013, respectively.

Program fees and expenses are recognized in the period services are provided and consist of advance payments and costs for classes, Maccabi games, preschool and camp fees. Deferred revenue totaled \$1,941,737 and \$1,876,690 at June 30, 2014 and 2013, respectively.

Prepaid program expenses totaled \$446,392 and \$369,093 at June 30, 2014 and 2013, respectively, and are included in prepaid expenses.

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Notes to Consolidated Financial Statements (continued)  
June 30, 2014 and 2013**

**1. Organization and Significant Accounting Policies (continued)**

**Significant Accounting Policies (continued)**

*Donated Services*

The Organization utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the consolidated financial statements unless the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services for the years ended June 30, 2014 and 2013 did not meet the requirements above, therefore no amounts were recognized in the consolidated financial statements.

*Allocated Expenses*

The Organization allocates its expenses on a functional basis among its various programs and supporting services. Expenditures which can be identified with a specific program or support services are allocated directly, according to their natural expenditure classification. Costs that are common to several functions are allocated among the program and supporting services on the basis of time records, space utilized and estimates made by the Organization's management.

*Income Taxes*

LFJCC and CJC are public charities and are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. LFJCC and CJC believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the consolidated financial statements. LFJCC and CJC are not private foundations.

LFJCC and CJC Return of Organization Exempt from Income Tax for the years ended June 30, 2014, 2013, 2012 and 2011 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three to four years after the returns were filed.

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Notes to Consolidated Financial Statements (continued)  
June 30, 2014 and 2013**

**1. Organization and Significant Accounting Policies (continued)**

**Significant Accounting Policies (continued)**

*Concentration of Credit Risk*

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

*Cash and Cash Equivalents*

For purposes of the consolidated statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Certificates of deposits that may be redeemed without a significant penalty are considered cash and cash equivalents regardless of the maturity.

The following is a composition of the combined amounts appearing in the consolidated statement of cash flows at June 30:

	<u>2014</u>	<u>2013</u>
Cash and money market funds	\$ 3,458,965	\$ 2,866,263
Certificates of deposit	<u>253,109</u>	<u>253,426</u>
Total cash and cash equivalents	<u>\$ 3,712,074</u>	<u>\$ 3,119,689</u>

*Reclassifications*

Certain prior year amounts have been reclassified to conform with the current year presentation. These reclassifications had no effect on the reported results of operations.



**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Notes to Consolidated Financial Statements (continued)  
June 30, 2014 and 2013**

**2. Fair Value Measurements**

The following table summarizes assets measured at fair value by classification within the fair value hierarchy as of June 30:

	2014			Balance as of June 30, 2014
	Quoted in Active Markets for Identical (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments at Jewish Community Foundation	\$ 4,439,734	\$ -	\$ 582,021	\$ 5,021,755
	<u>\$ 4,439,734</u>	<u>\$ -</u>	<u>\$ 582,021</u>	<u>\$ 5,021,755</u>
	2013			
	Quoted in Active Markets for Identical (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2013
Investments at Jewish Community Foundation	\$ 3,761,726	\$ -	\$ 787,282	\$ 4,549,008
	<u>\$ 3,761,726</u>	<u>\$ -</u>	<u>\$ 787,282</u>	<u>\$ 4,549,008</u>

**3. Contributions Receivable**

Contributions receivable consist of the following at June 30:

	2014	2013
Receivables due in less than one year	\$ 411,504	\$ 1,526,832
Less: Allowance for Uncollectible	(10,050)	(29,000)
Receivables due in less than one year, net	<u>401,454</u>	<u>1,497,832</u>
Receivables due in one to five years	318,000	239,500
Less: Discount	-	(16,873)
Receivables due in more than one year, net	<u>318,000</u>	<u>222,627</u>
Contributions Receivable, Net	<u>\$ 719,454</u>	<u>\$ 1,720,459</u>

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Notes to Consolidated Financial Statements (continued)  
June 30, 2014 and 2013**

**3. Contributions Receivable (continued)**

Contributions receivable consist of the following categories at June 30:

	2014	2013
Multi-year program contributions	\$ 457,800	\$ 1,088,127
Pillars contributions	12,758	297,406
Retirement campaign	177,300	111,000
Capital campaign	10,000	108,400
Program contributions	35,916	78,568
Maccabi campaign	25,680	36,958
	\$ 719,454	\$ 1,720,459

**4. Investments**

LFJCC maintains its investments at Jewish Community Foundation. These funds are classified as permanently restricted if the investments must be maintained in perpetuity. The funds held at Jewish Community Foundation are invested in investment pools or are held as cash until invested in an investment pool. The Short Term Pool is a cash equivalent pool that seeks principal preservation by investing in certificates of deposit, securities issued or guaranteed by the U.S. government and other cash equivalents. The Long Term Pool invests 55% in domestic and international equities, 38% in fixed income and 7% in real assets consisting of REITS and/or commodities. The Endowment Pool invests 0.6% in cash and cash equivalents, 49.6% in domestic and international equities, 10.2% in fixed income, 10.2% in real assets consisting of REITS and/or commodities, and 29.4% in alternative investments consisting of commodities and hedge funds of funds.

Investments consist of the following at June 30:

	2014	2013
Investments - current		
Short-term pool	\$ 193,128	\$ 74,148
Investments - noncurrent		
Long-term pool	3,287,813	3,005,262
Endowment pool	1,540,814	1,469,598
Total-long term pool	4,828,627	4,474,860
Total investments	\$ 5,021,755	\$ 4,549,008

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Notes to Consolidated Financial Statements (continued)  
June 30, 2014 and 2013**

**4. Investments (continued)**

The following schedule summarizes the investment income and its classification in the consolidated statement of activities for the year ended June 30:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2014 Total</u>	<u>2013 Total</u>
Net realized and unrealized gains	\$ 176,263	\$ 347,908	\$ 524,171	\$ 239,411
Interest	30,128	45,542	75,670	103,075
Investment fees	<u>(8,834)</u>	<u>(9,639)</u>	<u>(18,473)</u>	<u>(19,810)</u>
Total investment income	<u>\$ 197,557</u>	<u>\$ 383,811</u>	<u>\$ 581,368</u>	<u>\$ 322,676</u>

**5. Property and Equipment**

Property and equipment consist of the following at June 30:

	<u>2014</u>	<u>2013</u>
Land improvements	\$ 511,423	\$ 511,423
Buildings and improvements	18,483,286	18,457,662
Equipment and furnishings	811,755	781,139
Computer equipment	179,005	180,947
Vehicles	<u>169,632</u>	<u>169,632</u>
Subtotal	20,155,101	20,100,803
Less: accumulated depreciation	<u>(11,328,283)</u>	<u>(10,461,230)</u>
Property and equipment, net	<u>\$ 8,826,818</u>	<u>\$ 9,639,573</u>

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Notes to Consolidated Financial Statements (continued)  
June 30, 2014 and 2013**

**6. Note Payable**

Notes payable consist of the following at June 30:

	2014	2013
Note payable to City National Bank, payable in monthly payments of \$1,994 plus interest at the bank's prime rate less .25% (3.5% at maturity date April 12, 2014). Secured by equipment.	\$ -	\$ 19,935
 Note payable to City National Bank (total commitment of \$500,000), payable in monthly payments of \$4,437 including interest at the greater of 2.75% or the bank's prime rate less .25% (3.00% at June 30, 2014), due August 2015. Secured by securities.	58,824	108,333
Total notes payable	58,824	128,268
Less: current portion	(50,000)	(70,606)
Notes payable, net of current portion	\$ 8,824	\$ 57,662

Future principal payments on the notes payable are as follows:

<u>Years Ended June 30,</u>		
2015	\$	50,000
Thereafter		8,824
Total	\$	58,824

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Notes to Consolidated Financial Statements (continued)  
June 30, 2014 and 2013**

**7. Temporarily Restricted Net Assets:**

Temporarily restricted net assets are available for the following purposes at June 30:

	2014	2013
Grants and contributions with time and purpose restrictions	\$ 925,212	\$ 1,702,203
Unappropriated endowment earnings	539,579	380,299
Retirement campaign contributions receivable and cash	377,034	265,244
Capital campaign contributions receivable	10,001	66,917
Maccabi campaign contributions receivable	87,125	36,958
Total temporarily restricted net assets	\$ 1,938,951	\$ 2,451,621

Net assets in the amount of \$1,303,525 were released from donor restrictions by incurring expenses and events satisfying the purpose or time restrictions specified by donors for the year ended June 30, 2014.

**8. Endowment Net Assets:**

LFJCC's endowment consists of individual funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

LFJCC has interpreted the enacted version of the Uniform Prudent Management of Institutional funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, LFJCC classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment (2) the original value of subsequent gifts donated to the permanent endowment (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by LFJCC in a manner consistent with the standard of prudence prescribed by UPMIFA.

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Notes to Consolidated Financial Statements (continued)  
June 30, 2014 and 2013**

**8. Endowment Net Assets (continued)**

In accordance with UPMIFA, LFJCC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of LFJCC and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of LFJCC
7. The investment policies of LFJCC

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires LFJCC to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2014 and 2013.

LFJCC has adopted investment and spending policies for endowment funds that

1. Protect the invested assets
2. Preserve spending capacity of the fund income
3. Maintain a diversified portfolio of assets that meet investment return objectives while keeping risk at a minimal level
4. Comply with applicable laws

LFJCC endowment funds are invested at Jewish Community Foundation in a portfolio of equity and debt securities, which is structured for long-term total return.

LFJCC's spending policy is to disburse funds available in accordance with donor restrictions to meet the current program needs of LFJCC and is based on a three year average of the investment balances at a 4% payout rate.

Endowment composition by type of fund as of June 30:

	2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-Restricted Endowment Funds	\$ -	\$ 696,675	\$ 2,539,459	\$ 3,236,134
Board-Designated Endowment Funds:				
Other Funds	216,441	-	-	216,441
Shulman Funds	1,569,180	-	-	1,569,180
Total endowment funds	\$ 1,785,621	\$ 696,675	\$ 2,539,459	\$ 5,021,755

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Notes to Consolidated Financial Statements (continued)  
June 30, 2014 and 2013**

**8. Endowment Net Assets (continued)**

	2013			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-Restricted Endowment Funds	\$ -	\$ 380,299	\$ 2,539,459	\$ 2,919,758
Board-Designated Endowment Funds:				
Shulman Funds	1,419,888	-	-	1,419,888
Unrestricted bequests	209,362	-	-	209,362
Total endowment funds	<u>\$ 1,629,250</u>	<u>\$ 380,299</u>	<u>\$ 2,539,459</u>	<u>\$ 4,549,008</u>

Changes in endowment net assets for the years

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets at June 30, 2012	\$ 1,392,553	\$ 277,428	\$ 2,168,869	\$ 3,838,850
Contributions	201,039	1,316	370,590	572,945
Investment return:				
Interest and dividends	39,063	63,077	-	102,140
Net realized and unrealized depreciation	92,450	146,961	-	239,411
Investment expenses	(8,065)	(11,309)	-	(19,374)
Total Investment Return	<u>123,448</u>	<u>198,729</u>	<u>-</u>	<u>322,177</u>
Appropriation of endowment assets for expenditure	<u>(87,790)</u>	<u>(97,174)</u>	<u>-</u>	<u>(184,964)</u>
Endowment Net Assets at June 30, 2013	1,629,250	380,299	2,539,459	4,549,008
Investment return:				
Interest and dividends	30,128	45,542	-	75,670
Net realized and unrealized appreciation	176,263	347,908	-	524,171
Investment expenses	(5,897)	(12,576)	-	(18,473)
Total Investment Return	<u>200,494</u>	<u>380,874</u>	<u>-</u>	<u>581,368</u>
Appropriation of endowment assets for expenditure	<u>(44,123)</u>	<u>(64,498)</u>	<u>-</u>	<u>(108,621)</u>
Endowment Net Assets at June 30, 2014	<u>\$ 1,785,621</u>	<u>\$ 696,675</u>	<u>\$ 2,539,459</u>	<u>\$ 5,021,755</u>

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Notes to Consolidated Financial Statements (continued)  
June 30, 2014 and 2013**

**9. Commitments**

*Retirement Plan*

The Organization has established a 403(b) retirement plan (the "Plan") covering all employees. The Plan allows for employee contributions to the Plan up to the maximum amount allowed by the Internal Revenue Code if they wish beginning on their hire date. The Organization makes a matching contribution equal to the lesser of 50% of employee contributions or 3% of compensation received during the plan year (December 31) for employees after one year of service. The Organization also makes a base contribution to the Plan on an annual basis based on the plan year (December 31). The base contribution ranges from \$750 to \$1,500 per eligible employee based on the number of years of service. Employees are eligible to participate in the Organization's contribution if they have completed one year and 1,000 hours of service. LFJCC contributed \$193,100 and \$196,531 to plan for the years ended June 30, 2014 and 2013, respectively.

*Lease Agreement*

The land where the LFJCC is located is owned by the City of San Diego. On July 27, 1981, LFJCC entered into a land lease agreement with the City of San Diego. The premises are leased only for the purposes of construction, operation and maintenance of the premises and buildings as a community center for park, recreation, cultural and educational activities for the benefit of the Jewish Community Center members and the residents of the City of San Diego, without discrimination, as to race, color, creed, sexual orientation, or religion and for such other related or incidental purposes as may first be approved in writing by the City of San Diego and for no other purposes. The term of the agreement is fifty (50) years commencing on January 1, 1998. The total rent is \$1 for the term of the lease. In-kind rent has not been recorded as there is no reasonable basis to determine the value of the leased land.

*Operating Agreement*

On July 1, 1999, CJC entered into an agreement with LFJCC to administer the cultural arts programs and complex for the CJC. The initial term of the agreement was for ten (10) years with an automatic extension of ten (10) years and for consecutive ten (10) year terms unless either party notifies the other in writing to the contrary at least one (1) year prior to the end of the term then in effect. In accordance with the agreement, LFJCC performs all necessary advisory, management and administrative services described in the agreement. LFJCC is entitled to retain any positive results from operations and is responsible for any negative results from operations.



**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Notes to Consolidated Financial Statements (continued)  
June 30, 2014 and 2013**

**10. Diversion of Assets**

The Organization discovered embezzlement in April 2014. A forensic investigation was conducted by the LFJCC and its subsidiary, CJC, through independent auditors. Criminal investigation by law enforcement agencies is ongoing. Subsequent to June 30, 2014, we have recovered \$866,817 net of the cost of recovery. Additional recovery efforts are ongoing.

**11. Subsequent events**

The Organization has evaluated subsequent events through July 8, 2015, which is the date the consolidated financial statements are available for issuance, and concluded that there were no events or transactions that needed to be disclosed.

## **SUPPLEMENTAL INFORMATION**

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Supplementary Consolidating Schedule of Activities  
For the Year Ended June 30, 2014**

	<u>LFJCC</u>	<u>CJC</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b>Unrestricted net assets:</b>				
<b>Revenue and Support:</b>				
Program fees	\$ 5,794,996	\$ 518,288	\$ -	\$ 6,313,284
Contributions and grants	961,077	1,687,237	-	2,648,314
Membership fees	1,166,606	-	-	1,166,606
Rental income	295,528	177,597	-	473,125
Investment income	197,557	-	-	197,557
Special event	253,075	-	-	253,075
Miscellaneous income	86,789	59,941	-	146,730
Net assets released from restriction, net	<u>1,303,525</u>	<u>-</u>	<u>-</u>	<u>1,303,525</u>
Total revenue and support	<u>10,059,153</u>	<u>2,443,063</u>	<u>-</u>	<u>12,502,216</u>
<b>Expenses:</b>				
Program services	<u>7,650,791</u>	<u>2,090,941</u>	<u>-</u>	<u>9,741,732</u>
Supporting services:				
General and administrative	2,262,304	269,722	-	2,532,026
Fundraising	<u>468,086</u>	<u>82,400</u>	<u>-</u>	<u>550,486</u>
Total supporting services	<u>2,730,390</u>	<u>352,122</u>	<u>-</u>	<u>3,082,512</u>
Total program and supporting services	10,381,181	2,443,063	-	12,824,244
Special events	<u>74,528</u>	<u>-</u>	<u>-</u>	<u>74,528</u>
Total expenses	<u>10,455,709</u>	<u>2,443,063</u>	<u>-</u>	<u>12,898,772</u>
Change in unrestricted net assets	<u>(396,556)</u>	<u>-</u>	<u>-</u>	<u>(396,556)</u>
<b>Temporarily restricted net assets:</b>				
Contributions and grants	407,044	-	-	407,044
Investment income	383,811	-	-	383,811
Net assets released from restriction	<u>(1,303,525)</u>	<u>-</u>	<u>-</u>	<u>(1,303,525)</u>
Change in temporarily restricted net assets	<u>(512,670)</u>	<u>-</u>	<u>-</u>	<u>(512,670)</u>
<b>Change in net assets</b>	<b>(909,226)</b>	<b>-</b>	<b>-</b>	<b>(909,226)</b>
Net assets at beginning of year	<u>16,348,729</u>	<u>-</u>	<u>-</u>	<u>16,348,729</u>
Net assets at end of year	<u><u>\$ 15,439,503</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,439,503</u></u>

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Supplementary Schedule of Functional Expenses – LFJCC  
For The Year Ended June 30, 2014  
(With Comparative Totals For The Year Ended June 30, 2013)**

	Program Services		Supporting Services			Special Events	2014 Total Expenses	2013 Total Expenses	
	LFJCC Program Services	Facilities	Total Program Services	General and Administrative	Fundraising				Total Supporting Services
Salaries	3,279,771	362,081	\$ 3,641,852	1,010,557	235,558	\$ 1,246,115	\$ -	\$ 4,887,967	\$ 4,928,728
Payroll taxes and employee benefits	559,854	82,452	642,306	269,602	64,300	333,902	-	976,208	1,131,361
Depreciation	-	867,053	867,053	-	-	-	-	867,053	974,517
Maintenance service	36,673	388,436	425,109	49,162	-	49,162	-	474,271	564,718
Utilities	-	417,688	417,688	102	-	102	-	417,790	388,209
Contract labor	314,834	1,014	315,848	20,983	500	21,483	19,586	356,917	358,259
Program supplies	265,860	(41,990)	223,870	93,308	19,441	112,749	14,441	351,060	356,880
Admissions	193,372	-	193,372	-	41,314	41,314	-	234,686	262,817
Administration	131,065	94,379	225,444	96,032	2,008	98,040	80	323,564	259,728
Food and beverage	110,368	6,590	116,958	42,340	9,033	51,373	23,426	191,757	213,835
Maintenance supplies	77,610	94,397	172,007	-	-	-	-	172,007	182,237
Transportation and travel	89,042	10,689	99,731	18,398	1,454	19,852	-	119,583	129,715
Printing and publications	47,567	13,494	61,061	39,700	9,549	49,249	7,098	117,408	111,550
Insurance	6,240	97,189	103,429	1,360	-	1,360	-	104,789	109,917
Dues	841	177	1,018	91,230	1,144	92,374	-	93,392	85,669
Telephone	12,088	10,314	22,402	26,617	2,025	28,642	-	51,044	65,565
Postage	22,104	8,910	31,014	6,535	3,618	10,153	1,380	42,547	43,962
Office supplies	18,090	5,799	23,889	20,818	2,333	23,151	68	47,108	43,762
Repairs, maintenance and replacements	80,831	17,223	98,054	39,877	2,477	42,354	-	140,408	80,725
Rent expense	5,074	(59,685)	(54,611)	3,231	60	3,291	8,449	(42,871)	24,037
Interest expense	-	-	-	2,924	-	2,924	-	2,924	4,231
Conference	2,141	745	2,886	-	454	454	-	3,340	1,396
Staff training	8,211	350	8,561	171	50	221	-	8,782	7,602
Bad debt	-	-	-	225,092	72,768	297,860	-	297,860	14,131
Diversion of assets	-	-	-	233,523	-	233,523	-	233,523	-
Overhead	11,850	-	11,850	(29,258)	-	(29,258)	-	(17,408)	(17,408)
<b>Total expenses</b>	<b>\$5,273,486</b>	<b>\$ 2,377,305</b>	<b>\$ 7,650,791</b>	<b>\$ 2,262,304</b>	<b>\$ 468,086</b>	<b>\$ 2,730,390</b>	<b>\$ 74,528</b>	<b>\$ 10,455,709</b>	<b>\$10,326,143</b>

**LAWRENCE FAMILY JEWISH COMMUNITY  
CENTERS OF SAN DIEGO COUNTY**

**Supplementary Schedule of Functional Expenses – CJC  
For The Year Ended June 30, 2014  
(With Comparative Totals For The Year Ended June 30, 2013)**

	Program Services	Supporting Services			2014	2013
	Center for Jewish Culture	General and Administrative	Fundraising	Total Supporting	Total Expenses	Total Expenses
Salaries	\$ 919,957	162,597	\$ 73,200	\$ 235,797	\$ 1,155,754	\$ 993,540
Payroll taxes and employee benefits	133,698	43,531	9,200	52,731	186,429	208,041
Program supplies	214,457	2,865	-	2,865	217,322	142,423
Contract labor	178,058	16,916	-	16,916	194,974	193,108
Printing and publications	69,508	7,695	-	7,695	77,203	87,273
Admissions	73,289	-	-	-	73,289	79,699
Rent expense	143,625	100	-	100	143,725	66,967
Transportation and travel	54,554	75	-	75	54,629	59,541
Food and beverage	49,356	5,360	-	5,360	54,716	46,228
Administration	34,199	5,142	-	5,142	39,341	30,902
Maintenance service	111,714	55	-	55	111,769	17,879
Postage	32,896	753	-	753	33,649	27,533
Maintenance supplies	6,305	-	-	-	6,305	1,030
Overhead	7,408	10,000	-	10,000	17,408	17,408
Utilities	6,640	5,000	-	5,000	11,640	11,640
Office supplies	6,110	1,477	-	1,477	7,587	8,856
Scholarships	-	-	-	-	-	16,618
Insurance	28,477	2,305	-	2,305	30,782	5,655
Repairs, maintenance and replacements	10,694	1,372	-	1,372	12,066	-
Telephone	1,137	1,542	-	1,542	2,679	5,346
Facility and administration	-	-	-	-	-	502
Dues	1,181	588	-	588	1,769	1,795
Conference	7,312	1,070	-	1,070	8,382	5,203
Staff training	366	1,279	-	1,279	1,645	7,054
<b>Total expenses</b>	<b>2,090,941</b>	<b>269,722</b>	<b>82,400</b>	<b>352,122</b>	<b>2,443,063</b>	<b>2,034,241</b>
Less: intercompany eliminated in consolidation	-	-	-	-	-	(502)
	<u>\$ 2,090,941</u>	<u>\$ 269,722</u>	<u>\$ 82,400</u>	<u>\$ 352,122</u>	<u>\$ 2,443,063</u>	<u>\$ 2,033,739</u>