

**SAN DIEGO CENTER FOR JEWISH
CULTURE**

FINANCIAL STATEMENT

**FOR THE YEAR ENDED
JUNE 30, 2015**

SAN DIEGO CENTER FOR JEWISH CULTRE

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
San Diego Center for Jewish Culture
San Diego, California

We have audited the accompanying statement of unrestricted revenues and expenses (the "financial statement") of San Diego Center for Jewish Culture (a nonprofit organization), for the year ended of June 30, 2015, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statement 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 the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement 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 statement is free from material misstatement.

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

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Opinion

In our opinion, the statement of unrestricted revenues and expenses referred to above presents fairly, in all material respects, the results of operations of the San Diego Center for Jewish Culture for the year ended June 30, 2015.

Emphasis of a Matter

The statement of unrestricted revenues and expenses is considered a complete set of financial statements of CJC as disclosed in Note 2 to the financial statement.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The schedule of functional expenses on page 7 is presented for purposes of additional analysis and is not a required part of the 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 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 financial statements or to the 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.



HASKELL & WHITE LLP

October 19, 2015
San Diego, CA

SAN DIEGO CENTER FOR JEWISH CULTURE

**Statement of Unrestricted Revenues and Expenses
For the Year Ended June 30, 2015**

Revenue and Support:

Contributions and grants	\$ 1,335,841
Program fees	673,162
Rental income	196,200
Miscellaneous income	41,495
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Total revenue and support	2,246,698

Expenses:

Salaries	1,174,929
Program supplies	195,129
Payroll taxes and employee benefits	167,292
Contract labor	134,672
Administration (Note 2)	110,683
Printing and publicity	96,245
Rent expense	66,660
Admissions	62,847
Food and beverage	56,699
Transportation and travel	55,040
Postage	35,355
Maintenance service	19,831
Overhead	17,408
Utilities	12,440
Office supplies	10,989
Maintenance supplies	10,110
Conference	8,601
Insurance	6,980
Dues	2,163
Telephone	1,992
Repairs, maintenance and replacements	633
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Total expenses	2,246,698

Change in net assets

Net assets at beginning of year

Net assets at end of year

-
<hr/>
\$ -

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

SAN DIEGO CENTER FOR JEWISH CULTURE

Notes to Financial Statement For the Year Ended June 30, 2015

1. Organization and Significant Accounting Policies:

Organization

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 Lawrence Family Jewish Community Centers of San Diego County (“LFJCC”, collectively the “Organization”). 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.

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

Method of Accounting

The financial statement of CJC has been prepared on the accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America (GAAP).

See independent auditors’ report.

SAN DIEGO CENTER FOR JEWISH CULTURE

Notes to Financial Statement (continued) For the Year Ended June 30, 2015

1. Organization and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Estimates

The preparation of the financial statement in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue and Expense Recognition

Grant revenue is recognized in the period in which the related work is performed in accordance with the terms of the grant. Expenses are recognized in the period in which the work is performed.

Contributions are recognized when the donor makes a promise to give in writing to CJC that is in substance, unconditional and unrestricted. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Donated Services

CJC utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the financial statement 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 year ended June 30, 2015 did not meet the requirements above, therefore no amounts were recognized in the financial statement.

Allocated Expenses

CJC 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 CJC's management.

See independent auditors' report.

SAN DIEGO CENTER FOR JEWISH CULTURE

Notes to Financial Statement (continued) For the Year Ended June 30, 2015

1. Organization and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Income Taxes

CJC is a public charity and is 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. CJC believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. CJC is not a private foundation.

CJC's Return of Organization Exempt from Income Tax for the years ended June 30, 2015, 2014, 2013 and 2012 are subject to examination by the Internal Revenue Service and State taxing authorities, generally the three to four years after the returns were filed.

Subsequent Events

CJC has evaluated subsequent events through October 19, 2015, which is the date the financial statement is available for issuance, and concluded that there were no events or transactions that needed to be disclosed.

2. 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 after (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. CJC operations paid LFJCC approximately \$100,190 for the year ended June 30, 2015, which is included in administration in the Statement of Unrestricted Revenues and Expenses.

The CJC has no assets or liabilities of its own as the LFJCC shares its resources, personnel and equipment and facilities with the CJC. CJC holds no cash and an allocation of functional expenses is recorded in the CJC financial statements (Note 1). Thus, CJC does not have a balance sheet nor a statement of cash flows and the statement of unrestricted revenues and expenses is considered a complete set of financial statements.

See independent auditors' report.

SAN DIEGO CENTER FOR JEWISH CULTURE

Notes to Financial Statement (continued) For the Year Ended June 30, 2015

3. Recovery of Diverted Assets

The Organization discovered an embezzlement in April of 2014. LJFCC conducted a forensic investigation of the Organization, through independent forensic auditors. The criminal investigation into the perpetrators has been completed. During the year ended June 30, 2015, LFJCC recovered \$887,296, net of the cost of recovery. Additionally, approximately \$202,000 was recovered subsequent to June 30, 2015.

The embezzlement did not directly affect CJC and thus had no impact on the statement of unrestricted revenue and expenses for the years ended June 30, 2015 or 2014.

See independent auditors' report.

SUPPLEMENTAL INFORMATION

SAN DIEGO CENTER FOR JEWISH CULTURE

**Supplementary Schedule of Functional Expenses
For The Year Ended June 30, 2015
(With Comparative Totals For The Year Ended June 30, 2014)**

	<u>Program Services</u>	<u>Supporting Services</u>			2015	2014
	<u>Center for Jewish Culture</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Supporting</u>	<u>Total Expenses</u>	<u>Total Expenses</u>
Salaries	\$ 932,526	\$ 169,203	\$ 73,200	\$ 242,403	\$ 1,174,929	\$ 1,155,754
Payroll taxes and employee benefits	127,636	30,456	9,200	39,656	167,292	186,429
Program supplies	191,256	3,873	-	3,873	195,129	217,322
Contract labor	117,154	17,518	-	17,518	134,672	194,974
Printing and publicity	91,971	4,274	-	4,274	96,245	77,203
Admissions	62,847	-	-	-	62,847	73,289
Rent expense	66,660	-	-	-	66,660	143,725
Transportation and travel	54,949	91	-	91	55,040	54,629
Food and beverage	53,595	3,104	-	3,104	56,699	54,716
Administration	98,111	12,572	-	12,572	110,683	39,341
Maintenance service	19,831	-	-	-	19,831	111,769
Postage	35,355	-	-	-	35,355	33,649
Maintenance supplies	10,110	-	-	-	10,110	6,305
Overhead	7,408	10,000	-	10,000	17,408	17,408
Utilities	7,440	5,000	-	5,000	12,440	11,640
Office supplies	8,091	2,898	-	2,898	10,989	7,587
Insurance	4,480	2,500	-	2,500	6,980	30,782
Repairs, maintenance and replacements	633	-	-	-	633	12,066
Telephone	1,250	742	-	742	1,992	2,679
Dues	1,330	833	-	833	2,163	1,769
Conference	7,946	655	-	655	8,601	8,382
Staff training	-	-	-	-	-	1,645
Total expenses	<u>1,900,579</u>	<u>263,719</u>	<u>82,400</u>	<u>346,119</u>	<u>2,246,698</u>	<u>2,443,063</u>
	<u>\$ 1,900,579</u>	<u>\$ 263,719</u>	<u>\$ 82,400</u>	<u>\$ 346,119</u>	<u>\$ 2,246,698</u>	<u>\$ 2,443,063</u>