

**SAN DIEGO CENTER FOR JEWISH
CULTURE**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2021 AND 2020**

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 statements of unrestricted revenues and expenses and functional expenses (the “financial statements”) of San Diego Center for Jewish Culture (the “Organization”) (a nonprofit organization) for the year ended of June 30, 2021, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the 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 risks 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 entity’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 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 statements.

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 financial statements referred to above present fairly, in all material respects, the results of operations of the San Diego Center for Jewish Culture for the year ended June 30, 2021.

Emphasis of a Matter

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

Report on Summarized Comparative Information

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated November 20, 2020. In our opinion, the summarized comparative information presented herein for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Haskell & White LLP

HASKELL & WHITE LLP

San Diego, California
October 28, 2021

SAN DIEGO CENTER FOR JEWISH CULTURE

**Statement of Unrestricted Revenues and Expenses
For the Year Ended June 30, 2021**

Revenue and Support:

Contributions and grants	\$ 718,591
Program fees	122,946
Miscellaneous income	<u>867</u>
Total revenue and support	<u>842,404</u>

Expenses:

Salaries (Note 2)	725,953
Payroll taxes and employee benefits	138,157
Contract labor	75,775
Administration	66,775
Program supplies	55,551
Printing and publicity	32,325
Rent expense	12,004
Postage	11,162
Dues	1,955
Repairs, maintenance and replacements	1,652
Grants/Awards	700
Transportation and travel	567
Telephone	440
Staff training	161
Food and beverage	146
Maintenance supplies	111
Office supplies	73
Management services (Note 2)	<u>(281,103)</u>
Total expenses	<u>842,404</u>

Change in net assets	-
Net assets at beginning of year	<u>-</u>
Net assets at end of year	<u><u>\$ -</u></u>

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

SAN DIEGO CENTER FOR JEWISH CULTURE

**Statement of Functional Expenses
For the Year Ended June 30, 2021
(With Comparative Totals For The Year Ended June, 30, 2020)**

	<u>Program Services</u>	<u>Supporting Services</u>			2021 Total Expenses	2020 Total Expenses
	Center for Jewish Culture	General and Administrative	Fundraising	Total Supporting Services		
Salaries	\$ 526,840	\$ 139,113	\$ 60,000	\$ 199,113	\$ 725,953	\$ 991,071
Payroll taxes and employee benefits	110,334	27,823	-	27,823	138,157	151,183
Contract labor	75,775	-	-	-	75,775	133,144
Administration	29,711	22,064	15,000	37,064	66,775	117,231
Program supplies	55,551	-	-	-	55,551	87,858
Printing and publicity	32,325	-	-	-	32,325	95,617
Rent expense	12,004	-	-	-	12,004	62,851
Postage	11,162	-	-	-	11,162	23,516
Dues	1,955	-	-	-	1,955	1,092
Repairs, maintenance and replacements	1,652	-	-	-	1,652	2,390
Grants/Awards	700	-	-	-	700	700
Transportation and travel	567	-	-	-	567	30,233
Telephone	440	-	-	-	440	800
Staff training	161	-	-	-	161	383
Food and beverage	146	-	-	-	146	42,587
Maintenance supplies	111	-	-	-	111	12,712
Office supplies	73	-	-	-	73	2,823
Maintenance service	-	-	-	-	-	7,394
Conference	-	-	-	-	-	1,444
Admissions	-	-	-	-	-	1,137
Bad debt	-	-	-	-	-	358
Management services	(281,103)	-	-	-	(281,103)	(140,236)
	<u>\$ 578,404</u>	<u>\$ 189,000</u>	<u>\$ 75,000</u>	<u>\$ 264,000</u>	<u>\$ 842,404</u>	<u>\$ 1,626,288</u>
Total expenses						

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

SAN DIEGO CENTER FOR JEWISH CULTURE

Notes to Financial Statements For the Year Ended June 30, 2021 and 2020

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 programs:

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, include the San Diego Jewish Film Festival, Arts and Ideas, J-Learn, Gotthelf Art Gallery and the J*Company Youth Theatre, fostering and highlighting ideas of Jewish culture and 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 hosted at the J and in the broader San Diego Community. CJC facilities feature the 500-seat David & Dorothea Garfield Theatre, Samuel & Rebecca Astor Judaica library, the Gotthelf Art Gallery, and a community Holocaust Memorial Garden and other uses of the building and campus to promote Arts and Ideas to the Jewish and broader San Diego Community.

J*Company Youth Theatre is a leading youth theatre program in San Diego, garnering local and national attention with its award winning productions. The program provides 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 statements 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 Statements (continued) For the Year Ended June 30, 2021 and 2020

1. Organization and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Use of Estimates

The preparation of the financial statements 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.

Adoption of New Accounting Standard

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in GAAP. The underlying principle of the new guidance is that a business or other organization will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects what the entity expects to receive in exchange for the goods or services. The ASU also required expanded disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Organization adopted the new standard effective July 1, 2020, the first day of the Organization’s most recent fiscal year, using the modified retrospective approach. The adoption of this ASU did not have a significant impact on the Organization’s consolidated financial statements. Based on the Organization’s evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

Revenue and Expense Recognition

The Organization recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customers*. ASC 606 applies to exchange transactions and requires the Organization to follow a five step process: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the Organization satisfies a performance obligation.

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.

See independent auditors’ report.

SAN DIEGO CENTER FOR JEWISH CULTURE

Notes to Financial Statements (continued) For the Year Ended June 30, 2021 and 2020

1. Organization and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Revenue and Expense Recognition (continued)

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 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 year ended June 30, 2020 did not meet the requirements above, therefore no amounts were recognized in the financial statements.

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.

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.

Subsequent Events

CJC has evaluated subsequent events through October 28, 2021, which is the date the financial statements is available for issuance, and concluded that there were no events or transactions that needed to be disclosed.

See independent auditors' report.

SAN DIEGO CENTER FOR JEWISH CULTURE

Notes to Financial Statements (continued) For the Year Ended June 30, 2021 and 2020

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. LFJCC absorbed \$281,103 and \$140,236 of CJC's operations for the year ended June 30, 2021 and 2020, respectively, which is reflected in CJC's management services in the Statements 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. The statement of unrestricted revenues and expenses and the statement of functional expenses are considered a complete set of financial statements.

See independent auditors' report.