

**SAN DIEGO CENTER FOR JEWISH
CULTURE**

FINANCIAL STATEMENT

**FOR THE YEAR ENDED
JUNE 30, 2019**

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 (a nonprofit organization) for the year ended of June 30, 2019, 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 this 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 is 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, 2019.

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.

A handwritten signature in blue ink that reads "Haskell & White LLP". The signature is written in a cursive, flowing style.

HASKELL & WHITE LLP

San Diego, California
October 31, 2019

SAN DIEGO CENTER FOR JEWISH CULTURE

**Statement of Unrestricted Revenues and Expenses
For the Year Ended June 30, 2019**

Revenue and Support:

| | |
|---------------------------|------------|
| Contributions and grants | \$ 862,049 |
| Program fees | 806,557 |
| Rental income | 191,627 |
| Miscellaneous income | 73,479 |
| | <hr/> |
| Total revenue and support | 1,933,712 |

Expenses:

| | |
|---------------------------------------|-----------|
| Salaries (Note 2) | 904,709 |
| Contract labor | 206,786 |
| Payroll taxes and employee benefits | 172,987 |
| Administration | 150,973 |
| Program supplies | 119,017 |
| Printing and publicity | 108,785 |
| Rent expense | 59,777 |
| Food and beverage | 53,912 |
| Transportation and travel | 51,939 |
| Postage | 30,198 |
| Maintenance service | 22,632 |
| Repairs, maintenance and replacements | 22,471 |
| Admissions | 12,377 |
| Conference | 7,448 |
| Dues | 3,908 |
| Staff training | 2,494 |
| Office supplies | 2,459 |
| Telephone | 840 |
| | <hr/> |
| Total expenses | 1,933,712 |

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

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, 2019**

| | <u>Program Services</u> | <u>Supporting Services</u> | | | | |
|---------------------------------------|------------------------------|-------------------------------|------------------|---------------------------------|---------------------------|---------------------------|
| | Center for Jewish Culture | General and Administrative | Fundraising | Total Supporting Services | 2019 Total Expenses | 2018 Total Expenses |
| Salaries | \$ 611,649 | \$ 223,390 | \$ 69,670 | \$ 293,060 | \$ 904,709 | \$1,225,250 |
| Contract labor | 205,786 | 1,000 | - | 1,000 | 206,786 | 143,308 |
| Payroll taxes and employee benefits | 97,486 | 70,171 | 5,330 | 75,501 | 172,987 | 190,265 |
| Administration | 138,734 | 12,239 | - | 12,239 | 150,973 | 140,034 |
| Program supplies | 117,753 | 1,264 | - | 1,264 | 119,017 | 155,476 |
| Printing and publicity | 101,432 | 7,353 | - | 7,353 | 108,785 | 64,795 |
| Rent expense | 59,777 | - | - | - | 59,777 | 61,338 |
| Food and beverage | 53,458 | 454 | - | 454 | 53,912 | 45,911 |
| Transportation and travel | 49,251 | 2,688 | - | 2,688 | 51,939 | 34,364 |
| Postage | 30,074 | 124 | - | 124 | 30,198 | 25,270 |
| Maintenance service | 22,501 | 131 | - | 131 | 22,632 | 22,172 |
| Repairs, maintenance and replacements | 22,371 | 100 | - | 100 | 22,471 | 29,862 |
| Admissions | 12,377 | - | - | - | 12,377 | 22,145 |
| Conference | 7,448 | - | - | - | 7,448 | 2,671 |
| Dues | 3,339 | 569 | - | 569 | 3,908 | 2,262 |
| Staff training | 2,414 | 80 | - | 80 | 2,494 | 2,472 |
| Office supplies | 2,015 | 444 | - | 444 | 2,459 | 3,372 |
| Telephone | 840 | - | - | - | 840 | 1,007 |
| Grants/Awards | - | - | - | - | - | 450 |
| | <u>\$ 1,538,705</u> | <u>\$ 320,007</u> | <u>\$ 75,000</u> | <u>\$ 395,007</u> | <u>\$1,933,712</u> | <u>\$2,172,424</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, 2019

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 For the Year Ended June 30, 2019

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.

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 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, 2019 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.

See independent auditors' report.

SAN DIEGO CENTER FOR JEWISH CULTURE

Notes to Financial Statements For the Year Ended June 30, 2019

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, 2017, 2016, 2015 and 2014 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 31, 2019, 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.

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 \$72,000 of CJC's operations for the year ended June 30, 2019, which is reflected in CJC's salaries 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.