

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

**CONSOLIDATED FINANCIAL
STATEMENTS**

**AS OF AND FOR THE YEARS ENDED
JUNE 30, 2022 AND 2021**

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

TABLE OF CONTENTS

Independent Auditors' Report	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5
Consolidated Statement of Functional Expenses	6 - 7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9
Supplementary Information:	
Supplementary Consolidating Schedule of Activities	30
Supplementary Schedule of Functional Expenses - LFJCC	31
Supplementary Schedule of Functional Expenses – CJC	32

INDEPENDENT AUDITORS' REPORT

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

Opinion

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”) (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2022, 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.

In our opinion, these consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2022, and the changes in its consolidated net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Matter – Supplemental Information

Our audit as of and for the year ended June 30, 2022, was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary consolidating schedule of activities and schedules of functional expenses are presented for purposes of additional analysis and are 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October, 28, 2021. In our opinion, the summarized comparative information presented herein for the year ended June 30, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Haskell & White LLP
HASKELL & WHITE LLP

Irvine, California
October 20, 2022

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

**Consolidated Statements of Financial Position
As of June 30, 2022
(With Comparative Totals As Of June 30, 2021)**

	ASSETS	
	2022	2021
Current assets:		
Cash	\$ 7,145,708	\$ 4,065,538
Investments	277,939	291,227
Accounts receivable, net	24,679	11,481
Contributions receivable, net	1,116,562	5,846,063
Prepaid expenses and other current assets	348,204	63,413
Total current assets	8,913,092	10,277,722
Noncurrent Assets:		
Contributions receivable, net	1,758,102	1,619,982
Investments	7,241,735	7,208,357
Property and equipment, net	4,051,977	4,621,847
Total noncurrent assets	13,051,814	13,450,186
Total assets	\$ 21,964,906	\$ 23,727,908
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 688,629	\$ 211,105
Accrued payroll liabilities	657,651	626,102
Deferred revenue	2,270,533	1,722,130
Total current liabilities	3,616,813	2,559,337
Noncurrent Liabilities:		
Notes payable	139,644	1,593,136
Total liabilities	3,756,457	4,152,473
Commitments (Notes 6, 7 and 8)		
Net Assets:		
Without donor restrictions	9,266,833	10,572,483
With donor restrictions	8,941,616	9,002,952
Total net assets	18,208,449	19,575,435
Total liabilities and net assets	\$ 21,964,906	\$ 23,727,908

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

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

**Consolidated Statements of Activities
For the Year Ended June 30, 2022
(With Comparative Totals For The Year Ended June 30, 2021)**

	Without donor restriction	With donor restriction	2022 Total	2021 Total
Revenue and Support:				
Program fees	\$ 5,806,013	\$ -	\$ 5,806,013	\$ 4,255,544
Contributions and grants	2,341,969	1,995,419	4,337,388	10,012,140
Membership fees	954,445	-	954,445	721,579
Donated goods and services (Note 1)	283,002	-	283,002	-
Rental income	263,990	-	263,990	79,099
Unrealized investment income	(455,554)	(947,171)	(1,402,725)	1,428,780
Realized investment income	77,778	179,718	257,496	148,998
Miscellaneous income	201,330	-	201,330	232,760
Net assets released from restriction, net	1,289,302	(1,289,302)	-	-
	<u>10,762,275</u>	<u>(61,336)</u>	<u>10,700,939</u>	<u>16,878,900</u>
Total revenue and support				
Expenses:				
Program Services	<u>10,495,930</u>	<u>-</u>	<u>10,495,930</u>	<u>9,165,317</u>
Supporting Services:				
General and administrative	2,717,682	-	2,717,682	2,355,583
Fundraising	<u>191,122</u>	<u>-</u>	<u>191,122</u>	<u>305,944</u>
	<u>2,908,804</u>	<u>-</u>	<u>2,908,804</u>	<u>2,661,527</u>
Total supporting services				
Total program and supporting services	<u>13,404,734</u>	<u>-</u>	<u>13,404,734</u>	<u>11,826,844</u>
Special events	<u>108,991</u>	<u>-</u>	<u>108,991</u>	<u>-</u>
Total expenses	<u>13,513,725</u>	<u>-</u>	<u>13,513,725</u>	<u>11,826,844</u>
Gain on debt extinguishment	<u>1,445,800</u>	<u>-</u>	<u>1,445,800</u>	<u>1,536,797</u>
Change in net assets	(1,305,650)	(61,336)	(1,366,986)	6,588,853
Net assets at beginning of year	<u>10,572,483</u>	<u>9,002,952</u>	<u>19,575,435</u>	<u>12,986,582</u>
Net assets at end of year	<u>\$ 9,266,833</u>	<u>\$ 8,941,616</u>	<u>\$ 18,208,449</u>	<u>\$ 19,575,435</u>

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

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

**Consolidated Statement of Functional Expenses (continued on next page)
For The Year Ended June 30, 2022
(With Comparative Totals For The Year Ended June 30, 2021)**

	Program Services					
	Early Childhood Education	Youth Department (Camp)	Qualcomm Sports, Fitness & Aquatics	San Diego Center for Jewish Culture	Other Program Services	Total Program Services
Salaries	\$ 1,327,324	\$ 814,851	\$ 762,745	\$ 855,432	\$ 1,326,962	\$ 5,087,314
Depreciaton	-	-	-	-	1,083,883	1,083,883
Contract labor	29,893	87,726	30,500	66,383	718,497	932,999
Payroll taxes and employee benefits	232,823	115,669	104,061	181,851	208,154	842,558
Program supplies (Note 1)	46,460	41,656	39,707	75,463	637,270	840,556
Administration & bank fees	74,159	136,333	16,177	32,879	44,220	303,768
Utilities	-	241	-	-	643,192	643,433
Insurance	-	-	-	-	-	-
Printing and publicity	13,808	22,112	2,590	16,138	102,267	156,915
Maintenance supplies	-	1,071	95,867	5,015	94,266	196,219
Maintenance service	5,045	-	8,251	-	173,073	186,369
Rent expense	-	14,967	478	13,927	46,706	76,078
Food and beverage	24,487	33,691	83	6,574	27,640	92,475
Repairs, maintenance and replacements	2,417	5,076	35,485	3,364	30,455	76,797
Dues	75	11,233	1,452	103	1,589	14,452
Telephone and internet	2,160	3,329	510	1,923	3,360	11,282
Office supplies	2,125	3,944	2,299	1,478	25,064	34,910
Transportation and travel	-	12,838	167	12,557	16,637	42,199
Admissions	-	22,584	1,699	-	2,264	26,547
Staff training & recruitment	2,802	11,091	6,547	1,194	3,685	25,319
Postage	50	2,602	355	1,308	7,985	12,300
Bad debt	-	4,747	-	-	-	4,747
Conference	-	-	-	-	76	76
Management services	-	-	-	(195,266)	-	(195,266)
Grants/Awards	-	-	-	-	-	-
Total expenses	\$ 1,763,628	\$ 1,345,761	\$ 1,108,973	\$ 1,080,323	\$ 5,197,245	\$ 10,495,930

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

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

**Consolidated Statement of Functional Expenses (continued)
For The Year Ended June 30, 2022
(With Comparative Totals For The Year Ended June 30, 2021)**

	<u>Supporting Services</u>		Total Supporting Services	Special Events	2022	2021
	General and Administrative	Fundraising			Total Expenses	Total Expenses
Salaries	\$ 1,237,648	\$ 129,927	\$ 1,367,575	\$ -	\$ 6,454,889	\$ 6,230,462
Depreciaton	-	-	-	-	1,083,883	1,155,187
Contract labor	99,375	2,600	101,975	6,287	1,041,261	805,962
Payroll taxes and employee benefits	164,732	17,736	182,468	-	1,025,026	1,088,736
Program supplies	18,962	1,287	20,249	7,197	868,002	389,280
Administration & bank fees	352,536	-	352,536	-	656,304	465,347
Utilities	-	-	-	-	643,433	479,222
Insurance	317,044	-	317,044	-	317,044	233,225
Printing and publicity	96,229	20,399	116,628	2,686	276,229	219,659
Maintenance supplies	324	-	324	-	196,543	149,390
Maintenance service	1,644	-	1,644	-	188,013	128,339
Rent expense	6,287	-	6,287	89,152	171,517	30,493
Food and beverage	15,810	819	16,629	2,222	111,326	57,910
Repairs, maintenance and replacements	27,891	-	27,891	-	104,688	62,562
Dues	86,208	345	86,553	-	101,005	74,019
Telephone and internet	51,099	135	51,234	-	62,516	144,750
Office supplies	13,250	1,226	14,476	1,022	50,408	25,628
Transportation and travel	3,757	73	3,830	-	46,029	6,200
Admissions	240	14,517	14,757	-	41,304	1,573
Staff training & recruitment	6,879	1,607	8,486	-	33,805	19,843
Postage	19,181	451	19,632	425	32,357	22,348
Bad debt	-	-	-	-	4,747	34,676
Conference	3,320	-	3,320	-	3,396	750
Management services	195,266	-	195,266	-	-	-
Grants/Awards	-	-	-	-	-	1,283
Total expenses	\$ 2,717,682	\$ 191,122	\$ 2,908,804	\$ 108,991	\$ 13,513,725	\$ 11,826,844

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

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

**Consolidated Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021**

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (1,366,986)	\$ 6,588,853
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,083,883	1,155,187
Gain on debt extinguishment	(1,445,800)	(1,536,797)
Discount on long term portion of contribution receivable	47,540	24,558
Provision for bad debt	(18,587)	34,676
Unrealized loss (gain) on investments	1,402,725	(1,428,780)
Realized gains on investments	(257,496)	(148,998)
Increase (decrease) in cash from changes in:		
Accounts receivable	389	(12,693)
Contributions receivable	4,548,841	(5,861,922)
Prepaid expenses	(284,791)	148,898
Accounts payable and accrued expenses	477,524	(216,823)
Accrued payroll liabilities	31,549	(44,834)
Deferred revenue	548,403	691,781
Net cash provided by (used in) operating activities	4,767,194	(606,894)
Cash flows from investing activities:		
Investment sales, net	(1,165,322)	310,099
Purchases of property and equipment	(514,010)	(212,340)
Net cash (used in) provided by investing activities	(1,679,332)	97,759
Cash flows from financing activities:		
Proceeds from note payable	-	1,445,800
Payments on notes payable	(7,692)	(367)
Net cash (used in) provided by financing activities	(7,692)	1,445,433
Net increase in cash	3,080,170	936,298
Cash at beginning of year	4,065,538	3,129,240
Cash at end of year	\$ 7,145,708	\$ 4,065,538

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

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

**Notes to Consolidated Financial Statements
June 30, 2022 and 2021**

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.

Programs

LFJCC operates the following programs:

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 a 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.

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

1. Organization and Significant Accounting Policies (continued)

Programs (continued)

Youth Department

The Youth Department at The 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 year round camps
- Youth Activities
- Enrichment Classes
- Sports 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 cardiovascular equipment. In addition, The Jacobs Fitness Center includes certified personal trainers, massage therapy, full range of fitness classes, aerobic and dance studios, wellness and meditation center, sauna and steam room.
- Albert A. Huntler Tennis Center consists of four lighted, hard surface courts. In addition, there is a resident 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 and swim lessons.
- Jacobs Family Gymnasium consists of two NBA regulation basketball courts.
- Mandell Weiss Eastgate Park is a professionally lit multi-purpose field with an outdoor play area and a picnic and barbecue area. The field is used for softball leagues, soccer and flag-football leagues and general recreation.

Teen Department

The LFJCC 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 focuses on programs that develop emotionally well-rounded leaders of the future.

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

1. Organization and Significant Accounting Policies (continued)

Programs (continued)

Senior Adult Department

The Senior Adult Department at the 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.

San Diego Center for Jewish Culture

The Center for Jewish Culture 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 6,000 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

Consolidated Financial Statements

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

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

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.

Net Asset Classification

The financial statements present net assets and changes in net assets in two classes of net assets that are based upon the existence or nonexistence of donor-imposed restrictions. The two classes of net assets are as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions are resources available to support the Organizations’ operations. The only limits on the use of these net assets, if any, are broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of operations.

If a donor restriction expires within the same period in which the support is recognized, such support is reported as an increase in net assets without donor restrictions. All other donor-restricted support, as discussed below, is reported as an increase in net assets with donor restrictions.

Net Assets With Donor Restrictions – Net assets with donor restrictions are resources that are restricted by a donor for a specified purpose or for use in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor’s instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature and the Organization must continue to use these resources in accordance with the donor’s stipulations. The Organization’s unspent contributions are included in this class if the donor has limited their use. When a donor’s restriction is satisfied, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

1. Organization and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP 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

The 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

ASC 820-10, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820-10 are described below:

- 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.

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

1. Organization and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Fair Value Measurements (continued)

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

- Most investments at Jewish Community Foundation are considered Level 1 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, while some of these funds are considered Level 2 assets which are valued by the fund manager and are not traded in an active market.
- The Organization utilizes a practical expedient for the estimation of the fair value of investments in limited partnerships and similar interests, with no readily determinable fair value. The practical expedient used by the Organization to value private investments is the net asset value ("NAV") per share, or its equivalent, provided by the related investment fund manager. The ultimate liquidation of alternative investments are restricted to certain time periods and is generally limited to be sold to the fund manager or distributions from the fund. Due to the inherent uncertainty of valuation of nonmarketable and restricted investments, those estimated values may differ significantly from the values that would have been used had a readily available market for the securities existed and the differences could be material.

Allowance for Doubtful Accounts Receivable

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 as of June 30, 2022 and 2021 was \$4,174 and \$17,761, 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 net assets with donor restrictions depending on the nature of the restrictions.

When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. 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.

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

1. Organization and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Contributions (continued)

Uncollectible contributions receivable are recognized on the allowance method based on historical experience and management’s evaluation of outstanding contributions receivable. The allowance for doubtful contributions receivable as of June 30, 2022 and 2021, was \$86,777 and \$91,777, respectively.

The Organization received an Employee Retention Credit (“ERC”), which was reported within contributions and grants in the consolidated statements of activities. The ERC totaled \$515,749 and \$0 for the years ended June 30, 2022 and 2021, respectively. At June 30, 2022, \$110,677 of the ERC was recorded within contributions receivable in the accompanying consolidated statement of financial position.

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 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. Property and equipment are depreciated using the straight-line method over the estimated useful asset lives 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

Depreciation totaled \$1,083,883 and \$1,155,187 for the years ended June 30, 2022 and 2021, respectively.

The Organization’s policy is to periodically review the estimated useful lives of its property and equipment. During the year ended June 30, 2022, there were no changes to the useful lives of assets and no effects to operations as a result.

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

1. Organization and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Capitalization and Depreciation (continued)

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 other income or expense.

Impairment of Long Lived Assets

The Organization reviews its investment in long lived assets 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 long lived assets to the future undiscounted net cash flows expected to be generated by the assets and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the long-lived assets exceeds the fair value of such assets. There were no impairment losses recognized in 2022 and 2021.

Compensated Absences

Vested and accumulated vacation is recorded as an expense and liability as benefits accrue to employees. The accrued vacation liability totaled \$228,345 and \$223,332 at June 30, 2022 and 2021, respectively, and is included in accrued payroll liabilities.

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.

Revenue from memberships is recognized ratably over the membership period as performance obligations are satisfied over time. Membership benefits are typically provided evenly over the term of the membership. Membership fees received in advance are deferred until earned. Membership fee revenues totaled \$954,445 and \$721,579 for the years ended June 30, 2022 and 2021, respectively. Deferred membership revenue totaled \$60,978 and \$55,711 at June 30, 2022 and 2021, respectively.

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

1. Organization and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Revenue and Expense Recognition (continued)

Program fees and expenses are recognized in the period services are provided and primarily consist of preschool and camp fees and related expenses. This revenue is recognized over time, as the programs occur. Program fees received but not earned as of year-end are recorded as deferred revenue. Program fee revenues totaled \$5,806,013 and \$4,255,544 for the years ended June 30, 2022 and 2021, respectively. Deferred program revenue totaled \$2,209,555 and \$1,666,419 at June 30, 2022 and 2021, respectively.

Donated Goods and Services

In September 2020, the FASB issued Accounting Standards Update (“ASU”) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. The Organization adopted the new standard effective July 1, 2021. The adoption of this ASU did not have a significant impact on the Organization’s consolidated financial statements, except for the additional disclosure requirements included below.

The Organization recognized donated nonfinancial assets within revenue and support on the consolidated statements of activities, which included various costs and supplies for the Maccabi Games.

Donated goods and services are valued and are reported at the actual purchase amounts or at the estimated fair value of similar products.

Donated goods and services are reflected as contributions in the accompanying consolidated financial statements at their estimated fair value. Contributed goods and services in the amount of \$283,002 are reflected in the consolidated statement of activities for the year ended June 30, 2022. Additionally, \$283,002 of donated goods and services are included within program supplies in the consolidated statement of functional expenses for the year ended June 30, 2022. There were no contributed goods or services for the year ended June 30, 2021.

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

1. Organization and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Allocated Expenses

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The most significant expenses that are allocated include salaries, payroll taxes and employee benefits, and contract labor. These expenses are allocated on the basis of estimates of time and effort.

Income Taxes

The 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. The 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. The LFJCC and CJC are not private foundations.

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

Substantially all cash is held in demand deposit accounts with one bank which typically exceeds federally insured limits. No losses have been experienced related to such amounts. The Organization believes it is not exposed to any significant concentrations of credit risk on cash.

Reclassifications

Certain reclassifications to prior year information were made to conform to current year presentation.

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

1. Organization and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements

In February 2016, FASB issued ASU 2016-02, Leases. ASU 2016-02 was issued to increase transparency and comparability among entities. Lessees will need to recognize nearly all lease transactions (other than leases that meet the definition of a short-term lease) on the statement of financial position as a lease liability and a right-of-use asset (as defined). Lessor accounting under the new guidance will be similar to the current model. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021. Early application is permitted. Upon adoption, lessees and lessors will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients that entities may elect to apply. Management does not expect that the adoption of this ASU will have a material impact on the consolidated financial statements.

2. Contributions Receivable

Contributions receivable consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Receivables due in less than one year	\$ 1,203,339	\$ 5,937,840
Less: Allowance for uncollectible contributions	<u>(86,777)</u>	<u>(91,777)</u>
Receivables due in less than one year, net	<u>1,116,562</u>	<u>5,846,063</u>
Receivables due in one to four years	1,830,200	1,710,306
Imputed discount	<u>(72,098)</u>	<u>(90,324)</u>
Receivables due in more than one year, net	<u>1,758,102</u>	<u>1,619,982</u>
Contributions receivable, net	<u><u>\$ 2,874,664</u></u>	<u><u>\$ 7,466,045</u></u>

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

2. Contributions Receivable (continued)

Contributions receivable consist of the following categories as of June 30:

	2022	2021
75th Comprehensive Campaign	\$ 1,960,944	\$ 6,958,702
Jewish Living	294,313	400,000
Locker Room Campaign	28,863	31,000
CJC Contributions	119,779	103,157
JCC Program Contributions	105,140	63,510
Patron Party Scholarship Appeal	193,193	-
Security grants	244,530	-
	2,946,762	7,556,369
Imputed discount	(72,098)	(90,324)
	\$ 2,874,664	\$ 7,466,045

3. Investments

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

	2022				
	Quoted in Active Markets for Identical (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value Inputs	Balance as of June 30, 2022
Investments at Jewish Community Foundation	\$7,190,191	\$ -	\$ -	\$ 329,483	\$ 7,519,674
	\$7,190,191	\$ -	\$ -	\$ 329,483	\$ 7,519,674
	2021				
	Quoted in Active Markets for Identical (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value Inputs	Balance as of June 30, 2021
Investments at Jewish Community Foundation	\$7,247,059	\$ 23,481	\$ -	\$ 229,044	\$ 7,499,584
	\$7,247,059	\$ 23,481	\$ -	\$ 229,044	\$ 7,499,584

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

3. Investments (continued)

The LFJCC maintains its investments at Jewish Community Foundation. These funds are classified as net assets with donor restrictions 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.

As of June 30, 2022:

- The Long Term Pool invests 74.6% in domestic and international equities and 25.4% in fixed income.
- The Long Term Index Pool invests 74.6% in domestic and international equities and 25.4% in fixed income.
- The Endowment Pool invests 49.2% in domestic and international equities, 25.3% in private equity, 11.9% in fixed income, and 13.7% in hedge funds.

Investments consist of the following at June 30:

	2022	2021
Investments - current		
Short-term pool	\$ 277,939	\$ 291,227
Investments - noncurrent		
Long-term pool	2,913,184	2,908,771
Long-term index pool	3,040,942	3,064,716
Endowment pool	1,287,609	1,234,870
Total-long term pool	7,241,735	7,208,357
Total investments	\$ 7,519,674	\$ 7,499,584

The LFJCC investments consist 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.

The LFJCC has interpreted the enacted version of the Uniform Prudent Management of Institutional Funds Act (“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, the LFJCC classifies as net assets with donor restriction (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.

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

3. Investments (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, 2022 and 2021.

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.

ASC Topic 820 permits the estimation of the fair value of an investment using net asset value per share (or its equivalent) for certain investments that do not have readily determinable fair values. The inputs to value these investments may partnership interests in various alternative investments, including hedge funds and private equity. The various partnerships are investment companies, which record their underlying investments at fair value based on fair value policies established by management of the underlying fund. Fair value policies at the underlying fund generally require the fund to utilize pricing/valuation information from third-party sources, including independent appraisals. However, in some instances, current valuation information for illiquid securities or securities in markets that are not active may not be available from any third-party source or fund management may conclude that the valuations that are available from third-party sources are not reliable. In these instances, fund management may perform model-based analytical valuation that may be used as an input to value these investments.

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

3. Investments (continued)

As disclosed in Note 1, these investments are measured at fair value using NAV (or its equivalent) as a practical expedient and are not included in the fair value hierarchy.

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 5% payout rate.

LFJCC investments composition by type of fund as of June 30:

	2022		
	Without Donor	With Donor Restriction	Total
Donor-Restricted Endowment Funds	\$ -	\$ 4,827,119	\$ 4,827,119
Board-Designated Funds:			
Other Funds	277,902	-	277,902
Shulman Funds	2,414,653	-	2,414,653
Investments	\$ 2,692,555	\$ 4,827,119	\$ 7,519,674
	2021		
	Without	With Donor	Total
Donor-Restricted Endowment Funds	\$ -	\$ 5,855,901	\$ 5,855,901
Board-Designated Funds:			
Other Funds	291,189	-	291,189
Shulman Funds	1,352,494	-	1,352,494
Investments	\$ 1,643,683	\$ 5,855,901	\$ 7,499,584

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

3. Investments (continued)

Funds invested by type for the years ended June 30, 2022 and 2021 are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Investments at June 30, 2020	\$ 1,428,074	\$ 4,803,831	\$ 6,231,905
Investment return:			
Interest and dividends	22,626	89,375	112,001
Net realized and unrealized gains/(losses)	280,149	1,211,665	1,491,814
Investment expenses	(5,810)	(20,227)	(26,037)
Total Investment Return	296,965	1,280,813	1,577,778
Appropriation of endowment assets for expenditure	(81,356)	(228,743)	(310,099)
Investments at June 30, 2021	1,643,683	5,855,901	7,499,584
Contribution	1,500,000	-	1,500,000
Investment return:			
Interest and dividends	55,199	116,938	172,137
Net realized and unrealized gains/(losses)	(423,540)	(863,509)	(1,287,049)
Investment expenses	(9,437)	(20,883)	(30,320)
Total Investment Return	(377,778)	(767,454)	(1,145,232)
Appropriation of endowment assets for expenditure	(73,350)	(261,328)	(334,678)
Investments at June 30, 2022	\$ 2,692,555	\$ 4,827,119	\$ 7,519,674

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

4. Property and Equipment

Property and equipment consist of the following at June 30:

	2022	2021
Land improvements	\$ 523,188	\$ 523,188
Buildings and improvements	21,186,679	20,788,347
Equipment and furnishings	1,222,849	1,129,385
Computer equipment	571,758	549,541
Vehicles	171,798	171,798
Subtotal	23,676,272	23,162,259
Less: accumulated depreciation	(19,624,295)	(18,540,412)
Property and equipment, net	\$ 4,051,977	\$ 4,621,847

5. Liquidity Disclosure

As of June 30, 2022, the Organization has financial assets available for general expenditure, which is without donor or other restrictions limiting their use, within one year of the statement of financial position comprising the following:

Financial assets:

Cash	\$ 7,145,708
Investments	277,939
Accounts receivable	24,679
Contributions receivable-short term	1,116,562
Total financial assets	8,564,888
Less board designated financial assets	2,692,555
Less financial assets held to meet donor-imposed restrictions:	
Donor-restricted net assets	4,827,119
Amount available for general expenditures within one year	\$ 1,045,214

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

5. Liquidity Disclosure (continued)

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

6. Debt

Line of credit

The Organization entered into a revolving note with a bank in January 2019 that provides for maximum borrowings of \$500,000. The line of credit bears interest at the greater of 2% or the London Interbank Offered Rate (“LIBOR”) plus 1.25% and is secured by substantially all of the Organization’s assets. The line of credit matures on February 1, 2023. There was no amount outstanding on the line of credit as of June 30, 2022.

Loans payable

In April 2020, the Organization, as borrower, received \$1,524,600 in loan funding from the Small Business Administration (“SBA”) Paycheck Protection Program (“PPP”), established pursuant to the recently enacted Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”). The unsecured loan (the “Loan”) is evidenced by a promissory note issued by the Organization (the “Note”) in favor of City National Bank, a national banking association, as lender. The Organization used the Loan proceeds to cover payroll costs, rent and utilities in accordance with the relevant terms and conditions of the CARES Act. Under the terms of the Note and the Loan, interest accrues on the outstanding principal at the rate of 1.0% per annum. The original term of the Note is two years, unless sooner provided in connection with an event of default under the Note. The Organization accounted for the PPP Loan using the debt method under FASB ASC 470. In February 2021, the SBA approved forgiveness of all principal and interest related to the PPP Loan. The amount forgiven, \$1,536,797 of principal and interest, is recorded as other income on the accompanying consolidated statements of activities.

In February 2021, the Organization, as borrower, received \$1,445,800 in loan funding from the SBA PPP established pursuant to the CARES Act. The unsecured loan (the “PPP 2 Loan”) is evidenced by a promissory note issued by the Organization (the “Note”) in favor of City National Bank, a national banking association, as lender. The Organization plans to use the PPP 2 Loan proceeds to cover payroll costs, rent and utilities in accordance with the relevant terms and conditions of the CARES Act. Under the terms of the Note and the PPP 2 Loan, interest accrues on the outstanding principal at the rate of 1.0% per annum. The original term of the Note is five years, unless sooner provided in connection with an event of default under the Note. The Organization accounted for the PPP 2 Loan using the debt method under FASB ASC 470. To the extent the loan amount is not forgiven under the PPP, the Organization is obligated to make equal monthly payments of principal and interest, beginning ten

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

6. Debt (continued)

Loans payable (continued)

months from the date of the note, until the maturity date or as mutually agreed and modified between the organization and the lender. In February 2022, the SBA approved forgiveness of all principal and interest related to the PPP Loan. The amount forgiven, \$1,445,800 of principal and interest, is recorded as other income on the accompanying consolidated statements of activities.

In May 2020, the Organization, as borrower, received \$149,900 in the form of an Economic Injury Disaster Loan (“EIDL”) under the CARES Act from the Small Business Administration (“SBA”). Under the terms of the loan, interest accrues on the outstanding principal at the rate of 2.75% per annum, and is secured by substantially all of the Organization’s assets. The original term of the Note is 30 years. The amount outstanding as of June 30, 2022 was \$139,644.

7. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30.

	2022	2021
Permanent endowment	\$ 4,152,725	\$ 4,152,725
Endowment earnings	674,396	1,703,177
75th comprehensive campaign	2,625,909	1,839,173
Locker room	-	103,000
Other time and purpose restrictions	1,488,586	1,204,877
Total net assets with donor restrictions	\$ 8,941,616	\$ 9,002,952

Net assets totaling \$1,289,302 and \$1,146,627 were released from donor restrictions due to satisfaction of purpose or time restrictions during the years ended June 30, 2022 and 2021, respectively.

8. 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.

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

**Notes to Consolidated Financial Statements (continued)
June 30, 2022 and 2021**

8. Commitments (continued)

Retirement Plan (continued)

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. LFJCC contributed \$85,738 and \$88,393 to the plan for the years ended June 30, 2022 and 2021, respectively.

Lease Agreement

The land on which 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 entire term of the lease.

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 (the J) is entitled to retain any positive results from operations and is responsible for any negative results from operations. LFJCC absorbed \$195,266 and \$281,103 of CJC's operations for the years ended June 30, 2022 and 2021, respectively.

9. Subsequent Events

The Organization has evaluated subsequent events through October 20, 2022, which is the date the consolidated financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

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

**Supplementary Consolidating Schedule of Activities
For the Year Ended June 30, 2022**

	LFJCC	CJC	Consolidated
Net assets without donor restriction:			
Revenue and Support:			
Program fees	\$ 5,545,061	\$ 260,952	\$ 5,806,013
Contributions and grants	1,599,746	742,223	2,341,969
Membership fees	954,445	-	954,445
Donated goods and services (Note 1)	283,002	-	283,002
Rental income	215,602	48,388	263,990
Unrealized investment income	(455,554)	-	(455,554)
Realized investment income	77,778	-	77,778
Gain on Debt Extinguishment	1,445,800	-	1,445,800
Miscellaneous income	172,570	28,760	201,330
Net assets released from restriction, net	1,289,302	-	1,289,302
Total revenue and support	11,127,752	1,080,323	12,208,075
Expenses:			
Program services	9,761,451	734,479	10,495,930
Supporting services:			
General and administrative	2,446,838	270,844	2,717,682
Fundraising	116,122	75,000	191,122
Total supporting services	2,562,960	345,844	2,908,804
Total program and supporting services	12,324,411	1,080,323	13,404,734
Special events	108,991	-	108,991
Total expenses	12,433,402	1,080,323	13,513,725
Change in net assets without donor restriction:	(1,305,650)	-	(1,305,650)
Net assets with donor restriction			
Contributions and grants	1,995,419	-	1,995,419
Unrealized investment income	(947,171)	-	(947,171)
Realized investment income	179,718	-	179,718
Net assets released from restriction	(1,289,302)	-	(1,289,302)
Change in net assets with donor restriction	(61,336)	-	(61,336)
Change in net assets	(1,366,986)	-	(1,366,986)
Net assets at beginning of year	19,575,435	-	19,575,435
Net assets at end of year	\$ 18,208,449	\$ -	\$ 18,208,449

See independent auditors' report.

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

**Supplementary Schedule of Functional Expenses – LFJCC
For The Year Ended June 30, 2022
(With Comparative Totals For The Year Ended June 30, 2021)**

	Program Services			Supporting Services				2022 Total Expenses	2021 Total Expenses
	LFJCC Program Services	Facilities	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Special Events		
Salaries	\$ 4,273,326	231,436	\$ 4,504,762	\$ 1,023,945	\$ 70,750	\$ 1,094,695	\$ -	\$ 5,599,457	\$ 5,504,509
Depreciation	1,083,883	-	1,083,883	-	-	-	-	1,083,883	1,155,187
Contract labor	866,616	-	866,616	99,375	2,600	101,975	6,287	974,878	730,187
Payroll taxes and employee benefits	698,967	34,704	733,671	107,591	1,913	109,504	-	843,175	935,579
Program supplies	751,456	13,637	765,093	18,962	1,287	20,249	7,197	792,539	333,729
Utilities	784	642,649	643,433	-	-	-	-	643,433	479,315
Administration & bank fees	267,492	3,397	270,889	352,536	-	352,536	-	623,425	413,572
Insurance	-	-	-	317,044	-	317,044	-	317,044	233,225
Printing and publicity	140,060	717	140,777	96,229	20,399	116,628	2,686	260,091	187,334
Management services	-	-	-	195,266	-	195,266	-	195,266	281,103
Maintenance supplies	103,010	88,194	191,204	324	-	324	-	191,528	149,279
Maintenance service	35,457	150,192	185,649	1,644	-	1,644	-	187,293	128,339
Rent expense	62,151	-	62,151	6,287	-	6,287	89,152	157,590	18,489
Food and beverage	84,539	1,362	85,901	15,810	819	16,629	2,222	104,752	57,764
Repairs, maintenance and replacements	51,990	22,163	74,153	27,891	-	27,891	-	102,044	60,911
Dues	14,349	-	14,349	86,208	345	86,553	-	100,902	72,064
Telephone and internet	9,359	-	9,359	51,099	135	51,234	-	60,593	144,309
Office supplies	30,553	2,879	33,432	13,250	1,226	14,476	1,022	48,930	25,555
Admissions	26,547	-	26,547	240	14,517	14,757	-	41,304	1,573
Transportation and travel	28,438	1,204	29,642	3,757	73	3,830	-	33,472	5,634
Staff training & recruitment	24,099	26	24,125	6,879	1,607	8,486	-	32,611	19,682
Postage	10,570	422	10,992	19,181	451	19,632	425	31,049	11,092
Bad debt	4,747	-	4,747	-	-	-	-	4,747	34,676
Conference	76	-	76	3,320	-	3,320	-	3,396	750
Grants/Awards	-	-	-	-	-	-	-	-	583
Total expenses	\$ 8,568,469	\$ 1,192,982	\$ 9,761,451	\$ 2,446,838	\$ 116,122	\$ 2,562,960	\$ 108,991	\$ 12,433,402	\$ 10,984,440

See independent auditors' report.

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

**Supplementary Schedule of Functional Expenses – CJC
For The Year Ended June 30, 2022
(With Comparative Totals For The Year Ended June 30, 2021)**

	<u>Program Services</u>	<u>Supporting Services</u>			<u>2022 Total Expenses</u>	<u>2021 Total Expenses</u>
	<u>Center for Jewish Culture</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Supporting</u>		
Salaries	\$ 582,552	\$ 213,703	\$ 59,177	\$ 272,880	\$ 855,432	\$ 725,953
Payroll taxes and employee benefits	108,887	57,141	15,823	72,964	181,851	138,157
Program supplies	75,463	-	-	-	75,463	55,551
Contract labor	66,383	-	-	-	66,383	75,775
Administration	32,879	-	-	-	32,879	66,775
Printing and publicity	16,138	-	-	-	16,138	32,325
Rent expense	13,927	-	-	-	13,927	12,004
Transportation and travel	12,557	-	-	-	12,557	567
Food and beverage	6,574	-	-	-	6,574	146
Maintenance supplies	5,015	-	-	-	5,015	111
Repairs, maintenance and replacements	2,644	-	-	-	2,644	1,652
Telephone	1,923	-	-	-	1,923	440
Office supplies	1,478	-	-	-	1,478	73
Postage	1,308	-	-	-	1,308	11,162
Staff training	1,194	-	-	-	1,194	161
Maintenance service	720	-	-	-	720	-
Dues	103	-	-	-	103	1,955
Grants/Awards	-	-	-	-	-	700
Management services	(195,266)	-	-	-	(195,266)	(281,103)
Total expenses	\$ 734,479	\$ 270,844	\$ 75,000	\$ 345,844	\$ 1,080,323	\$ 842,404

See independent auditors' report.