



CALIFORNIA CENTER FOR THE ARTS,
ESCONDIDO, FOUNDATION, INC.
AND CALIFORNIA CENTER FOR THE ARTS,
ESCONDIDO, FOUNDATION CHARITABLE TRUST

FOR FISCAL YEAR ENDED JUNE 30, 2022

(With Summarized Financial Information for June 30, 2021)

CONSOLIDATED
FINANCIAL STATEMENTS

Focused
on YOU



CALIFORNIA CENTER FOR THE ARTS,
ESCONDIDO, FOUNDATION, INC.
AND
CALIFORNIA CENTER FOR THE ARTS
ESCONDIDO, FOUNDATION CHARITABLE TRUST

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

CALIFORNIA CENTER FOR THE ARTS,
ESCONDIDO, FOUNDATION, INC.
AND
CALIFORNIA CENTER FOR THE ARTS,
ESCONDIDO, FOUNDATION CHARITABLE TRUST

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
California Center for the Arts, Escondido, Foundation, Inc. and
California Center for the Arts, Escondido, Foundation Charitable Trust
Escondido, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of California Center for the Arts, Escondido, Foundation, Inc. (a nonprofit organization) and California Center for the Arts, Escondido, Foundation Charitable Trust (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of California Center for the Arts, Escondido, Foundation, Inc. and California Center for the Arts, Escondido, Foundation Charitable Trust, as of June 30, 2022, and the consolidated statement of activities 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of California Center for the Arts, Escondido, Foundation, Inc. and California Center for the Arts, Escondido, Foundation Charitable Trust, 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 opinions.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about California Center for the Arts, Escondido, Foundation, Inc.'s and California Center for the Arts, Escondido, Foundation Charitable Trust's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



To the Board of Trustees
California Center for the Arts, Escondido, Foundation, Inc. and
California Center for the Arts, Escondido, Foundation Charitable Trust
Escondido, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted auditing standards and *Government Auditing Standards* 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 California Center for the Arts, Escondido, Foundation, Inc.'s and California Center for the Arts, Escondido, Foundation Charitable Trust'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 California Center for the Arts, Escondido, Foundation, Inc.'s and California Center for the Arts, Escondido, Foundation Charitable Trust'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.

Report on Summarized Comparative Information

We have previously audited the year ended June 30, 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



To the Board of Trustees
California Center for the Arts, Escondido, Foundation, Inc. and
California Center for the Arts, Escondido, Foundation Charitable Trust
Escondido, California

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the California Center for the Arts, Escondido, Foundation, Inc.'s and California Center for the Arts, Escondido, Foundation Charitable Trust's basic financial statements. The combining statement of financial position, combining statement of activities, and other information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of financial position, combining statement of activities, and other information are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2023, on our consideration of California Center for the Arts, Escondido, Foundation, Inc.'s and California Center for the Arts, Escondido, Foundation Charitable Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of California Center for the Arts, Escondido, Foundation, Inc.'s and California Center for the Arts, Escondido, Foundation Charitable Trust's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering California Center for the Arts, Escondido, Foundation, Inc.'s and California Center for the Arts, Escondido, Foundation Charitable Trust's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Brea, California
January 25, 2023

CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO, FOUNDATION, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

(With Summarized Financial Information for June 30, 2021)

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,498,830	\$ 337,443
Cash and cash equivalents held by Trust	422,046	24,741
Investments	1,139,034	1,426,687
Accounts receivable, net of allowance for \$35,385	181,198	139,881
Prepaid expenses	325,540	106,744
Inventory	21,948	17,841
	<u>3,588,596</u>	<u>2,053,337</u>
Contribution receivable - charitable remainder trust	94,643	94,643
Property and equipment - net of accumulated depreciation	513,993	399,651
	<u>608,636</u>	<u>494,294</u>
Total Assets	<u><u>\$ 4,197,232</u></u>	<u><u>\$ 2,547,631</u></u>

See Independent Auditors' Report and Notes to Consolidated Financial Statements.

CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO, FOUNDATION, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

(With Summarized Financial Information for June 30, 2021)

	<u>2022</u>	<u>2021</u>
Liabilities and net assets		
Current Liabilities		
Accounts payable	\$ 118,811	\$ 169,401
Accrued expenses	108,795	83,876
Current portion of note payable	74,931	72,919
Advance ticket sales and deposits	397,735	591,752
Accrued payroll and benefits	441,452	229,117
Total Current Liabilities	<u>1,141,724</u>	<u>1,147,065</u>
Noncurrent		
Note payable, less current	47,208	122,153
Total Noncurrent Liabilities	<u>47,208</u>	<u>122,153</u>
Total Liabilities	<u>1,188,932</u>	<u>1,269,218</u>
Net Assets		
Without donor restrictions		
Designated by the Board for endowment	1,519,204	1,409,552
Undesignated	1,357,703	(572,224)
	<u>2,876,907</u>	<u>837,328</u>
With donor restrictions		
Perpetual in nature	19,825	19,825
Time-restricted for future periods	74,818	74,818
Purpose restrictions	36,750	346,442
	131,393	441,085
Total Net Assets	<u>3,008,300</u>	<u>1,278,413</u>
Total Liabilities and Net Assets	<u>\$ 4,197,232</u>	<u>\$ 2,547,631</u>

See Independent Auditors' Report and Notes to Consolidated Financial Statements.

CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO, FOUNDATION, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
 (With Summarized Financial Information for June 30, 2021)

	Without	With Donor	Totals	
	Donor Restrictions	Restrictions	2022	2021
Revenues, Gains, and Other Support				
Ticket sales	\$ 1,449,569	\$ -	\$ 1,449,569	\$ 968,851
Center sales - food and beverage, net	878,652	-	878,652	664,375
Rentals - studio, theater and room, net	2,031,242	-	2,031,242	655,217
Tuition, registration, field trips	193,680	-	193,680	-
Management fee from the City of Escondido	800,200	-	800,200	788,370
In-kind contributions, City of Escondido	5,680,075	-	5,680,075	5,172,531
In-kind contributions	5,600	-	5,600	-
Federal grant	3,666,911	-	3,666,911	-
Government grants	36,687	-	36,687	251,896
Contributions	769,313	-	769,313	614,143
Return of contributions, City of Escondido	(273,784)	-	(273,784)	-
Interest on cash and cash equivalents	8,690	-	8,690	138
Net investment return	109,652	-	109,652	302,869
Miscellaneous, net	108,274	-	108,274	60,239
Forgiveness of PPP loans	-	-	-	1,506,095
Net assets released from restrictions	309,692	(309,692)	-	-
Total Revenues, Gains, and Other Support	15,774,453	(309,692)	15,464,761	10,984,724
Expenses:				
Program Services				
Performing arts	6,999,682	-	6,999,682	2,594,770
Museum	605,348	-	605,348	299,676
Education	491,286	-	491,286	766,468
Total Program Services	8,096,316	-	8,096,316	3,660,914
Supporting Services				
Management and general	5,151,714	-	5,151,714	6,400,271
Fundraising	486,844	-	486,844	405,031
Total Supporting Services	5,638,558	-	5,638,558	6,805,302
Total Expenses	13,734,874	-	13,734,874	10,466,216
Increase (Decrease) in Net Assets	2,039,579	(309,692)	1,729,887	518,508
Net Assets, Beginning of Fiscal Year	837,328	441,085	1,278,413	759,905
End of Fiscal Year	\$ 2,876,907	\$ 131,393	\$ 3,008,300	\$ 1,278,413

See Independent Auditors' Report and Notes to Consolidated Financial Statements.

CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO, FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(With Summarized Financial Information for June 30, 2021)

	<u>Museum</u>	<u>Education</u>	<u>Performing Arts</u>	<u>Total Program Services</u>
Salaries, payroll taxes, and employee benefits	\$ 233,643	\$ 141,422	\$ 1,770,331	\$ 2,145,396
Professional fees and artist contracts	15,953	235,789	937,871	1,189,613
Advertising	11,556	-	158,396	169,952
Occupancy cost (In-kind)	196,630	78,652	2,359,559	2,634,841
Utilities	53,231	21,292	638,770	713,293
Printing and publications	-	-	5,600	5,600
Cost of sales	6,191	-	1,786	7,977
Bank charges and credit card fees	51	-	5,268	5,319
Supplies	3,486	-	15,571	19,057
Program service expense	33,961	-	62,955	96,916
	-	-	4,127	4,127
Postage and shipping	349	-	8	357
Depreciation and other charges	-	-	56,494	56,494
Contract services	13,298	-	90,991	104,289
Rental and maintenance of equipment	35,323	13,432	519,796	568,551
Telephone	-	-	92	92
Computer expense	-	699	1,348	2,047
Production expense	534	-	212,188	212,722
Installation	542	-	-	542
Small equipment purchases	241	-	116,886	117,127
Travel, training, and artistic research	144	-	-	144
Recruitment	-	-	139	139
Graphics (signage)	-	-	763	763
Membership dues and subscriptions	215	-	7,572	7,787
Employee and volunteer relations	-	-	-	-
Taxes and licenses	-	-	32,243	32,243
Development	-	-	78	78
Software expenses	-	-	850	850
Bad debt expense (recovery)	-	-	-	-
Employee development	-	-	-	-
Miscellaneous	-	-	-	-
Total Functional Expenses - Foundation	<u>\$ 605,348</u>	<u>\$ 491,286</u>	<u>\$ 6,999,682</u>	<u>\$ 8,096,316</u>

See Independent Auditors' Report and Notes to Consolidated Financial Statements.

CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO, FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(With Summarized Financial Information for June 30, 2021)

	Management and General	Fundraising and Development	2022	2021
Salaries, payroll taxes, and employee benefits	\$ 1,888,384	\$ 186,966	\$ 4,220,746	\$ 2,226,495
Professional fees and artist contracts	489,637	88,399	1,767,649	1,105,463
Advertising	20,864	-	190,816	167,895
Occupancy cost (In-kind)	1,140,454	157,304	3,932,599	3,781,344
Utilities	308,739	42,585	1,064,617	640,413
Printing and publications	1,645	-	7,245	3,583
Cost of sales	245,290	2,444	255,711	222,007
Bank charges and credit card fees	125,667	-	130,986	55,757
Supplies	106,356	3,217	128,630	69,193
Program service expense	50	-	96,966	29,808
	366	-	4,493	6,561
Postage and shipping	1,500	-	1,857	14,640
Depreciation and other charges	19,361	-	75,855	56,844
Contract services	169,280	-	273,569	570,212
Rental and maintenance of equipment	369,167	-	937,718	1,140,427
Telephone	14,450	-	14,542	16,321
Computer expense	3,640	-	5,687	952
Production expense	63,392	-	276,114	114,428
Installation	-	-	542	12,348
Small equipment purchases	2,201	-	119,328	27,217
Travel, training, and artistic research	12	-	156	447
Recruitment	5,264	-	5,403	2,265
Graphics (signage)	-	-	763	19,371
Membership dues and subscriptions	28,892	1,019	37,698	16,847
Employee and volunteer relations	4,523	-	4,523	4,144
Taxes and licenses	7,421	-	39,664	89,962
Development	60	4,410	4,548	1,494
Software expenses	80,000	-	80,850	63,766
Bad debt expense (recovery)	39,365	-	39,365	5,000
Employee development	289	-	289	-
Miscellaneous	15,445	500	15,945	1,012
Total Functional Expenses - Foundation	\$ 5,151,714	\$ 486,844	\$ 13,734,874	\$ 10,466,216

See Independent Auditors' Report and Notes to Consolidated Financial Statements.

CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO, FOUNDATION, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
(With Summarized Financial Information for June 30, 2021)

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 1,729,887	\$ 518,508
Adjustment to reconcile changes in net assets to net cash provided by (used for) operating activities:		
Depreciation expense	75,855	56,844
PPP Loan Forgiveness	-	(1,506,095)
Net realized and unrealized (gains) losses on investments	287,653	(295,945)
(Increase) decrease in assets:		
Accounts receivable	(41,317)	(111,848)
Promises to give	-	5,900
Prepaid expenses	(218,796)	7,297
Inventory	(4,107)	115
Increase (decrease) in liabilities:		
Accounts payable	(50,590)	74,166
Accrued expenses	24,919	(89,644)
Advance ticket sales and deposits	(194,017)	69,428
Accrued compensated absences	212,335	45,043
	<u>1,821,822</u>	<u>(1,226,231)</u>
Net Cash Flows Provided by (Used in) Operating Activities		
Cash Flows From Investing Activities		
Purchase of property and equipment	(190,197)	(9,141)
	<u>(190,197)</u>	<u>(9,141)</u>
Net Cash Flows Used in Investing Activities		
Cash Flows From Financing Activities		
Proceeds from loans	-	753,095
Repayments on notes payable	(72,933)	(70,976)
	<u>(72,933)</u>	<u>682,119</u>
Net Cash Flows Provided by (Used in) in Financing Activities		
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	<u>1,558,692</u>	<u>(553,253)</u>
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	362,184	915,437
Cash, Cash Equivalents and Restricted Cash, End of Year	<u>\$ 1,920,876</u>	<u>\$ 362,184</u>
Cash, Cash Equivalents and Restricted Cash reconciliation:		
Cash and cash equivalents	\$ 1,498,830	\$ 337,443
Endowment: Restricted cash	422,046	24,741
Total	<u>\$ 1,920,876</u>	<u>\$ 362,184</u>
Supplemental Disclosures of Cash Flow Information:		
Interest paid	<u>\$ 4,493</u>	<u>\$ 6,561</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1: Organization and Summary of Significant Accounting Policies

Nature of Activities

California Center for the Arts, Escondido, Foundation, Inc. (the Foundation) is the consolidated financial reporting entity for the California Center for the Arts, Escondido, Foundation Inc. (the Arts Center) and its supporting organization California Center for the Arts, Escondido, Foundation Charitable Trust (the Trust).

The Arts Center is a California nonprofit public benefit corporation established to foster development in the community for the performing arts, the visual arts and art education. Its activities include, but are not limited to, conference center activities and sponsoring professional presentations such as plays, theater, ballet, musical concerts, and other similar productions, as well as art or museum exhibits. The major sources of revenue for the Arts Center are ticket sales, food and beverage sales, a management fee from the City of Escondido, and donations.

The Trust is a California non-profit public benefit corporation established to support the Arts Center's activities. It holds and receives titles to collectables displayed throughout the campus of the Arts Center. In addition, it invests assets and distributes earnings from those assets to the Arts Center for its operations.

Basis for Consolidation

The consolidated financial statements of the Foundation include the operations of the Arts Center and the Trust. Significant intercompany transactions and balances have been eliminated in consolidation.

The Foundation is a sole beneficiary of the Trust and has control over the Trust.

Basis of Accounting

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The accrual basis of accounting recognizes revenues in the accounting period in which revenues are earned regardless of when cash is received and recognizes expenses in the accounting period in which expenses are incurred regardless of when cash is disbursed.

Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with audited financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Reclassification

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between period presented. The reclassifications had no impact on previously reported net assets balances.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Endowment

As of June 30, 2022, the Foundation has Board of Trustees designated funds of \$1,561,080 which is a general endowment fund to support the programs and mission of the Foundation. The endowment fund is maintained by the Trust. The Foundation has interpreted California Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the fund. As a result of this interpretation, the Foundation retains in perpetuity the original value of initial and subsequent designated amounts and any accumulations to the endowment. Designated amounts not retained in perpetuity are subject to appropriation for expenditure by the Board of Trustees in a manner consistent with the standard of prudence prescribed by UPMIF. The Foundation has adopted investment and distribution policies for endowment assets that attempt to provide acceptable long-term returns and protect the principal from inflation while assuming a moderate level of investment risk.

This endowment fund is designated by the board and is not donor restricted, it is classified and reported as net assets without donor restriction in the accompanying statement of financial position.

Revenue Recognition

Contribution Revenue and Government Grants

Contributions and government grants, which include unconditional promises to give (pledges), are recognized as revenues in the period received or promised. Conditional contributions are recorded when the conditions have been met. Contributions are considered to be without donor restrictions unless specifically restricted by the donor for time or purposes.

Donated Services and In-Kind Contributions

Contributed materials are recorded at their fair market value where an objective basis is available to measure their value. Such items are capitalized or charged to operations as appropriate. The Foundation received a substantial number of services donated by volunteers in carrying out the Foundation's program services. No amounts have been recorded for those services, as they do not meet the requirements for recognition in the financial statements.

The financial statements reflect an estimate of the fair rental value of the facilities and equipment and building maintenance expenses provided by the City of Escondido (City). In-kind contributions for rental of the facilities and equipment are estimated determined by using the square footage of the facilities and going rent rate of the similar facilities in the area. The management estimated in-kind contribution for the facilities and equipment to be \$4,615,458 for the year ended June 30, 2022. The City also paid utilities and long-distance telephone on behalf of the Foundation in the amount of \$1,064,617 for the year ended June 30, 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Revenue, Sales and Fees

Revenue from ticket sales, center sales, rentals, tuition, management fee from the City included in the accompanying the consolidated statement of activities are considered revenue from contracts with customers and recognized as revenue when control of promised goods or services is transferred to customers, in an amount that reflects the consideration the Foundation expects to be entitled to in exchange for those goods or services. Payments received but the Foundation has not provided goods or services are recorded as advance ticket sales and deposits and is reflected as a liability on the accompanying statement of financial position.

Advertising

The Foundation uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the year ended June 30, 2022, was \$190,816.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash, Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct investment expenses.

Fair Value Measurements

In determining the fair value of investments, the Trust utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Trust determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

Level 2 - Inputs to the valuation methodology (other than Level 1 prices) include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly,) for substantially the full term of the financial instrument.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

All investments are considered level 1 investments at June 30, 2022.

Accounts Receivable

Accounts receivable primarily represent noninterest-bearing due amount for conference center and theater rentals. The Foundation determines the allowance for uncollectable accounts receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. It is the Foundation's policy to charge off uncollectable accounts receivable when management determines the receivable will not be collected. As of June 30, 2022, the allowance was \$35,385.

Promises to Give

The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. The Foundation determines the allowance for uncollectable accounts receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. There was no allowance recorded as of June 30, 2022.

Inventory

Inventory consists of food and beverage inventory for the conference center. Inventory is recorded at the lower of cost (first-in, first-out method) or net realizable value. Donated items are recorded at estimated fair market value at date of donation.

Property and Equipment

Acquisitions of property and equipment of \$5,000 or more are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Expenses for maintenance and repairs are charged against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets of 3 to 39 years.

Long-lived assets of the Foundation are reviewed annually as to whether carrying value has become impaired. Management considers assets to be impaired if the carrying value exceeds the future projected cash flows from related operations. There were no indicators of asset impairment during the year ended June 30, 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Collections

Collections consist of sculptures and other contemporary art pieces which are owned by the Trust. Collections acquired either through purchase or donations are not capitalized. Purchases of collection items are recorded as decreases in net assets without donor restrictions if purchased with unrestricted assets and as decreases in donor restricted net assets if purchased with donor-restricted assets. Contributions of collection items are not recognized in the consolidated statement of activities. Proceeds from deaccessions or insurance recoveries are reflected on the consolidated statement of activities based on the absence or existence and nature of donor-imposed restrictions. The Foundation occasionally acquires and disposes of art objects in order to maintain a collection that best suits the museum's purpose. The Collections Committee reviews and approves art purchases and deaccessions. Members of the committee follow a conflict-of-interest policy. Objects in the collection shall be retained permanently in the Museum as long as they continue to serve the objectives and purposes of the Museum, and if the objects can be properly stored, preserved, and used.

Income Taxes

The Foundation 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. The Foundation may, however, be subject to tax on income which is not related to its exempt purpose. For the year ended June 30, 2022, no provision for income taxes has been made. The foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management of the Foundation has determined that the Foundation is not subject to unrelated business income tax.

Net Assets

Net assets with donor restrictions - The Foundation report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire, that is when a stipulated time restriction ends or purpose restriction is accomplished, in the reporting period in which the revenue is 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 and reported in the statements of activities as net assets released from restrictions.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO, FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk

The Foundation maintains cash balances at financial institutions located in California. Certain accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year, the Foundation held cash in excess of federally insured limits.

The financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash deposit at a brokerage firm. The account at the brokerage firm contain cash and securities. Balances are insured up to \$500,000 with a limit of \$250,000 for cash, by the Securities Investor Protection Corporation ("SIPC"). At various times throughout the year, the balances may be in excess of SIPC insured limits.

Date of Management's Review

Events occurring after June 30, 2022 have been evaluated for possible adjustment to the financial statements or disclosure as of January 25, 2023, which is the date the financial statements were available to be issued.

Note 2: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$	1,920,876
Accounts receivable, net		176,198
Promise to give		5,000
Donor restricted net asset		(131,393)
		<hr/>
	\$	1,970,681
		<hr/> <hr/>

Board-designated endowment of \$1,561,080 is subject to an annual spending rate of 3.5 percent as described in Note 6. Although the Foundation does not intend to spend from his board-designated endowment (other than amounts appropriated for general expenditure as part of our Board's annual budget approval and appropriation), these amounts could be made available if necessary.

CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO, FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 3: Investments

Investment which are held by the Trust consists of the following securities which are carried at fair value based on quoted prices in active markets (Level 1) at June 30, 2022:

	Fair Value
Equities	\$ 38,936
Mutual funds	41,886
Exchange traded funds	<u>1,058,212</u>
Totals	<u>\$ 1,139,034</u>

Note 4: Inventory

Inventory consists of food and beverages inventory and valued at cost.

Note 5: Property and Equipment

Property and equipment consisted of the following at June 30, 2022:

Operating equipment/furniture	\$ 1,237,460
Tenant improvements	168,745
Computer software	<u>12,050</u>
	1,418,255
Less accumulated depreciation	<u>(904,262)</u>
	<u>\$ 513,993</u>

Depreciation expense for the year ended June 30, 2022, was \$75,855.

When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Long-lived assets of the Company are reviewed annually as to whether their carrying value has become impaired. Management considers assets to be impaired if the carrying value exceeds the future projected cash flows from related operations. Management also re-evaluates the periods of amortization to determine whether subsequent events and circumstances warrant revised estimates of useful lives. As of June 30, 2022, management expects these to be fully recoverable.

Note 6: Endowment

The Foundation's endowment is held by the Trust, which was established on May 2, 2002, a 501(C)(3) Type III Supporting Organization. It was formed as a means of establishing a permanent endowment fund and to hold and administer certain other assets for the support and benefit of the Foundation in order to further the charitable, educational and artistic purposes of the Foundation. The Trust may support the benefit of the Foundation through grants and contributions to the Foundation. The Trust may also support and benefit the Foundation through the conducting or sponsorship of programs, events, or activities which further the specified purposes of the Foundation.

CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO, FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022

Note 6: Endowment (Continued)

The Foundation's endowment includes donor-restricted funds of \$19,825 (under split interest agreement) as of June 30, 2022 and endowment fund maintained by the Trust of \$1,561,080, which have been designated for endowment by the Board, without donor restriction as of June 30, 2022. For Board designated endowment fund, the Trust Agreement stipulates investment and distribution requirements for endowment assets that attempt to provide acceptable long-term returns and protect the principal from inflation while assuming a moderate level of investment risk. To satisfy its long-term objectives, a substantial portion of the endowment assets are invested with equity mutual funds and marketable equity securities. The Trust Agreement has a distribution policy whereby distributions can be made for as much of the net income and appreciation of principal of the assets held in the endowment fund as requested by the Foundation in accordance with distribution requests submitted to the Trustee at the beginning of each fiscal year. If no distribution request is received by the Trustee by June 1 of each year, the Trustee shall distribute an amount equal to three and one-half percent (3 1/2%) of the fair market value of the endowment fund.

Changes in endowment net assets are as follows:

	As of June 30, 2022	
	Without Donor Restrictions	With Donor Restrictions
Endowment net assets, beginning of year	\$ 1,431,603	\$ 19,825
Investment return, net	109,652	-
Contributions to Foundation	-	-
Endowment net assets, end of year	<u>\$ 1,541,255</u>	<u>\$ 19,825</u>

\$19,825 of endowment with donor restrictions is included in contribution receivable-charitable remainder trust in the accompanying consolidated statement of financial position.

CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO, FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 7: Split-Interest Agreements

The Foundation has been named a remainder beneficiary of a charitable remainder unitrust, which was created in 1996, upon the death of the trust settlor. Two income beneficiaries are to receive, first from income and, to the extent that income is insufficient, from principal, a total annuity each year equal to the lesser of the trust income for the taxable year or 12% of the net fair market value of the trust assets determined annually on the valuation date of that taxable year, increased, or decreased on a daily prorated basis during short taxable years and the last taxable year. Upon the death of each beneficiary, fifty percent of the remaining principal is to be distributed to the Foundation. A noncurrent asset for the charitable remainder unitrust has been recognized in the amount of \$19,825 as of June 30, 2022. Since this amount was restricted in perpetuity by the donor, it is included as part of the endowment, as detailed in Note 6.

The Foundation has been named a beneficiary of a life insurance trust, which was created in 2001, upon the death of the trust settlor. During the lifetime of the settlor, the trustee is instructed to pay first from income and, to the extent that income is insufficient, from principal, all the premiums on any and all policies of life insurance on the life of the settlor. If any income remains after those withdrawals, the trustee shall pay or apply for the benefit of the settlor's living children during the lifetime of each of them as much of the net income of the trust as the trustee deems necessary to pay for the health, education, support, and maintenance of each of them. Upon the death of the settlor, the trustee will distribute the sum of \$100,000 or 3% of the value of the trust (whichever is greater) to the Foundation. A noncurrent asset for the charitable remainder unitrust has been recognized in the amount of \$74,818 as of June 30, 2022 and included in contribution receivable – charitable remainder trust in the accompanying consolidated statement of financial position. The value of the agreement has been discounted using a rate of 5%.

Note 8: Note Payable to City of Escondido

In October 2018, the Foundation entered into a loan agreement with the City in the amount of \$261,500 to finance the purchase of equipment. The note bears interest at 2.598% per annum and has a maturity date of September 2023. Fixed monthly payments of \$4,652 are due on the first day of each month, beginning October 2018. The balance of the note is \$68,571 at June 30, 2022. The note is not secured by any collateral.

In February 2020, the Foundation entered into a loan agreement with the City in the amount of \$100,000. The note bears interest at 3.069% per annum and has a maturity date of January 1, 2025. Fixed monthly payments of \$1,799 are due on the first day of each month, beginning February 1, 2020. The balance of the note is \$53,568 at June 30, 2022. The note is not secured by any collateral.

Future principal payments due on the related party note payable for year subsequent to June 30, 2022, are as follows:

<u>Year Ending June 30,</u>	
2023	\$ 74,931
2024	34,746
2025	12,462
	<hr/>
	\$ 122,139
	<hr/>

CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO, FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 9: Insurance

The Foundation purchased commercial general and automobile liability coverage in the amount of \$10,000,000 with a \$25,000 self-insured retention per occurrence. The Foundation also purchased employment practices liability coverage in the amount of \$2,000,000 per occurrence with a self-insured retention of \$10,000. The Foundation also purchased cyber liability coverage with an affected persons annual policy and program aggregate for all members consolidated limit of \$3,500,000 with a \$100,000 affected person limit and annual member aggregate and a \$10,000,000 annual policy and program aggregate for all members consolidated with a \$250,000 annual aggregate limit for each member. The cyber liability policy's self-insured retention amount is \$10,000. The Foundation also purchased workers compensation and employer's liability insurance with a limit of \$1,000,000 per accident and per employee.

The City owns the Foundation's buildings. Insurance for the buildings is obtained through the City's insurance coverage.

Note 10: Lease Commitments

The Foundation entered into several leasing agreements for various operating equipment and one-time agreements for the rental of space and equipment. Total expense for the rental of space and equipment under operating leases (excluding in-kind donation from the City) for the year ended June 30, 2022 was approximately \$65,000. Future minimum annual rental commitments under non-cancelable operating terms as of June 30, 2022, are as follows:

<u>Year Ending</u>		
2023	\$	78,984
2024		78,984
2025		<u>6,581</u>
	\$	<u>164,549</u>

Note 11: Related Party Transactions

The Foundation is economically dependent on the City in addition to the contributed services and use of facilities described in Note 1. The City and the Foundation entered into the management agreement in 2014 but the term has been expired in 2019. The City and the Foundation is currently negotiating a new term. Based on the agreement, the Foundation received a management fee of \$800,200 for the year ended June 30, 2022.

In October 2014, the City and the Foundation entered into an amended occupancy license and management agreement. The revised agreement stipulates that the Foundation's assets and revenues are the assets and revenues of the City. The City will continue to pay for routine expenses related to the upkeep and maintenance of the Foundation; however, it will no longer subsidize operating losses.

CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO, FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 12: Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

	As of
	June 30, 2022
Subject to expenditure for specified purpose:	
2022 Witness Program show	\$ 36,750
Subject to the passage of time:	
Life insurance trust	74,818
Not subject to spending policy or appropriation	
Beneficiary interest in unitrust	19,825
	<hr/>
	\$ 131,393
	<hr/>

Note 13: Commitments and Contingencies

The Foundation is subject to various legal claims and proceedings arising in the ordinary course of business. While the ultimate outcome of these matters is not presently determinable, it is the opinion of management that the resolutions of outstanding claims will not have a material adverse effect on the financial position or results of operations of the Foundation.

Note 14: Employee Benefit Plan

The Foundation's employees are able to participate in a section 403(b) retirement savings plan once they meet the qualifications. No contributions were made by the Foundation for the year ended June 30, 2022.

Note 15: Federal Grant

During fiscal year 2022, the Foundation was awarded the Shuttered Venue Operators Grant Program (SVOG) through the United States Small Business Administration (U.S. SBA) for a total award of \$3,666,911. The SVOG Program provides funds to support the ongoing operations of eligible live venue operators or promoters, theatrical producers, live performing arts organization operators, relevant museum operators, motion picture theater operators, and talent representatives who have experienced significant revenue losses due to the effects of the COVID-19 pandemic. As per the grant agreement, funding may be used for payroll costs, rent payments, utility payments, scheduled mortgage payments, scheduled debt payments, worker protection expenditures, payments to independent contractors, and other ordinary and necessary business expenses. During the fiscal year, the Foundation incurred \$3,666,911 in payroll-related charges and allowable equipment purchases. As such, the Foundation has recognized the full award as federal grant revenue in the consolidated statement of activities for the fiscal year ended June 30, 2022.

This program may be subject to program compliance audits by SBA and through Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined this time although the Foundation expects such amounts, if any, to be immaterial.

SUPPLEMENTARY INFORMATION

CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO, FOUNDATION, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

	California Center for the Arts, Escondido, Foundation	California Center for the Arts, Escondido, Foundation Charitable Trust	Elimination	Consolidated 2022
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 1,498,830	\$ -	\$ -	\$ 1,498,830
Cash and cash equivalents held by Trust	-	422,046	-	422,046
Investments	-	1,139,034	-	1,139,034
Accounts, net of allowance for doubtful accounts for \$35,385	181,198	-	-	181,198
Due from Trust	41,876	-	(41,876)	-
Prepaid expenses	325,540	-	-	325,540
Inventory	21,948	-	-	21,948
Total Current Assets	2,069,392	1,561,080	(41,876)	3,588,596
Noncurrent:				
Restricted:				
Contribution receivable - charitable remainder trust	94,643	-	-	94,643
Property and equipment - net of accumulated depreciation	513,993	-	-	513,993
Total Noncurrent Assets	608,636	-	-	608,636
Total Assets	\$ 2,678,028	\$ 1,561,080	\$ (41,876)	\$ 4,197,232
LIABILITIES AND NET ASSETS				
Liabilities:				
Current Liabilities:				
Accounts payable	\$ 118,811	\$ -	\$ -	\$ 118,811
Due to Foundation	-	41,876	(41,876)	-
Accrued expenses	108,795	-	-	108,795
Current portion of note payable	74,931	-	-	74,931
Advance ticket sales and deposits	397,735	-	-	397,735
Accrued payroll and benefits	441,452	-	-	441,452
Total Current Liabilities	1,141,724	41,876	(41,876)	1,141,724
Noncurrent:				
Note payable, less current	47,208	-	-	47,208
Total Noncurrent Liabilities	47,208	-	-	47,208
Total Liabilities	1,188,932	41,876	(41,876)	1,188,932
Net Assets:				
Without donor restriction				
Designated by the Board for endowment	-	1,519,204	-	1,519,204
Undesignated	1,357,703	-	-	1,357,703
	1,357,703	1,519,204	-	2,876,907
With donor restriction				
Perpetual in nature	19,825	-	-	19,825
Time-restricted for future periods	74,818	-	-	74,818
Purpose restrictions	36,750	-	-	36,750
	131,393	-	-	131,393
Total Net Assets	1,489,096	1,519,204	-	3,008,300
Total Liabilities and Net Assets	\$ 2,678,028	\$ 1,561,080	\$ (41,876)	\$ 4,197,232

See Independent Auditors' Report and Notes to Consolidated Financial Statements

CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO, FOUNDATION, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

California Center for the Arts, Escondido, Foundation			
	Without Donor Restrictions	Donor Restrictions	Total
Revenues, Gains, and Other Support			
Ticket sales	\$ 1,449,569	\$ -	\$ 1,449,569
Center sales - food and beverage, net	878,652	-	878,652
Rentals - studio, theater, room and other, net	2,031,242	-	2,031,242
Tuition, registration, field trips	193,680	-	193,680
Management fee	800,200	-	800,200
In-kind contributions, City of Escondido	5,680,075	-	5,680,075
In-kind contributions	5,600	-	5,600
Federal grant	3,666,911	-	3,666,911
Government grants	36,687	-	36,687
Return on contributions, City of Escondido	(273,784)	-	(273,784)
Contributions	769,313	-	769,313
Net investment return	-	-	-
Interest on cash and cash equivalents	8,690	-	8,690
Miscellaneous net	108,274	-	108,274
Net assets released from restrictions	309,692	(309,692)	-
Total Revenues, Gains, and Other Support	15,664,801	(309,692)	15,355,109
Program Services			
Performing arts	6,999,682	-	6,999,682
Museum	605,348	-	605,348
Education	491,286	-	491,286
Total Program Services	8,096,316	-	8,096,316
Supporting Services			
Management and general	5,151,714	-	5,151,714
Fundraising	486,844	-	486,844
Total Supporting Services	5,638,558	-	5,638,558
Total Expenses	13,734,874	-	13,734,874
Increase (decrease) in net assets	1,929,927	(309,692)	1,620,235
Net Assets, Beginning of Fiscal Year	(572,224)	441,085	(131,139)
Net Assets, End of Fiscal Year	\$ 1,357,703	\$ 131,393	\$ 1,489,096

CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO, FOUNDATION, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Consolidated 2022			
California Center for the Arts, Escondido, Foundation Charitable Trust			
	Without Donor Restrictions	Donor Restrictions	Total
Revenues, Gains, and Other Support			
Ticket sales	\$ -	\$ -	\$ -
Center sales - food and beverage, net	-	-	-
Rentals - studio, theater, room and other, net	-	-	-
Tuition, registration, field trips	-	-	-
Management fee	-	-	-
In-kind contributions, City of Escondido	-	-	-
In-kind contributions	-	-	-
Federal grant	-	-	-
Government grants	-	-	-
Return on contributions, City of Escondido	-	-	-
Contributions	-	-	-
Net investment return	109,652	-	109,652
Interest on cash and cash equivalents	-	-	-
Miscellaneous net	-	-	-
Net assets released from restrictions	-	-	-
Total Revenues, Gains, and Other Support	109,652	-	109,652
Program Services			
Performing arts	-	-	-
Museum	-	-	-
Education	-	-	-
Total Program Services	-	-	-
Supporting Services			
Management and general	-	-	-
Fundraising	-	-	-
Total Supporting Services	-	-	-
Total Expenses	-	-	-
Increase (decrease) in net assets	109,652	-	109,652
Net Assets, Beginning of Fiscal Year	1,409,552	-	1,409,552
Net Assets, End of Fiscal Year	\$ 1,519,204	\$ -	\$ 1,519,204

See Independent Auditors' Report and Notes to Consolidated Financial Statements.

CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO, FOUNDATION, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Consolidated Totals		
	Without Donor Restrictions	Donor Restrictions	Total
Revenues, Gains, and Other Support			
Ticket sales	\$ 1,449,569	\$ -	\$ 1,449,569
Center sales - food and beverage, net	878,652	-	878,652
Rentals - studio, theater, room and other, net	2,031,242	-	2,031,242
Tuition, registration, field trips	193,680	-	193,680
Management fee	800,200	-	800,200
In-kind contributions, City of Escondido	5,680,075	-	5,680,075
In-kind contributions	5,600	-	5,600
Federal grant	3,666,911	-	3,666,911
Government grants	36,687	-	36,687
Return on contributions, City of Escondido	(273,784)	-	(273,784)
Contributions	769,313	-	769,313
Net investment return	109,652	-	109,652
Interest on cash and cash equivalents	8,690	-	8,690
Miscellaneous net	108,274	-	108,274
Net assets released from restrictions	309,692	(309,692)	-
Total Revenues, Gains, and Other Support	15,774,453	(309,692)	15,464,761
Program Services			
Performing arts	6,999,682	-	6,999,682
Museum	605,348	-	605,348
Education	491,286	-	491,286
Total Program Services	8,096,316	-	8,096,316
Supporting Services			
Management and general	5,151,714	-	5,151,714
Fundraising	486,844	-	486,844
Total Supporting Services	5,638,558	-	5,638,558
Total Expenses	13,734,874	-	13,734,874
Increase (decrease) in net assets	2,039,579	(309,692)	1,729,887
Net Assets, Beginning of Fiscal Year	837,328	441,085	1,278,413
Net Assets, End of Fiscal Year	\$ 2,876,907	\$ 131,393	\$ 3,008,300

See Independent Auditors' Report and Notes to Consolidated Financial Statements.

CALIFORNIA CENTER FOR THE ARTS, ESCONDIDO, FOUNDATION, INC.

**OTHER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>2022</u>
Performing Arts	
Performing arts ticket sales	\$ 216
Patron user fees and memberships	37,258
Performing arts ticket services	<u>1,412,095</u>
Total Ticket Sales	<u>\$ 1,449,569</u>
Center Sales - Food and Beverage, Net	
Merchandise	\$ 35,451
Theater concessions and conference center	<u>843,201</u>
Total Center Sales - Food and Beverage, Net	<u>\$ 878,652</u>
Rentals - Studio, Theater and Room, Net	
Theater rentals refunds	\$ 24,921
Labor reimbursement and BMI licensing fees	858,080
Cell tower rental	241,451
Studio and conference center rental	823,445
Sale of services to rental clients	<u>83,345</u>
Total Rentals - Studio, Theater and Room, Net	<u>\$ 2,031,242</u>

See Independent Auditors' Report and Notes to Consolidated Financial Statements.