



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

JUNE 30, 2023

(With Summarized Financial Information for June 30, 2022)

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, 2023

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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

### **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, 2023, 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, 2023, 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. 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 Consolidated 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 consolidated 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 consolidated 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 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 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 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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, 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 30, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, 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 consolidated 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 consolidating statement of financial position, consolidating 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.

*Lance, Soll & Lughard, LLP*

Brea, California  
November 29, 2023

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2023**  
 (With Summarized Financial Information for June 30, 2022)

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 873,525	\$ 1,498,830
Cash and cash equivalents held by Trust	252,539	422,046
Investments	1,277,569	1,139,034
Accounts receivable, net of allowance for \$18,690	477,556	181,198
Prepaid expenses	433,227	325,540
Inventory	16,961	21,948
	<u>3,331,377</u>	<u>3,588,596</u>
<b>Total Current Assets</b>		
Noncurrent Assets:		
Pledge Receivable	83,046	-
Contribution receivable - charitable remainder trust	94,643	94,643
Property and equipment - net of accumulated depreciation and amortization	449,966	513,993
Operating lease right of use assets	221,308	-
	<u>848,963</u>	<u>608,636</u>
<b>Total Noncurrent Assets</b>		
<b>Total Assets</b>	<u>\$ 4,180,340</u>	<u>\$ 4,197,232</u>

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 JUNE 30, 2023  
 (With Summarized Financial Information for June 30, 2022)

	<u>2023</u>	<u>2022</u>
<b>Liabilities and Net assets</b>		
Current Liabilities		
Accounts payable	\$ 138,713	\$ 118,811
Accrued expenses	73,793	108,795
Current portion of notes payable	34,755	74,931
Advance ticket sales and deposits	1,028,993	397,735
Accrued payroll and benefits	239,533	441,452
Operating lease liability, current portion	54,319	-
<b>Total Current Liabilities</b>	<b><u>1,570,106</u></b>	<b><u>1,141,724</u></b>
Noncurrent Liabilities		
Notes payable, less current	12,482	47,208
Operating lease liability, net of current portion	167,468	-
<b>Total Noncurrent Liabilities</b>	<b><u>179,950</u></b>	<b><u>47,208</u></b>
<b>Total Liabilities</b>	<b><u>1,750,056</u></b>	<b><u>1,188,932</u></b>
<b>Net Assets</b>		
Without donor restrictions		
Designated by the Board for endowment	1,530,108	1,519,204
Undesignated	805,533	1,357,703
	<u>2,335,641</u>	<u>2,876,907</u>
With donor restrictions		
Perpetual in nature	19,825	19,825
Time-restricted for future periods	74,818	74,818
Purpose restrictions	-	36,750
	<u>94,643</u>	<u>131,393</u>
<b>Total Net Assets</b>	<b><u>2,430,284</u></b>	<b><u>3,008,300</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 4,180,340</u></b>	<b><u>\$ 4,197,232</u></b>

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

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023  
(With Summarized Financial Information for June 30, 2022)**

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
<b>Revenues, Gains, and Other Support</b>				
Ticket sales	\$ 1,418,259	\$ -	\$ 1,418,259	\$ 1,449,569
Center sales - food and beverage, net	1,186,656	-	1,186,656	878,652
Rentals - studio, theater and room, net	2,974,771	-	2,974,771	2,031,242
Tuition, registration, field trips	59,645	-	59,645	193,680
Management fee from the City of Escondido	656,528	-	656,528	800,200
In-kind contributions from the City of Escondido	6,038,865	-	6,038,865	5,680,075
In-kind contributions	-	-	-	5,600
Federal grant	-	-	-	3,666,911
Government grants	-	-	-	36,687
Contributions	1,459,017	-	1,459,017	769,313
Return of contributions, City of Escondido	-	-	-	(273,784)
Interest on cash and cash equivalents	-	-	-	8,690
Net investment return	137,400	-	137,400	109,652
Miscellaneous, net	279,299	-	279,299	108,274
Other Income	42,307	-	42,307	-
Net assets released from restrictions	36,750	(36,750)	-	-
<b>Total Revenues, Gains, and Other Support</b>	<b>14,289,497</b>	<b>(36,750)</b>	<b>14,252,747</b>	<b>15,464,761</b>
<b>Expenses:</b>				
<b>Program Services</b>				
Performing arts	8,502,405	-	8,502,405	6,999,682
Museum	567,320	-	567,320	605,348
Education	338,885	-	338,885	491,286
<b>Total Program Services</b>	<b>9,408,610</b>	<b>-</b>	<b>9,408,610</b>	<b>8,096,316</b>
<b>Supporting Services</b>				
Management and general	4,897,462	-	4,897,462	5,151,714
Fundraising	524,691	-	524,691	486,844
<b>Total Supporting Services</b>	<b>5,422,153</b>	<b>-</b>	<b>5,422,153</b>	<b>5,638,558</b>
Total Expenses	14,830,763	-	14,830,763	13,734,874
Increase (Decrease) in Net Assets	(541,266)	(36,750)	(578,016)	1,729,887
Net Assets, Beginning of Fiscal Year	2,876,907	131,393	3,008,300	1,278,413
<b>End of Fiscal Year</b>	<b>\$ 2,335,641</b>	<b>\$ 94,643</b>	<b>\$ 2,430,284</b>	<b>\$ 3,008,300</b>

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, 2023  
(With Summarized Financial Information for June 30, 2022)**

	<u>Museum</u>	<u>Education</u>	<u>Performing Arts</u>	<u>Total Program Services</u>
Salaries, payroll taxes, and employee benefits	\$ 180,314	\$ 75,589	\$ 2,429,373	\$ 2,685,276
Professional fees and artist contracts	34,520	213,508	1,529,033	1,777,061
Advertising	9,944	-	198,997	208,941
Occupancy cost (In-kind)	105,983	26,821	2,237,431	2,370,235
Utilities	23,300	583	754,351	778,234
Printing and publications	-	-	-	-
Cost of sales	39,546	-	44,975	84,521
Bank charges and credit card fees	3,338	16	128,706	132,060
Supplies	6,417	2,306	26,137	34,860
Program service expense	124,150	751	158,427	283,328
Interest	-	-	2,524	2,524
Postage and shipping	-	-	-	-
Depreciation and amortization	-	-	60,648	60,648
Contract services	-	-	-	-
Rental and maintenance of equipment	32,710	15,956	593,568	642,234
Telephone	1,003	412	12,449	13,864
Computer expense	416	341	57,426	58,183
Production expense	2,026	1,220	145,305	148,551
Installation	-	-	-	-
Small equipment purchases	-	-	29,752	29,752
Travel, training, and artistic research	-	-	-	-
Recruitment	-	-	-	-
Graphics (signage)	-	-	-	-
Membership dues and subscriptions	444	63	14,683	15,190
Employee and volunteer relations	-	-	-	-
Taxes and licenses	-	-	33,799	33,799
Development	-	-	2,020	2,020
Software expenses	-	-	-	-
Bad debt expense (recovery)	-	-	-	-
Employee development	-	-	-	-
Miscellaneous	3,209	1,319	42,801	47,329
Total Functional Expenses - Foundation	<u>\$ 567,320</u>	<u>\$ 338,885</u>	<u>\$ 8,502,405</u>	<u>\$ 9,408,610</u>

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

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023  
(With Summarized Financial Information for June 30, 2022)**

	<u>Admin</u>	<u>Engineering</u>	<u>IT / Security</u>	<u>Conference Center</u>
Salaries, payroll taxes, and employee benefits	\$ 414,505	\$ 177,785	\$ 104,498	\$ 998,784
Professional fees and artist contracts	140,338	2,812	1,557	73,548
Advertising	775	-	-	11,129
Occupancy cost (In-kind)	779,263	-	-	783,691
Utilities	81,550	5,825	5,825	236,301
Printing and publications	-	-	-	-
Cost of sales	36	-	-	279,917
Bank charges and credit card fees	510	20	-	2,681
Supplies	2,191	304	1,890	39,255
Program service expense	-	349	-	(23,730)
Interest	-	-	-	-
Postage and shipping	-	-	-	-
Depreciation and amortization	5,534	-	-	16,286
Contract services	-	-	-	-
Rental and maintenance of equipment	65,539	62,614	17,400	207,851
Telephone	6,523	968	565	5,506
Computer expense	1,192	-	174	41
Production expense	5,220	25	-	-
Installation	-	-	-	-
Small equipment purchases	-	3,324	-	369
Travel, training, and artistic research	-	-	-	-
Recruitment	32	-	-	-
Graphics (signage)	-	-	-	-
Membership dues and subscriptions	788	-	1,521	1,826
Employee and volunteer relations	-	-	-	-
Taxes and licenses	2,896	-	-	7,755
Development	687	-	-	-
Software expenses	-	-	-	-
Bad debt expense (recovery)	-	-	-	-
Employee development	-	-	-	-
Miscellaneous	3,706	3,097	1,808	17,624
Total Functional Expenses - Foundation	<u>\$ 1,511,285</u>	<u>\$ 257,123</u>	<u>\$ 135,238</u>	<u>\$ 2,658,834</u>

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

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(With Summarized Financial Information for June 30, 2022)**

	<b>Management and General</b>	<b>Fundraising and Development</b>	<b>2023</b>	<b>2022</b>
Salaries, payroll taxes, and employee benefits	\$ 1,695,972	\$ 52,281	\$ 4,433,529	\$ 4,220,746
Professional fees and artist contracts	417,980	232,679	2,427,720	1,767,649
Advertising	11,904	1,462	222,307	190,816
Occupancy cost (In-kind)	1,562,954	125,251	4,058,440	3,932,599
Utilities	329,501	58,250	1,165,985	1,064,617
Printing and publications	-	-	-	7,245
Cost of sales	279,953	-	364,474	255,711
Bank charges and credit card fees	29,462	3,616	165,138	130,986
Supplies	57,134	3,592	95,586	128,630
Program service expense	(23,381)	66	260,013	96,966
Interest	-	-	2,524	4,493
Postage and shipping	-	-	-	1,857
Depreciation and amortization	21,820	-	82,468	75,855
Contract services	-	-	-	273,569
Rental and maintenance of equipment	383,946	11,769	1,037,949	937,718
Telephone	13,562	269	27,695	14,542
Computer expense	14,052	27,311	99,546	5,687
Production expense	56,591	6,186	211,328	276,114
Installation	-	-	-	542
Small equipment purchases	3,693	-	33,445	119,328
Travel, training, and artistic research	-	-	-	156
Recruitment	32	-	32	5,403
Graphics (signage)	-	-	-	763
Membership dues and subscriptions	5,131	337	20,658	37,698
Employee and volunteer relations	-	-	-	4,523
Taxes and licenses	9,128	-	42,927	39,664
Development	687	760	3,467	4,548
Software expenses	-	-	-	80,850
Bad debt expense (recovery)	1,106	-	1,106	39,365
Employee development	-	-	-	289
Miscellaneous	26,235	862	74,426	15,945
<b>Total Functional Expenses - Foundation</b>	<b>\$ 4,897,462</b>	<b>\$ 524,691</b>	<b>\$ 14,830,763</b>	<b>\$ 13,734,874</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(With Summarized Financial Information for June 30, 2022)**

	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Operating Activities</b>		
Increase (decrease) in net assets	\$ (578,016)	\$ 1,729,887
Adjustment to reconcile changes in net assets to net cash provided by (used for) operating activities:		
Depreciation expense	82,468	75,855
Unrealized and realized (gain)loss	(138,535)	287,653
Non-cash lease expense	479	-
(Increase) decrease in assets:		
Accounts receivable	(296,358)	(41,317)
Promises to give	(83,046)	-
Prepaid expenses	(107,687)	(218,796)
Inventory	4,987	(4,107)
Increase (decrease) in liabilities:		
Accounts payable	19,902	(50,590)
Accrued expenses	(35,002)	24,919
Advance ticket sales and deposits	631,258	(194,017)
Accrued payroll and benefits	(201,919)	212,335
	<u>(701,469)</u>	<u>1,821,822</u>
<b>Net Cash Flows Provided by (Used in) Operating Activities</b>		
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	(18,441)	(190,197)
	<u>(18,441)</u>	<u>(190,197)</u>
<b>Net Cash Flows Used in Investing Activities</b>		
<b>Cash Flows From Financing Activities</b>		
Repayments on notes payable	(74,902)	(72,933)
	<u>(74,902)</u>	<u>(72,933)</u>
<b>Net Cash Flows Provided by (Used in) in Financing Activities</b>		
<b>Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash</b>	<u>(794,812)</u>	<u>1,558,692</u>
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	1,920,876	362,184
<b>Cash, Cash Equivalents and Restricted Cash, End of Year</b>	<u>\$ 1,126,064</u>	<u>\$ 1,920,876</u>
<b>Cash, Cash Equivalents and Restricted Cash reconciliation:</b>		
Cash and cash equivalents	\$ 873,525	\$ 1,498,830
Cash and cash equivalents held by Trust	252,539	422,046
Total	<u>\$ 1,126,064</u>	<u>\$ 1,920,876</u>
<b>Supplemental Disclosures of Cash Flow Information:</b>		
Interest paid	<u>\$ 2,524</u>	<u>\$ 4,493</u>
Lease payments	<u>\$ 288,851</u>	<u>\$ 200,964</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2023

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**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, 2022, 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, 2023

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

**Endowment**

As of June 30, 2023, the Foundation has Board of Trustees designated funds of \$1,530,108 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 UPMIFA. 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 expenses paid on behalf of the Foundation as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 JUNE 30, 2023

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

**Donated Services and In-Kind Contributions (Continued)**

Free rent	\$ 4,058,440
Building maintenance	713,330
Utilities	1,165,005
Telecommunications	24,300
Network and systems	77,790
	<hr/>
	\$ 6,038,865
	<hr/> <hr/>

**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, 2023, was \$222,307.

**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 and 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2023

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

**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.

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, 2023.

**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, 2023, the allowance was \$18,690.

**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, 2023.

**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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2023

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

**Property and Equipment (Continued)**

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, 2023.

**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, 2023, 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 JUNE 30, 2023

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**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 deposits at a brokerage firm. The account at the brokerage firm contains 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.

**Recently Adopted Accounting Pronouncements**

**Leases**

On July 01, 2022, the Foundation adopted the Financial Accounting Standards Board's (the "FASB") Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842) ("ASU 2016-02"), and additional ASUs issued to clarify and update the guidance in ASU 2016-02 (collectively, the "new leases standard"), which modifies lease accounting to increase transparency and comparability by recording lease assets and liabilities for operating leases and disclosing key information about leasing arrangements. The Foundation adopted the new leases standard utilizing the modified retrospective transition method applied at the beginning of the earliest comparative period presented, under which amounts in prior periods presented were restated. For contracts existing at the time of adoption, the Foundation elected to not reassess (i) whether any are or contain leases, (ii) lease classification, and (iii) initial direct costs. The Company's lease arrangements may contain both lease and non-lease components. The Foundation has elected to combine and account for lease and non-lease components as a single lease component for leases of office equipment. Upon adoption, the Foundation recorded \$275,390 of right-of-use ("ROU") assets and \$275,390 of lease liabilities on consolidated statement of financial position. The Foundation did not record right-of-use ("ROU") assets or lease liabilities on its statement of financial position for its short-term leases, as these leases are classified under the short-term lease recognition exemption.

**Date of Management's Review**

Events occurring after June 30, 2023 have November 29, 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	\$	873,525
Accounts receivable, net		477,556
Donor restricted net asset		(94,643)
		<hr/>
	\$	<u>1,256,438</u>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**Note 2: Liquidity and Availability (Continued)**

Board-designated endowment of \$1,530,108 is subject to an annual spending rate of 3.5 percent as described in Note 7. 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.

**Note 3: Investments**

Investments 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, 2023:

	Fair Value
Equities	\$ 1,234,137
Mutual funds	43,432
	<u>\$ 1,277,569</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, 2023:

Operating equipment/furniture	\$ 1,255,898
Tenant improvements	168,745
Computer software	12,050
	<u>1,436,693</u>
Less accumulated depreciation and amortization	<u>(986,727)</u>
	<u>\$ 449,966</u>

Depreciation and amortization expenses for the year ended June 30, 2023, was \$82,468.

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, 2023, management expects these to be fully recoverable.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**Note 6: Leases**

**Lease Terms**

The Foundation has one operating lease for office equipment. During 2023, the Foundation entered into a lease agreement for office equipment. The lease has a term of five years and doesn't include options to extend. The lease agreement do not contain any residual value guarantees or restrictive covenants. Lease expense for this lease was \$46,586 for the year ended June 30, 2023 and is included in rental and maintenance of equipment in the accompanying consolidated statement of functional expenses.

**Short -Term Lease Exemption**

The Foundation also has elected to utilize the short-term lease recognition exemption and, for those leases that qualified, the Foundation did not recognize right-of-use ("ROU") assets or lease liabilities. The Foundation leases following under a short-term lease.

The Foundation had one short term lease agreement for office equipment which expired during 2023. Lease expense for this lease was \$30,624 for the year ended June 30, 2023.

The Foundation rents various equipment to be used for various events throughout the year under short term leases. Total expense was \$212,120 for the year ended June 30, 2023.

Total short term lease and rent expenses of \$242,744 is included in rental and maintenance of equipment in the accompanying consolidated statement of functional expenses.

**Discount Rate**

As the rate implicit in the Foundation's leases is not readily determinable, the Foundation has made an accounting policy to apply a risk-free rate as the discount rate used to measure lease liabilities and right-of-use assets at commencement of a lease.

**Financial Presentation of Leases**

The following summarizes the line items in the balance sheet which include amounts for operating and finance leases as of June 30:

	2023
<b>Operating Leases</b>	
Operating lease right-of-use assets	\$ 221,308
Operating lease liabilities, current portion	\$ 54,319
Operating lease liabilities, net of current portion	167,468
Total operating lease liabilities	\$ 221,787

**Weighted Average Remaining Lease Term and Discount Rate**

The Foundation's operating lease has weighted average remaining lease terms of 3.96 years and weighted average discount rate of 1.36% as of June 30, 2023.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**Note 6: Leases (Continued)**

**Detail of Lease Expense**

The following summarizes the line items in the income statement which include the components of lease expense for the year ended June 30:

	<u>2023</u>
Lease cost:	
Operating lease cost	\$ 46,586
Short term lease	<u>242,744</u>
Total lease cost	<u>\$ 289,330</u>

**Future Maturities of Leases**

The maturities of lease liabilities as of June 30, 2023 were as follows:

<u>Year Ending June 30:</u>		
2024	\$	54,319
2025		55,445
2026		56,202
2027		<u>55,821</u>
	\$	<u>221,787</u>

**Note 7: 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.

The Foundation's endowment includes donor-restricted funds of \$19,825 (under split interest agreement) as of June 30, 2023 and endowment fund maintained by the Trust of \$1,530,108, which have been designated for endowment by the Board, without donor restriction as of June 30, 2023. 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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 7: Endowment (Continued)**

Changes in endowment net assets are as follows:

	<b>As of June 30, 2023</b>	
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>
Endowment net assets, beginning of year	\$ 1,561,080	\$ 19,825
Investment return, net	137,400	-
Donation	12,772	-
Contributions to Foundation	(181,144)	-
	<u>\$ 1,530,108</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.

**Note 8: 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, 2023. Since this amount was restricted in perpetuity by the donor, it is included as part of the endowment, as detailed in Note 7 .

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, 2023 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%.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**Note 9: Notes 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 \$13,897 at June 30, 2023. 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 \$33,340 at June 30, 2023. The note is not secured by any collateral.

Future principal payments due on the related party note payable for year subsequent to June 30, 2023, are as follows:

<u>Year Ending June 30:</u>	
2024	\$ 34,755
2025	<u>12,482</u>
Total	<u>\$ 47,237</u>

**Note 10: 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 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 are currently negotiating a new term. Based on the 2014 agreement, the Foundation received a management fee of \$656,528 for the year ended June 30, 2023.

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. See Note 1 for expenses paid by the city.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2023

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**Note 12: Net Assets with Donor Restrictions**

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

	<u>As of June 30, 2023</u>
Subject to the passage of time:	
Life insurance trust	\$ 74,818
Not subject to spending policy or appropriation	
Beneficiary interest in unitrust	19,825
	<u>\$ 94,643</u>

**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, 2023.

**Note 15: Separation of Theatricals Department**

On June 29, 2023, the Board of Directors unanimously voted to approve to remove in-house Theatricals department from the Foundation's operations. Theatrical operation was moved to a newly created not-for-profit organization, CCAE Theatricals, Inc. ("CCA Theatricals") which is the resident theater and founded by private foundations. Foundation rents out its facility and assists ticket sales for agreed upon fees to be charged to CCAE Theatricals. Foundation and CCAE Theatricals do not share same board members.

SUPPLEMENTARY INFORMATION

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

CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED JUNE 30, 2023

	California Center for the Arts, Escondido, Foundation	California Center for the Arts, Escondido, Foundation Charitable Trust	Elimination	Consolidated 2023
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ 873,525	\$ -	\$ -	\$ 873,525
Cash and cash equivalents held by Trust	-	252,539	-	252,539
Investments	-	1,277,569	-	1,277,569
Accounts, net of allowance for doubtful accounts for \$18,690	477,556	-	-	477,556
Prepaid expenses	433,227	-	-	433,227
Inventory	16,961	-	-	16,961
<b>Total Current Assets</b>	<b>1,801,269</b>	<b>1,530,108</b>	<b>-</b>	<b>3,331,377</b>
Noncurrent Assets:				
Pledge receivable	83,046	-	-	83,046
Contribution receivable - charitable remainder trust	94,643	-	-	94,643
Property and equipment - net of accumulated depreciation and amortization	449,966	-	-	449,966
Operating lease right of use assets	221,308	-	-	221,308
<b>Total Noncurrent Assets</b>	<b>848,963</b>	<b>-</b>	<b>-</b>	<b>848,963</b>
<b>Total Assets</b>	<b>\$ 2,650,232</b>	<b>\$ 1,530,108</b>	<b>\$ -</b>	<b>\$ 4,180,340</b>
<b>Liabilities and Net assets</b>				
<b>Liabilities:</b>				
Current Liabilities:				
Accounts payable	\$ 138,713	\$ -	\$ -	\$ 138,713
Accrued expenses	73,793	-	-	73,793
Current portion of notes payable	34,755	-	-	34,755
Advance ticket sales and deposits	1,028,993	-	-	1,028,993
Accrued payroll and benefits	239,533	-	-	239,533
Operating lease liability, current portion	54,319	-	-	54,319
<b>Total Current Liabilities</b>	<b>1,570,106</b>	<b>-</b>	<b>-</b>	<b>1,570,106</b>
Noncurrent:				
Notes payable, less current	12,482	-	-	12,482
Operating lease liability, net of current portion	167,468	-	-	167,468
<b>Total Noncurrent Liabilities</b>	<b>179,950</b>	<b>-</b>	<b>-</b>	<b>179,950</b>
<b>Total Liabilities</b>	<b>1,750,056</b>	<b>-</b>	<b>-</b>	<b>1,750,056</b>
<b>Net Assets:</b>				
Without donor restriction				
Designated by the Board for endowment	-	1,530,108	-	1,530,108
Undesignated	805,533	-	-	805,533
	805,533	1,530,108	-	2,335,641
With donor restriction				
Perpetual in nature	19,825	-	-	19,825
Time-restricted for future periods	74,818	-	-	74,818
Purpose restrictions	-	-	-	-
	94,643	-	-	94,643
<b>Total Net Assets</b>	<b>900,176</b>	<b>1,530,108</b>	<b>-</b>	<b>2,430,284</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,650,232</b>	<b>\$ 1,530,108</b>	<b>\$ -</b>	<b>\$ 4,180,340</b>

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, 2023

<b>California Center for the Arts, Escondido, Foundation</b>			
	<b>Without Donor Restrictions</b>	<b>Donor Restrictions</b>	<b>Total</b>
<b>Revenues, Gains, and Other Support</b>			
Ticket sales	\$ 1,418,259	\$ -	\$ 1,418,259
Center sales - food and beverage, net	1,186,656	-	1,186,656
Rentals - studio, theater, room and other, net	2,974,771	-	2,974,771
Tuition, registration, field trips	59,645	-	59,645
Management fee from the City of Escondido	656,528	-	656,528
In-kind contributions from the City of Escondido	6,038,865	-	6,038,865
In-kind contributions	-	-	-
Federal grant	-	-	-
Government grants	-	-	-
Return on contributions, City of Escondido	-	-	-
Contributions	1,627,389	-	1,627,389
Net investment return	-	-	-
Miscellaneous net	279,299	-	279,299
Other Income	431	-	431
Net assets released from restrictions	36,750	(36,750)	-
<b>Total Revenues, Gains, and Other Support</b>	<b>14,278,593</b>	<b>(36,750)</b>	<b>14,241,843</b>
<b>Program Services</b>			
Performing arts	8,502,405	-	8,502,405
Museum	567,320	-	567,320
Education	338,885	-	338,885
<b>Total Program Services</b>	<b>9,408,610</b>	<b>-</b>	<b>9,408,610</b>
<b>Supporting Services</b>			
Management and general	4,897,462	-	4,897,462
Fundraising	524,691	-	524,691
<b>Total Supporting Services</b>	<b>5,422,153</b>	<b>-</b>	<b>5,422,153</b>
Total Expenses	14,830,763	-	14,830,763
Increase (decrease) in net assets	(552,170)	(36,750)	(588,920)
Net Assets, Beginning of Fiscal Year	1,357,703	131,393	1,489,096
<b>Net Assets, End of Fiscal Year</b>	<b>\$ 805,533</b>	<b>\$ 94,643</b>	<b>\$ 900,176</b>

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

CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

	California Center for the Arts, Escondido, Foundation Charitable Trust			Eliminations
	Without Donor Restrictions	Donor Restrictions	Total	Total
<b>Revenues, Gains, and Other Support</b>				
Ticket sales	\$ -	\$ -	\$ -	\$ -
Center sales - food and beverage, net	-	-	-	-
Rentals - studio, theater, room and other, net	-	-	-	-
Tuition, registration, field trips	-	-	-	-
Management fee from the City of Escondido	-	-	-	-
In-kind contributions from the City of Escondido	-	-	-	-
In-kind contributions	-	-	-	-
Federal grant	-	-	-	-
Government grants	-	-	-	-
Return on contributions, City of Escondido	-	-	-	-
Contributions	12,772	-	12,772	(181,144)
Net investment return	137,400	-	137,400	-
Miscellaneous net	-	-	-	-
Other Income	41,876	-	41,876	-
Net assets released from restrictions	-	-	-	-
<b>Total Revenues, Gains, and Other Support</b>	<b>192,048</b>	<b>-</b>	<b>192,048</b>	<b>-</b>
<b>Program Services</b>				
Performing arts	-	-	-	-
Museum	-	-	-	-
Education	-	-	-	-
<b>Total Program Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Supporting Services</b>				
Management and general	181,144	-	181,144	(181,144)
Fundraising	-	-	-	-
<b>Total Supporting Services</b>	<b>181,144</b>	<b>-</b>	<b>181,144</b>	<b>-</b>
Total Expenses	181,144	-	181,144	-
Increase (decrease) in net assets	10,904	-	10,904	-
Net Assets, Beginning of Fiscal Year	1,519,204	-	1,519,204	-
<b>Net Assets, End of Fiscal Year</b>	<b>\$ 1,530,108</b>	<b>\$ -</b>	<b>\$ 1,530,108</b>	<b>\$ -</b>

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

CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

	Consolidated Totals		
	Without Donor Restrictions	Donor Restrictions	Total
<b>Revenues, Gains, and Other Support</b>			
Ticket sales	\$ 1,418,259	\$ -	\$ 1,418,259
Center sales - food and beverage, net	1,186,656	-	1,186,656
Rentals - studio, theater, room and other, net	2,974,771	-	2,974,771
Tuition, registration, field trips	59,645	-	59,645
Management fee from the City of Escondido	656,528	-	656,528
In-kind contributions from the City of Escondido	6,038,865	-	6,038,865
In-kind contributions	-	-	-
Federal grant	-	-	-
Government grants	-	-	-
Return on contributions, City of Escondido	-	-	-
Contributions	1,459,017	-	1,459,017
Net investment return	137,400	-	137,400
Miscellaneous net	279,299	-	279,299
Other Income	42,307	-	42,307
Net assets released from restrictions	36,750	(36,750)	-
<b>Total Revenues, Gains, and Other Support</b>	<b>14,289,497</b>	<b>(36,750)</b>	<b>14,252,747</b>
<b>Program Services</b>			
Performing arts	8,502,405	-	8,502,405
Museum	567,320	-	567,320
Education	338,885	-	338,885
<b>Total Program Services</b>	<b>9,408,610</b>	<b>-</b>	<b>9,408,610</b>
<b>Supporting Services</b>			
Management and general	4,897,462	-	4,897,462
Fundraising	524,691	-	524,691
<b>Total Supporting Services</b>	<b>5,422,153</b>	<b>-</b>	<b>5,422,153</b>
Total Expenses	14,830,763	-	14,830,763
Increase (decrease) in net assets	(541,266)	(36,750)	(578,016)
Net Assets, Beginning of Fiscal Year	2,876,907	131,393	3,008,300
<b>Net Assets, End of Fiscal Year</b>	<b>\$ 2,335,641</b>	<b>\$ 94,643</b>	<b>\$ 2,430,284</b>

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

OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023

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	<u>2023</u>
<b>Performing Arts</b>	
Patron user fees and memberships	\$ 23,463
Performing arts ticket services	<u>1,394,796</u>
Total Ticket Sales	<u>\$ 1,418,259</u>
<b>Center Sales - Food and Beverage, Net</b>	
Merchandise	\$ 48,521
Theater concessions and conference center	<u>1,138,135</u>
Total Center Sales - Food and Beverage, Net	<u>\$ 1,186,656</u>
<b>Rentals - Studio, Theater and Room, Net</b>	
Labor reimbursement and BMI licensing fees	\$ 1,038,388
Cell tower rental	231,863
Studio and conference center rental	1,464,431
Sale of services to rental clients	<u>240,089</u>
Total Rentals - Studio, Theater and Room, Net	<u>\$ 2,974,771</u>