



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

JUNE 30, 2024

(With Summarized Financial Information for June 30, 2023)

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, 2024

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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, 2024, 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, 2024, 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, 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 29, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, 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 5, 2024

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

(With Summarized Financial Information for June 30, 2023)

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,804,824	\$ 873,525
Cash and cash equivalents held by Trust	82,407	252,539
Investments held by Trust, at fair value	1,472,639	1,277,569
Accounts receivable, net of allowance for doubtful accounts of \$18,690	158,856	477,556
Prepaid expenses	137,214	433,227
Inventory	8,837	16,961
	<u>3,664,777</u>	<u>3,331,377</u>
Total Current Assets		
Noncurrent Assets:		
Pledge receivable	-	83,046
Contribution receivable - charitable remainder trust	94,643	94,643
Property and equipment - net of accumulated depreciation and amortization	406,456	449,966
Operating lease right of use assets	166,511	221,308
	<u>667,610</u>	<u>848,963</u>
Total Noncurrent Assets		
	<u>\$ 4,332,387</u>	<u>\$ 4,180,340</u>
Total Assets		

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, 2024

(With Summarized Financial Information for June 30, 2023)

	<u>2024</u>	<u>2023</u>
Liabilities and Net assets		
Current Liabilities		
Accounts payable	\$ 125,180	\$ 138,713
Accrued expenses	102,539	73,793
Notes payable, current portion	12,471	34,755
Advance ticket sales and deposits	662,089	1,028,993
Accrued payroll and benefits	99,719	239,533
Margin loan balance - Trust	5,960	-
Operating lease liability, current portion	55,068	54,319
Total Current Liabilities	<u>1,063,026</u>	<u>1,570,106</u>
Noncurrent Liabilities		
Notes payable, less current portion	-	12,482
Operating lease liability, less current portion	112,401	167,468
Total Noncurrent Liabilities	<u>112,401</u>	<u>179,950</u>
Total Liabilities	<u>1,175,427</u>	<u>1,750,056</u>
Net Assets		
Without donor restrictions		
Designated by the Board for endowment	1,536,586	1,530,108
Undesignated	1,176,062	805,533
	<u>2,712,648</u>	<u>2,335,641</u>
With donor restrictions		
Perpetual in nature	19,825	19,825
Time-restricted for future periods	74,818	74,818
Purpose restrictions	349,669	-
	<u>444,312</u>	<u>94,643</u>
Total Net Assets	<u>3,156,960</u>	<u>2,430,284</u>
Total Liabilities and Net Assets	<u>\$ 4,332,387</u>	<u>\$ 4,180,340</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, 2024
 (With Summarized Financial Information for June 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2024	2023
Revenues, Gains, and Other Support				
Ticket sales	\$ 1,231,842	\$ -	\$ 1,231,842	\$ 1,418,259
Center sales - food and beverage, net	1,384,056	-	1,384,056	1,186,656
Rentals - studio, theater and room, net	3,398,968	-	3,398,968	2,974,771
Tuition, registration, field trips	103,095	-	103,095	59,645
Management fee from the City of Escondido	660,000	-	660,000	656,528
In-kind contributions from the City of Escondido	6,098,910	-	6,098,910	6,038,865
Contributions	992,920	349,669	1,342,589	1,459,017
Net investment return	259,024	-	259,024	137,400
Miscellaneous, net	292,557	-	292,557	279,299
Other Income	-	-	-	42,307
Total Revenues, Gains, and Other Support	14,421,372	349,669	14,771,041	14,252,747
Expenses:				
Program Services				
Performing arts	8,737,260	-	8,737,260	8,502,405
Museum	1,195,876	-	1,195,876	567,320
Education	363,367	-	363,367	338,885
Total Program Services	10,296,503	-	10,296,503	9,408,610
Supporting Services				
Management and general	3,537,396	-	3,537,396	4,897,462
Fundraising	210,466	-	210,466	524,691
Total Supporting Services	3,747,862	-	3,747,862	5,422,153
Total Expenses	14,044,365	-	14,044,365	14,830,763
Increase (Decrease) in Net Assets	377,007	349,669	726,676	(578,016)
Net Assets, Beginning of Fiscal Year	2,335,641	94,643	2,430,284	3,008,300
Net Assets, End of Fiscal Year	\$ 2,712,648	\$ 444,312	\$ 3,156,960	\$ 2,430,284

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, 2024
(With Summarized Financial information for June 30, 2023)**

	<u>Museum</u>	<u>Education</u>	<u>Performing Arts</u>	<u>Total Program Services</u>
Salaries, payroll taxes, and employee benefits	\$ 182,657	\$ 85,205	\$ 2,713,342	\$ 2,981,204
Professional fees and artist contracts	74,104	152,269	1,065,732	1,292,105
Advertising	5,279	-	136,718	141,997
Occupancy cost (In-kind)	627,638	41,843	2,719,765	3,389,246
Utilities	164,388	54,796	668,513	887,697
Cost of sales	3,554	-	138,883	142,437
Bank charges and credit card fees	1,218	131	147,247	148,596
Supplies	3,804	1,688	13,310	18,802
Program service expense	16,509	-	86,563	103,072
Interest	-	-	781	781
Depreciation and amortization	-	380	65,139	65,519
Rental and maintenance of equipment	96,856	18,674	657,458	772,988
Telephone	13,832	4,611	56,248	74,691
Computer expense	114	42	66,913	67,069
Production expense	3,156	2,403	86,797	92,356
Small equipment purchases	2,467	1,325	60,291	64,083
Subscriptions	264	-	9,604	9,868
Taxes and licenses	36	-	14,984	15,020
Development	-	-	3,972	3,972
Bad Debt	-	-	25,000	25,000
Miscellaneous	-	-	-	-
Total Functional Expenses - Foundation	<u>\$ 1,195,876</u>	<u>\$ 363,367</u>	<u>\$ 8,737,260</u>	<u>\$ 10,296,503</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, 2024
(With Summarized Financial information for June 30, 2023)**

	Management and General	Fundraising and Development	2024	2023
Salaries, payroll taxes, and employee benefits	\$ 1,501,642	\$ 89,906	\$ 4,572,752	\$ 4,433,529
Professional fees and artist contracts	322,263	22,583	1,636,951	2,427,720
Advertising	12,682	-	154,679	222,307
Occupancy cost (In-kind)	711,323	41,843	4,142,412	4,058,440
Utilities	197,265	10,959	1,095,921	1,165,985
Cost of sales	287,205	-	429,642	364,474
Bank charges and credit card fees	49,662	-	198,258	165,138
Supplies	54,418	1,690	74,910	95,586
Program service expense	(8,147)	-	94,925	260,013
Interest	5,241	-	6,022	2,524
Depreciation and amortization	23,316	-	88,835	82,468
Rental and maintenance of equipment	285,892	7,684	1,066,564	1,037,949
Telephone	16,598	922	92,211	27,695
Computer expense	7,021	32,566	106,656	99,546
Production expense	33,848	2,313	128,517	211,328
Small equipment purchases	16,462	-	80,545	33,445
subscriptions	11,791	-	21,659	20,658
Taxes and licenses	8,060	-	23,080	42,927
Development	1,654	-	5,626	3,467
Bad Debt	-	-	25,000	-
Miscellaneous	-	-	-	74,426
Total Functional Expenses - Foundation	\$ 3,537,396	\$ 210,466	\$ 14,044,365	\$ 14,830,763

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, 2024
(With Summarized Financial Information for June 30, 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 726,676	\$ (578,016)
Adjustment to reconcile changes in net assets to net cash provided by (used for) operating activities:		
Depreciation and amortization expense	88,835	82,468
Unrealized and realized (gain)loss	(195,070)	(138,535)
Non-cash lease expense	479	479
(Increase) decrease in assets:		
Accounts receivable	318,700	(296,358)
Promises to give	83,046	(83,046)
Prepaid expenses	296,013	(107,687)
Inventory	8,124	4,987
Increase (decrease) in liabilities:		
Accounts payable	(13,533)	19,902
Accrued expenses	28,746	(35,002)
Advance ticket sales and deposits	(366,904)	631,258
Accrued payroll and benefits	(139,814)	(201,919)
	<u>835,298</u>	<u>(701,469)</u>
Net Cash Flows Provided by (Used in) Operating Activities		
Cash Flows From Investing Activities		
Purchase of property and equipment	(45,325)	(18,441)
	<u>(45,325)</u>	<u>(18,441)</u>
Net Cash Flows Used in Investing Activities		
Cash Flows From Financing Activities		
Investments purchased on margin loan balance	5,960	-
Repayments on notes payable	(34,766)	(74,902)
	<u>(28,806)</u>	<u>(74,902)</u>
Net Cash Flows Provided by (Used in) in Financing Activities		
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	<u>761,167</u>	<u>(794,812)</u>
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	1,126,064	1,920,876
Cash, Cash Equivalents and Restricted Cash, End of Year	<u>\$ 1,887,231</u>	<u>\$ 1,126,064</u>
Cash, Cash Equivalents and Restricted Cash reconciliation:		
Cash and cash equivalents	\$ 1,804,824	\$ 873,525
Cash and cash equivalents held by Trust	82,407	252,539
Total	<u>\$ 1,887,231</u>	<u>\$ 1,126,064</u>
Supplemental Disclosures of Cash Flow Information:		
Interest paid	<u>\$ 6,022</u>	<u>\$ 2,524</u>
Lease payments	<u>\$ 56,937</u>	<u>\$ 56,937</u>

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

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.

On June 29, 2024, the Board of Directors unanimously voted to discontinue the Foundation's in-house Theatrical department. The Theatricals program recorded accumulated losses raising concerns over the Foundation's financial stability. Following its separation, the Foundation experienced financial recovery, affirming the decision to phase out the Theatricals program. After its separation, CCAE Theatricals, Inc. ("CCA Theatricals") was established by a private foundation and became the resident theater company at California Center for the Arts. The Foundation donated CCAE Theatricals for approximately \$450,000 in free rent and equipment, at-cost labor, and other financial incentives to assist them in their inaugural year. The Foundation and CCAE Theatrical do not share the same board members.

Basis for Consolidation

The consolidated financial statements of the Foundation include the operations of the Arts Center and the Trust. Significant Foundation 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 Foundation 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, 2023, from which the summarized information was derived.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

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

Reclassification

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

Endowment

As of June 30, 2024, the Foundation has Board of Trustees designated funds of \$1,555,046 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 Foundation statement of financial position.

Revenue Recognition

Contribution Revenue and Grants

Contributions and 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 JUNE 30, 2024

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

Donated Services and In-Kind Contributions (Continued)

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:

Building maintenance	\$ 768,366
Utilities	1,095,922
Telecommunications	92,210
Rent	<u>4,142,412</u>
	<u><u>\$ 6,098,910</u></u>

Revenue, Sales and Fees

Revenue from ticket sales, center sales, rentals, tuition, management fee from the City included in the Foundation 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 (for facility rental) and is reflected as a liability on the Foundation 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, 2024, was \$154,679.

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, 2024

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, 2024.

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 uncollectible accounts receivable when management determines the receivable will not be collected. As of June 30, 2024, the allowance was \$18,690. There were no changes in the allowance for doubtful accounts balance during the year ended June 30, 2024 as the Foundation did not experience any significant changes in its credit revenue, collection policies, or customer default rates during the year.

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, 2024.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

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

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 and amortization is computed using the straight-line method over the estimated useful lives of the related assets of 3 to 39 years.

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 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, 2024.

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, 2024, 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

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

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.

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.

Leases

The Foundation recognizes lease assets and corresponding lease liabilities for all operating and finance leases on their consolidated balance sheet, excluding short term leases (leases with terms of 12 months or less) as described under ASU No 2016-02, Leases (Topic 842). Some of the Foundation's long term operating lease agreements include options to extend, which are also factored in the recognition of their respective assets and liabilities when appropriate based on management's assessment of the probability that the options will be exercised. Lease payments are discounted using the risk-free rate on information available at lease commencement. Additionally, certain lease agreements include escalating rents over the terms of the lease which under topic 842 results in rent being expensed on a straight-line basis over the life of the lease that commences on the date the Foundation has the right to control the property. Finance leases were impacted by the adoption of ASC 842, as finance lease liabilities and the corresponding right of use assets we're already recorded in the balance sheet under the previous guidance, ASC 840. For additional information about the leases, see Note 6.

Recently Adopted Accounting Pronouncements

Current Expected Credit Losses ("CECL")

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13" or "ASC 326"). ASC 326 revises the accounting requirements related to the measurement of credit losses and requires companies to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. During 2019, the FASB issued additional ASUs amending certain aspects of ASU 2016-13. The Foundation adopted the new accounting standard and all of the related amendments as July 1, 2023. There was no significant impact on its financial statements or disclosures as a result of adoption of ASU 2016-13.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

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

Date of Management's Review

Events occurring after June 30, 2024 have November XX, 2024, 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	\$	1,804,824
Accounts receivable, net		158,856
Donor restricted net asset		<u>(444,312)</u>
	\$	<u>1,519,368</u>

Board-designated endowment of \$1,555,046 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, 2024:

	Fair Value
Equities	<u>\$ 1,465,992</u>
Mutual funds	<u>6,647</u>
	<u>\$ 1,472,639</u>

Note 4: Inventory

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 5: Property and Equipment

Property and equipment consisted of the following at June 30, 2024:

Operating equipment/furniture	\$	1,294,847
Tenant improvements		168,745
Computer software		12,050
	\$	<u>1,475,642</u>
Less: accumulated depreciation and amortization		<u>(1,069,186)</u>
	\$	<u><u>406,456</u></u>

Depreciation and amortization expenses for the year ended June 30, 2024, was \$88,835.

Note 6: Leases

Lease Terms

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 does not contain any residual value guarantees or restrictive covenants. Lease expense for this lease was \$57,416 for the year ended June 30, 2024 and is included in rental and maintenance of equipment in the Foundation 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 rents various equipment to be used for various events throughout the year under short term leases. Total expense was \$251,408 for the year ended June 30, 2024 and included in the rental and maintenance of equipment in the Foundation 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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

Note 6: Leases (Continued)

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:

	<u>2024</u>
Operating Leases	
Operating lease right-of-use assets	<u>\$ 166,511</u>
Operating lease liabilities, current portion	\$ 55,068
Operating lease liabilities, net of current portion	<u>112,401</u>
Total operating lease liabilities	<u>\$ 167,469</u>

Weighted Average Remaining Lease Term and Discount Rate

The Foundation's operating lease has weighted average remaining lease terms of 2.96 years and weighted average discount rate of 1.36% as of June 30, 2024.

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>2024</u>
Lease cost:	
Operating lease cost	\$ 57,416
Short term lease	<u>251,408</u>
Total lease cost	<u>\$ 308,824</u>

Future Maturities of Leases

The maturities of lease liabilities as of June 30, 2024 were as follows:

<u>Year Ending June 30:</u>	
2025	\$ 55,068
2026	56,202
2027	<u>56,199</u>
	<u>\$ 167,469</u>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024 and endowment fund maintained by the Trust of \$1,555,046, which have been designated for endowment by the Board, without donor restriction as of June 30, 2024. 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:

	<u>As of June 30, 2024</u>
	<u>Without Donor</u>
	<u>Restrictions</u>
Endowment balance, beginning of year	\$ 1,530,108
Investment return, net - Trust	251,110
Donation	247,723
Loan obtained	5,960
Interest expenses on margin loan	(4,131)
Accounting fees	(13,500)
Contributions to Foundation	(462,224)
	<hr/>
Endowment balance, end of year	\$ 1,555,046

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, 2024. Since this amount was restricted in perpetuity by the donor, it is included as part of the endowment, as detailed in Note 7.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

Note 8: Split-Interest Agreements (Continued)

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, 2024 and included in contribution receivable – charitable remainder trust in the Foundation consolidated statement of financial position. The value of the agreement has been discounted using a rate of 5%.

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 2024. Fixed monthly payments of \$4,652 are due on the first day of each month, beginning October 2018. The loan was paid off during 2024.

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 \$12,471 at June 30, 2024 which will be paid off in fiscal year ending June 30, 2025.

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 Foundation currently operates under the extended management agreement which expires in June 2025. Based on the 2024 extended agreement, the Foundation received a management fee of \$660,000 for the year ended June 30, 2024.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 11: Related Party Transactions (Continued)

In October 2014, the City and the Foundation entered into an amended occupancy license and management agreement. The City will continue to pay for routine expenses related to the upkeep and maintenance of the Foundation; however, it will not subsidize operating losses. See Note 1 for expenses paid by the city. Expenses paid by the city are recorded as in-kind revenue.

Note 12: Net Assets with Donor Restrictions

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

	As of June 30, 2024
Subject to expenditure for specified purposes:	
Emergency planning response	\$ 4,500
Community advancement	224,984
Winter Wonderland Play	99,500
4th of July event	3,815
Free community events	16,870
	<u>349,669</u>
Subject to the passage of time:	
Life insurance trust	74,818
	<u>74,818</u>
Not subject to spending policy or appropriation	
Beneficiary interest in unitrust	19,825
	<u>19,825</u>
	<u>\$ 444,312</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.

As noted in Note 11, the City of Escondido (“the City”), a California municipal corporation, has extended its management agreement with the Foundation until June 30, 2025, but as of June 30, 2024, it has not officially renewed its contract with the Foundation. The City is currently inviting public bids to provide programming, operation, and management services for the California Center for the Arts. The Foundation has submitted a proposal to the City to continue in its role as facility manager, a position it has held for the past 30 years. While management is confident in the proposal's strength, if the Foundation is not selected to continue managing the facilities, it will shift to a mission-focused approach emphasizing arts programming rather than a facilities-based model to fulfill its mission of community enrichment through the arts. The City will select the next facility managers in early 2025. Financial statements are prepared on a going concern basis.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024.

SUPPLEMENTARY INFORMATION

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

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

(With Summarized Financial Information for June 30, 2023)

	California Center for the Arts, Escondido, Foundation	California Center for the Arts, Escondido, Foundation Charitable Trust	Elimination	Consolidated 2024	Consolidated 2023
Assets					
Current Assets:					
Cash and cash equivalents	\$ 1,804,824	\$ -	\$ -	\$ 1,804,824	\$ 873,525
Cash and cash equivalents held by Trust	-	82,407	-	82,407	252,539
Investments held by Trust, at fair value	-	1,472,639	-	1,472,639	1,277,569
Accounts, net of allowance for doubtful accounts of \$18,690	158,856	-	-	158,856	477,556
Due from Trust	12,500	-	(12,500)	-	-
Prepaid expenses	137,214	-	-	137,214	433,227
Inventory	8,837	-	-	8,837	16,961
Total Current Assets	2,122,231	1,555,046	(12,500)	3,664,777	3,331,377
Noncurrent Assets:					
Pledge receivable	-	-	-	-	83,046
Contribution receivable - charitable remainder trust	94,643	-	-	94,643	94,643
Property and equipment - net of accumulated depreciation and amortization	406,456	-	-	406,456	449,966
Operating lease right of use assets	166,511	-	-	166,511	221,308
Total Noncurrent Assets	667,610	-	-	667,610	848,963
Total Assets	\$ 2,789,841	\$ 1,555,046	\$ (12,500)	\$ 4,332,387	\$ 4,180,340
Liabilities and Net assets					
Liabilities:					
Current Liabilities:					
Accounts payable	\$ 125,180	\$ -	\$ -	\$ 125,180	\$ 138,713
Due to Foundation	-	\$ 12,500	(12,500)	-	-
Accrued expenses	102,539	-	-	102,539	73,793
Notes payable, current portion	12,471	-	-	12,471	34,755
Advance ticket sales and deposits	662,089	-	-	662,089	1,028,993
Accrued payroll and benefits	99,719	-	-	99,719	239,533
Short-term debt	-	5,960	-	5,960	-
Operating lease liability, current portion	55,068	-	-	55,068	54,319
Total Current Liabilities	1,057,066	18,460	(12,500)	1,063,026	1,570,106
Noncurrent:					
Notes payable, less current portion	-	-	-	-	12,482
Operating lease liability, less current portion	112,401	-	-	112,401	167,468
Total Noncurrent Liabilities	112,401	-	-	112,401	179,950
Total Liabilities	1,169,467	18,460	(12,500)	1,175,427	1,750,056
Net Assets:					
Without donor restriction					
Designated by the Board for endowment	-	1,536,586	-	1,536,586	1,530,108
Undesignated	1,176,062	-	-	1,176,062	805,533
	1,176,062	1,536,586	-	2,712,648	2,335,641
With donor restriction					
Perpetual in nature	19,825	-	-	19,825	19,825
Time-restricted for future periods	74,818	-	-	74,818	74,818
Purpose restrictions	349,669	-	-	349,669	-
	444,312	-	-	444,312	94,643
Total Net Assets	1,620,374	1,536,586	-	3,156,960	2,430,284
Total Liabilities and Net Assets	\$ 2,789,841	\$ 1,555,046	\$ (12,500)	\$ 4,332,387	\$ 4,180,340

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, 2024
(With Summarized Financial information for June 30, 2023)**

California Center for the Arts, Escondido, Foundation			
	Without Donor Restrictions	Donor Restrictions	Total
Revenues, Gains, and Other Support			
Ticket sales	\$ 1,231,842	\$ -	\$ 1,231,842
Center sales - food and beverage, net	1,384,056	-	1,384,056
Rentals - studio, theater, room and other, net	3,398,968	-	3,398,968
Tuition, registration, field trips	103,095	-	103,095
Management fee from the City of Escondido	660,000	-	660,000
In-kind contributions from the City of Escondido	6,098,910	-	6,098,910
Contributions	1,207,421	349,669	1,557,090
Net investment return	7,914	-	7,914
Miscellaneous net	292,557	-	292,557
Other Income	-	-	-
Total Revenues, Gains, and Other Support	14,384,763	349,669	14,734,432
Program Services			
Performing arts	8,737,260	-	8,737,260
Museum	1,195,876	-	1,195,876
Education	363,367	-	363,367
Total Program Services	10,296,503	-	10,296,503
Supporting Services			
Management and general	3,507,265	-	3,507,265
Fundraising	210,466	-	210,466
Total Supporting Services	3,717,731	-	3,717,731
Total Expenses	14,014,234	-	14,014,234
Increase (decrease) in net assets	370,529	349,669	720,198
Net Assets, Beginning of Fiscal Year	805,533	94,643	900,176
Net Assets, End of Fiscal Year	\$ 1,176,062	\$ 444,312	\$ 1,620,374

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, 2024
(With Summarized Financial information for June 30, 2023)

	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 from the City of Escondido	-	-	-
In-kind contributions from the City of Escondido	-	-	-
Contributions	247,723	-	247,723
Net investment return	251,110	-	251,110
Miscellaneous net	-	-	-
Other Income	-	-	-
Total Revenues, Gains, and Other Support	498,833	-	498,833
Program Services			
Performing arts	-	-	-
Museum	-	-	-
Education	-	-	-
Total Program Services	-	-	-
Supporting Services			
Management and general	492,355	-	492,355
Fundraising	-	-	-
Total Supporting Services	492,355	-	492,355
Total Expenses	492,355	-	492,355
Increase (decrease) in net assets	6,478	-	6,478
Net Assets, Beginning of Fiscal Year	1,530,108	-	1,530,108
Net Assets, End of Fiscal Year	\$ 1,536,586	\$ -	\$ 1,536,586

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, 2024
(With Summarized Financial information for June 30, 2023)

	Eliminations		Consolidated Totals	
	Total	Without Donor Restrictions	Donor Restrictions	Total
Revenues, Gains, and Other Support				
Ticket sales	\$ -	\$ 1,231,842	\$ -	\$ 1,231,842
Center sales - food and beverage, net	-	1,384,056	-	1,384,056
Rentals - studio, theater, room and other, net	-	3,398,968	-	3,398,968
Tuition, registration, field trips	-	103,095	-	103,095
Management fee from the City of Escondido	-	660,000	-	660,000
In-kind contributions from the City of Escondido	-	6,098,910	-	6,098,910
Contributions	(462,224)	992,920	349,669	1,342,589
Net investment return	-	259,024	-	259,024
Miscellaneous net	-	292,557	-	292,557
Other Income	-	-	-	-
Total Revenues, Gains, and Other Support	(462,224)	14,421,372	349,669	14,771,041
Program Services				
Performing arts	-	8,737,260	-	8,737,260
Museum	-	1,195,876	-	1,195,876
Education	-	363,367	-	363,367
Total Program Services	-	10,296,503	-	10,296,503
Supporting Services				
Management and general	(462,224)	3,537,396	-	3,537,396
Fundraising	-	210,466	-	210,466
Total Supporting Services	(462,224)	3,747,862	-	3,747,862
Total Expenses	(462,224)	14,044,365	-	14,044,365
Increase (decrease) in net assets	-	377,007	349,669	726,676
Net Assets, Beginning of Fiscal Year	-	2,335,641	94,643	2,430,284
Net Assets, End of Fiscal Year	\$ -	\$ 2,712,648	\$ 444,312	\$ 3,156,960

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, 2024**

Performing Arts

Patron user fees and memberships	\$ 12,068
Performing arts ticket services	<u>1,219,774</u>
Total Ticket Sales	<u>\$ 1,231,842</u>

Center Sales - Food and Beverage, Net

Merchandise	\$ 24,275
Theater concessions and conference center	<u>1,359,781</u>
Total Center Sales - Food and Beverage, Net	<u>\$ 1,384,056</u>

Rentals - Studio, Theater and Room, Net

Labor reimbursement and BMI licensing fees	\$ 1,158,272
Cell tower rental	221,663
Studio and conference center rental	1,571,570
Sale of services to rental clients	<u>447,463</u>
Total Rentals - Studio, Theater and Room, Net	<u>\$ 3,398,968</u>