

**JEWISH FEDERATION OF THE  
SACRAMENTO REGION**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT ACCOUNTANT'S  
REVIEW REPORT**

**YEARS ENDED  
DECEMBER 31, 2021 (REVIEWED)  
AND 2020 (AUDITED)**

## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

**Board of Directors  
Jewish Federation of the Sacramento Region  
Sacramento, California**

We have reviewed the accompanying financial statements of Jewish Federation of the Sacramento Region (Federation), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

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

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Federation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Board of Directors  
Jewish Federation of the Sacramento Region  
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**Report on 2020 Financial Statements**

The December 31, 2020 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated August 9, 2021. We have not performed any auditing procedures since that date.

*Gilbert CPAs*

**GILBERT CPAs  
Sacramento, California**

**September 8, 2022**

# JEWISH FEDERATION OF THE SACRAMENTO REGION

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2021 (REVIEWED) AND 2020 (AUDITED)

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	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 451,676	\$ 678,726
Pledges receivable - net	86,643	84,022
Grants receivable	16,403	41,303
Prepaid expenses and deposits	59,316	36,118
Total current assets	<u>614,038</u>	<u>840,169</u>
<b>INVESTMENTS</b>	801,418	535,657
<b>PROPERTY AND EQUIPMENT- Net</b>	<u>979,839</u>	<u>1,019,565</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,395,295</u>	<u>\$ 2,395,391</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 77,183	\$ 16,505
Accrued expenses	14,789	9,435
Contributions payable - JFNA	6,045	5,576
Deferred revenue	6,580	17,192
Total current liabilities	<u>104,597</u>	<u>48,708</u>
<b>SECURITY DEPOSIT</b>	<u>5,400</u>	<u>5,400</u>
<b>TOTAL LIABILITIES</b>	109,997	54,108
<b>NET ASSETS:</b>		
Without donor restrictions	2,254,306	2,265,541
With donor restrictions	<u>30,992</u>	<u>75,742</u>
<b>TOTAL NET ASSETS</b>	<u>2,285,298</u>	<u>2,341,283</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,395,295</u>	<u>\$ 2,395,391</u>

See accompanying notes and accountant's review report.

# JEWISH FEDERATION OF THE SACRAMENTO REGION

## STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2021 (REVIEWED) AND 2020 (AUDITED)

	<u>2021</u>	<u>2020</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
<b>REVENUES:</b>		
Contributions	\$ 747,712	\$ 896,283
Rental and other income	71,570	76,146
Trust income		215,700
Interest and investment income	91,871	47,678
Net assets released from restrictions	99,632	21,000
Total revenues	<u>1,010,785</u>	<u>1,256,807</u>
<b>EXPENSES:</b>		
Program services	786,480	637,746
General and administrative	143,047	119,892
Fundraising	92,493	96,687
Total expenses	<u>1,022,020</u>	<u>854,325</u>
<b>INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	(11,235)	402,482
<b>NET ASSETS WITH DONOR RESTRICTIONS:</b>		
Contributions	54,882	79,605
Net assets released from restrictions	<u>(99,632)</u>	<u>(21,000)</u>
<b>INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>(44,750)</u>	<u>58,605</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(55,985)	461,087
<b>NET ASSETS, Beginning of Year</b>	<u>2,341,283</u>	<u>1,880,196</u>
<b>NET ASSETS, End of Year</b>	<u>\$ 2,285,298</u>	<u>\$ 2,341,283</u>

# JEWISH FEDERATION OF THE SACRAMENTO REGION

## STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2021 (REVIEWED)

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	<b><u>Program Services</u></b>	<b><u>General &amp; Admin.</u></b>	<b><u>Fundraising</u></b>	<b><u>Total</u></b>
Personnel	\$ 277,221	\$ 48,548	\$ 46,481	\$ 372,250
Grants/Allocations	199,375			199,375
Program and event expenses	174,276		18,566	192,842
Professional services	300	56,898		57,198
Bad debt	36,602	7,353	7,039	50,994
Depreciation	32,084	5,619	5,379	43,082
Occupancy	31,121	5,450	5,218	41,789
Investment/bank fees		12,963		12,963
Equipment rental and maintenance	7,697	1,348	1,291	10,336
Telecommunications	7,036	1,232	1,180	9,448
Insurance	5,916	1,036	992	7,944
Travel	4,631	811	777	6,219
Postage	4,056	710	680	5,446
Advertising			3,857	3,857
Office supplies	2,664	467	447	3,578
Miscellaneous	<u>3,501</u>	<u>612</u>	<u>586</u>	<u>4,699</u>
Total	<u>\$ 786,480</u>	<u>\$ 143,047</u>	<u>\$ 92,493</u>	<u>\$ 1,022,020</u>

# JEWISH FEDERATION OF THE SACRAMENTO REGION

## STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2020 (AUDITED)

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	<u>Program Services</u>	<u>General &amp; Admin.</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 242,819	\$ 45,157	\$ 39,132	\$ 327,108
Grants/Allocations	89,398			89,398
Program and event expenses	161,611		34,613	196,224
Professional services	3,805	40,446		44,251
Bad debt	43,467	4,921	4,275	52,663
Depreciation	29,291	5,434	4,721	39,446
Occupancy	25,057	4,648	4,037	33,742
Investment/bank fees		11,438		11,438
Equipment rental and maintenance	7,917	1,469	1,276	10,662
Telecommunications	8,380	1,555	1,350	11,285
Insurance	9,033	1,676	1,456	12,165
Travel	8,292	1,538	1,336	11,166
Postage	2,233	414	360	3,007
Advertising			3,093	3,093
Office supplies	4,345	806	700	5,851
Miscellaneous	<u>2,098</u>	<u>390</u>	<u>338</u>	<u>2,826</u>
Total	<u>\$ 637,746</u>	<u>\$ 119,892</u>	<u>\$ 96,687</u>	<u>\$ 854,325</u>

# JEWISH FEDERATION OF THE SACRAMENTO REGION

## STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2021 (REVIEWED) AND 2020 (AUDITED)

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ (55,985)	\$ 461,087
Reconciliation to net cash provided (used) by operating activities:		
Receipt of donated investments	(6,601)	(12,529)
Net realized and unrealized gain on investments	(74,285)	(43,923)
Depreciation	43,082	39,446
Changes in:		
Pledges receivable - net	(2,621)	21,084
Grants receivable	24,900	(40,253)
Prepaid expenses and deposits	(23,198)	13,658
Accounts payable	60,678	(4,102)
Accrued expenses	5,354	1,510
Contributions payable - JFNA	469	(6,004)
Deferred revenue	(10,612)	17,192
Net cash provided (used) by operating activities	<u>(38,819)</u>	<u>447,166</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(213,029)	(14,803)
Proceeds from sale of investments	28,154	20,567
Purchases of property and equipment	(3,356)	(38,948)
Net cash used by investing activities	<u>(188,231)</u>	<u>(33,184)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(227,050)	413,982
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	<u>678,726</u>	<u>264,744</u>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<u>\$ 451,676</u>	<u>\$ 678,726</u>



# JEWISH FEDERATION OF THE SACRAMENTO REGION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 (REVIEWED) AND 2020 (AUDITED)

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### 1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Jewish Federation of the Sacramento Region (Federation) is a nonprofit public benefit corporation organized to raise funds for Jewish charitable, religious, and educational purposes.

**Basis of accounting and financial statement presentation** – The financial statements are prepared on the accrual basis of accounting and in conformity with professional standards applicable to not-for-profit entities. The Federation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**Revenue recognition** – Contributions are recognized in full when received or unconditionally promised, in accordance with professional standards. Conditional contributions are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the condition. All contributions are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes. Donor-restricted amounts are reported as increases in net assets with donor restrictions. Net assets with donor restrictions become unrestricted and are reported in the statements of activities as net assets released from restrictions when the time restrictions expire, or the contributions are used for the restricted purpose.

Revenues from governmental grants that are initially classified as conditional due to a qualifying expense barrier are recognized as net assets without donor restrictions since the restriction is met simultaneously when the condition is released and the revenue is recognized. The Federation recognized grant revenue of \$45,253 during 2020, which is included in contributions. No grant revenue was recognized during 2021. The Federation has outstanding conditional promises to give subject to qualifying expenditures in the amount of \$30,047 as of both December 31, 2021 and 2020.

Rental income is recognized over the lease terms. Monthly rental payments received in advance are recorded as deferred revenue until earned in the applicable rental period.

**Cash and cash equivalents** – For financial statement purposes, the Federation considers all investments with an initial maturity of three months or less to be cash equivalents.

The Federation minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. The Federation's deposits held with financial institutions in excess of federal depository insurance limits were \$131,817 as of December 31, 2020. There were no deposits held with financial institutions in excess of federal depository insurance limits as of December 31, 2021.

**Investments** are stated at fair value.

**Property and equipment** is stated at cost or, if donated, at the estimated fair market value at the date of donation. The Federation capitalizes all expenditures for property and equipment in excess of \$1,000. Depreciation is computed using the straight-line method over estimated useful lives of individual assets ranging from 3 to 30 years.

# JEWISH FEDERATION OF THE SACRAMENTO REGION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 (REVIEWED) AND 2020 (AUDITED)

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**Income taxes** – The Federation is publicly supported and exempt from income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, the financial statements do not reflect any provision for income taxes. The Federation has applied the accounting principles related to accounting for uncertainty in income taxes and has determined that there is no material impact on the financial statements.

**Contributed services** – The Federation receives a significant amount of contributed services from volunteers who assist in fundraising and in administering programs. Contributed services that do not meet the criteria for recognition as revenue are not reflected in the financial statements.

**Functional allocation of expenses** – The costs of providing the program and supporting services have been summarized on a functional basis in the statements of activities and of functional expenses. Accordingly, certain costs have been allocated based on employees' time incurred and management's estimate of the usage of resources. The expenses that are allocated include salaries and wages and professional services, which are allocated based on time and effort; payroll taxes and employee benefits, which are allocated based on salaries and wages; and program and event expenses, depreciation, occupancy, travel, equipment rental and maintenance, bad debt expense, investments/bank fees and interest, advertising, postage, insurance, telecommunications, office supplies, and miscellaneous expenses, which are allocated based on estimated usage.

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

**Fair value measurements** – Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same - to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability). In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

Level 1 Inputs	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
Level 2 Inputs	Inputs other than quoted prices in active markets that are observable either directly or indirectly.
Level 3 Inputs	Unobservable inputs for the assets or liabilities.

**Subsequent events** have been evaluated through September 8, 2022, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2021 that requires recognition or disclosure in such financial statements.

# JEWISH FEDERATION OF THE SACRAMENTO REGION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 (REVIEWED) AND 2020 (AUDITED)

### 2. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Federation's financial assets available within one year of the statement of financial position date for general expenditures are as follows at December 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 451,676	\$ 678,726
Pledge receivables	86,643	84,022
Grants receivable	16,403	41,303
Investments	<u>801,418</u>	<u>535,657</u>
Total financial assets available within one year	1,356,140	1,339,708
Less amounts unavailable for general expenditures within one year, due to:		
Purpose restrictions by donors	<u>(30,992)</u>	<u>(75,742)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 1,325,148</u>	<u>\$ 1,263,966</u>

The Federation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

### 3. PLEDGES RECEIVABLE

Pledges receivable consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Gross pledges receivable	\$ 95,714	\$ 98,302
Less allowance for uncollectable pledges	<u>(9,071)</u>	<u>(14,280)</u>
Pledges receivable – net	<u>\$ 86,643</u>	<u>\$ 84,022</u>

Collection of amounts due from pledges is not assured, and management has estimated the allowance for doubtful accounts for December 31, 2021 and 2020. A reasonable possibility exists that amounts ultimately uncollectable may differ materially from the amounts estimated above. However, the amount of the difference cannot be determined.

# JEWISH FEDERATION OF THE SACRAMENTO REGION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 (REVIEWED) AND 2020 (AUDITED)

### 4. INVESTMENTS

Investments and the related inputs for measuring fair value consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Mutual funds:		
Growth	\$ 757,675	\$ 494,402
Balanced	3,187	2,836
Preservation	13,536	13,688
Cash surrender value of life insurance policy	27,020	19,731
Israel bond		<u>5,000</u>
Total	<u>\$ 801,418</u>	<u>\$ 535,657</u>

Mutual funds are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. The Federation's cash surrender value of life insurance policy is classified within Level 2 of the fair value hierarchy because it is valued using alternative pricing methods using observable information inputs, such as current interest rates. The Israel bond is classified within Level 2 of the fair value hierarchy, as the inputs used to price non-U.S. government and supranational bonds are observable market inputs.

### 5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 219,435	\$ 219,435
Building and improvements	1,012,193	1,010,480
Furniture and equipment	73,087	71,444
Total	<u>1,304,715</u>	<u>1,301,359</u>
Less accumulated depreciation	<u>(324,876)</u>	<u>(281,794)</u>
Property and equipment – net	<u>\$ 979,839</u>	<u>\$ 1,019,565</u>

### 6. NET ASSETS

Net assets are restricted by donors for the following purposes:

	<u>2021</u>	<u>2020</u>
Mayor's Mission	\$ 11,000	\$ 11,000
Butte County fire victims	4,792	5,137
Texas Emergency Fund	1,100	
Norcal Fires		11,655
Time restricted contributions	<u>14,100</u>	<u>47,950</u>
Total	<u>\$ 30,992</u>	<u>\$ 75,742</u>

# JEWISH FEDERATION OF THE SACRAMENTO REGION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 (REVIEWED) AND 2020 (AUDITED)

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### 7. PAYCHECK PROTECTION PROGRAM LOAN

On May 3, 2020, the Federation received a Paycheck Protection Program (PPP) loan under the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act totaling \$58,200. The terms and repayment conditions of PPP loans were modified through the subsequent Paycheck Protection Program Flexibility Act (PPPPFA) signed into law in June 2020. Under the CARES Act, as modified by PPPFA, a portion or all of the loan and accrued interest may be forgiven provided the funds are spent on qualifying payroll and other expenditures in the 24-week period following the loan and provided certain other criteria regarding full-time equivalent employee and payroll levels are maintained.

The Federation has accounted for the loan as a conditional contribution in accordance with professional standards for revenue recognition for not-for profit entities. The Federation recognized \$58,200 in 2020 as contribution revenue since it met the criteria for forgiveness by incurring qualifying expenses. On December 23, 2020, the Federation received notification that they had been granted full forgiveness of the loan by the Small Business Administration.

### 8. PROPERTY LEASED TO TENANTS

The Federation leases office space to two tenants under multiple-year lease agreements. Minimum future rental payments to be received under the non-cancelable leases through 2025 are as follows:

2022	\$	77,183
2023		73,319
2024		75,518
2025		<u>64,498</u>
Total	\$	<u>290,518</u>

### 9. CONTRIBUTIONS PAYABLE – JFNA

The Federation has an agreement to contribute a percentage of past years' campaign pledges to the Jewish Federations of North America (JFNA). The contribution is payable in monthly installments based on an annual allocation commitment from the Board of Directors of the Federation. As of December 31, 2021 and 2020, a total of \$6,045 and \$5,576 was due to the JFNA from prior campaigns, respectively.