

*Financial Statements*

Jewish Federation of Palm Springs  
and Desert Area

June 30, 2022 and 2021

**Maryanov Madsen Gordon & Campbell**  
CERTIFIED PUBLIC ACCOUNTANTS - A Professional Corporation

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of  
Jewish Federation of Palm Springs and Desert Area

**Opinion**

We have audited the accompanying financial statements of Jewish Federation of Palm Springs and Desert Area (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Federation of Palm Springs and Desert Area as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jewish Federation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 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 Jewish Federation'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 Jewish Federation'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.

Board of Directors  
Jewish Federation of Palm Springs and Desert Area

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Schedules 1-4, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Maryann Mader Gordon & Campbell*

Palm Springs, California  
March 21, 2023

JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

STATEMENTS OF FINANCIAL POSITION  
 JUNE 30, 2022 AND 2021

	<u>ASSETS</u>	
	<u>2022</u>	<u>2021</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 494,294	\$ 476,066
Pledges receivable, net	455,441	294,019
Investments	3,389,682	4,051,231
Prepaid expenses and other assets	<u>1,666</u>	<u>1,200</u>
Total current assets	<u>4,341,083</u>	<u>4,822,516</u>
 <b>OTHER ASSETS</b>		
Investments - with donor restrictions	2,077,136	2,243,610
Cash surrender value of life insurance policies	<u>40,685</u>	<u>43,898</u>
Total other assets	<u>2,117,821</u>	<u>2,287,508</u>
 <b>PROPERTY AND EQUIPMENT, net</b>	 <u>1,400,897</u>	 <u>1,448,091</u>
 <b>TOTAL ASSETS</b>	 <u><u>\$ 7,859,801</u></u>	 <u><u>\$ 8,558,115</u></u>

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND NET ASSETS

	<u>2022</u>	<u>2021</u>
<b>LIABILITIES</b>		
Allocation payable - JFNA	\$ 140,000	\$ 70,000
Other allocations payable	1,835,630	1,531,602
Accrued vacation	1,721	98,526
Note payable	-	84,144
	<u>1,977,351</u>	<u>1,784,272</u>
Total liabilities		
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	2,561,713	3,069,509
Board-designated	1,202,916	1,416,826
	<u>3,764,629</u>	<u>4,486,335</u>
Total net assets without donor restrictions		
With donor restrictions	<u>2,117,821</u>	<u>2,287,508</u>
	<u>5,882,450</u>	<u>6,773,843</u>
Total net assets		
	<u>\$ 7,859,801</u>	<u>\$ 8,558,115</u>
TOTAL LIABILITIES AND NET ASSETS		

JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>			
Support			
Annual campaign	\$ 1,724,439	\$ -	\$ 1,724,439
Tamarisk	93,375	-	93,375
General and other contributions	250,772	-	250,772
Loss on investments, net	(597,567)	(97,933)	(695,500)
Interest and dividend income	92,535	28,246	120,781
Special events	29,607	-	29,607
Gain on debt forgiveness	83,171	-	83,171
Release of restrictions	100,000	(100,000)	-
	<u>1,776,332</u>	<u>(169,687)</u>	<u>1,606,645</u>
Total support and revenues			
<b>EXPENSES</b>			
Program services	1,873,662	-	1,873,662
Supporting services			
General and administration	224,088	-	224,088
Fundraising	400,288	-	400,288
	<u>624,376</u>	<u>-</u>	<u>624,376</u>
Total supporting services			
Total expenses	<u>2,498,038</u>	<u>-</u>	<u>2,498,038</u>
<b>CHANGE IN NET ASSETS</b>	(721,706)	(169,687)	(891,393)
<b>NET ASSETS, beginning of year</b>	<u>4,486,335</u>	<u>2,287,508</u>	<u>6,773,843</u>
<b>NET ASSETS, end of year</b>	<u>\$ 3,764,629</u>	<u>\$ 2,117,821</u>	<u>\$ 5,882,450</u>

The accompanying notes are an integral part of these financial statements.

JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>			
Support			
Annual campaign	\$ 1,430,455	\$ -	\$ 1,430,455
Tamarisk	106,715	-	106,715
General and other contributions	191,293	-	191,293
Gain on investments, net	634,452	3,292	637,744
Interest and dividend income	43,307	23,009	66,316
Special events	1,248	-	1,248
Release of restrictions	110,000	(110,000)	-
	<u>2,517,470</u>	<u>(83,699)</u>	<u>2,433,771</u>
 <b>Total support and revenues</b>			
	<u>2,517,470</u>	<u>(83,699)</u>	<u>2,433,771</u>
 <b>EXPENSES</b>			
Program services	1,743,762	-	1,743,762
Supporting services			
General and administration	264,886	-	264,886
Fundraising	277,572	-	277,572
	<u>542,458</u>	<u>-</u>	<u>542,458</u>
<b>Total supporting services</b>	<u>542,458</u>	<u>-</u>	<u>542,458</u>
	<u>2,286,220</u>	<u>-</u>	<u>2,286,220</u>
 <b>CHANGE IN NET ASSETS</b>			
	231,250	(83,699)	147,551
<b>NET ASSETS, beginning of year</b>	<u>4,255,085</u>	<u>2,371,207</u>	<u>6,626,292</u>
<b>NET ASSETS, end of year</b>	<u>\$ 4,486,335</u>	<u>\$ 2,287,508</u>	<u>\$ 6,773,843</u>

The accompanying notes are an integral part of these financial statements.



JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2022

	Supporting Services			Total Supporting Services	Total
	Program Services	General and Administration	Fundraising		
Advertising and promotion	\$ 10,710	\$ 4,648	\$ 4,850	\$ 9,498	\$ 20,208
Automobile expense	2,677	1,219	1,320	2,539	5,216
Bank and credit card fees	42	9,847	-	9,847	9,889
Depreciation	17,934	18,877	10,383	29,260	47,194
Employee benefits	76,148	(65,279)	34,380	(30,899)	45,249
Federation programs	179,688	-	-	-	179,688
Grants to other organizations	1,066,278	-	-	-	1,066,278
Insurance	13,526	5,869	6,124	11,993	25,519
Miscellaneous	142	12,280	64	12,344	12,486
Occupancy	54,093	23,794	24,498	48,292	102,385
Office expense	8,838	3,809	4,044	7,853	16,691
Payroll taxes	25,457	11,047	11,611	22,658	48,115
Postage and delivery	5,157	2,286	2,335	4,621	9,778
Printing and publications	1,697	1,409	769	2,178	3,875
Professional fees	16,912	22,515	7,659	30,174	47,086
Repair and maintenance	13,944	6,848	6,314	13,162	27,106
Salaries	335,079	143,720	151,734	295,454	630,533
Special events and fundraising	-	-	113,728	113,728	113,728
Telephone and fax	8,254	3,790	3,738	7,528	15,782
Travel and entertainment	10,586	5,909	4,737	10,646	21,232
Uncollectible pledges	26,500	11,500	12,000	23,500	50,000
<b>Total expenses</b>	<b>\$ 1,873,662</b>	<b>\$ 224,088</b>	<b>\$ 400,288</b>	<b>\$ 624,376</b>	<b>\$ 2,498,038</b>

The accompanying notes are an integral part of these financial statements.

JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021

	Supporting Services				Total
	Program Services	General and Administration	Fundraising	Total Supporting Services	
Advertising and promotion	\$ 10,979	\$ 4,763	\$ 4,969	\$ 9,732	\$ 20,711
Automobile expense	4,452	1,932	2,016	3,948	8,400
Bank and credit card fees	10,515	4,563	4,762	9,325	19,840
Depreciation	18,262	19,223	10,573	29,796	48,058
Employee benefits	61,286	26,393	27,692	54,085	115,371
Federation programs	228,000	-	-	-	228,000
Grants to other organizations	948,915	-	-	-	948,915
Insurance	12,940	5,615	5,859	11,474	24,414
Miscellaneous	372	509	168	677	1,049
Occupancy	52,633	22,805	23,834	46,639	99,272
Office expense	7,352	3,228	3,335	6,563	13,915
Payroll taxes	22,189	9,629	10,048	19,677	41,866
Postage and delivery	4,148	1,751	2,104	3,855	8,003
Printing and publications	1,310	568	593	1,161	2,471
Professional fees	14,166	6,147	6,415	12,562	26,728
Repair and maintenance	11,283	5,711	5,109	10,820	22,103
Salaries	294,397	127,756	133,310	261,066	555,463
Special events and fundraising	-	-	17,211	17,211	17,211
Telephone and fax	7,836	3,380	3,548	6,928	14,764
Travel	6,227	9,413	4,026	13,439	19,666
Uncollectible pledges	26,500	11,500	12,000	23,500	50,000
<b>Total expenses</b>	<b>\$ 1,743,762</b>	<b>\$ 264,886</b>	<b>\$ 277,572</b>	<b>\$ 542,458</b>	<b>\$ 2,286,220</b>

The accompanying notes are an integral part of these financial statements.

JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (891,393)	\$ 147,551
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	47,194	48,058
Gain (loss) on investments, net	695,500	(637,701)
Gain on debt forgiveness	(83,171)	-
Accrued interest on note payable	-	834
Changes in operating assets and liabilities:		
Pledges receivable, net	(161,422)	184,773
Prepaid expenses and other assets	(466)	34,563
Cash surrender value of life insurance policies	3,213	(43)
Allocation payable - JFNA	70,000	44,073
Other allocations payable	304,028	86,715
Accrued vacation	(96,805)	15,603
Other payables	-	(139)
	778,071	(223,264)
Total adjustments		
Net cash used by operating activities	(113,322)	(75,713)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	287,260	3,676,531
Purchase of investments	(155,710)	(4,429,443)
Net cash provided (used) by investing activities	131,550	(752,912)
 Change in cash and cash equivalents	18,228	(828,625)
Cash and cash equivalents, beginning of year	476,066	1,304,691
Cash and cash equivalents, end of year	\$ 494,294	\$ 476,066

The accompanying notes are an integral part of these financial statements.

JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Jewish Federation of Palm Springs and Desert Area dba Jewish Federation of the Desert is the central communal organization for the Jewish population in the Coachella Valley and is dedicated to promoting the values and quality of Jewish life. Jewish Federation of the Desert, (the Federation) is committed to fostering a continuity of Jewish life for future generations. The Federation is further committed to the unity of the Jewish people worldwide, the strengthening of the state of Israel, and the helping of Jewish people in need wherever they reside.

Basis of Accounting

The financial statements of the Federation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Tax Exempt Status

The Federation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from state income tax under Section 23701(d) of the California Revenue and Taxation Code. However, income from certain activities not directly related to the Federation's tax-exempt purpose may be subject to taxation as unrelated business income.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments that are readily convertible into cash and have original maturities of three months or less when purchased.

Continued

JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk

The Federation maintains accounts at various financial institutions, which at June 30, 2022 and 2021, and periodically throughout each year, were in excess of federally insured limits of \$250,000.

The Federation also maintains investment accounts with Charles Schwab and Fidelity. The accounts contain cash and securities and sometimes exceed the amount guaranteed by the Securities Investor Protection Corporation (SIPC), which is \$500,000 for securities and cash (including a limit of \$250,000 for cash only). Accounts held in the same capacity are combined for purposes of the SIPC protection limits. The investment companies maintain insurance to guarantee the Federation's balances in excess of the amounts on deposit or invested.

Pledges Receivable

Unconditional pledges to give are recorded as received. Unconditional pledges to give that are expected to be collected within one year are recorded as current pledges receivable at their net realizable value. Unconditional pledges to give that are expected to be collected in subsequent years are reflected as long-term pledges receivable and are recorded at the present value of their net realizable value. An allowance for uncollectible pledges is provided based on management's evaluation of potential uncollectible pledges receivable at year-end.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Donated Assets

Donated investments, and other noncash donations are recorded as contributions at their fair values at the date of donation.

Continued

JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

The Federation capitalizes assets with an expected useful life in excess of one year and value in excess of \$1,000 including additions, improvements, and other capital outlays that significantly extend the useful life of an asset. Property and equipment is recorded in the Federation's operating fund and carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, ranging from three to 39 years.

Allocations Payable

Allocations to the Jewish Federation of North America and other organizations, attributable to the current year campaign and approved by the board of directors prior to the end of the campaign year, are recognized in the current year. Any approved allocations remaining unpaid at year-end are recorded as liabilities.

Donor-Imposed Restrictions

Contributions are generally available without donor restrictions in the year received unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are satisfied in the same reporting period in which they are received. Donor-imposed restrictions are considered to be satisfied when a stipulated time restriction ends, or a purpose restriction is accomplished.

Contributions with donor-imposed restrictions that are not satisfied within the reporting period received are reported as increases in net assets with donor restrictions. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as release of restrictions.

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Continued

JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expense

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as personnel costs, professional fees, office expenses, insurance, and others, which are allocated on the basis of estimates of time and effort.

Reclassifications

Certain reclassifications have been made to the prior year financial statements in order to conform to the presentation of the current year financial statements.

Date of Management's Evaluation

Management has evaluated subsequent events through March 21, 2023, the date on which the financial statements were issued, see Note 12.

NOTE 1: NEW ACCOUNTING PRONOUNCEMENTS

Contracts with Customers

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers. The core principle of the new guidance requires that an entity recognizes revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. Revenue from contributions and investment income are not impacted by this new standard.

The Federation adopted ASU 2014-09 using a full retrospective method effective July 1, 2020. The revenue of the Federation is recorded when earned, as described in the summary of significant accounting policies. The adoption of ASU 2014-09 did not have an impact on the Federation's financial statements.

JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

NOTE 2: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Federation's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of June 30:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 494,294	\$ 476,066
Pledges receivable, net	455,441	294,019
Investments	<u>5,466,818</u>	<u>6,294,841</u>
Total financial assets	6,416,553	7,064,926
Less those unavailable for general expenditures within one year:		
Cash and cash equivalents – board-designated	35,250	23,368
Cash and cash equivalents – philanthropic	13,799	56,891
Investments – board-designated	1,167,666	1,393,458
Investments – philanthropic	119,991	99,834
Investments – with donor restrictions	<u>2,077,136</u>	<u>2,243,610</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 3,002,711</u>	<u>\$ 3,247,765</u>

As part of the Federation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Investments include funds consisting of endowments with donor restrictions to be held in perpetuity and endowments without donor restrictions as determined by the board.



JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

NOTE 3: PLEDGES RECEIVABLE

Pledges receivable expected to be received within one year of June 30:

	<u>2022</u>	<u>2021</u>
2022 Campaign	\$ 433,763	\$ -
2021 Campaign	52,048	270,753
2020 Campaign	17,430	31,066
2019 Campaign	<u>-</u>	<u>48,100</u>
	503,241	349,919
Allowance for uncollectible pledges	<u>(47,800)</u>	<u>(55,900)</u>
Pledges receivable, net	<u>\$ 455,441</u>	<u>\$ 294,019</u>

NOTE 4: FAIR VALUE MEASUREMENTS

The Federation determines the fair value of investments and other assets using a framework for measuring fair value, established by GAAP. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy inputs are described below:

- Level 1 inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the Federation has the ability to access.
- Level 2 inputs are other than quoted prices included in Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.), or inputs derived principally from or corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 inputs are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

At June 30, 2022 and 2021, all investments were measured at fair value on a recurring basis and were valued at Level 1 inputs (quoted prices in active markets for identical assets). Fair value for investments as of June 30, 2022 and 2021, was \$5,466,818 and \$6,294,841, respectively.

JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

NOTE 5: INVESTMENTS

Investments consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Exchange traded products	\$ 3,188,067	\$ 4,103,068
Money market	69,864	161,831
Mutual funds	2,008,887	1,829,942
State of Israel bonds	<u>200,000</u>	<u>200,000</u>
Total investments	<u>\$ 5,466,818</u>	<u>\$ 6,294,841</u>

Gain on investments, net of investment fees consisted of the following for the year ended June 30:

	<u>2022</u>	<u>2021</u>
Realized gain	\$ 5,048	\$ 4,176
Unrealized gain (loss)	<u>(700,548)</u>	<u>633,568</u>
Total gain (loss) on investments, net	<u>\$ (695,500)</u>	<u>\$ 637,744</u>

NOTE 6: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Building and improvements	\$ 1,440,356	\$ 1,440,356
Office furniture and equipment	<u>333,054</u>	<u>333,054</u>
	1,773,410	1,773,410
Less accumulated depreciation	<u>(683,613)</u>	<u>(636,419)</u>
	1,089,797	1,136,991
Land	<u>311,100</u>	<u>311,100</u>
Property and equipment, net	<u>\$ 1,400,897</u>	<u>\$ 1,448,091</u>

JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

NOTE 7: NOTE PAYABLE

The Federation has a two-year Paycheck Protection Program (PPP) loan dated April 2020, with an original balance of \$83,171. The loan has a fixed interest rate of 1.0%, with repayments, consisting of principal and interest, scheduled to commence after the Small Business Administration (SBA) processes the forgiveness application. The outstanding balance at June 30, 2022 and 2021 was \$0 and \$84,144, respectively.

PPP loans were offered to qualifying small businesses in order to provide financial assistance during the COVID-19 pandemic and were designed to be used to cover payroll and other qualifying expenses. PPP loans may be partially or fully forgiven by the SBA, provided funds are used to pay for qualifying expenses and in accordance with the program's terms.

Management has elected to recognize this loan in accordance with ASC 470. Under this guidance, funds are to be reflected as debt and will accrue interest until such time as they may be legally released as an obligation to pay by the SBA. In the period of forgiveness, income will be recognized as gain on debt forgiveness for any principal and accrued interest discharged. The Federation was notified by the SBA that the loan was forgiven in full in November 2021.

NOTE 8: BOARD-DESIGNATED NET ASSETS

As of June 30, 2022 and 2021, the board of directors designated \$1,202,916 and \$1,416,826, respectively, of net assets without donor restriction as a general endowment fund to support the mission of the Federation. Since the amount resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

NOTE 9: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purpose at June 30:

Subject to expenditures for specified time or purpose:

	<u>2022</u>	<u>2021</u>
Unappropriated endowment earnings	<u>\$ 160,255</u>	<u>\$ 323,516</u>

Endowment funds held in perpetuity and subject to the Federation's endowment spending policy and appropriation as of June 30, 2022 and 2021:

	Fair Market Value at <u>7/1/20</u>	Increase (Decrease) in Year	Fair Market Value at <u>6/30/21</u>	Increase (Decrease) in Year	Fair Market Value at <u>6/30/22</u>	Permanently Original Gift
Auerbach	\$ 120,969	\$ (4,633)	\$ 116,336	\$ (8,462)	\$ 107,874	\$ 100,000
Bresler	98,009	1,369	99,378	(3,462)	95,916	100,000
Bronstein	122,637	(4,632)	118,005	(8,463)	109,542	100,000
Cohn	94,617	(2,867)	91,750	(7,867)	83,883	82,800
Fromm	12,589	136	12,725	(346)	12,379	10,294
Gorelick	122,637	(4,632)	118,005	(8,463)	109,542	100,000
Kitsis	189,572	(8,632)	180,940	(3,463)	177,477	100,000
Kocen	29,263	(2,944)	26,319	(4,039)	22,280	22,280
Norian	14,592	2,987	17,579	826	18,405	18,405
Platt	30,359	342	30,701	(866)	29,835	25,000
Quint	323,167	4,267	327,434	(20,803)	306,631	312,000
Seidenfeld	665,787	(42,478)	623,309	(67,044)	556,265	550,000
Schweid, H.	132,508	(5,632)	126,876	(8,462)	118,414	100,000
Schweid, M.	121,059	(4,632)	116,427	(8,463)	107,964	100,000
Weissman, M.	116,717	(4,633)	112,084	(8,462)	103,622	100,000
Weissman, R.	47,654	(1,453)	46,201	(3,385)	42,816	40,000
Weissman, S.	<u>129,071</u>	<u>(5,632)</u>	<u>123,439</u>	<u>(8,463)</u>	<u>114,976</u>	<u>100,000</u>
Total	<u>\$ 2,371,207</u>	<u>\$ (83,699)</u>	<u>\$ 2,287,508</u>	<u>\$ (169,687)</u>	<u>\$ 2,117,821</u>	<u>\$ 1,960,779</u>

JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

NOTE 10: OPERATING LEASES

The Federation has two noncancelable operating leases, for office equipment, which expire in February 2024 and January 2027. The leases require the Federation to pay all executory costs, such as taxes, maintenance, and insurance. Rental expense for those leases was \$13,568 and \$12,588 for the years ended June 30, 2022 and 2021, respectively.

Future minimum lease payments under the operating leases that have remaining terms in excess of one year as of June 30, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 9,683
2024	8,209
2025	6,144
2026	6,144
2027	<u>3,584</u>
	<u>\$ 33,764</u>

NOTE 11: RETIREMENT PLAN

The Federation has a 401(k) plan with a 3% safe harbor contribution and a 2% discretionary contribution. Employer contributions to the plan for the years ended June 30, 2022 and 2021 amounted to \$28,522 and \$28,780, respectively.

NOTE 12: UNCERTAINTIES

The ongoing COVID-19 pandemic in the United States has caused business disruption and a reduction in economic activity across the nation. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration and the impact it will have on the Federation's operations and financial position. The financial impact to the Federation cannot be reasonably estimated at this time.

SUPPLEMENTARY INFORMATION

## JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

SCHEDULES OF ALLOCATION EXPENSES - OPERATING FUND  
YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
LOCAL AGENCIES		
Angel View	\$ 25,000	\$ 40,000
Anti-Defamation League - World of Difference Institute	15,000	10,000
Bikur Cholim	125,000	105,000
Boys and Girls Club of Palm Springs	4,000	4,000
Congregation Beth Shalom	7,500	6,000
Congregation Har-El	4,000	1,000
Federation Program - DHS Project	30,394	35,000
Federation Program - Education	68,500	30,000
Federation Program - JCN	56,400	50,000
Federation Program - Museum trips	-	5,000
Federation Program - Outreach	-	20,000
Federation Program - PJ Library	7,500	5,000
Federation Program - Security Network Program	5,000	47,000
Federation Program - Tzedakah	11,894	36,000
Inland and Desert Hillel Council	77,000	73,000
Jewish Family Services of the Desert	100,000	100,000
Joslyn Senior Center	12,000	7,500
Mizell Senior Center	15,000	15,000
Or Hamidbar	5,000	5,000
Temple Har Shalom	2,000	4,000
Temple Isaiah	17,000	12,000
Temple Sinai	21,000	31,500
	<u>609,188</u>	<u>642,000</u>
OVERSEAS AND ISRAEL ORGANIZATIONS		
Israel Guide Dog Center for the Blind	2,000	2,000
Jewish Agency for Israel	70,500	87,500
Jewish Federation of North America	70,000	70,000
Joint Distribution Committee	150,000	100,000
Ramat Ha Negev Regional Council	110,000	100,000
	<u>402,500</u>	<u>359,500</u>
	<u>\$ 1,011,688</u>	<u>\$ 1,001,500</u>

## JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

SCHEDULES OF GRANTS PAID OUT - PHILANTHROPIC FUND  
YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Anti-Defamation League	\$ -	\$ 1,800
Barbara Sinatra Children's Center	1,000	1,000
Bender JCC of Greater Washington	-	100
Big Brothers and Big Sisters	-	500
Bikur Cholim	1,000	1,000
B'nai Vail	500	-
Boy Scouts of America	-	1,000
CHP 11-99 Foundation	1,000	-
Congregation Beth Shalom	1,168	550
Desert Arc	5,000	3,000
Desert Community Foundation	-	250
Eisenhower Health Foundation	1,000	1,000
Gatestone Institute	250	250
Hadassah	1,000	2,000
Heart of America Council	500	500
Jewish Agency for Israel	500	-
Jewish Family Services of the Desert	1,000	1,200
Jewish Federation and Family Services of Orange County	12,000	1,000
Jewish Federation of Greater Kansas City	-	1,000
Jewish Federation of Palm Springs and Desert Area	33,350	31,861
Jewish National Fund	5,000	5,000
McCallum Theatre	4,500	4,500
Palm Springs Art Museum	2,500	3,500
St Jude Children's Hospital	1,000	-
Temple Sinai	1,210	1,140
Tunnel to Towers Foundation	1,000	-
	<u>\$ 74,478</u>	<u>\$ 62,151</u>



## JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

COMBINING STATEMENT OF FINANCIAL POSITION  
YEAR ENDED JUNE 30, 2022

	<u>Operating</u>	<u>Endowment</u>	<u>Philanthropic</u>	<u>Board Designated</u>	<u>Total</u>
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 445,245	\$ -	\$ 13,799	\$ 35,250	\$ 494,294
Pledges receivable, net	455,441	-	-	-	455,441
Investments	2,102,025	-	119,991	1,167,666	3,389,682
Prepaid expenses and other assets	26,666	-	(25,000)	-	1,666
Total current assets	<u>3,029,377</u>	<u>-</u>	<u>108,790</u>	<u>1,202,916</u>	<u>4,341,083</u>
<b>OTHER ASSETS</b>					
Investments - with donor restrictions	-	2,077,136	-	-	2,077,136
Cash surrender value of life insurance policies	-	40,685	-	-	40,685
Total other assets	<u>-</u>	<u>2,117,821</u>	<u>-</u>	<u>-</u>	<u>2,117,821</u>
PROPERTY AND EQUIPMENT, net	<u>1,400,897</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,400,897</u>
	<u>\$ 4,430,274</u>	<u>\$ 2,117,821</u>	<u>\$ 108,790</u>	<u>\$ 1,202,916</u>	<u>\$ 7,859,801</u>
<b>CURRENT LIABILITIES</b>					
Allocation payable - JFNA	\$ 140,000	\$ -	\$ -	\$ -	\$ 140,000
Other allocations payable	1,835,630	-	-	-	1,835,630
Accrued vacation	1,721	-	-	-	1,721
Note payable	-	-	-	-	-
Total liabilities	<u>1,977,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,977,351</u>
<b>NET ASSETS</b>					
Without donor restrictions					
Undesignated	2,452,923	-	108,790	-	2,561,713
Board-designated	-	-	-	1,202,916	1,202,916
Total net assets without donor restrictions	<u>2,452,923</u>	<u>-</u>	<u>108,790</u>	<u>1,202,916</u>	<u>3,764,629</u>
With donor restrictions	<u>-</u>	<u>2,117,821</u>	<u>-</u>	<u>-</u>	<u>2,117,821</u>
Total net assets	<u>2,452,923</u>	<u>2,117,821</u>	<u>108,790</u>	<u>1,202,916</u>	<u>5,882,450</u>
	<u>\$ 4,430,274</u>	<u>\$ 2,117,821</u>	<u>\$ 108,790</u>	<u>\$ 1,202,916</u>	<u>\$ 7,859,801</u>

## JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

COMBINING STATEMENT OF FINANCIAL POSITION  
YEAR ENDED JUNE 30, 2021

	<u>Operating</u>	<u>Endowment</u>	<u>Philanthropic</u>	<u>Board Designated</u>	<u>Total</u>
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 395,808	\$ -	\$ 56,890	\$ 23,368	\$ 476,066
Pledges receivable, net	294,019	-	-	-	294,019
Investments	2,557,938	-	99,835	1,393,458	4,051,231
Prepaid expenses and other assets	1,200	-	-	-	1,200
	<u>3,248,965</u>	<u>-</u>	<u>156,725</u>	<u>1,416,826</u>	<u>4,822,516</u>
<b>OTHER ASSETS</b>					
Investments - with donor restrictions	-	2,243,610	-	-	2,243,610
Cash surrender value of life insurance policies	-	43,898	-	-	43,898
	<u>-</u>	<u>2,287,508</u>	<u>-</u>	<u>-</u>	<u>2,287,508</u>
<b>PROPERTY AND EQUIPMENT, net</b>	<u>1,448,091</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,448,091</u>
	<u><u>\$ 4,697,056</u></u>	<u><u>\$ 2,287,508</u></u>	<u><u>\$ 156,725</u></u>	<u><u>\$ 1,416,826</u></u>	<u><u>\$ 8,558,115</u></u>
<b>CURRENT LIABILITIES</b>					
Allocation payable - JFNA	\$ 70,000	\$ -	\$ -	\$ -	\$ 70,000
Other allocations payable	1,531,602	-	-	-	1,531,602
Accrued vacation	98,526	-	-	-	98,526
Note payable	84,144	-	-	-	84,144
	<u>1,784,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,784,272</u>
<b>NET ASSETS</b>					
Without donor restrictions					
Undesignated	2,912,784	-	156,725	-	3,069,509
Board-designated	-	-	-	1,416,826	1,416,826
	<u>2,912,784</u>	<u>-</u>	<u>156,725</u>	<u>1,416,826</u>	<u>4,486,335</u>
With donor restrictions	<u>-</u>	<u>2,287,508</u>	<u>-</u>	<u>-</u>	<u>2,287,508</u>
	<u>2,912,784</u>	<u>2,287,508</u>	<u>156,725</u>	<u>1,416,826</u>	<u>6,773,843</u>
	<u><u>\$ 4,697,056</u></u>	<u><u>\$ 2,287,508</u></u>	<u><u>\$ 156,725</u></u>	<u><u>\$ 1,416,826</u></u>	<u><u>\$ 8,558,115</u></u>

## JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

COMBINING STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022

	<u>Operating</u>	<u>Endowment</u>	<u>Philanthropic</u>	<u>Board Designated</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>					
Support					
Annual campaign	\$ 1,724,439	\$ -	\$ -	\$ -	\$ 1,724,439
Tamarisk	93,375	-	-	-	93,375
General and other contributions	221,806	-	28,966	-	250,772
Loss on investments, net	(343,535)	(97,933)	4,193	(258,225)	(695,500)
Interest and dividend income	45,583	28,246	2,637	44,315	120,781
Special events	29,607	-	-	-	29,607
Gain on debt forgiveness	83,171	-	-	-	83,171
Release of restrictions	100,000	(100,000)	-	-	-
	<u>1,954,446</u>	<u>(169,687)</u>	<u>35,796</u>	<u>(213,910)</u>	<u>1,606,645</u>
Total support and revenues					
<b>EXPENSES</b>					
Program services	1,799,184	-	74,478	-	1,873,662
Supporting services					
General and administration	214,835	-	9,253	-	224,088
Fundraising	400,288	-	-	-	400,288
	<u>615,123</u>	<u>-</u>	<u>9,253</u>	<u>-</u>	<u>624,376</u>
Total supporting services					
	<u>2,414,307</u>	<u>-</u>	<u>83,731</u>	<u>-</u>	<u>2,498,038</u>
Total expenses					
CHANGE IN NET ASSETS	(459,861)	(169,687)	(47,935)	(213,910)	(891,393)
NET ASSETS, beginning of year	<u>2,912,784</u>	<u>2,287,508</u>	<u>156,725</u>	<u>1,416,826</u>	<u>6,773,843</u>
NET ASSETS, end of year	<u>\$ 2,452,923</u>	<u>\$ 2,117,821</u>	<u>\$ 108,790</u>	<u>\$ 1,202,916</u>	<u>\$ 5,882,450</u>

## JEWISH FEDERATION OF PALM SPRINGS AND DESERT AREA

COMBINING STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021

	<u>Operating</u>	<u>Endowment</u>	<u>Philanthropic</u>	<u>Board Designated</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>					
Support					
Annual campaign	\$ 1,430,455	\$ -	\$ -	\$ -	\$ 1,430,455
Tamarisk	106,715	-	-	-	106,715
General and other contributions	117,293	-	74,000	-	191,293
Gain on investments, net	452,938	3,292	-	181,514	637,744
Interest and dividend income	18,854	23,009	277	24,176	66,316
Special events	1,248	-	-	-	1,248
Release of restrictions	100,000	(100,000)	-	-	-
Transfers	10,000	(10,000)	-	-	-
	<u>2,237,503</u>	<u>(83,699)</u>	<u>74,277</u>	<u>205,690</u>	<u>2,433,771</u>
Total support and revenues					
<b>EXPENSES</b>					
Program services	1,743,762	-	-	-	1,743,762
Supporting services					
General and administration	202,537	-	62,349	-	264,886
Fundraising	277,572	-	-	-	277,572
	<u>480,109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>542,458</u>
Total supporting services					
	<u>2,223,871</u>	<u>-</u>	<u>62,349</u>	<u>-</u>	<u>2,286,220</u>
Total expenses					
CHANGE IN NET ASSETS	13,632	(83,699)	11,928	205,690	147,551
NET ASSETS, beginning of year	<u>2,899,152</u>	<u>2,371,207</u>	<u>144,797</u>	<u>1,211,136</u>	<u>6,626,292</u>
NET ASSETS, end of year	<u>\$ 2,912,784</u>	<u>\$ 2,287,508</u>	<u>\$ 156,725</u>	<u>\$ 1,416,826</u>	<u>\$ 6,773,843</u>