

THE JEWISH COMMUNITY FOUNDATION OF THE WEST

FINANCIAL STATEMENTS
December 31, 2021 and 2020

THE JEWISH COMMUNITY FOUNDATION OF THE WEST

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 17

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Jewish Community Foundation of the West
Sacramento, California

Opinion

We have audited the accompanying financial statements of The Jewish Community Foundation of the West (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 The Jewish Community Foundation of the West as of December 31, 2021 and 2020, 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 audits 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 The Jewish Community Foundation of the West and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 The Jewish Community Foundation of the West's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Propp Christensen Caniglia LLP

December 19, 2022
Roseville, California

THE JEWISH COMMUNITY FOUNDATION OF THE WEST

STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets:		
Foundation cash and cash equivalents	\$ 21,104	\$ 54,878
Foundation investments	243,952	153,287
Donor advised funds	4,196,151	3,579,537
Prepaid expenses and other assets	<u>47,870</u>	<u>5,995</u>
Total current assets	4,509,077	3,793,697
Organization endowments	1,713,036	1,226,495
Organization donor advised funds	2,143,241	1,754,597
Endowments	<u>5,813,478</u>	<u>5,082,596</u>
Total assets	<u>\$ 14,178,832</u>	<u>\$ 11,857,385</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$ 14,535	\$ 5,630
Grants payable	<u>29,251</u>	<u>1,000</u>
Total current liabilities	43,786	6,630
Funds held for others	<u>3,856,277</u>	<u>2,981,092</u>
Total liabilities	<u>3,900,063</u>	<u>2,987,722</u>
Net assets:		
Without donor restrictions	<u>269,140</u>	<u>207,530</u>
With donor restrictions:		
Donor advised funds	4,196,151	3,579,537
Endowments	<u>5,813,478</u>	<u>5,082,596</u>
	<u>10,009,629</u>	<u>8,662,133</u>
Total net assets	<u>10,278,769</u>	<u>8,869,663</u>
Total liabilities and net assets	<u>\$ 14,178,832</u>	<u>\$ 11,857,385</u>

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

THE JEWISH COMMUNITY FOUNDATION OF THE WEST

STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2021 and 2020

	Without Donor Restrictions	With Donor Restrictions	2021 Total	Without Donor Restrictions	With Donor Restrictions	2020 Total
Support and revenue:						
Donations, pledges and support	\$ 149,133	\$ 1,229,587	\$ 1,378,720	\$ 18,967	\$ 785,763	\$ 804,730
Account fees	145,499	-	145,499	116,902	-	116,902
Net return on investments	9,336	1,106,794	1,116,130	2,798	807,610	810,408
Other income	1,800	-	1,800	7,792	-	7,792
Net assets released from restrictions	1,126,291	(1,126,291)	-	704,916	(704,916)	-
Total support and revenue	<u>1,432,059</u>	<u>1,210,090</u>	<u>2,642,149</u>	<u>851,375</u>	<u>888,457</u>	<u>1,739,832</u>
Expenses:						
Program services	1,191,206	-	1,191,206	789,376	-	789,376
Support services:						
Management and general	41,837	-	41,837	44,558	-	44,558
Total expenses	<u>1,233,043</u>	<u>-</u>	<u>1,233,043</u>	<u>833,934</u>	<u>-</u>	<u>833,934</u>
Change in net assets	199,016	1,210,090	1,409,106	17,441	888,457	905,898
Fund transfer	(137,406)	137,406	-	-	-	-
Net assets, beginning of year	<u>207,530</u>	<u>8,662,133</u>	<u>8,869,663</u>	<u>190,089</u>	<u>7,773,676</u>	<u>7,963,765</u>
Net assets, end of year	<u>\$ 269,140</u>	<u>\$ 10,009,629</u>	<u>\$ 10,278,769</u>	<u>\$ 207,530</u>	<u>\$ 8,662,133</u>	<u>\$ 8,869,663</u>

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

THE JEWISH COMMUNITY FOUNDATION OF THE WEST

STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2021 and 2020

	Program Services	Management and General	2021 Total
Grants awarded	\$ 1,019,994	\$ -	\$ 1,019,994
Audit and tax	3,300	7,700	11,000
Donor management	8,333	-	8,333
Bookkeeper	3,407	7,950	11,357
Salary	41,645	13,191	54,836
Rent	1,800	4,200	6,000
Office	523	1,220	1,743
Insurance	913	2,130	3,043
Professional administrative fees	108,957	-	108,957
Other	2,334	5,446	7,780
	<u>\$ 1,191,206</u>	<u>\$ 41,837</u>	<u>\$ 1,233,043</u>
	Program Services	Management and General	2020 Total
Grants awarded	\$ 630,073	\$ -	\$ 630,073
Audit and tax	3,600	8,400	12,000
Donor management	8,228	-	8,228
Bookkeeper	1,929	4,501	6,430
Salary	47,674	15,078	62,752
Rent	1,800	4,200	6,000
Office	808	1,886	2,694
Insurance	3,432	8,009	11,441
Professional administrative fees	90,768	-	90,768
Other	1,064	2,484	3,548
	<u>\$ 789,376</u>	<u>\$ 44,558</u>	<u>\$ 833,934</u>

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

THE JEWISH COMMUNITY FOUNDATION OF THE WEST

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of change in net assets to <u>net cash provided by (used in) operating activities:</u>		
Change in net assets	\$ 1,409,106	\$ 905,898
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized gain on investments	(859,563)	(671,779)
Donated securities	(438,767)	(598,871)
Contributions restricted for permanent endowment	(84,225)	(95,704)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(41,875)	(1,788)
Organization endowments and donor advised funds	(875,185)	(280,645)
Accounts payable and accrued expenses	8,905	1,950
Grants payable	28,251	(2,600)
Funds held for others	<u>875,185</u>	<u>280,645</u>
Net cash provided by (used in) operating activities	<u>21,832</u>	<u>(462,894)</u>
Cash flows from investing activities:		
Purchase of investments	(3,532,702)	(3,984,349)
Proceeds from sale of investments	<u>3,392,871</u>	<u>4,375,829</u>
Net cash provided by (used in) investing activities	<u>(139,831)</u>	<u>391,480</u>
Cash flows from financing activities:		
Contributions restricted for permanent endowment	<u>84,225</u>	<u>95,704</u>
Change in cash and cash equivalents	(33,774)	24,290
Cash and cash equivalents, beginning of year	<u>54,878</u>	<u>30,588</u>
Cash and cash equivalents, end of year	<u><u>\$ 21,104</u></u>	<u><u>\$ 54,878</u></u>

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

THE JEWISH COMMUNITY FOUNDATION OF THE WEST

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 1: ORGANIZATION

The Jewish Community Foundation of the West (the "Foundation") was incorporated on January 4, 2000, under the laws of the State of California with the purpose to enhance charitable giving; facilitate philanthropy both locally and worldwide; and build permanent financial resources to strengthen organizations and programs that serve the Jewish families of Northern California.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Foundation is presented to assist in understanding the Foundation's financial statements. The financial statements and notes are representations of the Foundation's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Internally, the Foundation accounts and reports for its operations in individual funds, each established according to their nature and objective. While separate accounts are maintained for each fund, the funds have been combined in these financial statements. The funds of the Foundation are maintained as follows:

Administrative Fund – Administrative funds represent a portion of expendable resources that are available for the Foundation's operations.

Endowment Fund – Endowment funds represent funds that are subject to restriction of gift instruments requiring that the principal be invested in perpetuity.

Donor Advised Funds – Donor advised funds are available for disbursement at the recommendation of the donor subject to approval by the Board of Directors.

Basis of Presentation

The Foundation presents its financial statements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 958, Subtopic 210 (FASB ASC 958-210), *Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASC 958-210, the Foundation is required to report information regarding its financial position and activities according to the following two classes of net assets:

Net assets without donor restrictions - Net assets that are not subject to stipulations.

Net assets with donor restrictions - Net assets that are subject to donor stipulations that will be met by actions of the Foundation or the passage of time. Net assets with donor restrictions include funds to be expended for charitable purposes at the recommendation of the donor or management and in conjunction with approval by the Foundation's Board of Directors. Net assets with donor restrictions also include endowment funds that are subject to donor stipulations and must be maintained permanently by the Foundation. A portion of investment income and realized investment gains of the endowment funds are expendable for charitable purposes at the recommendation of the donor or management in conjunction with approval by the Foundation's Board of Directors.

THE JEWISH COMMUNITY FOUNDATION OF THE WEST

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Revenues and gains and losses on investments are reported as changes in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as changes in net assets without donor restrictions. Expirations of donor restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

The Foundation recognizes revenue from contracts in accordance with the provisions of FASB ASC Topic 606, *Revenue from Contracts with Customers* (FASB ASC 606), which was retrospectively adopted with no change to change in net assets or net assets. The majority of the Foundation's revenue is derived from account fees based on predetermined rates for managing various donor funds and are recognized periodically as the fees are earned.

Program and Functional Expenses

The costs of providing program services have been summarized on a functional basis in the statement of functional expenses. Costs specifically identified with programs or fundraising are directly allocated to those functions. All costs not identifiable with a specific program or fundraising activity, but indispensable to the conduct of such programs and activities and to the Foundation's existence, are included as management and general expenses. Expenses that benefit more than one function of the Foundation are allocated among the functions based generally on the amount of time and effort spent by personnel on each function.

Donations and Grants Received

Donations and grants received are measured at their fair value and reported as an increase in net assets. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as released from restriction.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Additionally, in accordance with FASB ASC 958-230-55, cash receipts restricted to long term purposes by donor stipulation are reported in the statement of cash flows as financing activities. In accordance with FASB ASC 230, *Statement of Cash Flows*, the statement of cash flows presents the total change in cash, including restricted cash, during the year.

Concentrations of Credit Risk

The Foundation maintains cash in bank deposit accounts, which at times, may exceed federally insured limits. These accounts are insurable by the Federal Deposit Insurance Corporation up to \$250,000 per bank for each category of legal ownership. The Foundation has not experienced any losses in such accounts and management believes the Foundation is not exposed to any significant credit risk on cash and cash equivalents. Certain money market accounts and short-term investments are covered under the Securities Investor Protection Corporation (SIPC) up to \$500,000 on securities and \$250,000 on cash balances. The Foundation's custodian of securities carries an additional private brokerage insurance of up to \$1.9 million.

THE JEWISH COMMUNITY FOUNDATION OF THE WEST

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment consist of office equipment and is stated at cost. The Foundation provides for depreciation over the estimated useful lives of the assets using the straight-line method. The estimated useful lives of the equipment range from three to seven years.

Investments

The Foundation has adopted FASB ASC Topic 958, Subtopic 320, *Not-for-Profit Entities – Investments–Debt and Equity Securities* (FASB ASC 958-320). Under FASB ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Investments in securities are reported at fair value based on quoted market prices for marketable equity securities and money market mutual funds. Changes in fair value are recorded as unrealized gains (losses). Realized gains (losses) are recorded upon the sale of the investments. Investment gains pertaining to certain restricted net assets are recorded as temporarily restricted or permanently restricted in accordance with the applicable gift instruments. Interest income is recognized under the accrual basis and dividend income is recognized on the ex-dividend date.

Investments are exposed to various risks such as interest rate, market and credit risks. It is reasonably possible that changes in values of investments will occur in the near term and that such changes could materially affect the amounts reported.

Investment Pools

The Foundation maintains investment pools, consisting of the resources of various endowments and managed funds, to increase its investment flexibility. The endowment funds are accounted for using the "market value unit method." Under this method, each donor fund is assigned a number of units based on the relationship of the market value of all investments at the time of entry in the pool. Pooled assets are valued and new unit values are calculated monthly.

Funds Held for Others

The Foundation receives and distributes assets under certain agency and intermediary arrangements. FASB ASC 958-605 (formerly SFAS No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*), establishes standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both, to another entity that is specified by the donor. FASB ASC 958-605 specifically requires that if a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself or its affiliate as a beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The liability has been established at the fair value of the funds, which is generally equivalent to the present value of future payments expected to be made to the not-for-profit organizations reflected under funds held for others on the accompanying statement of financial position.

Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3), and is not a private foundation under Section 170(b)(1)(A)(vi) of the Internal Revenue Code (IRC). The Foundation is exempt from state income tax under Section 170(b)(1)(A)(vi) of the California Revenue and Taxation Code. After they are filed, the Foundation's income tax returns remain subject to examination by taxing authorities generally three years for federal returns and four years for state returns.

THE JEWISH COMMUNITY FOUNDATION OF THE WEST

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The presentation of 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.

Fair Value Measurements

The Foundation has implemented the provisions of FASB ASC Topic 820, Subtopic 10 (FASB ASC 820-10), which defines fair value, establishes a framework for measuring fair value, and expands disclosure requirements for fair value measurements.

The Foundation follows the guidance in FASB ASU no. 2018-13 *Fair Value Measurement* (Topic 820): *Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*. The ASU modifies the disclosure requirements on fair value measurements in Topic 820, *Fair Value Measurement*. The objective of these disclosure requirements is to provide financial statement users with information about assets and liabilities measured at fair value regarding (1) the valuation techniques and inputs used to develop fair value measurements, including the related judgments and assumptions made, (2) the uncertainty in the fair value measurements as of the reporting date, and (3) how changes in the measurements impact the performance of the Foundation.

FASB ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Foundation determines the fair values of its assets and liabilities based on the fair value hierarchy established in FASB ASC 820-10. The standard describes three levels of inputs that may be used to measure fair value (Level 1, Level 2 and Level 3). Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an on-going basis. Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs reflect the Foundation's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Foundation's own data.

The following methods and assumptions were used by the Foundation in estimating the fair value of its financial instruments: Fair values, which are the amounts reported in the statement of financial position, are based on quoted market prices. There have been no changes in the methodology used as of December 31, 2021 and 2020.

The Foundation has adopted the provisions of FASB ASC 825 as revised by ASU 2016-01, *Financial Instruments—Overall* (subtopic 825-10): *Recognition and Measurement of Financial Assets and Financial Liabilities*. ASU 2016-01 enhances the reporting model for financial instruments by providing financial statement users with more decision-useful information.

THE JEWISH COMMUNITY FOUNDATION OF THE WEST

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Upcoming Accounting Pronouncements

In September 2020, the FASB modified ASC Section 958 by issuing ASU 2020-07, *Not-for-Profit* (Topic 958). The amendments in this update are designed to improve financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets for not-for-profits, including additional disclosure requirements for recognized contributed services. The amendments in the update are effective for annual reporting periods beginning after June 15, 2021. Early application is permitted. Management has not determined the impact on the financial statements.

Reclassifications

The presentation of the 2020 statement of financial position was reclassified, with no effect to total net assets, to conform to the 2021 presentation.

Subsequent Events

Events and transactions have been evaluated for potential recognition or disclosure through December 19, 2022, the date that the financial statements were available to be issued.

NOTE 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As part of the Foundation'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. The Foundation's financial assets available within one year of the balance sheet date for general expenditures are as follows:

	<u>2021</u>	<u>2020</u>
Foundation cash and cash equivalents	\$ 21,104	\$ 54,878
Foundation investments	243,952	153,287
Donor advised funds	<u>4,196,151</u>	<u>3,579,537</u>
Financial assets	4,461,207	3,787,702
Less those unavailable for general expenditures within one year, due to purpose restrictions stipulated by donors	<u>(4,196,151)</u>	<u>(3,579,537)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 265,056</u>	<u>\$ 208,165</u>

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Fixed assets	\$ 15,120	\$ 15,120
Less accumulated depreciation	<u>(15,120)</u>	<u>(15,120)</u>
Net property and equipment	<u>\$ -</u>	<u>\$ -</u>

THE JEWISH COMMUNITY FOUNDATION OF THE WEST

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 5: FUNDS HELD FOR OTHERS

The Foundation holds and invests funds on behalf of other 501(c)(3) nonprofit organizations. These funds are shown on the accompanying balance sheets as organization endowments and organization donor advised funds. Activity within the funds for the years ended December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Balance, January 1,	\$ 2,981,092	\$ 2,700,447
Deposits	676,789	140,845
Interest and dividends	101,264	48,168
Net realized and unrealized gain on investments	335,588	249,709
Investment fees	(36,542)	(26,134)
Distributions	(64,508)	(131,943)
Fund transfer	(137,406)	-
	<u>\$ 3,856,277</u>	<u>\$ 2,981,092</u>

NOTE 6: CASH AND INVESTMENTS

The Foundation holds and invests funds for operations and a variety of different purposes and entities. Total cash and investments at December 31, 2021 and 2020 are as follows:

	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
At December 31, 2021:			
Invested accounts:			
Foundation	\$ 21,104	\$ 243,952	\$ 265,056
Donor advised	565,192	3,630,959	4,196,151
Organization endowments	48,252	1,664,784	1,713,036
Organization donor advised	65,107	2,078,134	2,143,241
Endowments	192,807	5,620,671	5,813,478
	<u>\$ 892,462</u>	<u>\$ 13,238,500</u>	<u>\$ 14,130,962</u>
At December 31, 2020:			
Invested accounts:			
Foundation	\$ 54,878	\$ 153,287	\$ 208,165
Donor advised	232,575	3,346,962	3,579,537
Organization endowments	40,613	1,185,882	1,226,495
Organization donor advised	60,814	1,693,783	1,754,597
Endowments	177,323	4,905,273	5,082,596
	<u>\$ 566,203</u>	<u>\$ 11,285,187</u>	<u>\$ 11,851,390</u>

Foundation (Unrestricted)

Foundation funds are unrestricted cash and investments included in the investment pools.

Donor Advised (Restricted)

Donor advised funds are available for disbursement at the recommendation of the donor subject to approval by the Board of Directors.

THE JEWISH COMMUNITY FOUNDATION OF THE WEST

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 6: CASH AND INVESTMENTS (CONTINUED)

Organization Endowment (Restricted)

These assets represent endowment funds owned by other organizations who have chosen to have the Foundation invest those funds on their behalf. These are offset by the funds held for others liability.

Organization Donor Advised (Restricted)

These assets represent unrestricted funds owned by other organizations who have chosen to have the Foundation invest those funds on their behalf. These are offset by the funds held for others liability.

Endowment (Restricted)

Endowment funds represent funds that are subject to restriction of gift instruments requiring that the principal be invested in perpetuity.

The Foundation's assets may be invested in one or more or some combination of the following portfolios:

Portfolio A – Growth Fund: The primary objective of Portfolio A is a growth-oriented portfolio focused on total return. The target asset allocation for this portfolio is currently 75% equities, 15% fixed income, and 10% alternative investments.

Portfolio B – Balanced Fund: The primary objective of Portfolio B is a balanced portfolio focused on total return. The target asset allocation for this portfolio is currently 40% equities, 43% fixed income, 15% alternative investments, and 2% cash and cash equivalents.

Portfolio C – Short Term Fund: The primary objective of Portfolio C is a primary emphasis on preservation of principal with a secondary focus on income. The target asset allocation for this portfolio is currently 50% fixed income and 50% cash and cash equivalents.

Portfolio D – Preservation of Principal: The primary objective of Portfolio D is preservation of principal. The target asset allocation for this portfolio is currently 100% cash and cash equivalents.

Portfolio E – ESG Growth Fund: The primary objective of Portfolio E is a growth-oriented portfolio focused on total return. The target asset allocation for this portfolio is currently 65% equities, 18% fixed income, 15% alternative investments and 2% cash and cash equivalents.

Portfolio F – Aggressive Growth Fund: The primary objective of Portfolio F is an aggressive growth-oriented portfolio focused on total return. The target asset allocation for this portfolio is currently 100% equities.

Portfolio G – ESG Balanced Fund: The primary objective of Portfolio G is a balanced portfolio focused on total return. The target asset allocation for this portfolio is currently 40% equities, 43% fixed income, 15% alternative investments, and 2% cash and cash equivalents. The investments in this portfolio will be selected based on the premise that positive environmental, social and governance factors will lead to outperformance over time.

THE JEWISH COMMUNITY FOUNDATION OF THE WEST

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 6: CASH AND INVESTMENTS (CONTINUED)

The Foundation also holds assets in a sweep account which is used for operations and for the initial receipt and sale of donated securities.

Investments are carried at fair value and consist of the following at December 31, 2021 and 2020:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Portfolio A	\$ 8,308,474	\$ 11,003,112	\$ 7,450,421	\$ 9,306,868
Portfolio B	1,342,903	1,511,258	1,301,398	1,496,937
Portfolio C	523,790	522,075	218,176	222,177
Portfolio D	664,969	664,969	589,146	589,146
Portfolio E	26,000	26,000	-	-
Sweep Account	403,548	403,548	236,262	236,262
	11,269,684	14,130,962	9,795,403	11,851,390
Less cash	(892,462)	(892,462)	(566,203)	(566,203)
Total investments	<u>\$ 10,377,222</u>	<u>\$ 13,238,500</u>	<u>\$ 9,229,200</u>	<u>\$ 11,285,187</u>

The following is a summary of net return on investments as of December 31, 2021 and 2020:

	2021	2020
Dividends and interest	\$ 357,831	\$ 186,797
Net realized and unrealized gain	1,195,152	921,488
Adjustments to funds held for others	<u>(436,853)</u>	<u>(297,877)</u>
Net return on investments	<u>\$ 1,116,130</u>	<u>\$ 810,408</u>

THE JEWISH COMMUNITY FOUNDATION OF THE WEST

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 7: FAIR VALUE MEASUREMENTS

The following tables set forth by level within the fair value hierarchy (as described in Note 2) the assets measured on a recurring basis:

	Level 1	Level 2	Level 3	Total
At December 31, 2021:				
Commodities broad basket	\$ 581,311	\$ -	\$ -	\$ 581,311
Diversified emerging markets	1,106,519	-	-	1,106,519
Foreign large blend	2,232,037	-	-	2,232,037
High yield bond	355,088	-	-	355,088
Inflation-protected bond	321,166	-	-	321,166
Intermediate-core bond	48,850	-	-	48,850
Intermediate core-plus bond	366,474	-	-	366,474
Large blend	987,521	-	-	987,521
Large core	1,120,424	-	-	1,120,424
Large growth	1,079,313	-	-	1,079,313
Large value	148,420	-	-	148,420
Mid-cap blend	1,081,499	-	-	1,081,499
Mid core	507,734	-	-	507,734
Mid growth	126,751	-	-	126,751
Mid value	300,760	-	-	300,760
Nontraditional bond	661,054	-	-	661,054
Short-term bond	960,632	-	-	960,632
Small blend	433,939	-	-	433,939
Other	819,008	-	-	819,008
	<u>\$ 13,238,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,238,500</u>
At December 31, 2020:				
Commodities broad basket	\$ 449,355	\$ -	\$ -	\$ 449,355
Diversified emerging markets	823,558	-	-	823,558
Europe stock	429,141	-	-	429,141
Foreign large blend	1,758,148	-	-	1,758,148
High yield bond	594,077	-	-	594,077
Inflation-protected bond	237,226	-	-	237,226
Intermediate-core bond	44,417	-	-	44,417
Intermediate-term bond	820,836	-	-	820,836
Large blend	789,800	-	-	789,800
Large core	715,758	-	-	715,758
Large growth	807,124	-	-	807,124
Large value	146,011	-	-	146,011
Mid-cap blend	879,393	-	-	879,393
Mid core	359,440	-	-	359,440
Mid growth	89,476	-	-	89,476
Mid value	153,032	-	-	153,032
Nontraditional bond	625,234	-	-	625,234
Short-term bond	148,153	-	-	148,153
Small blend	700,069	-	-	700,069
Small value	22,581	-	-	22,581
Other	692,358	-	-	692,358
	<u>\$ 11,285,187</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,285,187</u>

THE JEWISH COMMUNITY FOUNDATION OF THE WEST

NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS

Donor Advised Funds

At December 31, 2021 and 2020, the Foundation had donor advised funds of \$4,196,151 and \$3,579,537, respectively, which were restricted for grants to be made to non-profit organizations in future periods. During the years ended December 31, 2021 and 2020, \$898,021 and \$570,058, respectively, were released from restrictions.

Endowments

At December 31, 2021 and 2020, the Foundation had endowment funds of \$5,813,478 and \$5,082,596, respectively, that are required to be maintained in perpetuity.

The Board of Directors interprets the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets 1) the original value of gifts donated to the perpetual endowment, 2) the original value of subsequent gifts to the perpetual endowment, and 3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination of whether to invest or appropriate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

Endowment funds are maintained in pooled investment portfolios. Interest, dividends, and realized and unrealized gains and losses in the investment pools are allocated monthly to the endowment funds in proportion to each fund's share in the investment pools. The spending policy for the endowment funds allows for an annual appropriation equal to four percent of the individual account balance, based on a three-year trailing average. If those funds are not disbursed before the end of the fiscal year, they are retained as permanently restricted and subject to appropriation in the subsequent period.

THE JEWISH COMMUNITY FOUNDATION OF THE WEST

NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Endowments (Continued)

Endowment fund activity for the years ended December 31, 2021 and 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance at December 31, 2019	\$ -	\$ 4,591,667	\$ 4,591,667
Contributions	-	95,704	95,704
Interest and dividends	-	83,824	83,824
Net realized and unrealized gain	-	446,259	446,259
Disbursements	(134,858)	-	(134,858)
Net assets released from restriction	<u>134,858</u>	<u>(134,858)</u>	<u>-</u>
Balance at December 31, 2020	-	5,082,596	5,082,596
Contributions	-	84,225	84,225
Fund transfer	-	137,406	137,406
Interest and dividends	-	157,914	157,914
Net realized and unrealized gain	-	579,607	579,607
Disbursements	(228,270)	-	(228,270)
Net assets released from restriction	<u>228,270</u>	<u>(228,270)</u>	<u>-</u>
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 5,813,478</u>	<u>\$ 5,813,478</u>