



Sonnenberg & Company, CPAs

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Leonard C. Sonnenberg, CPA

ISACA SAN DIEGO CHAPTER, INC.

FINANCIAL STATEMENTS Years Ended December 31, 2021 and 2020

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ACCOUNTANT'S COMPILATION REPORT

Board of Directors
ISACA San Diego Chapter, Inc.

Management is responsible for the accompanying financial statements of ISACA San Diego Chapter, Inc., which comprise the statements of assets and net assets – cash basis as of December 31, 2021 and 2020, and the related statements of revenue, expenses and changes in net assets – cash basis for the years then ended, and the related notes to the financial statements in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

February 4, 2022

Sonnenberg & Company, CPAs

ISACA San Diego Chapter, Inc.
Statement of Assets and Net Assets
Cash Basis
As of December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets:		
Cash	\$ <u>83,647</u>	\$ <u>68,550</u>
Total Assets	\$ <u><u>83,647</u></u>	\$ <u><u>68,550</u></u>
 Net Assets:		
Without donor restrictions	\$ <u>83,647</u>	\$ <u>68,550</u>
Total Net Assets	\$ <u><u>83,647</u></u>	\$ <u><u>68,550</u></u>

See accompanying notes to financial statements and accountant's compilation report

ISACA San Diego Chapter, Inc.
Statement of Revenue, Expenses and Changes in Net Assets
Cash Basis
For the Year Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue:		
Membership dues	\$ 17,970	\$ 17,055
Sponsorship income	800	-
Program fees	-	315
Interest income	11	15
Other	-	105
Total Unrestricted Revenue	<u>18,781</u>	<u>17,490</u>
Expenses:		
Program services:		
Chapter meeting	-	1,018
Training	330	930
Supporting services - management and general:		
Accounting	800	900
Administrative services	775	1,169
Directors and officers insurance	135	1,102
Liability insurance	563	538
Other	30	-
Postage and delivery	118	106
Web hosting and maintenance	933	969
Total Expenses	<u>3,684</u>	<u>6,732</u>
Increase in Net Assets	\$ 15,097	\$ 10,758
Beginning Net Assets	<u>68,550</u>	<u>57,792</u>
Ending Net Assets	<u><u>\$ 83,647</u></u>	<u><u>\$ 68,550</u></u>

See accompanying notes to financial statements and accountant's compilation report

ISACA San Diego Chapter, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

Note 1. Organization and Purpose:

ISACA San Diego Chapter, Inc (ISACA) is affiliated with the parent organization, Information Systems Audit and Control Association, Inc. and was incorporated on October 9, 2019 in California as a nonprofit corporation and Prior to incorporation, ISACA was doing business as a subordinate unincorporated organization of the parent organization. ISACA engages in the development, adoption and use of globally accepted, industry-leading knowledge and practices for information systems. At the local level, ISACA promotes the continued professional education and training of its members in the areas of information systems audit, governance, risk management, privacy, and security.

ISACA's primary source of income consists of its share of member dues received from the parent organization.

Note 2. Summary of Significant Accounting Policies:

The following accounting policies have been applied consistently in the preparation of the ISACA's financial statements:

Basis of Accounting - The financial statements of ISACA have been prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Under this method, revenue and the related assets are recognized when received rather than when earned and expenses are recognized when cash is disbursed rather than when the obligation is incurred.

Basis of Presentation - Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. ISACA reports contributions restricted by donors as increase in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increase in net assets with donor restrictions, depending on the nature of the restrictions. ISACA had no net assets with donor restrictions as of December 31, 2021 and 2020.

ISACA San Diego Chapter, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

Note 2. Summary of Significant Accounting Policies (continued):

Federal and State Taxes - ISACA is exempt from Federal income taxes pursuant to IRC Section 501(c)(6) and State income taxes under California State Tax Code 23701(d). ISACA maintains its tax exemption as a part of a group exemption with the parent organization.

The exemption is for all income except unrelated business income as defined in the Internal Revenue Code sections 511, 513(a) and related sections. Since the only significant source of income is its share of member dues, there is no unrelated business income, nor has ISACA taken an unsubstantiated tax position that would require provision of a tax liability in the accompanying financial statements.

Additionally, donations to a 501(c)(6) are not deductible as charitable contributions on the donor's federal income tax return.

Cash and Cash Equivalents - ISACA considers all cash on deposit and savings accounts and highly liquid investments with an original maturity of three months or less, as of the date of deposit, to be cash equivalents. There were no cash equivalents as of December 31, 2021 and 2020.

Concentration of Credit Risk - ISACA maintains its cash and cash equivalents in a commercial bank in the United States which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. ISACA has not experienced any losses in such accounts and management believes it is not exposed to any such significant credit risk.

Revenue Recognition - ISACA collects its share of dues from its parent organization and records the revenue upon receipt of the funds.

Program revenue is recognized when the program fees are received. Contributions and grants are recognized when cash or other assets are received.

Donated Goods and Services - The estimated fair value of donated goods and services is recorded in the financial statements. The donated goods are recorded at fair value. Donated services are recognized in the financial statements when the contributed services received create or enhance non-financial assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Members of ISACA donate their time to various activities, including the leadership of ISACA. The value of this donated time is not reflected in the accompanying financial statements since it does not meet the criteria for recognition as a contribution.

ISACA San Diego Chapter, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

Note 2. Summary of Significant Accounting Policies (continued):

Functional Allocation of Expenses - The costs of providing various services and other activities have been summarized on a functional basis in the statement of revenue, expenses and changes in net assets – cash basis. Directly identifiable expenses are charged to programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of ISACA. Expenses related to more than one function are charged to programs and supporting services on the basis of estimates of time and effort. During the year ended December 31, 2021 and 2020, ISACA did not have any expenses attributable to more than one program or supporting function that require allocation.

Note 3. Liquidity:

ISACA has \$83,647 of financial assets available within one year of the statement of assets and net assets – cash basis date to meet cash needs for general expenditures consisting of cash. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of assets and net assets – cash basis date. As part of ISACA’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.

Note 4. Concentrations:

Membership dues represent 96% and 98% of ISACA’s total revenue for the years ended December 31, 2021 and 2020, respectively.

Note 5. Subsequent Events:

ISACA’s management has evaluated subsequent events through February 4, 2022, the date the financial statements were available to be issued.

The spread of COVID-19 in 2020 and 2021 has caused a substantial impact on the U.S. economy. There is significant uncertainty around the effects and duration of business interruption related to COVID-19. The extent of the impact on the ISACA’s operations, donors, employees, and vendors going forward will depend on certain developments, which cannot be determined at this time.