

Audited Combining Financial Statements

**Jewish Big Brothers Big Sisters
Association of Los Angeles
and
The Foundation for
Camp Bob Waldorf, Inc.**

December 31, 2020

Quigley & Miron

**Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.
Audited Combining Financial Statements
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December 31, 2020**

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Independent Auditor's Report

Boards of Directors

**Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.**

Los Angeles, California

We have audited the accompanying combining financial statements of Jewish Big Brothers Big Sisters Association of Los Angeles (JBBBSLA) and The Foundation For Camp Bob Waldorf, Inc. (FCBW), nonprofit organizations (collectively, the Organization), which comprise the combining statement of financial position as of December 31, 2020, and the related combining statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combining financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combining 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 combining financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combining financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combining financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combining financial statements referred to above present fairly, in all material respects, the combining financial position of Jewish Big Brothers Big Sisters Association of Los Angeles and The Foundation For Camp Bob Waldorf, Inc. as of December 31, 2020, and the changes in their combining net assets and their combining cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Board of Directors

**Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.**

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Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the Combined Statement of Financial Position Segregated by Donor Stipulations on page 20 is presented to supplement the basic financial statements requirements. Such information, although not a part of the financial statements, is required by the Financial Accounting Standards Board (FASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with audited standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information for consistency with management's responses to our inquiries, the basic financial statements. We do not express an opinion or provide any assurance on information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink that reads "Ziegler & Miron". The signature is written in a cursive, flowing style.

Los Angeles, California
November 15, 2021

**Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.
Combining Statement of Financial Position
December 31, 2020**

	<u>JBBBSLA</u>	<u>FCBW</u>	<u>Eliminations</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 501,551	\$ 397,193	\$	\$ 898,744
Restricted cash				
PPP advance—Note 7	460,600			460,600
Cash held for endowment fund		278,355		278,355
Investments—Note 3	5,500,949	11,854,133		17,355,082
Accounts receivable	32,822	50,000	(53,500)	29,322
Grants and contributions				
receivable, net—Note 4	856,408	175,646		1,032,054
Interest receivable	5,995	25,213		31,208
Prepaid expenses and other assets	125,022			125,022
Beneficial interest in charitable				
remainder unitrust—Note 5	390,956			390,956
Cash surrender value of life				
insurance policies		291,482		291,482
Property and equipment, net—Note 6	2,562,726			2,562,726
Total Assets	<u>\$ 10,437,029</u>	<u>\$ 13,072,022</u>	<u>\$ (53,500)</u>	<u>\$ 23,455,551</u>
Liabilities				
Accounts payable and accrued expenses	\$ 193,156	\$ 3,500	\$ (53,500)	\$ 143,156
Salaries and employee benefits payable	212,314			212,314
Refundable advances	122,345			122,345
PPP advance—Note 7	460,600			460,600
Charitable remainder unitrust				
liability—Note 5	25,771			25,771
Total Liabilities	<u>1,014,186</u>	<u>3,500</u>	<u>(53,500)</u>	<u>964,186</u>
Net Assets				
Without donor restrictions	7,504,178	320,561		7,824,739
With donor restrictions—Note 8	1,918,665	12,747,961		14,666,626
Total Net Assets	<u>9,422,843</u>	<u>13,068,522</u>		<u>22,491,365</u>
Total Liabilities and Net Assets	<u>\$ 10,437,029</u>	<u>\$ 13,072,022</u>	<u>\$ (53,500)</u>	<u>\$ 23,455,551</u>

See notes to combined financial statements.

Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.
Combining Statement of Activities
Year Ended December 31, 2020

	JBBBSLA	FCBW	Eliminations	Total
Operating Activities				
Without Donor Restrictions				
Public support and revenue				
Grants and contributions	\$ 2,549,620	\$ 69,221	\$ (510,350)	\$ 2,108,491
Special events				
Gross revenue	556,930	161,850		718,780
Less cost of direct benefit to donors	(131,716)	(17,349)		(149,065)
Special Events, Net	425,214	144,501		569,715
Camp Bob Waldorf camper fees	20,187			20,187
Interest and dividend income	101,840			101,840
Fee for service	146,026		(146,026)	
Other income	68			68
Releases from restrictions	1,403,404	452,181		1,855,585
Total Public Support and Revenue	4,646,359	665,903	(656,376)	4,655,886
Expenses				
Program services				
Mentoring services	1,944,848			1,944,848
Camp Bob Waldorf	1,501,679	510,350	(510,350)	1,501,679
Management and general	740,209	87,248	(73,013)	754,444
Fundraising	580,165	73,013	(73,013)	580,165
Total Expenses	4,766,901	670,611	(656,376)	4,781,136
Change in Net Assets Without Donor Restrictions	(120,542)	(4,708)		(125,250)
With Donor Restrictions				
Interest and dividend income		298,530		298,530
Contributions		33,700		33,700
Investment return, net—Note 3		392,830		392,830
Change in value of interest in charitable remainder unitrust—Note 5	(9,879)			(9,879)
Releases from restrictions	(1,403,404)	(452,181)		(1,855,585)
Change in Net Assets With Donor Restrictions	(1,413,283)	272,879		(1,140,404)
Change in Net Assets From Operations	(1,533,825)	268,171		(1,265,654)
Nonoperating Activities				
Rental income	308,575			308,575
Increase in cash surrender value of life insurance policies		60,412		60,412
Investment return, net—Note 3	241,714			241,714
Total Nonoperating Activities	550,289	60,412		610,701
Change in Net Assets	(983,536)	328,583		(654,953)
Net Assets at Beginning of Year	10,406,379	12,739,939		23,146,318
Net Assets at End of Year	\$ 9,422,843	\$ 13,068,522	\$	\$ 22,491,365

See notes to combining financial statements.

Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.
Combining Statement of Functional Expenses
Year Ended December 31, 2020

	JBBBSLA					FCBW					Combined						
	Program Services		Management and General	Fundraising	Special Events	Total	Camp Bob Waldorf	Management and General	Fundraising	Special Events	Total	Eliminations	Program Services	Management and General	Fundraising	Special Events	Total
	Mentoring Services	Camp Bob Waldorf															
Salaries	\$ 819,338	\$ 607,837	\$ 365,749	\$ 443,663	\$	\$ 2,236,587	\$	\$	\$	\$	\$	\$	\$ 1,427,175	\$ 365,749	\$ 443,663	\$	\$ 2,236,587
Employee benefits —Note 10	184,661	185,667	88,438	50,686		509,452							370,328	88,438	50,686		509,452
Payroll taxes	71,855	73,166	13,238	42,395		200,654							145,021	13,238	42,395		200,654
Total Payroll-Related Expenses	1,075,854	866,670	467,425	536,744		2,946,693							1,942,524	467,425	536,744		2,946,693
Accounting and legal			45,230			45,230		12,000			12,000			57,230			57,230
Cost of direct benefit to donors					131,716	131,716				17,349						149,065	149,065
Depreciation	267,914		11,163			279,077							267,914	11,163			279,077
Dues and subscriptions	16,315	12,485	219	146		29,165							28,800	219	146		29,165
Equipment rental and maintenance			4,855			4,855								4,855			4,855
Insurance		104,986	63,295			168,281							104,986	63,295			168,281
Office expenses	48,486	28,136	22,966	17,054		116,642		2,235			2,235		76,622	25,201	17,054		118,877
Operating support					340,725	340,725					340,725	(340,725)					
Postage and shipping			1,677	734		2,411								1,677	734		2,411
Printing and publications			5,985	12,371		18,356								5,985	12,371		18,356
Professional fees	79,042	123,825	19,643	12,268		234,778		73,013	73,013		146,026	(146,026)	202,867	19,643	12,268		234,778
Program activities and supplies	80,606	77,534	448	561		159,149							158,140	448	561		159,149
Public relations	4,006	350				4,356								4,356			4,356
Rent and facilities	86,437	260,050	77,795			424,282							346,487	77,795			424,282
Scholarships—JBBBSLA	265,155	226				265,381	90,125				90,125	(90,125)	265,381				265,381
Scholarships—Nelson							79,500				79,500	(79,500)					
Telephone	16,818	11,323	15,136			43,277							28,141	15,136			43,277
Transportation	4,215	16,094	4,372	287		24,968							20,309	4,372	287		24,968
Total Expenses by Function	1,944,848	1,501,679	740,209	580,165	131,716	4,898,617	510,350	87,248	73,013	17,349	670,611	(656,376)	3,446,527	754,444	580,165	149,065	4,930,201
Less expenses included with revenues on the statements of activities					(131,716)	(131,716)				(17,349)						(149,065)	(149,065)
Cost of direct benefits to donors																	
Total Expenses	\$ 1,944,848	\$ 1,501,679	\$ 740,209	\$ 580,165	\$	\$ 4,766,901	\$ 510,350	\$ 87,248	\$ 73,013	\$	\$ 670,611	\$ (656,376)	\$ 3,446,527	\$ 754,444	\$ 580,165	\$	\$ 4,781,136

See notes to combining financial statements.

Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.
Combining Statement of Cash Flows
Year Ended December 31, 2020

	<u>JBBBSLA</u>	<u>FCBW</u>	<u>Total</u>
Cash Flows from Operating Activities			
Change in net assets	\$ (983,536)	\$ 328,583	\$ (654,953)
Adjustments to reconcile change in net assets to net cash provided by			
Depreciation	279,077		279,077
Decrease in cash surrender value of life insurance policies		193,872	193,872
Decrease in beneficial interest in charitable remainder unitrust and related liability	9,879		9,879
Contributions to be held in perpetuity		26,469	26,469
Investment gains	(263,791)	(448,621)	(712,412)
Change in operating assets and liabilities:			
Accounts receivable	86,878		86,878
Grants and contributions receivable, net	433,424	18,952	452,376
Interest receivable	139	4,899	5,038
Prepaid expenses and other assets	122,629		122,629
Accounts payable and accrued expenses	(37,322)	3,500	(33,822)
Salaries and employee benefits payable	78,895		78,895
Refundable advances	(162,432)		(162,432)
PPP advance	460,600		460,600
Net Cash Provided by Operating Activities	24,440	127,654	152,094
Cash Flows from Investing Activities			
Purchases of property and equipment	(35,122)		(35,122)
Purchases of investments	(551,638)	(1,256,061)	(1,807,699)
Proceeds from sale of investments	522,645	1,364,787	1,887,432
Net Cash Provided by (Used in) Investing Activities	(64,115)	108,726	44,611
Cash Flows from Financing Activities			
Contributions to be held in perpetuity		(26,469)	(26,469)
Net Cash Used in Financing Activities		(26,469)	(26,469)
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	(39,675)	209,911	170,236
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	1,001,826	465,637	1,467,463
Cash, Cash Equivalents, and Restricted Cash at End of Year	\$ 962,151	\$ 675,548	\$ 1,637,699
Supplementary Disclosures			
Interest paid	\$	\$	\$
Income tax paid	\$	\$	\$

See notes to combining financial statements.

**Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.**
Notes to Combining Financial Statements
December 31, 2020

Note 1—Organization and Summary of Significant Accounting Policies

Organization—Jewish Big Brothers Big Sisters Association of Los Angeles (JBBBSLA) is a California nonprofit corporation and an affiliated agency of the Jewish Federation Council of Greater Los Angeles. The Foundation For Camp Bob Waldorf, Inc. (FCBW), formerly known as the Camp Max Straus Foundation, Inc., is a California public benefit nonprofit corporation, formed in 1962 to ensure perpetual funding for the Jewish Big Brothers Big Sisters Association's Camp Bob Waldorf, a residential camp established in 1938 on 112 acres in the Verdugo Hills of the City of Glendale. JBBBSLA and FCBW (collectively, the Organization), specializes in mentoring children through a variety of innovative, highly regarded mentoring programs and services, regardless of a family's ability to pay. Programs of the Organization include:

Mentoring Services:

Jewish Big Brothers Big Sisters Mentoring Programs—Community-based mentoring brings positive Jewish adult role models, known as "big brothers and big sisters," into the lives of underserved Jewish youth, known as "little brothers and little sisters," ages 6-18. Matches are overseen by trained professionals who oversee the screening, training and monitoring of the matches on a regular basis.

Scholarship Programs—The JBBBSLA Scholarship Program offers financial assistance to graduating, former little brothers and little sisters who seek higher education, and The Arnold S. Nelson Scholarship Program awards scholarships to graduates of the Witherbee Wilderness backpacking program in need of financial assistance to go to college. The Rising Leader Scholarship Program awards CIT and Teen Camp participants with financial assistance towards higher education.

College Guidance Program—The JBBBSLA College Guidance Program, known as the Erwin Rautenberg College Guidance Program, serves over 150 non-denominational youth in support of their aspirations for post-secondary education. The program serves youth from 9th grade through college. Participants are recommended to the program after participating in the JBBBSLA Youth Mentoring Program, or after attending Camp Bob Waldorf.

Teen Talk—Teen Talk is a cutting-edge technology platform that uses a cell phone application to deliver personalized social emotional support to teens in crisis. The app has provided support to over 35,000 teenage youth from around the world. The teen advisors participate in a fifty-hour training program prior to providing support on the app. The teen advisors are supported by clinical social workers who monitor the virtual conversations.

Camp Bob Waldorf—This residential summer camp, located on 112 acres in the Verdugo Hills of Glendale, is dedicated to strengthening the underserved Jewish and non-Jewish communities of Los Angeles. The Camp operates year-round including summer camp, weekend retreat, and a backpacking leadership program.

Principles of Combination—JBBBSLA and FCBW, share common control, management and offices, therefore, it is more meaningful to present the combining financial statements of the organizations. The accompanying combining financial statements include the accounts of JBBBSLA and FCBW separately identified in addition to their combining totals with intercompany transactions between the organizations eliminated and disclosed.

**Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.**
Notes to Combining Financial Statements—Continued

Note 1—Organization and Summary of Significant Accounting Policies—Continued

Financial Statement Presentation—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization recognizes contributions, including unconditional promises to give, as revenue in the period received. The Organization reports information regarding its financial position and activities according to the existence or absence of donor-imposed restrictions. The net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Net assets with donor restrictions—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; such restrictions that may or will be met either by actions of the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a time restriction expires or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Measure of Operations—The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist mentoring programs and services; Camp Bob Waldorf Camper activities, interest and dividends earned on investments, and investments for the purpose of assisting JBBBSLA as a supporting organization and to maintain Camp Bob Waldorf. Nonoperating activities are limited to resources that generate return from investments for JBBBSLA and other activities considered to be of a more unusual or nonrecurring nature.

Income Taxes—The Organization is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes is made. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered ‘more likely than not’ to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at December 31, 2020. Generally, the Organization’s information returns remain open for examination for periods of three (federal) or four (state of California) years from the date of filing.

**Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.**
Notes to Combining Financial Statements—Continued

Note 1—Organization and Summary of Significant Accounting Policies—Continued

Recently Adopted Accounting Principle—In May 2014, FASB issued Accounting Standard Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. The Organization opted to adopt ASU No. 2014-09 for the year ended December 31, 2020, and noted that there was no material effect on the financial statements.

Cash, Cash Equivalents, and Restricted cash—Amounts reported as cash, cash equivalents, and restricted cash consist of demand deposit, money market accounts, and cash in investments. Restricted cash consists of the PPP advance (see Note 7) and cash held for endowment fund (see Note 9).

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the combining statement of financial position to the cash, cash equivalents, and restricted cash total shown in the combining statement of cash flows at December 31, 2020:

	<u>JBBBSLA</u>	<u>FCBW</u>	<u>Total</u>
Cash and cash equivalents	\$ 501,551	\$ 397,193	\$ 898,744
PPP advance	460,600		460,600
Restricted cash held for endowment fund		278,355	278,355
Total Cash, Cash Equivalents, and Restricted Cash	<u>\$ 962,151</u>	<u>\$ 675,548</u>	<u>\$ 1,637,699</u>

Investments—Investments in securities are initially recorded at cost, if purchased, or fair market value, if received as a contribution. Subsequent to acquisition, investments in securities are reported at fair value. Investment income, gains and losses, net of management fees, are reported as income without donor restrictions unless use of the earnings is restricted by the donor.

Beneficial Interest in Charitable Remainder Unitrust—The Organization has been designated as a remainder interest in a charitable remainder unitrust. The trust agreement requires the trustee to make annual payments, paid quarterly, equal to 5% of the fair value of the trust assets determined annually. Upon the death of the beneficiary, the remaining trust assets will be distributed to the Organization. The related asset and estimated future liability is recorded in the accompanying combining statement of financial position when an irrevocable trust naming the Organization as the remainder man is established. The Organization adjusts the estimated beneficial interest in the remainder trust to reflect the passage of time, changes in actuarial assumptions, and the discount rate for current market conditions. A discount rate of 4.8% is used to estimate the obligation and remainder value. The amortization of the discount, changes in actuarial assumptions and valuation of the underlying net assets of the trust agreement are included in the valuation of beneficial interest in remainder unitrust in the accompanying combining statement of activities.

**Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.**
Notes to Combining Financial Statements—Continued

Note 1—Organization and Summary of Significant Accounting Policies—Continued

Cash Surrender Value of Life Insurance Policies—The Organization is the owner of certain life insurance policies on various donors who named the Organization as the beneficiary. These policies are valued at their cash surrender value.

Property and Equipment—Property and equipment includes land and buildings (including improvements thereto), and furnishings and equipment used in the operations of the Organization, stated at cost if purchased, or fair market value at the date of donation, if donated.

Depreciation is provided using the straight-line method over the following estimated useful lives of assets:

Computer hardware	3-5 years
Computer software	3-5 years
Vehicles	3-5 years
Furniture, fixtures, and equipment	5-10 years
Buildings and building improvements	5-20 years
Donated art work (not currently held for sale)	30 years

Normal repairs and maintenance are expensed as incurred, whereas significant changes that materially increase values or extend useful lives and are at least \$1,000 are capitalized and depreciated over the estimated remaining useful lives of the related assets. Upon sale or disposal of equipment, the cost and accumulated depreciation are removed from the respective accounts and any gain or loss is included in operations. Donated artwork, not currently held for sale, is recorded in net assets without donor restrictions. As there is no active plan to sell these assets, they are being depreciated over a useful life of thirty years, and any gain or loss recognized upon their sale will be included in operations.

Concentrations of Credit Risk—Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, receivables, and investments. The Organization maintains cash balances at high quality financial institutions, where accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. In the normal course of operations, such cash balances may exceed the FDIC insurance limits. The Organization's investments are managed by a large broker-dealer. Cash held in investment accounts at investment custodians are insured by the Securities Investors Protection Corporation (SIPC) up to \$250,000 and the investments in securities are insured up to \$500,000. At times, such balances of cash and cash equivalents, and investments in securities may be in excess of the FDIC and SIPC coverage limits. In addition, investments in securities are subject to fluctuations in the securities market and thus exposed to market risk. The Organization's management has assessed the credit risk associated with cash balances and investments held at December 31, 2020 and has determined that an allowance for potential losses due to credit risk is not necessary. Receivables are due from well-known charitable organizations with substantial assets, government entities and other entities well-known to the Organization. The Organization's management has assessed the credit risk associated with the receivables outstanding at December 31, 2020 and has determined that an allowance for potential uncollectible amounts is not necessary.

Refundable Advances—Prepaid rents, camp fees, and other revenue received for future events is recognized in the periods to which it relates.

**Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.**
Notes to Combining Financial Statements—Continued

Note 1—Organization and Summary of Significant Accounting Policies—Continued

Revenue Recognition—The Organization’s revenue recognition policies are as follows:

Camp Bob Waldorf camper fees—Fees are recognized at the time services are provided.

Special event revenue—Fees are recognized at the time services are provided.

Interest and dividend income—Interest and dividends are recognized when earned.

Fee for service—Fees for service is recognized at the time services are provided.

Donated services—Support arising from donated services is recognized if the services received require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. No such amounts are reflected in the accompanying combining financial statements as the donated services to the Organization do not meet the requirements for recognition; however, a substantial number of volunteers have donated significant amounts of their time to the Organization’s program services and fundraising activities.

Allocation of Functional Expenses—The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program services and supporting services benefitted. Depreciation and occupancy are allocated on the basis of square footage. Salaries and wages, employee benefits, payroll taxes, other payroll related, office expenses, telephone, and transportation are allocated on the basis of estimates of time and effort. All other functional expenses are charged directly to the program or supporting services benefitted.

Use of Estimates—The preparation 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.

Note 2—Availability and Liquidity

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$1,250,000). As part of its liquidity plan, excess cash without donor restrictions is invested in short-term investments, including money market accounts, equity securities and mutual funds.

The following represents the availability and liquidity of the Organization's financial assets at December 31, 2020 to cover operating expenses for the next fiscal year:

	<u>JBBBSLA</u>	<u>FCBW</u>	<u>Total</u>
Cash and cash equivalents	\$ (240,749)	\$ (136,105)	\$ (376,854)
Investments	5,500,949		5,500,949
Accounts receivable	32,822	50,000	82,822
Grants and contributions receivable	291,180		291,180
Interest receivable	5,995		5,995
Current Availability of Financial Assets	<u>\$ 5,590,197</u>	<u>\$ (86,105)</u>	<u>\$ 5,504,092</u>

**Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.**
Notes to Combining Financial Statements—Continued

Note 3—Investments and Fair Value Measurements

In determining the fair value of investments, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Organization determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

Level 1—Quoted market prices in active markets for identical assets or liabilities. The Organization’s Level 1 assets are valued at the closing price reported on the active market on which the individual securities are traded.

Level 2—Observable market-based inputs, either directly or indirectly, but are other than quoted prices in actively traded markets. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liabilities, and market-corroborated inputs.

Level 3—Unobservable inputs, including situations where there is little, if any, market activity for the financial instrument and are significant to the fair value measurement. Unobservable inputs reflect the Organization’s best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The Organization utilizes a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by the Organization to value private investments is the Net Asset Value (NAV) per share, or its equivalent. The Organizations has no assets or liabilities measured at NAV.

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

	JBBBSLA	FCBW	Total
Equity securities	\$ 3,200,153	\$ 6,378,399	\$ 9,578,552
Fixed income securities	1,224,883	3,453,448	4,678,331
Mutual funds	1,069,583	2,022,286	3,091,869
Other investments	6,330		6,330
Totals	\$ 5,500,949	\$ 11,854,133	\$ 17,355,082

Investment return for the year ended December 31, 2020 was as follows:

	JBBBSLA	FCBW	Total
Investment gains	\$ 263,791	\$ 448,621	\$ 712,412
Investment management fees	(22,077)	(55,791)	(77,868)
Investment Return, Net	241,714	392,830	634,544
Interest and dividend income	101,840	298,530	400,370
Total Return on Investment	\$ 343,554	\$ 691,360	\$ 1,034,914

**Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.**
Notes to Combining Financial Statements—Continued

Note 3—Investments and Fair Value Measurements—Continued

Fair value of assets and liabilities measured on a recurring basis at December 31, 2020 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash surrender value of life insurance policies	\$ 291,482	\$	\$	\$ 291,482
Beneficial interest in charitable remainder unitrust	390,956			390,956
Charitable remainder unitrust liability	(25,771)			(25,771)
Equity securities	9,578,552	9,578,552		
Fixed income securities	4,678,331		4,678,331	
Mutual funds	3,091,869	3,091,869		
Other investments	6,330		6,330	
Totals	<u>\$ 18,011,749</u>	<u>\$ 12,670,421</u>	<u>\$ 4,684,661</u>	<u>\$ 656,667</u>

A reconciliation of the Organization's Level 3 assets and liabilities is as follows:

Balance at beginning of year	\$ 860,418
Change in cash surrender value of life insurance policies	(193,872)
Change in value of charitable remainder unitrust	(9,879)
Balance at End of Year	<u>\$ 656,667</u>

Note 4—Grants and Contributions Receivable, Net

Net grants and contributions receivable at December 31, 2020 consist of the following:

	<u>JBBBSLA</u>	<u>FCBW</u>	<u>Total</u>
Amounts due in:			
One year or less	\$ 401,180	\$ 67,500	\$ 468,680
Greater than one year but less than five years	460,000	112,500	572,500
Five years or more	10,000		10,000
Grants and Contributions Receivable	871,180	180,000	1,051,180
Less unamortized discount	(14,772)	(4,354)	(19,126)
Net	<u>\$ 856,408</u>	<u>\$ 175,646</u>	<u>\$ 1,032,054</u>

Grants and contributions receivable have been discounted using a rate of 2.0% for the year ended December 31, 2020 and are considered by management to be fully collectable. Accordingly, no provision has been made for uncollectible amounts.

**Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.**
Notes to Combining Financial Statements—Continued

Note 5—Beneficial Interest in Charitable Remainder Unitrust

The beneficial interest in charitable remainder unitrust and charitable remainder unitrust liability consists of the following at December 31, 2020:

Charitable remainder unitrust	<u>\$ 390,956</u>
Charitable remainder unitrust liability	<u>\$ 25,771</u>

Note 6—Property and Equipment, Net

Net property and equipment at December 31, 2020 consists of the following:

	<u>JBBBSLA</u>	<u>FCBW</u>	<u>Total</u>
Buildings and building improvements	\$ 6,845,628	\$	\$ 6,845,628
Computer equipment and software	495,977	10,000	505,977
Furniture and equipment	820,547		820,547
Leasehold improvements	2,114,343		2,114,343
Vehicles	25,945		25,945
	<u>10,302,440</u>	<u>10,000</u>	<u>10,312,440</u>
Less accumulated depreciation	<u>(8,043,419)</u>	<u>(10,000)</u>	<u>(8,053,419)</u>
	Depreciable		
	Property and Equipment, Net		2,259,021
Land	<u>303,705</u>		<u>303,705</u>
	Property and Equipment, Net	\$	\$ 2,562,726
	<u>\$ 2,562,726</u>	<u>\$</u>	<u>\$ 2,562,726</u>

Depreciation expense recorded during the year ended December 31, 2020 was \$279,077.

Note 7—PPP Advance

On April 21, 2020, the Organization received \$460,600 in Paycheck Protection Program (PPP) funding from the U.S. Small Business Administration (SBA), in response to the COVID-19 pandemic (see Note 13). While these funds carry loan repayment terms, all funds received were forgiven under present terms of PPP in the upcoming fiscal year. The Organization has elected to record PPP grant revenue only upon receipt of the forgiveness letter from the SBA.

On February 25, 2021, subsequent to year-end, the Organization received an additional \$467,782 in PPP funding from the SBA. While these funds carry loan repayment terms, it is the opinion of management that all funds received will be forgiven under the present terms of PPP.

**Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.**
Notes to Combining Financial Statements—Continued

Note 8—Net Assets with Donor Restrictions

Net assets with donor restrictions for the year ended December 31, 2020 are as follows:

	<u>JBBBSLA</u>	<u>FCBW</u>	<u>Total</u>
Subject to expenditure for specified purpose:			
Charitable remainder unitrust	\$ 365,185	\$	\$ 365,185
Erwin Rautenberg College Guidance Program	122,340		122,340
Nelson Family Scholarships	14,004		14,004
Campership		41,043	41,043
Scholarships	365,855	470,789	836,644
Teen talk	219,605		219,605
Witherbee Backpacking	20,496	21,466	41,962
Total Subject to Purpose Restrictions	1,107,485	533,298	1,640,783
Subject to time restrictions:			
Erwin Rautenberg College Guidance Program	100,000		100,000
General operations	701,180		701,180
Teen talk	10,000		10,000
Total Subject to Time Restrictions	811,180		811,180
Subject to appropriation:			
Campership endowment funds		2,258,309	2,258,309
Scholarship endowment Funds		415,066	415,066
Total Subject to Appropriation		2,673,375	2,673,375
Held in perpetuity:			
Arnold Nelson Scholarship Endowment Fund		1,859,513	1,859,513
Campership endowment funds		4,490,677	4,490,677
Scholarship endowment Funds		2,027,154	2,027,154
Witherbee Foundation Endowment Fund		1,163,944	1,163,944
Total Held in Perpetuity		9,541,288	9,541,288
Total Net Assets With Donor Restrictions	\$ 1,918,665	\$ 12,747,961	\$ 14,666,626

Per donor stipulations, principal and investment returns on the Witherbee Foundation Endowment Fund are required to be capitalized during the first twenty years of the pledge period (ended 2016); thereafter, any investment returns shall be used to fund the continuing operation of the Witherbee Wilderness Camp, a Sierra Nevada backpacking program offered through Camp Bob Waldorf. Donor stipulations require investment income allocated to the Arnold Nelson Scholarship Endowment Fund to be allocated for scholarships for students and young adults governed by the same terms and timeline as the Witherbee Foundation Endowment Fund.

**Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.**
Notes to Combining Financial Statements—Continued

Note 8—Net Assets with Donor Restrictions—Continued

Net assets released from donor restrictions for the year ended December 31, 2020 are as follows:

	<u>JBBBSLA</u>	<u>FCBW</u>	<u>Total</u>
Satisfaction of purpose restrictions:			
Erwin Rautenberg College Guidance Program	\$ 144,677	\$	\$ 144,677
Fund A Need		21,331	21,331
Mentorship, camp, and teen programming	683,289		683,289
Teen talk	82,468		82,468
Scholarships	183,750	2,000	185,750
Total Satisfaction of Purpose Restrictions	1,094,184	23,331	1,117,515
Satisfaction of time restrictions			
General operations	309,220		309,220
Total Satisfaction of Time Restrictions	309,220		309,220
Satisfaction of appropriation and expenditure:			
Campership endowment funds		340,725	340,725
Scholarship endowment Funds		88,125	88,125
Total Satisfaction of Appropriation Restrictions		428,850	428,850
Total Net Assets Released from Donor Restrictions	\$ 1,403,404	\$ 452,181	\$ 1,855,585

Note 9—Endowment Net Assets

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) adopted by the State of California as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies the following as net assets with donor restrictions that are perpetual in nature: the corpus of the endowment; the original gift donated to the perpetual endowment; the original value of subsequent gifts to the perpetual endowment; and the 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. Any remaining portion of the donor-restricted endowment fund not classified as perpetual in nature is categorized as purpose restricted net assets, until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions

**Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.**
Notes to Combining Financial Statements—Continued

Note 9—Endowment Net Assets—Continued

- (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 Organization
- (7) The investment policies of the Organization

Return Objectives and Risk Parameters—The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds the Organization must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets seek to achieve an average annual nominal return objective of 6-8%, investing in a diversified portfolio of money market funds; certificates of deposit; mutual funds; and other instruments employing an investment strategy whose investment goal is to maximize the rate of return, while at the same time minimizing risk consistent with an overriding policy of preservation of capital.

Strategies Employed for Achieving Objectives—The Organization is focused on the generation of income rather than capital gains. Investments are to be low-risk and turned over infrequently. Preservation of capital is the overriding factor.

Spending Policy and How the Investment Objectives Relate to Spending Policy—The Organization has a target policy of appropriating for distribution 4-5% of the annual portfolio value. This policy is derived from the donor's desire to provide resources for the Organization projects in perpetuity, while being mindful of the preservation of capital and the effect of inflation. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to maintain the original corpus and maintain the purchasing power of the endowment assets.

The changes in endowment net assets for the year ended December 31, 2020 consist of the following:

	<u>Subject to Appropriation</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Endowment Net Assets at January 1, 2020	\$ 2,661,489	\$ 9,347,673	\$ 12,009,162
Interest and dividend income	226,356	72,174	298,530
Investment return, net	297,858	94,972	392,830
Total Investment Return on Endowment Funds	524,214	167,146	691,360
Contributions		26,469	26,469
Appropriation for expenditure	(512,328)		(512,328)
Endowment Net Assets at December 31, 2020	<u>\$ 2,673,375</u>	<u>\$ 9,541,288</u>	<u>\$ 12,214,663</u>

**Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.**
Notes to Combining Financial Statements—Continued

Note 10—Retirement Benefits

Retirement benefits are provided for substantially all employees through the Basic Pension Plan for Employees of the Jewish Federation Council of Greater Los Angeles (Plan), a multi-employer defined benefit plan of which the Organization is one of the participating employers. As of December 31, 2020, the Plan had an actuarially calculated unfunded liability. The actuarial information needed to calculate the unfunded liability on an individual participating employer basis is not readily available and management is still assessing the potential liability to the Organization. The Plan has been amended to provide that employees who commenced employment on or after January 1, 2006 will not be eligible to participate in the Plan benefits.

Employees who commenced employment on or after January 1, 2006, are eligible to participate in a defined contribution plan, which provides for employer contributions of 5% of eligible wages. Employees become eligible to participate in the plan after 975 hours of service in a 12-month period, with entrance dates of January 1st, April 1st, July 1st, and October 1st.

Pension costs for the year ended December 31, 2020 amounted to \$142,674.

The Organization also participates in a defined contribution plan under IRS code section 403(b). Contributions to this plan for the year ended December 31, 2020 amounted to \$4,263.

Note 11—Leases

During the year ended December 31, 2020, the Organization entered into a lease for office space at a new location. The lease term began in May 2020 with a base payment of \$15,844 and increases through the term of the lease ending June 2027. The Organization also leases equipment under month-to-month leases. Rent expense for the year ended December 31, 2020 under these operating leases was \$214,244. Future minimum annual rental commitments by year for this operating lease are as follows:

<u>Year Ending December 31,</u>		
2021	\$	194,560
2022		201,270
2023		208,418
2024		215,712
2025		223,262
Thereafter		349,295
	Total	\$ <u>1,392,517</u>

Note 12—Recent Accounting Pronouncements

Leases—In February 2016, FASB issued ASU No. 2016-02, *Leases* (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for the Organization in 2021; early adoption is permitted. The Organization is currently evaluating the impact that the adoption of ASU 2016-02 will have on its financial statements.

**Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.**
Notes to Combining Financial Statements—Continued

Note 12—Recent Accounting Pronouncements—Continued

Gifts-in-Kind—In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires increased transparency around the use and valuation of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit entities. Under the updated guidance, gifts-in-kind are required to be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and to be disaggregated in the notes to the financial statements by the category that depicts the type of contributed nonfinancial assets. There are additional required disclosures regarding qualitative information denoting whether the gifts-in-kind were monetized or utilized during the reporting period; the entity's policy, if any, about monetizing rather than utilizing contributed nonfinancial assets; and the valuation techniques and inputs used to arrive at a fair value measure. ASU No. 2020-07 is to be applied retrospectively and is effective for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. Early adoption is permitted. The Organization is currently evaluating the impact that the adoption of ASU 2020-07 will have on its financial statements.

Note 13—Risks and Uncertainties

In early March 2020, the COVID-19 virus was declared a global pandemic. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, is being severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. The Organization is continuing to monitor the ongoing impact of the pandemic response on its overall operations. At the time of this reporting, the cumulative financial impact of the pandemic on the Organization, cannot be fully determined, therefore no related adjustment has been made to these combining financial statements.

Note 14—Subsequent Events

Management has evaluated subsequent events through November 15, 2021, which is the date the financial statements were available to be issued, and has concluded that, other than the receipt of additional PPP funding described in Note 7, no material subsequent events have occurred that would require adjustments to the financial statements or the notes to the financial statements.

**Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation For Camp Bob Waldorf, Inc.
Combined Statement of Financial Position
Segregated by Donor Stipulations
December 31, 2020**

	<u>Without Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ (376,854)	\$ 1,275,598	\$ 898,744
Restricted cash held for endowment fund			
PPP advance—Note 7	460,600		460,600
Cash held for endowment fund	278,355		278,355
Investments—Note 3	5,165,632	12,189,450	17,355,082
Accounts receivable	29,322		29,322
Grants and contributions receivable, net—Note 4	220,874	811,180	1,032,054
Interest receivable	5,995	25,213	31,208
Prepaid expenses and other assets	125,022		125,022
Beneficial interest in charitable remainder unitrust—Note 5	25,771	365,185	390,956
Cash surrender value of life insurance policies	291,482		291,482
Property and equipment, net—Note 6	2,562,726		2,562,726
Total Assets	<u>\$ 8,788,925</u>	<u>\$ 14,666,626</u>	<u>\$ 23,455,551</u>
Liabilities			
Accounts payable and accrued expenses	\$ 143,156	\$	\$ 143,156
Salaries and employee benefits payable	212,314		212,314
Refundable advances	122,345		122,345
PPP advance—Note 7	460,600		460,600
Charitable remainder unitrust liability—Note 5	25,771		25,771
Total Liabilities	<u>964,186</u>		<u>964,186</u>
Net Assets			
Without donor restrictions	7,824,739		7,824,739
With donor restrictions—Note 8		14,666,626	14,666,626
Total Net Assets	<u>7,824,739</u>	<u>14,666,626</u>	<u>22,491,365</u>
Total Liabilities and Net Assets	<u>\$ 8,788,925</u>	<u>\$ 14,666,626</u>	<u>\$ 23,455,551</u>

See notes to combining financial statements.