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

Combined Financial Statements

December 31, 2021

WINDES
AUDIT | TAX | ADVISORY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Jewish Big Brothers Big Sisters Association of Los Angeles and
The Foundation for Camp Bob Waldorf, Inc.:

Opinion

We have audited the accompanying combined financial statements of Jewish Big Brothers Big Sisters Association of Los Angeles and The Foundation for Camp Bob Waldorf, Inc., which comprise the combined statement of financial position as of December 31, 2021, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Jewish Big Brothers Big Sisters Association of Los Angeles and The Foundation for Camp Bob Waldorf, Inc. (the Organization) as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 combined 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 combined 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 combined 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 Organization'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Report on Summarized Comparative Information

Other auditors have previously audited the Organization's 2020 combined financial statements, and they expressed an unmodified audit opinion on those audited combined financial statements in their report dated November 15, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Supplementary Information

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

Windes, Inc.

Long Beach, California
October 5, 2022

JEWISH BIG BROTHERS BIG SISTERS ASSOCIATION OF LOS ANGELES AND THE FOUNDATION FOR CAMP BOB WALDORF, INC.

COMBINED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

ASSETS

	December 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	$ 1,439,685	$ 898,744
Restricted cash	266,043	738,955
Investments	19,581,176	17,355,082
Contributions receivable, net	579,884	1,032,054
Other receivables	73,160	60,530
Beneficial interest in charitable remainder unitrust	-	390,956
Prepaid expenses and other assets	180,882	125,022
Cash surrender value of life insurance policies	316,744	291,482
Property and equipment, net	2,354,079	2,562,726
TOTAL ASSETS	$ 24,791,653	$ 23,455,551

LIABILITIES AND NET ASSETS

	2021	2020
LIABILITIES		
Accounts payable and accrued expenses	$ 421,223	$ 355,470
Paycheck Protection Program loans	467,804	460,600
Charitable remainder unitrust liability	-	25,771
Refundable advances	193,031	122,345
	1,082,058	964,186
COMMITMENTS AND CONTINGENCIES (Note 9)		
NET ASSETS		
Without donor restrictions	8,741,510	7,824,739
With donor restrictions	14,968,085	14,666,626
	23,709,595	22,491,365
TOTAL LIABILITIES AND NET ASSETS	$ 24,791,653	$ 23,455,551

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

JEWISH BIG BROTHERS BIG SISTERS ASSOCIATION OF LOS ANGELES AND THE FOUNDATION FOR CAMP BOB WALDORF, INC.

COMBINED STATEMENT OF ACTIVITIES
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Grants and contributions	$ 1,265,462	$ 829,034	$ 2,094,496	$ 2,142,191
Special events, net	394,855	-	394,855	569,715
Camp Bob Waldorf camper fees	50,000	-	50,000	20,187
Investment return, net	805,430	1,695,679	2,501,109	1,034,914
Change in cash surrender value of life insurance policies	31,272	-	31,272	60,412
Paycheck Protection Program loan forgiveness	460,600	-	460,600	-
Rental and other income	469,145	-	469,145	298,764
Release from restrictions	2,223,254	(2,223,254)	-	-
Total Support and Revenue	5,700,018	301,459	6,001,477	4,126,183
EXPENSES				
Program services	3,401,712	-	3,401,712	3,446,527
Management and general	614,260	-	614,260	754,444
Fundraising	767,275	-	767,275	580,165
Total Expenses	4,783,247	-	4,783,247	4,781,136
CHANGE IN NET ASSETS	916,771	301,459	1,218,230	(654,953)
NET ASSETS, BEGINNING OF YEAR	7,824,739	14,666,626	22,491,365	23,146,318
NET ASSETS, END OF YEAR	$ 8,741,510	$ 14,968,085	$ 23,709,595	$ 22,491,365

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

JEWISH BIG BROTHERS BIG SISTERS ASSOCIATION OF LOS ANGELES AND THE FOUNDATION FOR CAMP BOB WALDORF, INC.

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	Program Services			Supporting Services			
	Mentoring Services	Camp Bob Waldorf	Total Program	Management and General	Fundraising	2021 Total	2020 Total
Salaries	$ 817,684	$ 794,883	$ 1,612,567	$ 254,975	$ 529,682	$ 2,397,224	$ 2,380,662
Benefits	161,228	180,828	342,056	38,446	110,924	491,426	530,916
Total payroll related expense	978,912	975,711	1,954,623	293,421	640,606	2,888,650	2,911,578
Advertising	12,510	-	12,510	-	-	12,510	10,385
Additional staff costs	1,970	12,638	14,608	16,977	1,310	32,895	28,973
Consultants	153,204	-	153,204	-	-	153,204	166,615
Depreciation and amortization	31,126	219,926	251,052	8,676	-	259,728	279,077
Fundraising	-	-	-	-	35,486	35,486	41,801
General and administrative	-	-	-	62,769	-	62,769	46,922
Insurance	-	99,812	99,812	69,761	-	169,573	169,137
Legal and accounting	-	-	-	56,025	-	56,025	59,401
Marketing and promotions	6,333	6,333	12,666	2	6,333	19,001	-
Office expense	1,313	1,134	2,447	16,133	1,270	19,850	31,429
Program expenses - camp	-	153,147	153,147	-	-	153,147	156,822
Program expenses - general	72,356	40,824	113,180	-	-	113,180	123,833
Program expenses - scholarship	7,189	-	7,189	-	-	7,189	7,360
Program expenses - teen talk	25,935	-	25,935	-	-	25,935	51,415
Rent	104,767	-	104,767	67,790	61,628	234,185	214,244
Scholarships	269,174	-	269,174	-	-	269,174	261,268
Telecommunications and IT	35,091	45,412	80,503	22,706	20,642	123,851	120,465
Transport	-	43,787	43,787	-	-	43,787	1,564
Utilities	-	103,108	103,108	-	-	103,108	98,847
Total expenses	$ 1,699,880	$ 1,701,832	$ 3,401,712	$ 614,260	$ 767,275	$ 4,783,247	$ 4,781,136
Percentage of Total Expenses	36%	36%	72%	12%	16%	100%	100%

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

JEWISH BIG BROTHERS BIG SISTERS ASSOCIATION OF LOS ANGELES AND THE FOUNDATION FOR CAMP BOB WALDORF, INC.

COMBINED STATEMENT OF CASH FLOWS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,218,230	$ (654,953)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	259,728	279,077
Contributions held in perpetuity	(13,213)	(26,469)
Change in cash surrender value of life insurance policies	(25,262)	193,872
Change in beneficial interest in charitable remainder unitrust and related liability	365,185	9,879
Net realized and unrealized gain on investments	(2,259,289)	(712,412)
Paycheck Protection Program loan forgiveness	(460,600)	-
Change in operating assets and liabilities:		
Contributions receivable, net	452,170	452,376
Other receivables	(12,630)	91,916
Prepaid expenses and other assets	(55,860)	122,629
Accounts payable and accrued expenses	65,753	45,073
Refundable advances	70,686	(162,432)
Net Cash Used In Operating Activities	(395,102)	(361,444)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(51,081)	(35,122)
Purchase of investments	19,818,499	(1,807,699)
Proceeds from sale of investments	(19,785,304)	1,887,432
Net Provided By Investing Activities	(17,886)	44,611
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions held in perpetuity	13,213	26,469
Proceeds from Paycheck Protection Program loans	467,804	460,600
Net Cash Provided By Financing Activities	481,017	487,069
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	68,029	170,236
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF YEAR	1,637,699	1,467,463
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR	$ 1,705,728	$ 1,637,699

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

NOTE 1 – 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 postsecondary 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 (app) to deliver personalized social and 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.

NOTE 1 – Organization (Continued)

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.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Accounting

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

Principles of Combination

JBBBSLA and FCBW share common control, management, and offices, therefore, it is more meaningful to present the combined financial statements of the Organization. The accompanying combined financial statements include the combined accounts of JBBBSLA and FCBW with intercompany transactions between the Organization eliminated and disclosed.

Prior-Period Information

The combined financial statements include certain prior-period summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's combined financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Reclassifications

Certain prior-period reported amounts have been reclassified to conform to the current year presentation.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of combined financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and the reported revenue and expenses. Significant items subject to such estimates include the allowance for doubtful accounts, the fair value of investments, and the allocation of functional expenses. Actual results could vary from the estimates that were assumed in preparing the combined financial statements.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets and revenue are classified based on the existence or absence of donor-imposed restrictions.

> ***Without Donor Restrictions*** – Net assets that are not subject to donor-imposed restrictions. The Organization's Board may designate net assets without restrictions for general operational purposes from time to time.
>
> ***With Donor Restrictions*** – Net assets subject to donor-imposed restrictions that are temporary in nature that will be met by actions of the Organization or the passage of time. As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying combined statement of activities as net assets released from restrictions. Other donor stipulations are perpetual in nature, where the donor stipulates that the corpus be maintained intact in perpetuity.

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 cash held for endowment fund.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

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.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restriction that increases those net asset classes. When a donor's stipulated time restriction ends or purpose restriction is accomplished, donor-restricted net assets are reclassified to without donor-restricted assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as without donor restrictions. Perpetually restricted contributions and net assets have restrictions stipulated by the donor that the corpus be invested in perpetuity and only the income be made available for operations.

Contributions, including gifts and pledges, are recognized as support in the period received or pledged. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Amortization of the discount to present value is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Contributions Receivable

Unconditional promises to give (pledges) are recorded as receivables and contributions, distinguishing between contributions received for each net asset class in accordance with donor-imposed restrictions. Unconditional pledges expected to be collected in future years are recorded at the present value of expected future cash flows discounted at an appropriate discount rate commensurate with the risks involved. Conditional promises to give are not included as support until such time as the conditions are substantially met.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Contributions Receivable (Continued)

An allowance for uncollectible contributions receivable is provided, based on management's judgment, including such factors as prior collection history, type of contribution, nature of fundraising activity, and when time requirements are expected to be met. As of December 31, 2021 and 2020, management has evaluated the collectability of pledges receivable and determined that an allowance for uncollectible pledges receivable was not deemed necessary.

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.

Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, contributions receivable, and investments. The Organization maintain 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, 2021 and has determined that an allowance for potential losses due to credit risk is not necessary.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

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 estimated useful lives of the assets as follows:

Computer equipment and 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.

Refundable Advances

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

Revenue Recognition

The Organization's revenue recognition policies are as follows: (1) Camp Bob Waldorf camper fees are recognized at the time services are provided. (2) Special event revenue is recognized at the time services are provided. Investment income is recognized when earned.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Special Events

Special events support is summarized as follows:

	Year Ending December 31, 2021	Year Ending December 31, 2020
Gross revenue	$ 519,548	$ 718,780
Cost of direct benefit to donors	(124,693)	(149,065)
	$ 394,855	$ 569,715

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 combined 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 combined 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 benefited.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Income Taxes

JBBBSLA and FCBW are nonprofit organizations 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, they have 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, 2021. 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.

Recently Issued Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Leases (Topic 840). Under the new guidance, lessees are required to recognize right-of-use assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The ASU is effective for annual reporting periods beginning after December 15, 2021. The Organization is currently evaluating the impact of the adoption of the new standard on the combined financial statements.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncements (Continued)

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. Additionally, the standard requires a not-for-profit to disclose a disaggregation of the amount of contributed nonfinancial assets by category that depicts the type of nonfinancial assets and additional information related to the monetization, utilization, and valuation of the contributed nonfinancial assets. The ASU is effective for annual reporting periods beginning after June 15, 2021 (effective for the Organization's fiscal year ended December 31, 2022). The Organization is currently evaluating the impact of the adoption of the new standard on the combined financial statements.

Subsequent Events

Management has evaluated subsequent events through October 5, 2022, which is the date the financial statements were available to be issued, and has concluded that no material subsequent events have occurred that would require adjustments to the combined financial statements or the notes to the combined financial statements.

As discussed in Note 7, in May 2022, the Organization has received notice that the Second Draw Paycheck Protection Program loan was forgiven in full.

NOTE 3 – Liquidity and Availability of Reserves

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the combined statement of financial position, comprise the following at December 31, 2021:

Financial assets:	
Cash and cash equivalents	$ 1,439,685
Investments	19,581,176
Contributions receivable, net	183,164
Other receivables	73,160
	21,277,185
Less amounts not available to be used within one year due to:	
Donor-imposed purpose or time restrictions	(14,968,085)
	$ 6,309,100

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. 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.

NOTE 4 – Investments

The Organization follows the provisions of ASU Topic 820 for fair value measurements of financial assets and financial liabilities and for fair value measurements that are recognized or disclosed at fair value in the combined financial statements on a recurring basis. Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that the Organization has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset.

NOTE 4 – Investments (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and prior periods.

Fixed income mutual funds: Valued at the daily closing price as reported by the fund. The funds held by the Organization are open-end diversified bond mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The funds held by the Organization are deemed to be actively traded. There are no unfunded commitments or redemption requirements associated with the funds.

Common stocks and Exchange Traded Funds (ETFs): Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate and municipal bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value:

	Fair Value Measurements at December 31, 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Fixed income mutual funds	$ 5,800,079	$ -	$ -	$ 5,800,079
Common stock and EFTs	12,912,280	-	-	12,912,280
Corporate and municipal bonds	-	865,136	-	865,136
Other investments	-	3,681	-	3,681
Total assets at fair value	$ 18,712,359	$ 868,817	$ -	$ 19,581,176

Investment return for the year ended December 31, 2021 was as follows:

Investment gains	$ 2,259,289
Interest and dividend income	326,748
Investment management fees	(84,928)
	$ 2,501,109

NOTE 5 – Contributions Receivable

Contributions receivable for the year ended December 31, 2021 was as follows:

Due in one year or less	$ 183,164
Due after one year through five years	405,309
	588,473
Less discount to present value	(8,589)
	$ 579,884

Contributions receivable have been discounted using a rate of 2.0% for the year ended December 31, 2021 and are considered by management to be fully collectable. Accordingly, no provision has been made for uncollectible amounts.

NOTE 6 – Property and Equipment

The Organization's property and equipment consisted of the following:

	December 31,	
	2021	**2020**
Buildings and building improvements	$ 7,056,930	$ 6,845,628
Computer equipment and software	205,393	505,977
Furniture and equipment	828,509	820,547
Leasehold improvements	2,009,711	2,114,343
Vehicles	21,945	25,945
	10,122,488	10,312,440
Less accumulated depreciation and amortization	(8,072,114)	(8,053,419)
	2,050,374	2,259,021
Land	303,705	303,705
Property and equipment, net	$ 2,354,079	$ 2,562,726

Depreciation and amortization expense for the years ended December 31, 2021 and 2020 was $259,728 and $279,077, respectively.

NOTE 7 – Paycheck Protection Program Loans

In March 2020, Congress passed the Paycheck Protection Program (PPP) under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act, authorizing loans to small businesses and nonprofit organizations for use in paying employees that they continue to employ throughout the COVID-19 pandemic and for certain eligible expenses such as rent, utilities, and interest on mortgages. Loans obtained through the program are eligible to be forgiven as long as the proceeds are used for qualifying purposes and certain other conditions are met.

In April 2020, the Organization received a First Draw PPP loan in the amount of $460,600 through the PPP. Management used the entire loan for qualifying purposes. In February 2021, the Organization was notified of their loan forgiveness, which was recognized as income on the combined statement of activities during the year ended December 31, 2021.

The Organization also obtained a Second Draw PPP loan under in the amount of $467,804. Management also used the entire loan for qualifying purposes. In May 2022, the Organization was notified of their loan forgiveness. The Organization will recognize the loan forgiveness into the combined statement of activities during the year ended December 31, 2022, the year the Organization was notified of the forgiveness.

NOTE 8 – Retirement Benefits

Retirement benefits are provided for two employees through the Basic Pension Plan for Employees of the Jewish Federation Council of Greater Los Angeles (Plan), a multi-employer defined benefit plan, governed under a collective bargaining agreement effective through June 30, 2022, of which the Organization is one of the participating employers.

The risks of participating in multiemployer plans are different from single-employer plans because assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers. Additionally, if one employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

NOTE 8 – Retirement Benefits (Continued)

The multiemployer pension plan is subject to the plan termination insurance provisions of Employee Retirement Income Security Act of 1974 and are paying premiums to the Pension Benefit Guaranty Corporation. The statutes provide that an employer who withdraws from, or significantly reduces its contribution obligation to, a multiemployer plan generally will be required to continue funding its proportional share of the plan's unfunded vested benefits. As of December 31, 2021, management has no present intention of withdrawing from, and does not anticipate termination of, the Plan.

Pension costs for the years ended December 31, 2021 and 2020 amounted to $131,605 and $142,674, respectively.

The most recent Pension Protection Act (PPA) zone status available at December 31, 2021 is for the Plan's year-end at December 31, 2020, which is the most recent plan information available as of the date of this report. The EIN/Pension Plan Number for this plan is 95-1643388 and the three-digit plan number is 001. The zone status of the Plan is based on information that the Organization received from the Plan and is certified by the Plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The Plan has a green zone status. The Plan has funding policy that was adopted in 2016 that sets forth a goal to achieve 100% funding of the actuarial liability by January 1, 2031. The Organization's portion of this commitment is estimated to be approximately $3,413,000. Based on the nature of the multiemployer plan, this commitment does not meet the definition of a liability and is not recorded on the statement of financial condition.

The Organization is not listed in the Plan's Form 5500 as providing more than 5% of the total contributions for the December 31, 2020 plan year. As of October 5, 2022, the financial statements were issued, Form 5500 was not available for the plan year ending in December 31, 2021.

The Organization established a separate defined contribution plan for employees who commenced employment on or after January 1, 2006 and have met certain eligibility requirements, as defined by the new plan, and no new employees after that point in time were entered into the multiemployer plan. The new defined contribution plan provides for employer contributions of 5% of eligible wages. Contributions to the defined contribution plan for the years ended December 31, 2021 and 2020 amounted to approximately $132,000 and $143,000, respectively.

NOTE 9 – Commitments and Contingencies

Operating Leases

The Organization entered into a lease for office space. 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 years ended December 31, 2021 and 2020 under these operating leases was $234,185 and $214,244, respectively. Future minimum annual rental commitments by year for this operating lease are as follows:

Year Ending December 31,	
2022	$ 201,370
2023	208,418
2024	215,712
2025	223,262
2026	231,076
Thereafter	118,219
Total	$ 1,198,057

NOTE 10 – Net Assets With Donor Restrictions

The following is a summary of the Organization's net assets with donor restrictions:

	Available December 31, 2020	Net Revenue	Expenses/ Releases from Restriction	Available December 31, 2021
Restricted for time/purpose/spending policy:				
Campership	$ 2,299,352	$ 936,916	$ (355,220)	$ 2,881,048
Scholarships	1,251,710	931,286	(463,689)	1,719,307
Centennial Campaign	701,180	-	(233,680)	467,500
Erwin Rautenberg College Guidance Program	222,340	31,550	(146,310)	107,580
Witherbee Backpacking	41,962	161,582	-	203,544
Charitable remainder unitrust	365,185	25,720	(390,905)	-
Nelson Family Scholarships	14,004	94,300	(86,194)	22,110
Teen Talk	229,605	92,651	(322,256)	-
Youth mentoring Program	-	225,000	(225,000)	-
Friends of Child Advocates	-	6,942	-	6,942
Bereavement fund	-	5,553	-	5,553
	5,125,338	2,511,500	(2,223,254)	5,413,584
Restricted in perpetuity:				
Campership Endowment Fund	4,490,677	3,213	-	4,493,890
Scholarship Endowment Fund	1,937,154	10,000	-	1,947,154
Arnold Nelson Scholarship Endowment Fund	1,859,513	-	-	1,859,513
Witherbee Foundation Endowment Fund	1,163,944	-	-	1,163,944
Friends of Child Advocates	50,000	-	-	50,000
Bereavement Endowment Fund	40,000	-	-	40,000
	9,541,288	13,213	-	9,554,501
	$ 14,666,626	$ 2,524,713	$ -	$ 14,968,085

NOTE 11 – Endowments

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
4. The possible effect of inflation and deflation
5. The expected total return from income and 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.

NOTE 11 – Endowments (Continued)

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 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.

Changes in endowment net assets for the fiscal year ended December 31, 2021 were as follows:

	Subject to Appropriation	Held in Perpetuity	Total
Endowment net assets, December 31, 2020	$ 2,673,375	$ 9,541,288	$ 12,214,663
Investment return	1,695,679	-	1,695,679
Contributions	-	13,213	13,213
Appropriations and expenditures	(535,220)	-	(535,220)
Endowment net assets, December 31, 2021	$ 3,833,834	$ 9,554,501	$ 13,388,335

SUPPLEMENTARY INFORMATION

JEWISH BIG BROTHERS BIG SISTERS ASSOCIATION OF LOS ANGELES AND THE FOUNDATION FOR CAMP BOB WALDORF, INC.

SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

	JBBBSLA	FCBW	Eliminations	Combined Total
ASSETS				
Cash and cash equivalents	$ 1,229,285	$ 210,400	$ -	$ 1,439,685
Restricted cash	-	266,043	-	266,043
Investments	6,193,839	13,387,337	-	19,581,176
Contributions receivable, net	469,575	110,309	-	579,884
Other receivables	73,160	45,350	(45,350)	73,160
Prepaid expenses and other assets	180,882	-	-	180,882
Cash surrender value of life insurance policies	-	316,744	-	316,744
Property and equipment, net	2,354,079	-	-	2,354,079
TOTAL ASSETS	$ 10,500,820	$ 14,336,183	$ (45,350)	$ 24,791,653
LIABILITIES				
Accounts payable and accrued expenses	$ 454,573	$ 12,000	$ (45,350)	$ 421,223
Paycheck protection program loan	467,804	-	-	467,804
Refundable advances	193,031	-	-	193,031
	1,115,408	12,000	(45,350)	1,082,058
NET ASSETS				
Without donor restrictions	8,338,960	402,550	-	8,741,510
With donor restrictions	1,046,452	13,921,633	-	14,968,085
	9,385,412	14,324,183	-	23,709,595
TOTAL LIABILITIES AND NET ASSETS	$ 10,500,820	$ 14,336,183	$ (45,350)	$ 24,791,653

JEWISH BIG BROTHERS BIG SISTERS ASSOCIATION OF LOS ANGELES AND THE FOUNDATION FOR CAMP BOB WALDORF, INC.

SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	JBBBSLA	FCBW	Eliminations	Combined Total
SUPPORT AND REVENUE:				
Grants and contributions	$ 2,591,266	$ 59,450	$ (556,220)	$ 2,094,496
Special events, net	220,548	174,307	-	394,855
Camp Bob Waldorf camper fees	50,000	-	-	50,000
Fee for service	132,750	-	(132,750)	-
Investment return, net	805,430	1,695,679	-	2,501,109
Change in cash surrender value of life insurance policies	-	31,272	-	31,272
Paycheck Protection Program loan forgiveness	460,600	-	-	460,600
Rental and other income	469,145	-	-	469,145
Total Support and Revenue	4,729,739	1,960,708	(688,970)	6,001,477
EXPENSES				
Program services	3,401,712	556,220	(556,220)	3,401,712
Management and general	598,184	82,451	(66,375)	614,260
Fundraising	767,275	66,375	(66,375)	767,275
Total Expenses	4,767,171	705,046	(688,970)	4,783,247
CHANGE IN NET ASSETS	(37,432)	1,255,662	-	1,218,230
NET ASSETS, BEGINNING OF YEAR	9,422,843	13,068,522	-	22,491,365
NET ASSETS, END OF YEAR	$ 9,385,411	$ 14,324,184	$ -	$ 23,709,595