



Jewish Community Relations
Council of Greater Boston, Inc.
Financial Statements
September 30, 2016

Kevin P. Martin & Associates, P.C.

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Index

September 30, 2016

Independent Auditors' Report

Financial Statements:

Statement of Financial Position as of September 30, 2016 with Comparative Totals as of September 30, 2015	1
Statement of Activities for the Year Ended September 30, 2016 with Comparative Totals for the Year Ended September 30, 2015	2
Statement of Cash Flows for the Year Ended September 30, 2016 with Comparative Totals for the Year Ended September 30, 2015	3
Statement of Functional Expenses for the Year Ended September 30, 2016 with Comparative Totals for the Year Ended September 30, 2015	4
Notes to Financial Statements	5 - 14



Independent Auditors' Report

To the Board of Directors of
Jewish Community Relations Council of Greater Boston, Inc.

We have audited the accompanying financial statements of Jewish Community Relations Council of Greater Boston, Inc. (a nonprofit organization) (the Council) which comprise the statement of financial position as of September 30, 2016, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from 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 financial statements referred to above present fairly, in all material respects, the financial position of the Council as of September 30, 2016, 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.

Emphasis of Matter - Prior Period Adjustment

As described in Note 10 to the financial statements, the Council's September 30, 2015 notes receivable balance and net asset balance have been restated as the result of the correction of an error. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Council's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 4, 2016. The prior year summarized comparative information is not intended to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kevin P. Martini & Associates, P.C.

March 14, 2017

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Statement of Financial Position

As of September 30, 2016
With Comparative Totals as of September 30, 2015

Current Assets	<u>2016</u>	<u>2015</u>
Cash	\$ 722,723	\$ 849,839
Pledges receivable - current, net of allowance	279,124	124,485
Prepaid expenses	<u>18,104</u>	<u>24,133</u>
Total current assets	<u>1,019,951</u>	<u>998,457</u>
Other Assets		
Pledges receivable, net of current portion	83,524	-
Notes receivable	<u>153,969</u>	<u>153,969</u>
Total other assets	<u>237,493</u>	<u>153,969</u>
Total Assets	<u><u>1,257,444</u></u>	<u><u>1,152,426</u></u>
Current Liabilities		
Accounts payable	25,135	14,446
Accrued expenses	46,569	77,607
Notes payable - current	<u>6,214</u>	<u>6,158</u>
Total current liabilities	<u>77,918</u>	<u>98,211</u>
Long Term Liabilities		
Notes payable - net of current portion and discount	<u>127,384</u>	<u>6,157</u>
Total long term liabilities	<u>127,384</u>	<u>6,157</u>
Net Assets		
Unrestricted	689,494	923,573
Temporarily restricted	<u>362,648</u>	<u>124,485</u>
Total net assets	<u>1,052,142</u>	<u>1,048,058</u>
Total Liabilities and Net Assets	<u><u>\$ 1,257,444</u></u>	<u><u>\$ 1,152,426</u></u>

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

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Statement of Activities

For the Year Ended September 30, 2016
With Comparative Totals for the Year Ended September 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
Revenue and Support				
Contributions and donations	\$ 828,178	\$ 1,409,333	\$ 2,237,511	\$ 2,859,783
Event fees and sponsorships	135,585	330,173	465,758	236,200
Released from restrictions	1,501,343	(1,501,343)	-	-
Investment income	<u>6,873</u>	<u>-</u>	<u>6,873</u>	<u>6,865</u>
Total revenue and support	<u>2,471,979</u>	<u>238,163</u>	<u>2,710,142</u>	<u>3,102,848</u>
Expenses				
Program services	2,019,968	-	2,019,968	2,395,782
General and administrative	220,680	-	220,680	280,005
Fundraising	<u>338,059</u>	<u>-</u>	<u>338,059</u>	<u>299,434</u>
Total expenses	<u>2,578,707</u>	<u>-</u>	<u>2,578,707</u>	<u>2,975,221</u>
Total Change in Net Assets from Operations	<u>(106,728)</u>	<u>238,163</u>	<u>131,435</u>	<u>127,627</u>
Non-Operating Revenue and Expenses				
Change in estimate (see Note 11)	(180,174)	-	(180,174)	-
Discount on note payable	<u>52,823</u>	<u>-</u>	<u>52,823</u>	<u>-</u>
Total non-operating revenue and expenses	<u>(127,351)</u>	<u>-</u>	<u>(127,351)</u>	<u>-</u>
Total Change in Net Assets	<u>(234,079)</u>	<u>238,163</u>	<u>4,084</u>	<u>127,627</u>
Net Assets at Beginning of Year, as restated	<u>923,573</u>	<u>124,485</u>	<u>1,048,058</u>	<u>920,431</u>
Net Assets at End of Year	<u>\$ 689,494</u>	<u>\$ 362,648</u>	<u>\$ 1,052,142</u>	<u>\$ 1,048,058</u>

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

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Statement of Cash Flows

For the Year Ended September 30, 2016
With Comparative Totals for the Year Ended September 30, 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 4,084	\$ 127,627
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Change in estimate (see Note 11)	180,174	-
Discount on notes payable	(52,823)	-
Decrease (increase) in assets:		
Pledges receivable	(238,163)	(80,935)
Prepaid expenses	6,029	15,256
Increase (decrease) in liabilities:		
Accounts payable	10,689	13,856
Accrued expenses	(31,038)	38,315
Net Cash (Used in) Provided by Operating Activities	<u>(121,048)</u>	<u>114,119</u>
Cash Flows from Financing Activities		
Repayment of notes payable	(6,068)	(6,158)
Net Cash Used in Financing Activities	<u>(6,068)</u>	<u>(6,158)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(127,116)	107,961
Cash and Cash Equivalents - Beginning	<u>849,839</u>	<u>741,878</u>
Cash and Cash Equivalents - Ending	<u>\$ 722,723</u>	<u>\$ 849,839</u>
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Notes payable for accrued pension liability	<u>\$ 180,174</u>	<u>\$ -</u>

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

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Statement of Functional Expenses

For the Year Ended September 30, 2016

With Comparative Totals for the Year Ended September 30, 2015

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>2016 Total</u>	<u>2015 Total</u>
Salaries	\$ 1,264,873	\$ 72,729	\$ 188,105	\$ 1,525,707	\$ 1,529,255
Payroll taxes	86,800	4,991	12,908	104,699	108,539
Fringe benefits	173,423	9,972	25,790	209,185	190,315
Subtotal	<u>1,525,096</u>	<u>87,692</u>	<u>226,803</u>	<u>1,839,591</u>	<u>1,828,109</u>
Bank charges	-	4,318	-	4,318	7,038
Consultants	52,267	34,514	26,324	113,105	238,110
Dues and subscriptions	4,950	2,301	1,448	8,699	9,615
Equipment	11,380	3,544	1,944	16,868	9,911
Equipment rental and maintenance	35,169	1,872	4,842	41,883	43,036
Food	20,819	4,954	346	26,119	37,397
Insurance	1,685	10,003	251	11,939	14,960
Meeting expenses	3,987	1,924	57,396	63,307	93,862
Membership fees	9,660	905	3	10,568	9,740
Miscellaneous expenses	2,112	-	-	2,112	1,739
Mission travel	152,656	-	-	152,656	147,302
Occupancy	110,426	6,349	16,422	133,197	134,390
Payroll service charges	-	6,530	-	6,530	6,783
Postage	203	1,348	-	1,551	3,713
Printing	7,950	2,088	821	10,859	13,912
Professional fees	-	9,497	-	9,497	8,335
Program meeting space	2,983	-	-	2,983	6,436
Program speakers	-	-	-	-	250
Special project supplies, equipment and travel costs - DNEP	-	-	-	-	233,637
Sponsorships	5,780	-	-	5,780	350
Staff training	3,302	10,404	75	13,781	9,860
Supplies	1,627	4,928	-	6,555	8,160
Telephone	2,347	8,881	544	11,772	14,134
Travel	65,569	18,628	840	85,037	94,442
Total Functional Expenses	<u>\$ 2,019,968</u>	<u>\$ 220,680</u>	<u>\$ 338,059</u>	<u>\$ 2,578,707</u>	<u>\$ 2,975,221</u>

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

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Notes to Financial Statements

September 30, 2016

(1) Summary of Significant Accounting Policies

The 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). The significant accounting policies followed by Jewish Community Relations Council of Greater Boston, Inc. (the Council) are described below to enhance the usefulness of the financial statements to the reader.

(a) Nature of Activities

The Council was founded in 1944 and was incorporated in 1973 in the Commonwealth of Massachusetts as a not-for-profit corporation. Rooted in Jewish values and informed by Jewish history, the Council serves as the representative voice of the organized Jewish Community in the greater Boston area. The Council's mission also reflects the ideals of American democracy while serving as a catalyst for building a strong and vibrant Jewish community in Boston and around the world. The Council advocates for a safe and secure, democratic Jewish state of Israel and promotes an American society which is democratic, pluralistic and just.

In pursuit of its goals, the Council pursues an action agenda by forging collaborative partnerships within the Jewish community; and between the Jewish community and the broader society. To this end, the Council educates, assists and enables the Jewish community to pursue social justice. The Council advocates on issues of Jewish communal concern. The Council builds coalitions for effective action and opportunities for community involvement and convenes the community in times of crisis, celebration and commemoration.

These purposes are accomplished through the following program activities:

Social Justice - The Council works to engage members of Boston's Jewish community in the work of social justice through community service and community organizing, in partnership with other faith communities and a range of community based nonprofits. The four social justice program areas are: The Greater Boston Jewish Coalition for Literacy, which mobilizes hundreds of volunteers to provide weekly tutoring to elementary school children in under resourced urban elementary schools; TELEM, a teen service learning program which engages over 900 middle and high school students in ongoing community service (connected with specially prepared curricula); ReachOut!, which engages young adults in service, fosters their leadership and builds a cohesive community; and synagogue organizing, which involves leaders from area synagogues in organizing and advocacy in the public arena. The Council collaborates closely with the Greater Boston Interfaith Organization in grassroots community organizing.

The Council also provides Holocaust programming and education, in conjunction with the New England Holocaust Memorial.

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Notes to Financial Statements

September 30, 2016

(1) Summary of Significant Accounting Policies - continued

(a) Nature of Activities - continued

Israel Engagement - The Council is committed to engaging with people from diverse backgrounds to foster civil dialogue and build support for Israel, the national homeland of the Jewish people. The Council pursues these goals by engaging in work such as community education, cultivating relationships throughout greater Boston, leading Study Tours to Israel with community leaders and supporting national efforts through our partnerships with the Jewish Council for Public Affairs. Study Tour participants are strategically selected influential leaders, including clergy and elected officials.

Government Affairs - Working together with the Massachusetts Association of Jewish Federations (MAJF), the Council brings together broad coalitions of Jewish agencies, organizations and individuals, to advocate for compassionate public policies and adequate funding to assist those most in need and improve the quality of life for all. Through successful collaborations with a variety of advocacy organizations in the broader community, the Council multiplies its impact and the reach of its contacts and fosters and develops relationships with governmental officials at the federal, state and local levels in order to achieve policy successes in the budgetary, administrative and legislative arenas.

The Dnepropetrovsk Kehillah Project, formerly housed at the Council, is now a program of Combined Jewish Philanthropies (CJP).

(b) Basis of Presentation

The statement of activities reports all changes in net assets, including changes in unrestricted net assets from operating activities. Operating revenues consist of those monies received and other contributions attributable to the Council's ongoing efforts.

(c) Standards of Accounting and Reporting

The Council's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The statement of financial position presents two classes of net assets (unrestricted and temporarily restricted) and the statement of activities displays the change in each class of net assets. The classes of net assets applicable to the Council are presented as follows:

Unrestricted - Unrestricted net assets are not subject to donor imposed restrictions. Unrestricted net assets consist of assets and contributions available for the support of operations. Unrestricted net assets may be designated for specific purposes by management or the Board of Directors. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law.

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Notes to Financial Statements

September 30, 2016

(1) Summary of Significant Accounting Policies - continued

(c) Standards of Accounting and Reporting - continued

Temporarily Restricted - Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met, either by actions of the Council and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

(d) Cash and Cash Equivalents

The Council considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

The Council maintains its cash balances at several financial institutions located in Massachusetts. The cash balances are secured by the Federal Deposit Insurance Corporation (FDIC). At times these balances may exceed the federal insurance limits; however, the Council has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of September 30, 2016.

(e) Revenue Recognition

The Council earns revenue as follows:

Contributions - Contributions, which include both donations and grants, are recorded upon receipt or pledge as unrestricted or temporarily restricted support depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Special Events - Special event revenue is primarily derived from contributions collected and fees charged for admission at various sponsored events. Special events revenue is recognized when earned. Special events are incidental to the Council's operations and the related direct expenses have been reported with fundraising expense in the accompanying statement of activities.

During the year ended September 30, 2016, the Council derived approximately 77% of its total operating revenue from CJP, an unrelated nonprofit organization, of which 17% of that percentage is from targeted gifts and 60% from grants, and the remaining 23% of total operating revenue is from foundations and individuals. All revenue is recorded at estimated net realizable value.

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Notes to Financial Statements

September 30, 2016

(1) Summary of Significant Accounting Policies - continued

(f) Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

Unconditional promises to give are periodically reviewed to estimate an allowance for doubtful accounts. Management estimates the allowance by review of historical experience and a specific review of collections trends that differ from scheduled collections on individual promises. As of September 30, 2016, the allowance for doubtful accounts was \$10,000.

(g) Fundraising

Fundraising relates to the activities of raising general and specific contributions for the Council.

(h) Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Council.

Payroll and associated costs are allocated to functions based upon actual time charges. Occupancy costs are allocated based upon the allocation of salary.

(i) Use of Estimates

In preparing the Council's financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

During the year ended September 30, 2016, a significant change in estimate occurred concerning the funding of a former employee's defined benefit pension plan; see Note 11.

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Notes to Financial Statements

September 30, 2016

(1) Summary of Significant Accounting Policies - continued

(j) Income Taxes

The Council qualifies as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is generally not subject to income tax. However, income from certain activities not directly related to the Council's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Council is not a private foundation under Section 509(a)(1).

(k) Summarized Financial Information for 2015

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Also, the financial statements do not include a full presentation of the statement of functional expenses for the year ended September 30, 2015. In addition, the financial statements do not include full financial statement disclosures for the prior year. 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 Council's financial statements for the year ended September 30, 2015, from which the summarized information was derived.

(l) Reclassifications

Certain amounts in the prior year comparative statements have been reclassified to conform to the current year presentation.

(m) Compensated Absences

Vacation and sick pay are considered expenditures in the year paid.

(2) Pledges Receivable

The Council has unconditional promises to give that are expected to be collected within one to five years, with corresponding expenses to be incurred in future years as well. As of September 30, 2016, table below reflects how these unconditional promises to give are being recorded as pledges receivable at net realizable value (see Note 1f and Note 6).

	<u>Gross Promise</u>	<u>Allowance</u>	<u>Net Promise</u>	<u>Unamortized Discount</u>	<u>Total</u>
Receivable less than 1 year	\$ 289,124	\$ 10,000	\$ 279,124	\$ -	\$ 279,124
Receivable in 1 to 5 years	<u>85,000</u>	<u>-</u>	<u>85,000</u>	<u>1,476</u>	<u>83,524</u>
	<u>\$ 374,124</u>	<u>\$ 10,000</u>	<u>\$ 364,124</u>	<u>\$ 1,476</u>	<u>\$ 362,648</u>

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Notes to Financial Statements

September 30, 2016

(3) Notes Receivable

In May 2006, various individuals and organizations donated funds to the Council for the purpose of loaning said funds to Boston Community Capital to assist with the development of affordable housing in the Boston area.

The Council participated directly in this initiative by entering into a note receivable with Boston Community Capital totaling \$138,969 at 2% interest dated December 12, 2004 (see Note 10). The note requires interest only payments each June with the principal balance due on June 30, 2019. As of September 30, 2016, the note receivable amounted to \$138,969.

The Council participated directly in this initiative by entering into another note receivable with Boston Community Capital totaling \$15,000 at 2% interest dated December 12, 2004. The note requires interest only payments each June with the balance due when called upon. As of September 30, 2016, the note receivable amounted to \$15,000.

(4) Notes Payable

An interest free loan in the original amount of \$67,736 was extended by CJP effective January 1, 2006 to assist the Council in meeting the funding obligations associated with employees who were participants in the "Retirement Plan for Certain Former participants in the Pension Plan of Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliated Agencies and the Excess Benefit Retirement Plan for Certain Former Participants in the Pension Plan of Combined Jewish Philanthropies and Affiliated Agencies". On or about December 31 of each year, commencing with December 31, 2006, and ending on December 31, 2016, the Council will provide CJP a payment of \$6,158, adjusted for investment results, to be applied to the outstanding principal of the loan. If the repayment is found to be in default by more than 30 days, the outstanding balance shall begin to accrue interest at 10% per annum including costs. During the year ended September 30, 2016, the remaining balance was repaid directly with funds from the new CJP note (see below).

An interest free loan in the original amount of \$186,421 was extended by CJP effective June 30, 2016 to assist the Council in funding the pension liability of a former employee (see Note 11) as well as to repay the remaining balance on the original CJP note (see above). On or about December 31 of each year, commencing with December 31, 2016, and ending on December 31, 2045, the Council will provide CJP a payment of \$6,214 to be applied to the outstanding principal of the loan. As of September 30, 2016, the outstanding balance on the note payable amounted to \$186,421.

In accordance with U.S. GAAP, a discount is required to be calculated on the non-interest bearing note payable for imputed interest. This discount was calculated in accordance with a risk free rate of return, determined by management to be the U.S. Treasury's 30-year Daily Yield Curve rate as of the date of the note issuance, June 30, 2016, which was 2.30%. As of September 30, 2016, this discount was determined to be \$52,823 which is netted against the corresponding note payable in the accompanying statement of financial position. This discount has been recognized as non-operating revenue on the accompanying statement of activities for the year ended September 30, 2016 and will decline annually as principal payments are made and a corresponding interest expense is recorded in relation to the discount.

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Notes to Financial Statements

September 30, 2016

(4) Notes Payable - continued

Future minimum payments are as follows:

Year ended September 30, 2017	\$	6,214
Year ended September 30, 2018		6,214
Year ended September 30, 2019		6,214
Year ended September 30, 2020		6,214
Year ended September 30, 2021		6,214
Thereafter		155,351

(5) Operating Lease Commitments

The Council is a tenant-at-will for office space in Boston, MA owned by CJP. The Council pays monthly rent in the amount of \$11,169 which includes occupancy, common area maintenance and utility costs. Total rent expenses for the year ended September 30, 2016 totaled \$133,197.

(6) Temporarily Restricted Net Assets

Temporarily restricted net assets consist of resources available to meet future obligations, but only in compliance with the restrictions specified by donors. As of September 30, 2016, temporarily restricted net assets amounted to \$362,648 and consists of amounts restricted by time.

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Notes to Financial Statements

September 30, 2016

(7) Specific Program Expenses - Unaudited

The Council has allocated direct and administrative expenses to the following projects for 2016:

Designated Program Expenses

Service Programs		
TELEM	\$ 330,253	
Greater Boston Jewish Coalition for Literacy	168,841	
ReachOut!	<u>131,651</u>	
Total Service Programs		630,745
Advocacy and Organization		
Synagogue Organizing	123,724	
Government Affairs	332,900	
Disability Advocacy	117,393	
Anti-gun Violence Advocacy	<u>102,313</u>	
Total Advocacy and Organization		676,330
Community Outreach		
Community Outreach	237,384	
NE Holocaust Memorial	<u>88,336</u>	
Total Community Outreach		325,720
Israel Engagement Center	<u>387,173</u>	
Total Israel Engagement Center		<u>387,173</u>
Total allocated expenses		\$ <u>2,019,968</u>

(8) Employee Benefits

(a) Defined Contribution Plan

The Council has a defined contribution pension plan that qualifies as a tax-sheltered account under Section 403(b)(7) of the Internal Revenue Code (IRC) for the benefit of eligible employees. All regular employees are eligible to participate in this plan. Under the plan, benefit eligible employees can invest pre-tax dollars. The employees are not taxed on contributions or earnings until they receive distributions from the account. For the year ended September 30, 2016, the Council's contributions under this plan amounted to \$58,044.

(b) Section 125 Plan

The Council has a plan that qualifies as a "Cafeteria Plan" under Section 125 of the IRC. The plan allows the Council's employees to pay for medical and dental insurance and daycare on a pre-tax basis. All employees whose customary employment is at least 20 hours per week are eligible to participate in the plan.

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Notes to Financial Statements

September 30, 2016

(9) Concentrations

The Council is significantly supported by CJP, an unrelated nonprofit organization with similar missions and goals to that of the Council. CJP accounted for 77% of the Council's operating revenue, of which 17% of that percentage is from targeted gifts and 60% from grants, during the year ended September 30, 2016 (see Note 1e). The Council's notes payable are held by CJP (see Note 4) and the Council also rents their office space from CJP (see Note 5).

(10) Prior Period Adjustment

During the year ended September 30, 2016, it was determined that there was an error that needed to be corrected to properly state prior years' net assets and notes receivable that was recorded as a prior period adjustment.

The prior period adjustment involved the recording of a note receivable from Boston Community Capital in the amount of \$138,969. This note was erroneously excluded from the Council's statement of financial position in prior years. When the note reached maturity in 2016, Boston Community Capital reached out to the Council to determine if the note was to be repaid or reinvested in Boston Community Capital's mission. The Council reinvested the proceeds with Boston Community Capital, therefore extending the maturity date of the note (see Note 3) and corrected the reporting error. The September 30, 2015 notes receivable balance, net asset balance and the net asset balance as of September 30, 2014 have been properly restated to show this correction. The restatement has no impact on current year or prior year profit or loss as the restatement increased preceding years' net asset balances. Prior period financial statements have not been reissued.

The September 30, 2015 notes receivable have been restated as follows:

Notes receivable, as of September 30, 2015, as previously reported	\$ 15,000
Prior period adjustment	<u>138,969</u>
Notes receivable, as of September 30, 2015, as restated	<u><u>\$ 153,969</u></u>

The September 30, 2015 net assets have been restated as follows:

Net assets, as of September 30, 2015, as previously reported	\$ 909,089
Prior period adjustment	<u>138,969</u>
Net assets, as of September 30, 2015, as restated	<u><u>\$ 1,048,058</u></u>

The September 30, 2014 net assets have been restated as follows:

Net assets, as of September 30, 2014, as previously reported	\$ 781,462
Prior period adjustment	<u>138,969</u>
Net assets, as of September 30, 2014, as restated	<u><u>\$ 920,431</u></u>

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Notes to Financial Statements

September 30, 2016

(11) Change in Estimate

The Council was a participant employer in a non-contributing multiemployer defined benefit plan maintained by CJP in which certain Council employees were eligible to participate in. This Plan had been frozen in 2005. During the year ended September 30, 2016, a former employee officially retired and, at that time, the Plan was determined to be underfunded by \$180,174 due to changes in original estimates in the calculation of the accrued benefit liability. The Council met this additional liability in full during the year ended September 30, 2016 by entering into a note payable with CJP who directly provided the funds for the additional liability (see Note 4). As this additional liability represents a change in estimate, the expense has been included in the statement of activities for the year ended September 30, 2016 as a non-operating expense.

(12) Subsequent Events

The Council has performed an evaluation of subsequent events through March 14, 2017, which is the date the Council's financial statements were available to be issued. No material subsequent events have occurred since September 30, 2016 that required recognition or disclosure in these financial statements.