

**JEWISH COMMUNITY RELATIONS COUNCIL
OF GREATER BOSTON, INC.**

Financial Statements

September 30, 2015

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

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September 30, 2015

Independent Auditors' Report

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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, 2015, 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, 2015, 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.

Report on Summarized Comparative Information

The financial statements of the Council as of September 30, 2014, were audited by other auditors whose report dated January 26, 2015, expressed an unmodified opinion on those statements. 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, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Muir P. Marten & Company, P.C.

March 4, 2016

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Statement of Financial Position

As of September 30, 2015
With Comparative Totals as of September 30, 2014

Current Assets	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 849,839	\$ 741,878
Pledges receivable, net	124,485	43,550
Prepaid expenses	<u>24,133</u>	<u>39,389</u>
Total current assets	<u>998,457</u>	<u>824,817</u>
Other Assets		
Note receivable	<u>15,000</u>	<u>15,000</u>
Total other assets	<u>15,000</u>	<u>15,000</u>
Total Assets	<u>\$ 1,013,457</u>	<u>\$ 839,817</u>
Current Liabilities		
Accrued expenses	\$ 92,053	\$ 39,882
Note payable - current	<u>6,158</u>	<u>6,158</u>
Total current liabilities	<u>98,211</u>	<u>46,040</u>
Long Term Liabilities		
Note payable - long term	<u>6,157</u>	<u>12,315</u>
Total long term liabilities	<u>6,157</u>	<u>12,315</u>
Net Assets		
Unrestricted	784,604	737,912
Temporarily restricted	<u>124,485</u>	<u>43,550</u>
Total net assets	<u>909,089</u>	<u>781,462</u>
Total Liabilities and Net Assets	<u>\$ 1,013,457</u>	<u>\$ 839,817</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, 2015
With Comparative Totals for the Year Ended September 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
Revenue and Support				
Contributions and donations	\$ 1,050,269	\$ 1,809,514	\$ 2,859,783	\$ 2,684,909
Event fees and sponsorships	171,715	64,485	236,200	161,578
Released from restrictions	1,793,064	(1,793,064)	-	-
Investment income	<u>6,865</u>	<u>-</u>	<u>6,865</u>	<u>4,414</u>
Total revenue and support	<u>3,021,913</u>	<u>80,935</u>	<u>3,102,848</u>	<u>2,850,901</u>
Expenses				
Program services	2,395,782	-	2,395,782	1,799,642
General and administrative	280,005	-	280,005	650,597
Fundraising	<u>299,434</u>	<u>-</u>	<u>299,434</u>	<u>220,085</u>
Total expenses	<u>2,975,221</u>	<u>-</u>	<u>2,975,221</u>	<u>2,670,324</u>
Total Change in Net Assets	46,692	80,935	127,627	180,577
Net Assets at Beginning of Year	<u>737,912</u>	<u>43,550</u>	<u>781,462</u>	<u>600,885</u>
Net Assets at End of Year	<u>\$ 784,604</u>	<u>\$ 124,485</u>	<u>\$ 909,089</u>	<u>\$ 781,462</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, 2015
With Comparative Totals for the Year Ended September 30, 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 127,627	\$ 180,577
Decrease (increase) in assets:		
Pledges receivable	(80,935)	31,450
Prepaid expenses	15,256	(15,428)
Increase (decrease) in liabilities:		
Accrued expenses	<u>52,171</u>	<u>(16,104)</u>
Net Cash Provided by Operating Activities	<u>114,119</u>	<u>180,495</u>
Cash Flows from Financing Activities		
Repayment of CJP note payable	<u>(6,158)</u>	<u>(6,158)</u>
Net Cash Used in Financing Activities	<u>(6,158)</u>	<u>(6,158)</u>
Net Increase in Cash and Cash Equivalents	107,961	174,337
Cash and Cash Equivalents - Beginning	<u>741,878</u>	<u>567,541</u>
Cash and Cash Equivalents - Ending	<u>\$ 849,839</u>	<u>\$ 741,878</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, 2015
With Comparative Totals as of September 30, 2014

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>2015 Total</u>	<u>2014 Total</u>
Salaries	\$ 1,269,927	\$ 105,082	\$ 154,246	\$ 1,529,255	\$ 1,444,984
Payroll taxes	90,133	7,458	10,948	108,539	102,219
Fringe benefits	158,042	13,077	19,196	190,315	172,669
Subtotal	<u>1,518,102</u>	<u>125,617</u>	<u>184,390</u>	<u>1,828,109</u>	<u>1,719,872</u>
Bank charges	-	7,038	-	7,038	6,203
Consultants	194,793	36,579	6,738	238,110	145,907
Database	-	-	-	-	21,600
Dues and subscriptions	6,126	3,290	199	9,615	7,843
Equipment	5,699	3,520	692	9,911	7,728
Equipment rental and maintenance	35,795	2,934	4,307	43,036	37,080
Food	27,801	9,083	513	37,397	38,389
Insurance	1,519	13,257	184	14,960	14,756
Meeting expenses	2,218	4,538	87,106	93,862	36,239
Membership fees	9,380	360	-	9,740	10,414
Miscellaneous expenses	1,739	-	-	1,739	2,575
Mission travel	147,302	-	-	147,302	85,080
Occupancy	111,600	9,235	13,555	134,390	134,500
Payroll service charges	-	6,783	-	6,783	7,343
Postage	67	3,646	-	3,713	1,393
Printing	10,499	3,413	-	13,912	22,409
Professional fees	-	8,335	-	8,335	11,865
Program meeting space	6,436	-	-	6,436	3,249
Program speakers	250	-	-	250	930
Special project supplies, equipment and travel costs - DNEP	233,637	-	-	233,637	232,226
Sponsorships	350	-	-	350	10,190
Staff training	2,214	7,646	-	9,860	4,409
Supplies	2,216	5,925	19	8,160	7,780
Telephone	11,889	909	1,336	14,134	13,163
Travel	66,150	27,897	395	94,442	87,181
Total Functional Expenses	\$ <u>2,395,782</u>	\$ <u>280,005</u>	\$ <u>299,434</u>	\$ <u>2,975,221</u>	\$ <u>2,670,324</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, 2015

(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; 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, 2015

(1) Summary of Significant Accounting Policies - continued

(a) Nature of Activities - continued

Israel Engagement – JCRC 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 JCRC 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, 2015

(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, 2015.

(e) Revenue Recognition

The Council earns revenue as follows:

Grants - Grants are recorded as revenue as costs related to the services provided are incurred.

Contributions - Contributions 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 event contributions and fees are recognized as income when received.

During the year ended September 30, 2015, the Council derived approximately 87% of its total revenue from CJP, an unrelated nonprofit organization, of which 13% of that percentage is from targeted gifts and 74% from grants, and the remaining 13% of total 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, 2015

(1) Summary of Significant Accounting Policies - continued

(f) Promises to Give

Unconditional promises to give are recognized as revenue and as assets, net of allowances, in the period in which the promises are made. Unconditional promises to give are recorded, in the year received, at the present value of estimated future cash flows using a risk-adjusted discount rate. Amortization of the discount is included in contribution revenue. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and when the promises become unconditional.

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, 2015, the allowance for doubtful accounts was \$21,375.

(g) Fundraising

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

(h) Special Events

The Council has determined that special events are incidental to its operations and therefore the direct costs of benefit to the donors is reported with fundraising expense and is not included with special events revenue.

(i) 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.

(j) 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.

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Notes to Financial Statements

September 30, 2015

(1) Summary of Significant Accounting Policies - continued

(k) Income Taxes

The Council qualifies as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC) and therefore is not subject to income tax. In addition, the Council qualifies for the charitable contribution deduction under Section 170(b)(1)(a) of the IRC and has not been classified as a private foundation under Section 509(a)(1) of the IRC. Certain unrelated business income, as defined in the IRC, is subject to federal income tax. For the year ended September 30, 2015, there was no liability for tax on unrelated business income.

U.S. GAAP prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. For the year ended September 30, 2015, the Council has determined that it has not taken any tax positions which would result in an uncertainty requiring recognition in the accompanying financial statements. The Council recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. There were no interest or penalties for the year ended September 30, 2015.

Generally, the Council's information returns remain open for possible federal income tax examination for three years after the filing date. The Council is not currently under examination by any taxing jurisdiction.

(l) Summarized Financial Information for 2014

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, 2014. 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 GAAP. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended September 30, 2014, from which the summarized information was derived.

(m) Reclassifications

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

(n) Compensated Absences

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

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Notes to Financial Statements

September 30, 2015

(2) Pledges Receivable

The Council has unconditional promises to give that are expected to be collected within one year recorded as pledges receivable at net realizable value.

As of September 30, 2015, pledges receivable to be collected are as follows:

	Gross Promise	Allowance	Net Promise
Receivable less than 1 year	\$ <u>145,860</u>	\$ <u>21,375</u>	\$ <u>124,485</u>
Total pledges receivable	\$ <u>145,860</u>	\$ <u>21,375</u>	\$ <u>124,485</u>

(3) Note Receivable

In May 2006, various investors loaned funds to Boston Community Capital to assist with the development of affordable housing in the Boston area. The Council facilitated this process by collecting the funds from the investors and remitting the funds to Boston Community Capital.

The Council participated directly in this initiative by entering into a 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, 2015, the note receivable amounted to \$15,000.

(4) Note 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. As of September 30, 2015, the outstanding balance on the note payable amounted to \$12,315.

Future minimum payments are as follows:

Year ended September 30, 2016	\$ 6,158
Year ended September 30, 2017	6,157

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Notes to Financial Statements

September 30, 2015

(5) Operating Lease Commitments

The Council is a tenant-at-will for office space in Boston, MA owed 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, 2015 totaled \$134,390.

(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, 2015, temporarily restricted net assets amounted to \$124,485 and consist of restricted amounts to be used for the Council's program as well as amounts restricted by time.

(7) Specific Program Expenses - Unaudited

The Council has allocated direct and administrative expenses to the following projects for 2015:

Designated Program Expenses

International Programs		
Dnepropetrovsk	\$ <u>409,937</u>	
Total International Program		409,937
Social Justice		
TELEM	278,126	
Synagogue Organizing	161,403	
Community Outreach	268,446	
NE Holocaust Memorial	93,302	
Greater Boston Jewish Coalition for Literacy	170,322	
ReachOut!	116,850	
Center for Service	<u>13,032</u>	
Total Social Justice		1,101,481
Government Affairs		
Disability Advocacy	112,040	
Anti-gun Violence Advocacy	93,109	
General Government Affairs	<u>414,089</u>	
Total Government Affairs		619,238
Israel Engagement Center	<u>265,126</u>	
Total Israel Engagement Center		<u>265,126</u>
Total allocated expenses		\$ <u>2,395,782</u>

JEWISH COMMUNITY RELATIONS COUNCIL OF GREATER BOSTON, INC.

Notes to Financial Statements

September 30, 2015

(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, 2015, the Council's contributions under this plan amounted to \$57,360.

(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.

(9) Commitments, Contingencies and Concentrations

(a) CJP

The Council is significantly supported by CJP, an unrelated nonprofit organization with similar missions and goals to that of the Council. CJP accounted for 87% of the Council's revenue, of which 13% of that percentage is from targeted gifts and 74% from grants, during the year ended September 30, 2015 (see Note 1e), the Council's note payable is held by CJP (see Note 4) and the Council also rents their office space from CJP (see Note 5).

(b) Other Matter

The Council is involved in a legal action arising in the normal course of business. In the opinion of management, the matter will not have a material effect upon the financial position of the Council.

(10) Subsequent Events

The Council has performed an evaluation of subsequent events through March 4, 2016, which is the date the Council's financial statements were available to be issued. No material subsequent events have occurred since September 30, 2015 that required recognition or disclosure in these financial statements.