

**Jewish Community Relations Council of
Greater Boston, Inc.**

**Financial Statements
September 30, 2014
(With Comparative Totals for 2013)**



SANDBERG & CREEDEN, P.C.
Certified Public Accountants

*331 Page Street
Stoughton, MA 02072*

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

FINANCIAL STATEMENTS
SEPTEMBER 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

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

Independent Auditors' Report

We have audited the accompanying financial statements of Jewish Community Relations Council of Greater Boston, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2014, and the related statements of activities, functional expense, and cash flows 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 representation 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 Jewish Community Relations Council of Greater Boston, Inc. as of September 30, 2014, 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

We have previously audited the Jewish Community Relations Council of Greater Boston, Inc.'s 2013 financial statements, and our report dated January 27, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.


SANDBERG & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
January 26, 2015



**JEWISH COMMUNITY RELATIONS COUNCIL OF
GREATER BOSTON, INC.**
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

<u>ASSETS</u>		<u>2014</u>	<u>2013</u>
<u>Current Assets</u>			
Cash and cash equivalents		\$ 741,878	\$ 567,541
Pledges receivable (see note 5)		43,550	75,000
Prepaid expenses		<u>39,389</u>	<u>23,961</u>
Total current assets		824,817	666,502
<u>Other Assets</u>			
Note receivable (see note 6)		<u>15,000</u>	<u>15,000</u>
Total other assets		<u>15,000</u>	<u>15,000</u>
<u>Total Assets</u>		<u>\$ 839,817</u>	<u>\$ 681,502</u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>Current Liabilities</u>			
Accrued expenses		\$ 39,882	\$ 55,986
CJP note payable-current (see note 8)		<u>6,158</u>	<u>6,158</u>
Total current liabilities		46,040	62,144
<u>Long-Term Liabilities</u>			
CJP note payable (see note 8)		<u>12,315</u>	<u>18,473</u>
Total long-term liabilities		12,315	18,473
<u>Net Assets</u>			
Unrestricted net assets		737,912	511,530
Temporarily restricted net assets:		<u>43,550</u>	<u>89,355</u>
Total net assets		<u>781,462</u>	<u>600,885</u>
<u>Total Liabilities and Net Assets</u>		<u>\$ 839,817</u>	<u>\$ 681,502</u>

See accompanying notes and Independent Auditors' Report.



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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
<u>Support and Revenue</u>				
Contributions:				
CJP grants	\$ 865,200	\$ 1,271,545	\$ 2,136,745	\$ 1,781,019
Donations	146,922	401,242	548,164	438,585
Event fees and sponsorships	161,578		161,578	102,293
Released from restriction	1,718,592	(1,718,592)		
Investment income	4,414		4,414	5,136
Total support and revenue	2,896,706	(45,805)	2,850,901	2,327,033
<u>Expenses</u>				
Program expenses	1,799,642		1,799,642	1,837,467
Management and general expenses	681,821		681,821	542,049
Fundraising expenses	188,861		188,861	148,234
Total expenses	2,670,324		2,670,324	2,527,750
<u>Change in Net Assets</u>	226,382	(45,805)	180,577	(200,717)
<u>Net Assets - Beginning of Year</u>	511,530	89,355	600,885	801,602
<u>Net Assets - End of Year</u>	\$ 737,912	\$ 43,550	\$ 781,462	\$ 600,885

See accompanying notes and Independent Auditors' Report.





**JEWISH COMMUNITY RELATIONS COUNCIL OF
GREATER BOSTON, INC.**
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014			2013	
	Program Expenses	General and Admini- strative	Fundraising Expenses	Total	Total
Salaries	\$ 899,700	\$ 407,362	\$ 137,922	\$ 1,444,984	\$ 1,353,188
Payroll taxes	63,645	28,818	9,756	102,219	94,855
Benefits	107,511	48,677	16,481	172,669	178,842
Total salaries and related expenses related expenses	<u>1,070,856</u>	<u>484,857</u>	<u>164,159</u>	<u>1,719,872</u>	<u>1,626,885</u>
Bank charges		6,203		6,203	3,849
Consultants	131,468	11,339	3,100	145,907	133,066
Database	13,449	6,089	2,062	21,600	21,600
Dues and subscriptions	4,334	3,468	41	7,843	6,088
Equipment	5,727	1,123	878	7,728	10,126
Equipment rental and maintenance	23,191	10,376	3,513	37,080	17,685
Food	29,884	8,239	266	38,389	32,403
Insurance	1,393	13,149	214	14,756	21,798
Meeting expenses	1,541	34,698		36,239	28,702
Membership fees		10,414		10,414	8,699
Miscellaneous expenses	2,575			2,575	8,988
Mission travel	85,080			85,080	66,924
Occupancy	83,745	37,917	12,838	134,500	138,940
Payroll service charges		7,343		7,343	7,427
Postage	447	946		1,393	805
Printing	17,703	4,584	122	22,409	13,159
Professional fees		11,865		11,865	8,345
Program meeting space	3,249			3,249	6,475
Program speakers	930			930	661
Special project supplies, equipment and travel costs - Dnep	232,226			232,226	255,713
Sponsorships	10,190			10,190	1,699
Staff training	1,033	3,376		4,409	3,046
Supplies	5,737	1,526	517	7,780	5,296
Telephone	9,268	2,910	985	13,163	12,966
Travel	65,616	21,399	166	87,181	86,405
Total expenses	<u>\$ 1,799,642</u>	<u>\$ 681,821</u>	<u>\$ 188,861</u>	<u>\$ 2,670,324</u>	<u>\$ 2,527,750</u>

See accompanying notes and Independent Auditors' Report.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014	2013
<u>Cash Flows From Operating Activities</u>		
Increase (decrease) in net assets	\$ 180,577	\$ (200,717)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in:		
Accounts receivable		3,745
Pledges receivable	31,450	(74,000)
Prepaid expenses	(15,428)	17,456
Increase (decrease) in:		
Accrued expenses	(16,104)	1,163
Earned 457(b) benefits		(114,360)
	<u>180,495</u>	<u>(366,713)</u>
<u>Net Cash Provided (Used) by Operating Activities</u>		
<u>Cash Flows From Investing Activities</u>		
Purchase of investments - segregated 457(b) earned benefits		114,360
	<u>0</u>	<u>114,360</u>
<u>Net Cash Provided by Investing Activities</u>		
<u>Cash Flows from Financing Activities</u>		
Repayment of CJP note payable	(6,158)	(6,158)
	<u>(6,158)</u>	<u>(6,158)</u>
<u>Net Cash (Used) by Financing Activities</u>		
<u>Increase/(Decrease) in Cash and Cash Equivalents</u>	174,337	(258,511)
<u>Cash and Cash Equivalents - Beginning</u>	567,541	826,052
<u>Cash and Cash Equivalents - Ending</u>	\$ 741,878	\$ 567,541
SUPPLEMENTAL INFORMATION:		
Interest paid	\$ 0	\$ 0

See accompanying notes and Independent Auditors' Report.



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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

Note 1. Organization

Jewish Community Relations Council of Greater Boston, Inc. (JCRC) was founded in 1944 and was incorporated in 1973 in the Commonwealth of Massachusetts as a not-for-profit corporation. The Organization serves as the representative voice of the organized Jewish community in the greater Boston area. Rooted in Jewish values and informed by Jewish history, JCRC's mission also reflects the ideals of American democracy. Comprised of constituent organizations, JCRC:

- serves as a catalyst for building a strong and vibrant Jewish community in Boston and around the world;
- advocates for a safe, secure, democratic Jewish state of Israel;
- promotes an American society which is democratic, pluralistic and just.

In pursuit of its goals, JCRC pursues an action agenda by forging collaborative partnerships within the Jewish community; and between the Jewish community and the broader society. To this end, JCRC:

- educates, assists and enables the Jewish community to pursue social justice;
- advocates on issues of Jewish communal concern;
- builds coalitions for effective action and opportunities for community involvement;
- convenes the community in times of crisis, celebration and commemoration.

These purposes are accomplished through the following program activities:

Social Justice

JCRC 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 the Greater Boston Synagogue Organizing Project, which involves leaders from area synagogues in organizing and advocacy in the public arena. JCRC collaborates closely with the Greater Boston Interfaith Organization in grassroots community organizing.

JCRC 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, 2014

(Continued)

Note 1. Organization (Continued)

Israel and Other International Concerns

The Israel and International Partnerships Department develops networks in and among Boston and Israel to build the community, pursue social justice, and support Israel. With our Ukrainian partners, we coordinate the Dnepropetrovsk Kehillah Project, contributing to the renewal of Jewish communal life in the Former Soviet Union. We build a network of support and engagement with Israel, including study tours for community, political and religious leaders.

Government Affairs

Working together with the Massachusetts Association of Jewish Federations (MAJF), JCRC 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 JCRC 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.

Note 2. Summary of Significant Accounting Policies

a. Standards and Basis of Accounting and Reporting

The Council follows the standards of accounting and financial reporting as described in the American Institute of Certified Public Accountants' Audit and Accounting Guide for 'Not-for-Profit Organizations'.

b. Financial Statement Presentation

The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. Accordingly, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net asset categories follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors



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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

b. Financial Statement Presentation (Continued)

Temporarily Restricted - Net assets whose use by the organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Council pursuant to those restrictions or that expire by the passage of time.

Permanently Restricted - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Council. No permanently restricted assets were held during 2014 and 2013 and accordingly, these financials do not reflect any activity related to this class of net assets for 2014 and 2013.

c. Cash and Cash Equivalents

For purposes of the statements of cash flows, the Council considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

d. Equipment

These assets are stated at cost, when purchased, or if donated, at their estimated market value at date of donation. All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance and betterments that materially prolong the useful lives of assets are capitalized.

e. Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

f. Allocation of expenses

Expenses are allocated among program and supporting services directly or on the basis of time records and utilization estimates made by the Council's management. General and administrative 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.

g. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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, 2014

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

h. Summarized Comparative Financial Statements

The financial statements include certain prior-year 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2013, from which the summarized information was derived.

Note 3. Tax Status

Jewish Community Relations Council of Greater Boston, Inc. is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and accordingly, no provision for income taxes is included in the financial statements. In addition, the Council qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an Organization that is not a private foundation under Section 509(a)(1).

Unrelated business income, of which the Organization had none for the year ending September 30, 2013, would be subject to Federal and State taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

Accounting principles generally accepted in the United States of America require the Organization management to evaluate tax positions taken by the Organization and recognize a tax liability (or assets) if it has taken an uncertain position that more likely would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken and has concluded that as of September 30, 2014, 2013 and 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The tax returns are subject to routine audits by taxing jurisdictions, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for the years prior to 2011.

Note 4. Concentrations of Credit Risk

The Council maintains its cash balances in various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2014, the Organization's uninsured cash balance totaled \$313,469.

The Council's management monitors the financial stability of the various financial institutions on an ongoing basis to minimize the risk of loss.

Note 5. Pledges Receivable

Pledges receivable consist of unconditional promises to give expected to be collected as follows:

Due in FY15	\$ 43,550
Total pledges receivable	<u>\$ 43,550</u>



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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(Continued)

Note 6. Notes Receivable

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

Note 7. Compensated Absences

Vacation and sick pay are considered expenditures in the year paid. No liability for compensated absences has been recorded in the accompanying financial statements as the amount cannot be reasonably estimated.

Note 8. CJP Note Payable

Interest free loan in the original amount of \$67,736 extended by Combined Jewish Philanthropies of Greater Boston effective January 1, 2006 to assist JCRC to meet 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 31st of each year commencing with December 31, 2006 and ending on December 31, 2016 JCRC 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. The outstanding balance on the note payable was \$18,473 and \$24,631 for the years ended September 30, 2014 and 2013.

Note 9. Employee Retirement Plans

The Council maintains the following retirement benefit plans:

The Council offers a TSA 403(b) matching plan for all eligible employees. The contribution totaled \$51,084 and \$44,262 for 2014 and 2013, respectively.

The Council provides a defined benefit plan for one former employee. The contribution totaled \$0 and \$5,520 for 2014 and 2013, respectively.

Note 10. Temporarily Restricted

Temporarily restricted - program use net assets consists of the following:

Time restricted FY15	<u>\$ 43,550</u>
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**JEWISH COMMUNITY RELATIONS COUNCIL OF
GREATER BOSTON, INC.**

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

(Continued)

Note 13. Related Party Activities

One Board member works at a law firm which provides legal services for the Organization.

Note 14. Evaluation of Subsequent Events

The Organization has evaluated subsequent events through February 17, 2015 the date which the financial statements were available to be issued.

The Organization is the defendant in a litigation brought against it by a former employee. The Organization believes that any liability it may incur would not have a material adverse effect on its financial condition or results of operations due to insurance policies in place and the amount of loss covered by such policies. As of February 17, 2015, the matter is still pending.

