

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

**Financial Statements
and Independent Auditor's Report**

September 30, 2023

Jewish Community Relations Council of Greater Boston, Inc.

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Independent Auditor's Report

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

Opinion

We have audited the 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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Jewish Community Relations Council of Greater Boston, Inc. as of September 30, 2023, 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jewish Community Relations Council of Greater Boston, Inc. 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 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Community Relations Council of Greater Boston, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS 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 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Jewish Community Relations Council of Greater Boston, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Community Relations Council of Greater Boston, Inc.'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

We have previously audited Jewish Community Relations Council of Greater Boston, Inc.'s September 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 22, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CohnReznick LLP

Braintree, Massachusetts
July 30, 2024

Jewish Community Relations Council of Greater Boston, Inc.

**Statement of Financial Position
Year Ended September 30, 2023
With Comparative Totals for the Year Ended September 30, 2022**

	<u>Assets</u>	
	<u>2023</u>	<u>2022</u>
Current assets		
Cash and cash equivalents	\$ 962,906	\$ 1,997,045
Accounts receivable, net	29,345	22,850
Promises to give	330,000	3,760
Investments	1,684,651	4,607
Prepaid expenses	3,139	9,605
	<u>3,010,041</u>	<u>2,037,867</u>
Fixed assets		
Furniture and fixtures	6,862	5,387
Less: accumulated depreciation	(2,010)	(994)
	<u>4,852</u>	<u>4,393</u>
Other assets		
Notes receivable	153,969	153,969
	<u>\$ 3,168,862</u>	<u>\$ 2,196,229</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable	\$ 99,390	\$ 40,223
Accrued expenses	167,423	91,977
Note payable - current	6,214	6,214
	<u>273,027</u>	<u>138,414</u>
Long-term liability		
Note payable - net of current portion and discount	122,310	128,524
	<u>122,310</u>	<u>128,524</u>
	<u>395,337</u>	<u>266,938</u>
Net assets		
Net assets without donor restrictions	2,418,525	1,850,531
Net assets with donor restrictions	355,000	78,760
	<u>2,773,525</u>	<u>1,929,291</u>
	<u>\$ 3,168,862</u>	<u>\$ 2,196,229</u>

See Notes to Financial Statements.

Jewish Community Relations Council of Greater Boston, Inc.

Statement of Activities
Year Ended September 30, 2023
With Comparative Totals for the Year Ended September 30, 2022

	Net assets without donor restrictions	Net assets with donor restrictions	2023 Total	2022 Total
Revenue and support				
Contributions	\$ 2,325,725	\$ 355,000	\$ 2,680,725	\$ 2,131,015
Special events	247,431	-	247,431	404,321
Released from restrictions	78,760	(78,760)	-	-
Investment income, net	82,981	-	82,981	9,594
	<u>2,734,897</u>	<u>276,240</u>	<u>3,011,137</u>	<u>2,544,930</u>
Total revenue and support				
Expenses				
Program services	1,610,820	-	1,610,820	1,857,852
General and administrative	316,099	-	316,099	407,409
Fundraising	239,984	-	239,984	116,876
	<u>2,166,903</u>	<u>-</u>	<u>2,166,903</u>	<u>2,382,137</u>
Total expenses				
Change in net assets from operations	<u>567,994</u>	<u>276,240</u>	<u>844,234</u>	<u>162,793</u>
Nonoperating revenue (expenses)				
Forgiveness of debt	-	-	-	273,997
Accretion of discount on note payable	-	-	-	(3,073)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,924</u>
Total nonoperating revenue (expenses)				
Change in net assets	567,994	276,240	844,234	433,717
Net assets, beginning	<u>1,850,531</u>	<u>78,760</u>	<u>1,929,291</u>	<u>1,495,574</u>
Net assets, end	<u>\$ 2,418,525</u>	<u>\$ 355,000</u>	<u>\$ 2,773,525</u>	<u>\$ 1,929,291</u>

See Notes to Financial Statements.

Jewish Community Relations Council of Greater Boston, Inc.

**Statement of Functional Expenses
Year Ended September 30, 2023
With Comparative Totals for the Year Ended September 30, 2022**

	Program Services	General and Administrative	Fundraising	2023 Total	2022 Total
Salaries	\$ 812,178	\$ 115,653	\$ 123,293	\$ 1,051,124	\$ 1,178,447
Payroll taxes	53,502	7,618	8,122	69,242	87,764
Fringe benefits	177,357	25,853	26,924	230,134	186,733
Subtotal	1,043,037	149,124	158,339	1,350,500	1,452,944
Bank charges	3,853	549	585	4,987	6,419
Consultants	237,340	33,797	36,030	307,167	352,606
Depreciation	-	1,016	-	1,016	771
Dues and subscriptions	11,229	1,599	1,705	14,533	7,295
Equipment	-	-	-	-	1,379
Insurance	12,711	1,810	1,930	16,451	17,644
Meeting expenses	31,170	4,439	4,732	40,341	9,052
Miscellaneous	4,600	653	697	5,950	8,307
Meals	61,821	8,803	9,385	80,009	40,308
Mission	24,526	-	-	24,526	54,926
Occupancy	100,182	14,266	15,208	129,656	129,514
Payroll service charges	19,442	2,769	2,951	25,162	8,973
Printing	12,933	1,842	1,963	16,738	19,449
Professional fees	-	89,373	-	89,373	65,098
Program speakers	5,430	-	-	5,430	1,161
Sponsorships	-	-	-	-	1,251
Staff training	9,975	1,420	1,514	12,909	38,827
Supplies	3,326	474	505	4,305	16,895
Telephone	1,572	224	239	2,035	2,351
Travel	27,673	3,941	4,201	35,815	146,967
	<u>\$ 1,610,820</u>	<u>\$ 316,099</u>	<u>\$ 239,984</u>	<u>\$ 2,166,903</u>	<u>\$ 2,382,137</u>

See Notes to Financial Statements.

Jewish Community Relations Council of Greater Boston, Inc.

Statement of Cash Flows
Year Ended September 30, 2023
With Comparative Totals for the Year Ended September 30, 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 844,234	\$ 433,717
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,016	770
Accretion of discount on notes payable	-	3,073
Unrealized/realized gains on investments	(18,822)	(2,873)
Forgiveness of debt	-	(273,997)
Decrease (increase) in assets		
Accounts receivable, net	(6,495)	(18,884)
Promises to give	(326,240)	51,926
Prepaid expenses	6,466	1,622
Increase (decrease) in liabilities		
Accounts payable	59,167	30,246
Accrued expenses	75,446	(32,405)
	<u>634,772</u>	<u>193,195</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Proceeds from sale of investments	5,614	-
Purchase of fixed assets	(1,475)	-
Purchase of investments	(1,666,836)	(1,734)
	<u>(1,662,697)</u>	<u>(1,734)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Payments on note payable	(6,214)	(6,216)
	<u>(6,214)</u>	<u>(6,216)</u>
Net cash used in financing activities		
Net (decrease) increase in cash and cash equivalents	(1,034,139)	185,245
Cash and cash equivalents, beginning	<u>1,997,045</u>	<u>1,811,800</u>
Cash and cash equivalents, end	<u>\$ 962,906</u>	<u>\$ 1,997,045</u>

See Notes to Financial Statements.

Jewish Community Relations Council of Greater Boston, Inc.

**Notes to Financial Statements
September 30, 2023**

Note 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.

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. Through our network of agencies, our programs, and our partnerships, the Council advocates on issues of Jewish communal concern and 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:

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

Immigrant and Refugee Support - The Council takes a multi-pronged approach to stand in solidarity with our immigrant neighbors, including organizing Sanctuary Clusters and Immigration Detention Accompaniment. Since September of 2021 we have been part of a comprehensive network welcoming Afghan immigrants and refugees into our community and have organized 35 congregational support teams, including 25 synagogues, in order to welcome some 200 Afghan individuals and families.

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.

Jewish Community Relations Council of Greater Boston, Inc.

Notes to Financial Statements September 30, 2023

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.

Basis of presentation

The statement of activities reports all changes in net assets, including changes in net assets without donor restrictions from operating and nonoperating activities. Operating revenues consist of those monies received and other contributions attributable to the Council's ongoing efforts.

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 (net assets without donor restrictions and net assets with donor restrictions) 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:

Net assets without donor restrictions - Net assets that are not subject to donor imposed restrictions. Net assets without donor restrictions consist of assets and contributions available for the support of operations. These net assets may be designated for specific purposes by the Board of Directors. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless the underlying assets use is restricted by explicit donor stipulations or law.

Net assets with donor restrictions - Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Council and/or passage of time. Contributions, gains and investment income that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the contributions are recognized.

Cash and cash equivalents

The Council considers all highly liquid investments purchased with an original maturity of three months or less which are neither held for nor restricted by donors for long-term purposes to be cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

The Council maintains its cash balances at one financial institution. 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, 2023.

Jewish Community Relations Council of Greater Boston, Inc.

Notes to Financial Statements September 30, 2023

Revenue recognition

The Council earns revenue as follows:

Contributions - In accordance with ASC Sub Topic 958-605, *Revenue Recognition*, the Council must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Council should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Contributions without donor restrictions are recognized as revenue when received or unconditionally pledged. Contributions with donor restrictions are recorded as revenues and net assets with donor restrictions when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as services are performed and costs are incurred pro-rata over the period covered by the grant or contribution as time restrictions lapse. Contributions with donor restrictions received and satisfied in the same period are included in grants and contributions without donor restrictions.

Special events - Special event revenue is primarily derived from contributions collected. 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, 2023, the Council derived approximately 37% of its total operating revenue from grants received, or passed through, the Combined Jewish Philanthropies ("CJP"), an unrelated nonprofit organization. The remaining 63% of total operating revenue was predominantly from various foundations and individuals. All revenue is recorded at estimated net realizable value.

Accounts receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of September 30, 2023, management has determined any allowance would be immaterial. The Council does not have a policy to accrue interest on receivables. The Council has no policies requiring collateral or other security to secure the accounts receivable.

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

Jewish Community Relations Council of Greater Boston, Inc.

**Notes to Financial Statements
September 30, 2023**

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, 2023, management has determined any allowance would be immaterial. All pledges receivable as of September 30, 2023 are expected to be collected during fiscal year 2024. 100% of pledges receivable were due from two donors as of September 30, 2023.

Fixed assets

Fixed assets are recorded at cost or if donated, fair value on the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Improvements, including planned major maintenance activities are capitalized, while expenditures for routine maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of activities.

The Council computes depreciation using the straight-line method over the following estimated lives:

Furniture and fixtures	7 years
Computer and equipment	3 years

Fundraising

Fundraising relates to the activities of raising general and specific contributions for the Council. Fundraising expenses as a percentage of total contribution and special event revenue was 8% for the year ended September 30, 2023. The ratio of expenses to amounts raised is computed using actual expenses and related revenue on an accrual basis.

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. 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.

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

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, 2023

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) of the IRC.

Generally, the Council's information/tax returns remain open for possible examination for three years after the filing date. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2020 remain open. As of September 30, 2023, the Council believes that there are no uncertain tax positions with any of its open tax years.

Fair value measurements

U.S. GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels used to measure fair value are as follows:

Level 1: Quoted prices for identical instruments traded in active markets.

Level 2: Observable inputs other than quoted prices included in Level 1. Assets and liabilities included in this level are valued using quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant inputs to the valuation model are unobservable.

Recurring fair value measurements

In accordance with U.S. GAAP, certain assets and liabilities are required to be recorded at fair value on a recurring basis. The Council's assets that are adjusted to fair value on a recurring basis are described below. The Council currently has no liabilities that are adjusted to fair value on a recurring basis.

The following sections describe the valuation methodologies used to measure financial assets and liabilities at fair value on a recurring basis.

Investments in debt and equity securities: Quoted market prices, a Level 1 input, are used to determine the fair value of investment securities. See Note 8 for details of the Council's investments in debt and equity securities.

Investments

The Council records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Interest and dividends are recorded when earned. Gains and losses are recognized as incurred or based on fair value changes during the period. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct investment expenses. Investments are exposed to risks such as interest rate, credit and overall market volatility.

Jewish Community Relations Council of Greater Boston, Inc.

Notes to Financial Statements September 30, 2023

Summarized financial information for 2022

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, 2022. 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, 2022, from which the summarized information was derived.

Notes receivable

Notes receivable have been valued at an amount not greater than cost, less an allowance for losses. Interest is recognized monthly as it accrues. The Council calculates allowances for uncollectible loans based on its previous loss experience. Individual loans are written off against the reserve when they are deemed uncollectible, and increases in the reserve are charged to loan loss reserve. All notes are due from Boston Community Capital, see Note 2. As of September 30, 2023, management has determined any allowance would be immaterial.

Note 2 - 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. The note required interest only payments each June with the principal balance due on June 30, 2019. During the year ended September 30, 2019, the note was extended until June 30, 2024, with an interest rate of 3%. The Council is currently discussing the use of the note's funds upon maturity, but intends to maintain the funds in a long-term asset. As such, the amount has been presented within other assets on the accompanying statement of financial position. As of September 30, 2023, 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, however, it is not the Council's intention to call this note in fiscal year 2024. As of September 30, 2023, the note receivable amounted to \$15,000.

As of September 30, 2023, no notes receivable amounts are past due.

Note 3 - Note payable - CJP

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 as well as to repay the remaining balance on an old CJP note. On January 1, 2020 CJP issued an addendum agreeing to provide an additional \$20,003 and extending the maturity to 2049. On or about December 31 of each year, commencing with December 31, 2016, and ending during 2049, the Council will provide CJP a payment of \$6,214 to be applied to the outstanding principal of the loan. As of September 30, 2023, the outstanding balance on the note payable amounted to \$162,924.

Jewish Community Relations Council of Greater Boston, Inc.

**Notes to Financial Statements
September 30, 2023**

In accordance with U.S. GAAP, a discount is required to be calculated on the noninterest-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 last amendment, January 1, 2020, which was 1.59%. As of September 30, 2023, this discount was determined to be \$34,400 which is netted against the corresponding note payable in the accompanying statement of financial position.

This discount will decline annually as principal payments are made. A corresponding interest expense is recorded in relation to the discount and is included as a nonoperating expense on the accompanying statement of activities as an accretion of discount.

Future minimum payments are as follows:

Year ended September 30, 2024	\$	6,214
Year ended September 30, 2025		6,214
Year ended September 30, 2026		6,214
Year ended September 30, 2027		6,214
Year ended September 30, 2028		6,214
Thereafter		<u>131,854</u>
		162,924
Less: discount		<u>(34,400)</u>
Total	\$	<u><u>128,524</u></u>

Note 4 - Operating lease commitments

The Council is a tenant-at-will for office space in Boston, MA owned by CJP. The Council pays monthly rent which includes occupancy, common area maintenance and utility costs. Under Accounting Standards Update 2016-02, *Leases* ("Topic 842"), the Council has elected the practical expedient to not record a right of use asset and liability for the Council's short-term leases. Total rent expenses for the year ended September 30, 2023 totaled \$129,656.

Note 5 - Net assets with donor restriction

Net assets with donor restrictions consist of resources available to meet future obligations, but only in compliance with the restrictions specified by donors. As of September 30, 2023, net assets with donor restrictions are restricted for the following purposes or periods:

Purpose restricted	\$	25,000
Subject to the passage of time		
For use in fiscal year 2024 and 2025		<u>330,000</u>
Total net assets with donor restrictions	\$	<u><u>355,000</u></u>

Net assets released from restrictions during the year ended September 30, 2023 were \$78,760, all of which was from time restrictions.

Jewish Community Relations Council of Greater Boston, Inc.

**Notes to Financial Statements
September 30, 2023**

Note 6 - Specific program expenses

The Council has allocated direct and indirect expenses to the following projects for 2023:

Designated Program Expenses			
Community Engagement Programs			
Community Relations	\$	478,372	
Greater Boston Jewish Coalition for Literacy		95,076	
New England Holocaust Memorial		105,377	
Total Community Engagement Programs		<u>678,825</u>	678,825
Advocacy and Organization			
Synagogue Organizing		89,010	
Government Affairs		623,896	
Total Advocacy and Organization		<u>712,906</u>	712,906
Israel Engagement Center		<u>219,089</u>	
Total Israel Engagement Center			<u>219,089</u>
Total expenses			<u>\$ 1,610,820</u>

Note 7 - Employee benefits

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 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. During the year ended September 30, 2023, the Council's contributions under this plan amounted to \$16,832.

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.

Note 8 - Investments

Investments are valued at fair value using Level 1 inputs, unadjusted quoted prices in active markets, and are comprised of the following as of September 30, 2023:

Money market funds	\$	12,200
Mutual funds		265,191
Equity stock		171
Exchange traded funds		217
Treasury bills		<u>1,406,872</u>
Total	\$	<u>1,684,651</u>

All investments are due to mature in no more than one year as of September 30, 2023.

Jewish Community Relations Council of Greater Boston, Inc.

**Notes to Financial Statements
September 30, 2023**

Note 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, or passed through, a significant portion of the Council's operating revenue during the year ended September 30, 2023, see Note 1. The Council's notes payable are held by CJP, see Note 3, and the Council also rents their office space from CJP, see Note 4.

Note 10 - Liquidity and availability of resources

The following reflects the Council's financial assets as of September 30, 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year from the statement of financial position date.

Financial assets at year end	
Cash and cash equivalents	\$ 962,906
Accounts receivable, net	29,345
Investments	1,684,651
Promises to give	<u>330,000</u>
 Total	 <u>3,006,902</u>
 Less amounts unavailable for general expenditures within one year, due	
Restricted by donors for specific purposes	<u>25,000</u>
 Financial assets available to meet cash needs for general expenditures	 <u>\$ 2,981,902</u>

The Council is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Council must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Council's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note 11 - Subsequent events

The Council has performed an evaluation of subsequent events through July 30, 2024, which is the date the Council's financial statements were available to be issued. No material subsequent events have occurred since September 30, 2023 that required recognition or disclosure in these financial statements.



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