

**JEWISH COUNCIL FOR PUBLIC AFFAIRS**

**FINANCIAL STATEMENTS  
AND AUDITOR'S REPORT**

**DECEMBER 31, 2017**

# **JEWISH COUNCIL FOR PUBLIC AFFAIRS**

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## **Independent Auditor's Report**

**Board of Directors  
Jewish Council for Public Affairs**

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Jewish Council for Public Affairs, which comprise the statement of financial position as of December 31, 2017 and the related statements of activities, functional expenses 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 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 Jewish Council for Public Affairs as of December 31, 2017 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 financial statements of Jewish Council for Public Affairs as of December 31, 2016, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 29, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Loeb & Troper LLP*

July 2, 2018

## JEWISH COUNCIL FOR PUBLIC AFFAIRS

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

(With Summarized Financial Information for December 31, 2016)

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash	\$ 278,393	\$ 340,091
Investments (Note 2)	40	5,018
Accounts receivable (net of allowance of \$33,550 in 2017 and \$18,420 in 2016)	478,251	472,701
Contributions receivable (net of allowance of \$31,444 in 2017 and \$16,298 in 2016) - current	52,121	92,110
Deferred rental income	14,481	8,626
Prepaid expenses and deposits	65,614	46,676
Fixed assets - net (Note 3)	<u>3,719</u>	<u>8,261</u>
Total assets	<u>\$ 892,619</u>	<u>\$ 973,483</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 81,280	\$ 77,536
Deferred rent expense	12,602	5,011
Deferred revenue	90,865	134,525
Accrued pension cost (Note 4)	<u>502,262</u>	<u>495,582</u>
Total liabilities	<u>687,009</u>	<u>712,654</u>
Net assets (deficit) (Exhibit B)		
Unrestricted	(328,832)	(211,961)
Temporarily restricted (Note 5)	<u>534,442</u>	<u>472,790</u>
Total net assets	<u>205,610</u>	<u>260,829</u>
Total liabilities and net assets	<u>\$ 892,619</u>	<u>\$ 973,483</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

## JEWISH COUNCIL FOR PUBLIC AFFAIRS

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2017

(With Summarized Financial Information for the Year Ended December 31, 2016)

	Unrestricted	Temporarily Restricted	Total	
			2017	2016
Revenues, losses and other support				
Grants	\$ 624,818	\$ 507,577	\$ 1,132,395	\$ 2,008,796
National Federation/Agency Alliance allocations	312,375		312,375	545,700
Contributions, plenum and meetings	488,035		488,035	477,343
Community member agency service dues	278,141		278,141	284,141
National member agency dues	159,320		159,320	152,350
Non-Alliance Agency allocations	263,645		263,645	52,987
Interest	70		70	12
Net realized and unrealized loss on investments	(46)		(46)	
Rental income	163,555		163,555	148,867
Other revenues	140		140	37,099
	<u>2,290,053</u>	<u>507,577</u>	<u>2,797,630</u>	<u>3,707,295</u>
Net assets released from restrictions (Note 5)	<u>445,925</u>	<u>(445,925)</u>		
Total revenues, losses and other support	<u>2,735,978</u>	<u>61,652</u>	<u>2,797,630</u>	<u>3,707,295</u>
Expenses (Exhibit C)				
Program services				
Planning and coordinating	<u>1,746,282</u>		<u>1,746,282</u>	<u>2,530,941</u>
Supporting services				
Management and general	642,167		642,167	842,989
Fund raising	<u>425,835</u>		<u>425,835</u>	<u>440,461</u>
Total supporting services	<u>1,068,002</u>		<u>1,068,002</u>	<u>1,283,450</u>
Total expenses	<u>2,814,284</u>		<u>2,814,284</u>	<u>3,814,391</u>
Change in net assets before adjustment to minimum pension liability	(78,306)	61,652	(16,654)	(107,096)
Adjustment to minimum pension liability (Note 4)	<u>(38,565)</u>		<u>(38,565)</u>	<u>562</u>
Change in net assets (Exhibit D)	(116,871)	61,652	(55,219)	(106,534)
Net assets (deficit) - beginning of year	<u>(211,961)</u>	<u>472,790</u>	<u>260,829</u>	<u>367,363</u>
Net assets (deficit) - end of year (Exhibit A)	<u>\$ (328,832)</u>	<u>\$ 534,442</u>	<u>\$ 205,610</u>	<u>\$ 260,829</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

**JEWISH COUNCIL FOR PUBLIC AFFAIRS**

**EXHIBIT C**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2017**

**(With Summarized Financial Information for the Year Ended December 31, 2016)**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>	
	<u>Planning and Coordinating</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>2017</u>	<u>2016</u>
Salaries and related expenses	\$ 668,486	\$ 255,617	\$ 206,869	\$ 1,130,972	\$ 1,680,381
Professional fees and outside consulting	501,171	70,920	120,280	692,371	798,253
Office supplies and equipment leasing	49,760	44,795	15,399	109,954	99,794
Communications	13,747	5,220	4,254	23,221	25,692
Travel	141,509	53,735	43,791	239,035	493,058
Hotel, food and entertainment - plenum and meetings	215,178			215,178	247,751
Membership dues and subscriptions	11,810	3,937		15,747	19,530
Rent (Note 6)	88,547	177,326	27,402	293,275	315,186
Other occupancy expenses	22,647	19,933	7,008	49,588	50,429
Bad debt		5,000		5,000	9,411
Depreciation and amortization	2,689	1,021	832	4,542	11,970
Grants made	16,750			16,750	50,323
Miscellaneous	13,988	4,663		18,651	12,613
	<u>1,746,282</u>	<u>642,167</u>	<u>425,835</u>	<u>2,814,284</u>	<u>3,814,391</u>
Total expenses (Exhibit B)	\$ <u>1,746,282</u>	\$ <u>642,167</u>	\$ <u>425,835</u>	\$ <u>2,814,284</u>	\$ <u>3,814,391</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

## JEWISH COUNCIL FOR PUBLIC AFFAIRS

## STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2017

Cash flows from operating activities	
Change in net assets (Exhibit B)	\$ (55,219)
Adjustments to reconcile change in net assets to net cash used by operating activities	
Depreciation and amortization	4,542
Net realized and unrealized loss on investments	46
Decrease (increase) in assets	
Accounts receivable	(5,550)
Contributions receivable	39,989
Deferred rental income	(5,855)
Prepaid expenses and deposits	(18,938)
Increase (decrease) in liabilities	
Accounts payable and accrued expenses	3,744
Deferred rent expense	7,591
Deferred revenue	(43,660)
Accrued pension costs	6,680
	<hr/>
Net cash used by operating activities	(66,630)
Cash flows from investing activities	
Proceeds from investments	31,906
Purchase of investments	(26,974)
	<hr/>
Net cash provided by investing activities	4,932
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Net change in cash	(61,698)
Cash - beginning of year	340,091
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Cash - end of year	\$ 278,393
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See independent auditor's report.

The accompanying notes are an integral part of these statements.

# **JEWISH COUNCIL FOR PUBLIC AFFAIRS**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

### **NOTE 1 - NATURE OF ORGANIZATION**

Jewish Council for Public Affairs (“JCPA”) serves as the representative voice of the organized American Jewish community in addressing the principal mandate of the Jewish community relations field, expressed in three interrelated goals:

- I. To safeguard the human rights of the Jewish people and others, here and throughout the world;
- II. To dedicate ourselves to the safety and security of the State of Israel;
- III. To protect, preserve, and promote a just American society, one that is democratic and pluralistic, one that furthers harmonious interreligious, interethnic, interracial and other intergroup relations.

These goals are pursued in a nonpartisan manner, informed by Jewish values. History teaches that Jewish security is inexorably linked to the strength of democratic institutions. Thus, the Jewish community has a direct stake - along with an ethical imperative - in assuring that America remains a country wedded to the Bill of Rights and committed to the rule of law, whose institutions continue to function as a public trust.

JCPA reflects a unique and inclusive partnership of national member agencies, local community relations councils and committees, and the Federations of which they are a component part or an affiliated agency. It convenes the “common table” around which member agencies, through an open, representative, inclusive and consensus-driven process meet to identify issues, articulate positions, and develop strategies, programs and approaches designed to advance the public affairs goals and objectives of the organized Jewish community.

The work of JCPA, especially in matters relating to democratic pluralism and social justice, reflects the profound Jewish commitment to “tikkun olam,” the repair of the world. It expresses the conviction of the organized Jewish community that it must be active in the effort to build a just society. JCPA has the responsibility to enhance the capacity of member agencies to effectively pursue the public affairs agenda. This responsibility requires JCPA to provide coordination, support and guidance for public affairs initiatives undertaken by national and local member agencies, to advocate on behalf of the public affairs policies of the organized Jewish community, and to respond to those member-identified needs which strengthen their individual and collaborative capacity to advance the communal public affairs agenda.

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**JEWISH COUNCIL FOR PUBLIC AFFAIRS****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2017****NOTE 1 - NATURE OF ORGANIZATION (continued)**

JCPA's primary sources of revenues are grants, contributions, dues, and allocations from Jewish Federations including The Jewish Federations of North America ("JFNA").

JCPA is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of presentation*** - The financial statements are prepared on the accrual basis of accounting.

***Use of estimates*** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

***Summarized financial information*** - 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with JCPA's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

***Investments*** - Investments are stated at fair value. Investments in general, are exposed to various risks such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based on the markets' fluctuations.

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**JEWISH COUNCIL FOR PUBLIC AFFAIRS****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2017****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*****Fair Value Measurements***

*Fair Value Measurements* establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below. Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that JCPA has the ability to access. Level 2 inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for JCPA's assets and pension investments measured at fair value. There have been no changes in the methodologies used at December 31, 2017 as compared to December 31, 2016.

***Mutual funds*** - Valued at the net asset value ("NAV") of shares held at year end.

***Equities*** - Valued at the closing price reported on an active market in which the individual security is traded.

***Cash surrender value of life insurance policies*** - The fair value is estimated based upon the current cash value provided by the insurance companies.

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**JEWISH COUNCIL FOR PUBLIC AFFAIRS**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Fair Value Measurements (continued)***

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while JCPA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the assets at fair value, excluding the pension plan assets as of December 31, 2017:

	<b>Level 1</b>
Investments	
Equities	
Consumer goods	\$ <u>40</u>

***Accounts receivable*** - Accounts receivable are recorded when dues or allocations from Jewish Federations including JFNA are billed by JCPA. Interest is not charged on outstanding accounts receivable.

***Contributions receivable*** - 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 future years are recorded at the present value of their estimated 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. Conditional promises to give are not included as support until the conditions are substantially met.

***Allowance for doubtful accounts*** - JCPA determines whether an allowance for uncollectibles should be provided for accounts and contributions receivable. Such estimates are based on management's assessment of the aged basis of its receivables, current economic conditions, subsequent receipts and historical information. Receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted.

***Fixed assets*** - Fixed assets are recorded at cost. Items in excess of \$1,000 with an estimated useful life of greater than one year are capitalized. Depreciation of furniture, equipment and computers is provided on the straight-line basis over three to seven years. Leasehold improvements are amortized over the estimated useful lives of the assets or remaining lease terms, whichever is shorter.

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**JEWISH COUNCIL FOR PUBLIC AFFAIRS****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2017****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Deferred revenue*** - Membership fees received in advance of their applicable year are deferred to future periods.

***Net assets*** - Unrestricted net assets include net assets having no restrictions as to use or purpose imposed by donor. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose.

***Allocations*** - The Jewish Federations including JFNA support JCPA through allocations from their annual campaigns. Many of the large federations pool their allocation through The Alliance, formerly known as the National Funding Council. JCPA also requests allocations from federations that are not in The Alliance. These requests are based on a percentage of those federations' campaigns as reported to JFNA. Allocation revenue is earned in the year it is awarded to JCPA.

***Dues*** - JCPA has two groups of member agencies that provide support - national agencies (16 in total, e.g., ADL, AJC, Hadassah, and the religious denominations) and local agencies (125 in total, the Jewish Community Relations Councils in each city and town). Each is charged dues - national agencies based on the agency's overall budget, and local agencies based on community size as reported to JFNA. Revenues are recognized over the dues period. An allowance is recorded for uncollectible dues.

***Contributions and grants*** - Unconditional contributions and grants, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as temporarily restricted or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions and grants received and expended in the same fiscal year are reflected as unrestricted revenues.

***Plenum and meetings revenue*** - Plenum and meetings revenue are recognized at the time the event occurs.

***Grants expense*** - Grants are expensed when awarded.

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**JEWISH COUNCIL FOR PUBLIC AFFAIRS**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Lease accounting* - JCPA's method of accounting for rent expense and rent income under operating leases is in conformance with generally accepted accounting principles. For material leases that contain predetermined fixed escalations of the minimum rent, JCPA recognizes the related rent expense and rent income on the straight-line basis and includes the impact of escalating rents for periods in which it is reasonably assured of exercising lease options. Deferred rent is recorded when material.

*Functional allocation of expenses* - The costs of providing JCPA's services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

*Uncertainty in income taxes* - JCPA has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2014 and subsequent remain subject to examination by applicable taxing authorities.

*Subsequent events* - Subsequent events have been evaluated through July 2, 2018, which is the date the financial statements were available to be issued.

**NOTE 3 - FIXED ASSETS**

Leasehold improvements	\$ 104,148
Furniture and equipment	124,495
Computer equipment	<u>232,437</u>
	461,080
Accumulated depreciation and amortization	<u>(457,361)</u>
	\$ <u><u>3,719</u></u>

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**JEWISH COUNCIL FOR PUBLIC AFFAIRS**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**NOTE 4 - PENSION**

JCPA sponsors a noncontributory defined benefit pension plan (the Plan). The Plan covers all employees who have attained the age of 21 and have been employed by JCPA for one year or more. It has been the policy of JCPA to fund pension costs annually. Prior to January 1, 1998, the Plan provided for benefits to be paid to all eligible employees at retirement based on 40.3642% of 5-year average compensation, plus 8.75% of 5-year average compensation in excess of \$8,400. The entire benefit was reduced by 1/15 for each year of service less than 15. There was an additional benefit equal to 1% of 5-year average compensation for each year of service in excess of 20 (subject to a maximum excess of 10 years). Effective January 1, 1998, the benefit formula is calculated as the accrued benefit cost as of December 31, 1997 plus 1.75% of average compensation times the years of service as a participant after December 31, 1997 to a maximum of 30 years. In 2009, the Board voted to freeze the pension plan. Accordingly, benefits accruals were frozen effective March 31, 2009. Additionally, no new participants are allowed into the Plan after March 31, 2009.

The following table summarizes the benefit obligations, fair value of assets and the funded status as of December 31, 2017:

Accumulated benefit obligation	\$ (1,830,634)
Net fair value of plan assets	<u>1,328,372</u>
Funded status	\$ <u>(502,262)</u>
Accrued benefit cost recognized in the statement of financial position	\$ (502,262)
Employer contributions	45,456
Benefits paid	98,854
Net periodic benefit cost	13,571
Weighted average assumptions	
Discount rate for determining net periodic benefit cost	4.14%
Discount rate for determining the funded status as of year end	3.60%
Expected return on plan assets	6.25%
Rate of compensation increase	N/A
Mortality Table	
MP-2017 Generational Projection (M/F)	

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**JEWISH COUNCIL FOR PUBLIC AFFAIRS**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**NOTE 4 - PENSION (continued)**

A. Estimated future benefit payments

December 31, 2018	\$ 97,000
December 31, 2019	96,000
December 31, 2020	99,000
December 31, 2021	98,000
December 31, 2022	97,000
December 31, 2023 through December 31, 2027	466,000

B. Expected contributions to the Plan

Year ending December 31, 2018	\$ <u>39,588</u>
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C. Plan asset actual allocation as of December 31, 2017

The following table sets forth by level, within the fair value hierarchy, the plan assets at fair value as of December 31, 2017:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Plan assets			
Investments at fair value			
Cash surrender value of life insurance	\$ -	\$ 3,902	\$ 3,902
Mutual funds			
Equity income fund	559,791	-	559,791
Growth company fund	258,125	-	258,125
U.S. bond index fund	<u>481,717</u>	<u>-</u>	<u>481,717</u>
Total investments at fair value	\$ <u>1,299,633</u>	\$ <u>3,902</u>	1,303,535
Cash - non-interest-bearing			<u>24,837</u>
Total plan assets			\$ <u>1,328,372</u>

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**JEWISH COUNCIL FOR PUBLIC AFFAIRS**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**NOTE 4 - PENSION (continued)**

D. Change in Level 3 assets

The table below sets forth a summary of changes in fair value of Level 3 assets for the year ended December 31, 2017:

	<u>Cash Surrender Value of Life Insurance</u>
Balance, beginning of year, January 1, 2017	\$ 3,557
Change in value	<u>345</u>
Balance, end of year, December 31, 2017	\$ <u><u>3,902</u></u>

**Defined Contribution Plan**

Effective July 1, 2016, JCPA adopted a 403(b) Saving Plan, covering all eligible employees. JCPA contributes 3% of all eligible employees' compensation effective the first day of the pay period next following the date the employee completes 90 days of service with JCPA. Employees become vested after 1 year (1,000 hours) of service. The defined contribution pension expense for the year ended December 31, 2017 is \$28,287.

**NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at December 31, 2017 are as follows:

Civility Initiative	\$ 407,867
Confronting Poverty	5,367
Criminal Justice Reform	99,710
Partners for Peace	<u>21,498</u>
	\$ <u><u>534,442</u></u>

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**JEWISH COUNCIL FOR PUBLIC AFFAIRS**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS (continued)**

Net assets were released from restrictions by incurring expenses satisfying the following purposes:

Civility Initiative	\$ 321,114
Confronting Poverty	7,400
Partners for Peace	<u>117,411</u>
Total net assets released from restrictions	<u>\$ 445,925</u>

**NOTE 6 - LEASE AGREEMENTS**

JCPA had a lease for office space in New York that expired August 2016. The lease was extended to August 2021. Rent expense in 2017, including escalation charges, was \$293,275.

Future minimum lease payments are as follows:

2018	\$ 252,906
2019	260,493
2020	268,308
2021	<u>182,415</u>
	<u>\$ 964,122</u>

JCPA subleases part of its office space to a subtenant. In 2016, the subtenant leased additional space and combined and extended all leases until August 2021. On April 1, 2018, JCPA amended their lease agreement to include additional space and modified the rent on the existing office space. Rental income in 2017, including escalation charges, was \$163,555.

The future minimum receipts from the tenant are as follows:

2018	\$ 168,483
2019	175,461
2020	180,726
2021	<u>123,643</u>
	<u>\$ 648,313</u>

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**JEWISH COUNCIL FOR PUBLIC AFFAIRS**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**NOTE 6 - LEASE AGREEMENTS (continued)**

Also, JCPA has operating leases for various equipment which expire at various dates from 2018 through 2022. The future minimum lease payments are as follows:

2018	\$	27,029
2019		22,476
2020		22,476
2021		22,476
2022		<u>3,746</u>
	\$	<u>98,203</u>

**NOTE 7 - CONCENTRATIONS**

JCPA is heavily dependent on grants from Jewish Federations and JFNA.

Financial instruments which potentially subject JCPA to a concentration of credit risk are cash accounts with financial institutions in excess of FDIC insurance limits.

**NOTE 8 - LINE OF CREDIT**

JCPA has a \$250,000 revolving line of credit from Bank of America. The line of credit bears interest at 1% over "Bank of America's base rate." During 2017, JCPA did not draw down on the line of credit.