JEWISH COUNCIL ON URBAN AFFAIRS
AND SUBSIDIARIES

FINANCIAL STATEMENTS

December 31, 2018 and 2017
and the Years Then Ended

JEWISH COUNCIL ON URBAN AFFAIRS
AND SUBSIDIARIES

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D&A
Desmond &Ahern, Ltd.
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report

To the Board of Directors of
Jewish Council on Urban Affairs
Chicago, IL

We have audited the accompanying consolidated financial statements of Jewish Council on Urban Affairs and Subsidiaries (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities functional expenses and cash flows for the years 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 consolidated 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 consolidated financial statements based on our audits. 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Jewish Council on Urban Affairs and Subsidiaries as of December 31, 2018 and 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.

Emphasis of Matter

As discussed in note 1 to the financial statements Jewish Council on Urban Affairs and Subsidiaries adopted the Financial accounting Standards Board's Accounting Standards update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities* as of and for the year ended December 31, 2018. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Desmond & Ahern, Ltd

July 17, 2019
Chicago, IL

JEWISH COUNCIL ON URBAN AFFAIRS AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2018 and 2017

	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	$ 432,404	$ 353,230
Contributions receivable	180,089	129,358
CVP notes receivable	400,000	160,000
Other note receivable	24,000	-
Prepaid expenses	2,581	6,745
Total current assets	1,039,074	649,333
Property and Equipment		
Office equipment	879	82,525
Computer equipment	14,972	126,939
	15,851	209,464
Less accumulated depreciation	14,981	203,403
Net property and equipment	870	6,061
Noncurrent assets		
Investments	219,125	230,259
Restricted cash	31,777	73,505
Security deposits	4,500	4,500
Total other assets	255,402	308,264
Total Assets	$ 1,295,346	$ 963,658
Liabilities and Net Assets		
Current Liabilities		
Bank loan, current portion	$ 31,032	$ 29,966
Accounts payable and accrued expenses	25,126	30,934
Funds held for others	-	52,862
CVP loans payable	50,000	-
Total current liabilities	106,158	113,762
Long-Term		
Bank loan, net of current portion	51,128	82,163
CVP loans payable, net of current portion	148,000	195,000
Total liabilities	305,286	390,925
Net Assets		
Without donor restrictions	365,222	136,081
With donor restrictions		
Time or purpose restrictions	373,936	185,750
Endowment	250,902	250,902
Total net assets	990,060	572,733
Total Liabilities and Net Assets	$ 1,295,346	$ 963,658

See independent auditor's report and notes to financial statements.

JEWISH COUNCIL ON URBAN AFFAIRS AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2018 and 2017

	2018				2017			
		With Donor Restrictions				With Donor Restrictions		
	Without Donor Restrictions	Time or Purpose Restrictions	Endowment	Total	Without Donor Restrictions	Time or Purpose Restrictions	Endowment	Total
Public Support and Revenue								
Individual contributions	$ 452,000	$ -	$ -	$ 452,000	$ 473,762	$ 32,000	$ -	$ 505,762
Corporations and foundation contributions	117,500	173,500	-	291,000	157,000	20,000	-	177,000
In-kind contributions	222	-	-	222	-	-	-	-
	569,722	173,500	-	743,222	630,762	52,000	-	682,762
Program revenue	36,393	239,500	-	275,893	52,709	-	-	52,709
Investment income	651	(4,659)	-	(4,008)	119	20,118	-	20,237
	37,044	234,841	-	271,885	52,828	20,118	-	72,946
Special Events								
Contributions and ticket sales	397,550	-	-	397,550	276,820	-	-	276,820
Less cost of direct benefits to donors	(34,128)	-	-	(34,128)	(33,325)	-	-	(33,325)
Net revenues from special events	363,422	-	-	363,422	243,495	-	-	243,495
Net assets released from restrictions	220,155	(220,155)	-	-	40,118	(40,118)	-	-
Total public support and revenue	1,190,343	188,186	-	1,378,529	967,203	32,000	-	999,203
Expenses								
Program services	698,947	-	-	698,947	595,699	-	-	595,699
Management and general	103,127	-	-	103,127	110,982	-	-	110,982
Fundraising	159,128	-	-	159,128	156,570	-	-	156,570
Total expenses	961,202	-	-	961,202	863,251	-	-	863,251
Change in net assets	229,141	188,186	-	417,327	103,952	32,000	-	135,952
Net assets, beginning of year	136,081	185,750	250,902	572,733	32,129	153,750	250,902	436,781
Net assets, end of year	$ 365,222	$ 373,936	$ 250,902	$ 990,060	$ 136,081	$ 185,750	$ 250,902	$ 572,733

See independent auditor's report and notes to financial statements.

JEWISH COUNCIL ON URBAN AFFAIRS AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2018

	Base Building	Community Investment	Community Organizing	Youth Programs	Total Program Services	Total Management and General	Total Fundraising	Total Expense
Functional Expenses								
Compensation Costs								
Salaries	$ 56,995	$ 37,996	$ 189,982	$ 85,492	$ 370,465	$ 37,997	$ 66,494	$ 474,956
Health insurance and benefits	5,908	3,938	19,692	8,861	38,399	3,939	6,892	49,230
Payroll taxes	4,346	2,897	14,486	6,519	28,248	2,897	5,070	36,215
Total compensation costs	67,249	44,831	224,160	100,872	437,112	44,833	78,456	560,401
Other Expenses								
In-kind	-	-	-	-	-	222	-	222
Insurance	1,275	850	4,250	1,913	8,288	851	1,488	10,627
Interest and finance charges	-	3,542	-	-	3,542	-	-	3,542
IT supplies and fees	3,991	2,661	13,303	5,986	25,941	2,660	4,656	33,257
Membership, dues and subscriptions	497	331	1,655	745	3,228	331	579	4,138
Miscellaneous	950	633	3,166	1,425	6,174	1,937	1,108	9,219
Office expense	709	473	2,364	1,064	4,610	6,296	827	11,733
Outreach event expense	-	-	-	-	-	75	5,483	5,558
Postage and delivery	-	-	-	-	-	-	2,550	2,550
Printing, publications and marketing	1,638	1,638	1,638	1,638	6,552	1,639	24,573	32,764
Professional development	789	526	2,628	1,183	5,126	525	920	6,571
Professional services	9,710	43,661	26,700	9,315	89,386	36,622	27,820	153,828
Program expenses	1,945	1,372	41,740	4,597	49,654	1,049	17	50,720
Occupancy	7,685	5,123	25,616	11,527	49,951	5,124	8,966	64,041
Telephone	754	503	2,514	1,132	4,903	503	880	6,286
Travel	66	44	222	100	432	44	78	554
Depreciation	623	415	2,076	934	4,048	416	727	5,191
Total other expenses	30,632	61,772	127,872	41,559	261,835	58,294	80,672	400,801
Total Expenses	$ 97,881	$ 106,603	$ 352,032	$ 142,431	$ 698,947	$ 103,127	$ 159,128	$ 961,202

See independent auditor's report and notes to financial statements.

JEWISH COUNCIL ON URBAN AFFAIRS AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2017

	Base Building	Community Investment	Community Organizing	Youth Programs	Total Program Services	Total Management and General	Total Fundraising	Total Expense
Functional Expenses								
Compensation Costs								
Salaries	$ 55,447	$ 29,856	$ 153,545	$ 81,037	$ 319,885	$ 51,181	$ 55,447	$ 426,513
Health insurance and benefits	4,916	2,646	13,612	7,184	28,358	4,538	4,916	37,812
Payroll taxes	5,064	2,727	14,025	7,402	29,218	4,675	5,064	38,957
Total compensation costs	65,427	35,229	181,182	95,623	377,461	60,394	65,427	503,282
Other Expenses								
Equipment, maintenance and leases	182	98	503	266	1,049	167	182	1,398
Insurance	1,256	676	3,479	1,836	7,247	1,161	1,256	9,664
Interest and finance charges	-	-	-	-	-	4,525	-	4,525
IT supplies and fees	3,359	1,809	9,301	4,909	19,378	3,102	3,358	25,838
Membership, dues and subscriptions	373	201	1,034	546	2,154	345	373	2,872
Miscellaneous	-	-	-	-	-	2,059	-	2,059
Office expense	1,279	689	3,542	1,869	7,379	7,022	1,279	15,680
Outreach event expense	-	-	-	-	-	-	6,432	6,432
Postage and delivery	-	-	-	-	-	-	3,367	3,367
Printing, publications and marketing	943	943	943	944	3,773	945	14,155	18,873
Professional development	648	348	1,794	947	3,737	597	648	4,982
Professional services	4,305	34,318	20,020	10,191	68,834	17,539	49,305	135,678
Program expenses	1,345	391	9,020	31,687	42,443	3,168	-	45,611
Occupancy	8,601	4,631	23,819	12,571	49,622	7,941	8,601	66,164
Telephone	744	401	2,061	1,088	4,294	687	744	5,725
Travel	695	376	1,925	1,016	4,012	638	695	5,345
Depreciation	748	403	2,072	1,093	4,316	692	748	5,756
Total other expenses	24,478	45,284	79,513	68,963	218,238	50,588	91,143	359,969
Total Expenses	$ 89,905	$ 80,513	$ 260,695	$ 164,586	$ 595,699	$ 110,982	$ 156,570	$ 863,251

See independent auditor's report and notes to financial statements.

JEWISH COUNCIL ON URBAN AFFAIRS AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
Change in net assets	$ 417,327	$ 135,952
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net unrealized gain (loss) on investments	10,223	(16,172)
Net realized loss on investments	13	883
Depreciation and amortization	5,191	5,756
CVP loans forgiven	3,000	(4,250)
Decrease (increase) in assets		
Contributions receivable	(50,731)	(111,558)
Prepaid expenses	4,164	4,477
Security deposits	-	(4,500)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(5,808)	11,330
Funds held for others	(52,862)	48,880
Net cash provided by operating activities	330,517	70,798
Cash Flows from Investing Activities		
Purchase of investments	(62,191)	(50,723)
Sales of investments	63,089	32,971
New note receivable	(24,000)	-
New CVP note receivable	(350,000)	(50,000)
CVP notes receivable repayments	110,000	120,000
Net cash provided by (used in) financing activities	(263,102)	52,248
Cash Flows from Financing Activities		
Payments on bank loan	(29,969)	(28,939)
Net cash (used in) financing activities	(29,969)	(28,939)
Net increase in cash and cash equivalents	37,446	94,107
Cash and cash equivalents, beginning of year	426,735	332,628
Cash and cash equivalents, end of year	$ 464,181	$ 426,735
Supplemental Disclosure of Cash Fow Information:		
Cash paid for interest	$ 3,542	$ 4,525
Cash and cash equivalents	$ 432,404	$ 353,230
Restricted cash	31,777	73,505
	$ 464,181	$ 426,735

See independent auditor's report and notes to financial statements.

Note 1 – Nature of Operations and Summary of Significant Accounting Policies

Organization
The Jewish Council on Urban Affairs (JCUA) is an Illinois not-for-profit corporation whose principal mission is to combat poverty, racism and anti-Semitism working in partnership with Chicago's diverse communities. Through issue-based campaigns, community investment, and youth leadership programs, JCUA's membership helps to bring meaningful systemic change to issues of inequality and injustice in Chicago and beyond. Inspired by Jewish values and the call to participate in repairing the world, JCUA mobilizes the Jewish community to effectively address significant issues of social injustice on a local level.

JCUA is the sole member of Community Ventures 2011, LLC (CV 2011) and Community Ventures Revolving Grant Fund, LLC (CV RGF). CV 2011 accepts loans from entities and CV RGF accepts contributions from entities. The LLC's provide zero-interest pre-development and related loans to community organizations for affordable housing and economic development projects in the Chicago area. These loans are often guaranteed by the borrowing entity, thereby mitigating risk to JCUA.

CV RGF was dissolved during 2017 and all assets and liabilities were transferred to CV 2011.

Principles of Consolidation
The accompanying financial statements reflect the consolidated of JCUA and its wholly-owned subsidiaries, CV 2011 and CV RGF. All significant intercompany accounts and transactions have been eliminated in consolidations.

Basis of Accounting
The accounts and consolidated financial statements are maintained on the accrual basis of accounting and accordingly, reflect all significant accounts receivable, payable, and other liabilities.

Basis of Presentation
As required by the generally accepted accounting principles for Not-for-Profit accounting, the JCUA is required to report information regarding its consolidated financial position and activities according to two classes:

Without donor restrictions – Net assets that are not subject to donor-imposed restrictions. Such gifts include gifts without restrictions, including restricted gifts whose donor-imposed restrictions were met during the year.

With donor restrictions of net assets – Net assets subject to donor-imposed restrictions which will be met either by actions of the Organization or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt. Restrictions that have been met on net assets with donor restrictions are reported as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions.

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Support and Revenue
Contributions and grants received are recorded as without donor restrictions and with donor restrictions depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support, if any, is reported as an increase in net assets with donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

JCUA reports gifts of land, buildings, and equipment as without restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, JCUA reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. During the years ending December 31, 2018 and 2017 no such gifts of land, buildings, or equipment were received.

Net assets with donor restrictions also include permanently restricted net assets are net assets subject to donor-imposed stipulations that the assets be maintained permanently by JCUA. Generally, the donors of these assets permit JCUA to use all or part of the income earned on any related investments for general or specific purposes.

Cash and Cash Equivalents
JCUA maintains its principal cash accounts at a Chicago area commercial bank. From time to time, JCUA has balances in excess of the federally insured deposit limits. JCUA has never experienced any such losses in these accounts.

For purposes of the consolidated statement of cash flows, JCUA considers all highly liquid debt instruments, if any, purchased or donated with an original maturity or anticipated liquidation of three months or less to be cash equivalents.

Contributions Receivable
Unconditional promises to give are recognized as receivables and revenues in the period received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. The receivables are due under terms established by the donors. All amounts are deemed collectible and no allowance is deemed necessary as the balances approximate fair value at December 31, 2018 and 2017.

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Investments
JCUA carries its investments in marketable equity securities with readily determinable fair values, certificates of deposits with original maturities in excess of three months and all investments in debt securities at their fair values in the Consolidated Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the Statement of Activities.

Property and Equipment
Equipment and leasehold improvements are stated at cost if purchased or at their estimated fair value at the time received if donated. Depreciation of equipment is provided using the straight- line method over the estimated useful lives of the related assets. The cost of leasehold improvements is depreciated on a straight-line basis over the lesser of the extended lease term or the estimated useful life of the assets.

Functional Allocation of Expenses
The costs of providing various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and the Consolidated Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and occupancy, which are allocated on a square footage basis, as well as salaries and benefits which are allocated on the basis of estimates of time.

Income Tax Status
JCUA was granted an exemption from federal income tax by the Internal Revenue Service pursuant to the provisions of Internal Revenue Code Section 501(c)(3). JCUA qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private organization under Section 509(a)(1). The tax-exempt purpose of JCUA and the nature in which it operates is described above. JCUA continues to operate in compliance with its tax-exempt purpose. JCUA's annual information and income tax returns filed with the federal and state governments are subject to examination generally for three years after they are filed.

JCUA has adopted the requirements for accounting for uncertain tax positions and management has determined that JCUA was not required to record a liability related to uncertain tax positions as of December 31, 2018 and 2017.

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

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 assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the year. Actual results could differ from those estimates.

Donated Services

Contributions of services are required to be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the years ending December 31, 2018 and 2017, JCUA did not receive any donated services meeting the above criteria. However, a number of volunteers, including the Board of Directors, have made significant contributions of time to JCUA's programs and support functions, but the value of this contributed time does not meet the above criteria for recognition of contributed services contained per Generally Accepted Accounting Principles.

In-Kind Contributions

In addition to receiving cash contributions, JCUA may receive in-kind contributions from various donors. It is the policy of JCUA to record the estimated fair market value of certain in-kind donations as an expense in its consolidated financial statements, and similarly increase donation revenue by a like amount. For the year ending December 31, 2018 JCUA received $222 in in-kind donations. For the year ended December 31, 2017, JCUA received no in-kind donations.

Subsequent Events

Accounting principles generally accepted in the United States of America establish general standards of accounting for, and disclosure of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued. JCUA has evaluated subsequent events through July 17, 2019 on the consolidated financial statements, which is the date the statements were available to be issued. No subsequent events have been identified that are required to be disclosed as of that date.

Not-for-Profit Financial Statement Presentation

During fiscal 2018, the Organization adopted Accounting Standards Update ("ASU") No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The other main provisions of this guidance that impact the Organization are: presentation of two classes of net assets versus the previously required three; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board designated amounts, composition of net assets without donor restrictions, liquidity, and expenses by both their natural and functional classification.

No reclassification of 2017 net assets were necessary by the adoption of ASU No. 2016-14 by the Organization as of December 31, 2018.

Note 2 – Financial Assets and Liquidity Resources

As of December 31, 2018, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, were as follows:

	2018	2017
Financial assets at year end:		
Cash and cash equivalents	$ 464,181	$ 426,735
Contributions receivable	180,089	129,358
CVP notes receivable	400,000	160,000
Other note receivable	24,000	-
Investments	219,125	230,259
Total financial assets	1,287,395	946,352
Less: amounts not available to be used within one year:		
Donor-imposed restrictions:		
Funds subject to purpose restrictions	(373,936)	(185,750)
Endowments	(250,902)	(250,902)
CVP notes receivable	(400,000)	(160,000)
Funds held for others	-	(52,862)
Financial assets available to meet general expenditures over the next twelve months	$ 262,557	$ 296,838

The Organization manages its liquidity and reserves following three guiding principles: 1) operating within a prudent range of financial soundness and stability; 2) maintaining adequate liquid assets to fund near-term operating needs; and 3) maintaining sufficient reserves to provide reasonable assurance that programming is continued, and obligations will be adequately discharged in the future. JCUA provides various contractual program services from which it receives significant unrestricted and restricted gift pledges and contributions from individual, corporation and foundation donors. Because a donor's restriction requires resources to be used in a particular manner or in a future period, JCUA must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. Other financial assets that are not available for general expenditure consist of a gift received to establish an endowment that will exist in perpetuity from which the income generated from such endowment is used to fund programs and CVP loans receivable. JCUA receives loan funds for the Community Ventures Program which are to be loaned out to Organizations for housing and economic development projects who have not been able to obtain financing from traditional financing sources and to run the program. Loans that are given out, when paid back, are to be loaned again and therefore are deducted from financial assets available to be used within one year for general operating purposes.

Note 2 – Financial Assets and Liquidity Resources (cont.)

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. If needed, the Organization has available a $20,000 line of credit described in Note 7. During the year ended December 31, 2018 and December 31, 2017 the level of liquidity and reserves was managed within the policy requirements.

Note 3 – Fair Value Measurements and Investments

Generally Accepted Accounting Principles defines fair value as the price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on a determined measurement date.

Generally accepted accounting principles establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The fair value of debt and equity investments that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) or by quoted market prices of similar securities with similar due dates or matrix pricing. This is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on securities' relationship to other benchmark quoted securities (Level 2 inputs). Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions (Level 3 inputs). Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

Note 3 – Fair Value Measurements and Investments (cont.)

Following is a description of the valuation methodologies used for assets measured at fair value.

Equities: Valued at the closing price reported on the active market on which the individual securities are traded.

Fixed income securities: Valued at fair value based on quoted market prices of identical or similar securities based on observable inputs like interest rates using a market valuation approach.

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 JCUA 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.

Assets Measured on a Recurring Basis
Assets measured at fair value on a recurring basis are summarized below:

	December 31, 2018		
	Level 1	Level 2	Level 3
Equities	$ 116,338	$ -	$ -
Fixed income securities	84,236	-	-
Exchange traded funds	18,551	-	-
	$ 219,125	$ -	$ -

	Decmber 31, 2017		
	Level 1	Level 2	Level 3
Equities	$ 105,872	$ -	$ -
Fixed income securities	104,970	-	-
Exchange traded funds	19,417	-	-
	$ 230,259	$ -	$ -

Investments consist of the following:

December 31, 2018	Cost	Fair Value
Equities	$ 81,739	$ 116,338
Fixed income securities	84,961	84,236
Exchange traded funds	19,314	18,551
	$ 186,014	$ 219,125

Note 3 – Fair Value Measurements and Investments (cont.)

December 31, 2017	Cost	Fair Value
Equities	$ 63,675	$ 105,872
Fixed income securities	105,519	104,970
Exchange traded funds	19,314	19,417
	$ 188,508	$ 230,259

Investment income for the calendar years consist of the following:

	2018	2017
Realized gain (loss)	$ (13)	$ (883)
Unrealized gain (loss)	(10,223)	16,172
Interest and dividend income	6,228	4,948
Net investment income	$ (4,008)	$ 20,237

Note 4 – Community Ventures Program (CVP)

Notes Receivable
JCUA and CV 2011 have made several loans for pre-development and related costs of housing projects. The notes are non-interest bearing and consist of the following as of December 31,:

	2018	2017
St. Leonard's Ministries, Inc.	$ -	$ 10,000
Lincoln Park CS Loan	100,000	-
Chicago Neighborhood Initiative	100,000	-
Odgen Appartment Loans	50,000	-
Accion Chicago, Inc.	-	100,000
Latinos Progresando	50,000	-
Heartland Housing	100,000	50,000
	$ 400,000	$ 160,000

At December 31, 2018, all five notes are due in 2019.

Collectability of these notes is dependent upon the viability of the Organizations mentioned above and the ability of the respective borrowers to secure interim and final third-party financing. If the notes are not collected, JCUA and CV 2011 intend on recording the notes as a grant or a contribution to the respective organizations. All amounts are deemed collectible and no allowance is deemed necessary at December 31, 2018 and 2017.

Note 4 – Community Ventures Program (CVP) (cont.)

Loans Payable
To finance the notes receivable, related parties have lent various amounts to JCUA and CV2011, which are reflected as CVP loans payable in the Consolidated Statement of Financial Position. These loans are non-interest bearing and are payable when the underlying CVP notes receivable are collected. Should JCUA and CV 2011 not collect the CVP notes receivable when due, the lending entities have agreed to forego repayment of their respective loans and treat them as contributions.

Note 5 – Agency Transactions

JCUA periodically acts as a fiscal agent on behalf of other organizations. As a fiscal agent, the Organization collected cash proceeds either from or on behalf of other organizations and disbursed cash to vendors or beneficiaries on behalf of other organizations. The Organization, in its capacity as a fiscal agent, had little or no discretion in determining either the selection of beneficiaries or the use of assets transferred to them by other organizations. Amounts received and paid in agency transactions are reported as increases or decreases in JCUA's assets and liabilities. For the year ended December 31, 2017, amounts payable under agency transactions totaled $52,862 and have been included as restricted cash and funds held for others in the accompanying Consolidated Statements of Financial Position.

Note 6 – Long Term Debt

JCUA has a term loan with a bank with an outstanding balance at December 31, 2018 of $82,160. The loan bears interest at 3.5% per year and is repayable in 60 monthly payments of $2,789 which includes interest. The loan matures August 26, 2021 at which time the unpaid balance, if any, is due in full. The loan is collateralized by assignments of deposits aggregating $178,200 at the bank by certain related parties.

Future maturities of the term loan are as follows:

2019	$ 31,032
2020	32,136
2021	18,992
	$ 82,160

Note 7 – Line of Credit

JCUA maintains a $20,000 line of credit with a bank with a fixed interest rate of 3.5%. The line of credit expires on April 30, 2020. There were no amounts due as of December 31, 2018 and 2017. The line is secured by the same related party deposits and money market accounts as the term loan described in Note 6.

Note 8 – Net Assets with Donor Restrictions – Time and Purpose Restrictions

Net assets with donor restrictions, time or purpose are composed of the following at December 31:

	2018	2017
CVP loan program	$ 311,993	$ 165,750
Time restricted	61,943	20,000
Total	$ 373,936	$ 185,750

Note 9 – Endowment Funds

JCUA's endowment consists of funds established to allow earnings on the principal to be used for the operations of JCUA. The endowment includes donor-restricted principal funds which must be permanently retained. These funds may not be used by JCUA. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designed by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law
The state of Illinois adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) on June 30, 2009. The Board of Directors of JCUA has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, JCUA classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily unrestricted net assets until those amounts are appropriated for expenditure by JCUA in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, JCUA considers the following factors in making a determination to appropriate or accumulate earnings on donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of JCUA
(7) The investment policies of JCUA.

Note 9 – Endowment Funds (cont.)

Investment return objectives, risk parameters and strategies - The endowment funds have not been specifically segregated. Endowment assets include those assets of donor-restricted funds that JCUA must hold in perpetuity.

Spending policy - JCUA has a policy of appropriating for distribution each year the investment return of its endowment funds. In establishing this policy, JCUA considered the long-term expected return on its endowments. JCUA's endowment net assets composition by type of fund is comprised of permanently donor-restricted endowment funds of $250,902 as of December 31, 2018 and 2017.

The changes in endowment net assets for JCUA for the years ended December 31, 2018 and 2017 are as follows:

	2018			
		With Donor Restrictions		
	Without Restriction	Restricted for Programs	Perpetual in Nature	Total
Endowment net assets, beginning of year	$ 12,309	$ -	$ 250,902	$ 263,211
Investment return				
Investment income	-	5,577	-	5,577
Net appreciation - realized and unrealized	-	(10,236)	-	(10,236)
Contributions	-	-	-	-
Transfer from general funds without restrictions	(4,659)	4,659	-	-
Appropriation of endowment assets for expenditure	-	-	-	-
Endowment net assets, end of year	$ 7,650	$ -	$ 250,902	$ 258,552

Note 9 – Endowment Funds (cont.)

	2017			
		With Donor Restrictions		
	Without Restriction	Restricted for Programs	Perpetual in Nature	Total
Endowment net assets, beginning of year	$ (7,809)	$ -	$ 250,902	$ 243,093
Investment return				
Investment income	-	4,829	-	4,829
Net appreciation - realized and unrealized	-	15,289	-	15,289
Contributions	-	-	-	-
Appropriation of endowment assets for expenditure	20,118	(20,118)	-	-
Endowment net assets, end of year	$ 12,309	$ -	$ 250,902	$ 263,211

Note 10 – Defined Contribution Plan

JCUA has a 403(b) plan that covers all eligible employees. A contribution is made to the account of each eligible employee as defined in the plan. For the years ended December 31, 2018 and 2017, there were no contributions authorized by the Board of Directors.

Note 11 – Operating Lease

JCUA leased office space in Chicago, IL under an operating lease. The lease, which expires October 31, 2022, provides for minimum monthly rental expense of $4,500. Rent expense was $54,405 and $60,397 for the years ended December 31, 2018 and 2017, respectively.

Future minimum payments for the reaming lease terms are as follows:

Year Ending December 31,	
2019	$ 53,037
2020	57,718
2021	59,450
2022	45,583
	$ 215,788

Supplementary Information

JEWISH COUNCIL ON URBAN AFFAIRS AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
As of December 31, 2018

	Jewish Council on Urban Affairs	Revolving Grant Fund and Community Venture 2011 LLCs	Total	Eliminations	Consolidated
Assets					
Current Assets					
Cash and cash equivalents	$ 219,668	$ 212,736	$ 432,404	$ -	$ 432,404
Contributions receivable	178,089	2,000	180,089	-	180,089
CVP notes receivable	-	400,000	400,000	-	400,000
Other note receivable	24,000	-	24,000	-	24,000
Prepaid expenses	2,581	-	2,581	-	2,581
Due from / (to)	-	168,506	168,506	(168,506)	-
Total current assets	424,338	783,242	1,207,580	(168,506)	1,039,074
Property and Equipment					
Office equipment	879	-	879	-	879
Computer equipment	14,972	-	14,972	-	14,972
	15,851	-	15,851	-	15,851
Less accumulated depreciation	14,981	-	14,981	-	14,981
Net property and equipment	870	-	870	-	870
Noncurrent assets					
Investments	219,125	-	219,125	-	219,125
Restricted cash	31,777	-	31,777	-	31,777
Security deposits	4,500	-	4,500	-	4,500
Total other assets	255,402	-	255,402	-	255,402
Total Assets	$ 680,610	$ 783,242	$ 1,463,852	$ (168,506)	$ 1,295,346
Liabilities and Net Assets					
Current Liabilities					
Bank loan, current portion	$ 31,032	$ -	$ 31,032	$ -	$ 31,032
Accounts payable and accrued expenses	25,126	-	25,126	-	25,126
CVP loans payable	-	50,000	50,000	-	50,000
Due to / (from)	-	168,506	168,506	(168,506)	-
Total current liabilities	56,158	218,506	274,664	(168,506)	106,158
Long-Term					
Bank loan, net of current portion	51,128	-	51,128	-	51,128
CVP loans payable, net of current portion	-	148,000	148,000	-	148,000
Total liabilities	107,286	366,506	473,792	(168,506)	305,286
Net Assets					
Without donor restrictions	221,731	143,491	365,222	-	365,222
With donor restrictions					
Time or purpose restrictions	100,691	273,245	373,936	-	373,936
Endowment	250,902	-	250,902	-	250,902
Total net assets	573,324	416,736	990,060	-	990,060
Total Liabilities and Net Assets	$ 680,610	$ 783,242	$ 1,463,852	$ (168,506)	$ 1,295,346

See independent auditor's report.

JEWISH COUNCIL ON URBAN AFFAIRS AND SUBSIDIARIES
CONSOLIDATING STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2018

	Jewish Council on Urban Affairs	Revolving Grant Fund and Community Venture 2011 LLCs	Consolidated
Public Support and Revenue			
Individual contributions	$ 452,000	$ -	$ 452,000
Corporations and foundation contributions	291,000	-	291,000
In-kind contributions	222	-	222
	743,222	-	743,222
Program revenue	55,093	220,800	275,893
Investment income	(4,610)	602	(4,008)
	50,483	221,402	271,885
Special Events			
Contributions and ticket sales	397,550	-	397,550
Less cost of direct benefits to donors	(34,128)	-	(34,128)
Net revenues from special events	363,422	-	363,422
Net assets released from restrictions	-	-	-
Total public support and revenue	1,157,127	221,402	1,378,529
Expenses			
Program services	698,860	87	698,947
Management and general	103,127	-	103,127
Fundraising	159,128	-	159,128
Total expenses	961,115	87	961,202
Change in net assets	196,012	221,315	417,327
Net assets, beginning of year	377,312	195,421	572,733
Net assets, end of year	$ 573,324	$ 416,736	$ 990,060

See independent auditor's report.