



**FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

THE BOSTON JEWISH FILM FESTIVAL, INC.

Contents
December 31, 2015 and 2014

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Independent Auditor's Report

To the Board of Directors of
The Boston Jewish Film Festival, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of The Boston Jewish Film Festival, Inc. (a Massachusetts nonprofit corporation), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, changes in net assets, cash flows and functional expenses 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 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

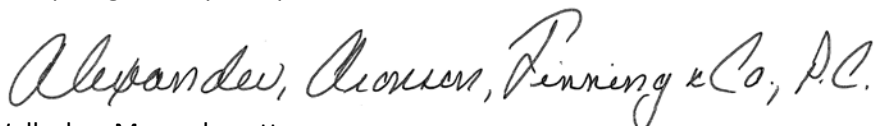
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Boston Jewish Film Festival, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Wellesley, Massachusetts
June 22, 2016

THE BOSTON JEWISH FILM FESTIVAL, INC.Statements of Financial Position
December 31, 2015 and 2014

Assets	2015	2014
Current Assets:		
Cash and cash equivalents	\$ 281,113	\$ 325,379
Current portion of accounts and pledges receivable	64,272	42,116
Prepaid expenses	<u>7,744</u>	<u>3,096</u>
Total current assets	353,129	370,591
Accounts and Pledges Receivable, net of current portion	5,000	-
Property and Equipment, net	12,000	14,496
Security Deposit	<u>3,200</u>	<u>3,200</u>
Total assets	<u>\$ 373,329</u>	<u>\$ 388,287</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 28,494	\$ 34,779
Deferred Rent	<u>7,996</u>	<u>9,742</u>
Total liabilities	<u>36,490</u>	<u>44,521</u>
Net Assets:		
Unrestricted:		
Operating	158,798	172,090
Board designated	125,000	125,000
Property and equipment	<u>12,000</u>	<u>14,496</u>
Total unrestricted	295,798	311,586
Temporarily restricted	<u>41,041</u>	<u>32,180</u>
Total net assets	<u>336,839</u>	<u>343,766</u>
Total liabilities and net assets	<u>\$ 373,329</u>	<u>\$ 388,287</u>

THE BOSTON JEWISH FILM FESTIVAL, INC.

Statements of Activities

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Unrestricted Net Assets:		
Support and revenues:		
Contributions	\$ 256,368	\$ 257,079
Festival ticket revenue	139,794	116,296
Grants	97,500	96,470
Special events	64,712	97,614
Sponsorships and supporters	34,350	37,850
Donated goods and services	25,180	20,445
Out of festival screenings	15,533	1,336
Other program revenue	1,800	2,100
Interest and other	1,539	1,020
REELAbilities ticket revenue	1,020	1,615
Net assets released from restriction	<u>32,180</u>	<u>26,450</u>
Total support and revenues	<u>669,976</u>	<u>658,275</u>
Expenses:		
Film festival	465,783	446,090
Other programs	116,375	115,133
Fundraising	48,348	48,471
General and administrative	<u>55,258</u>	<u>60,249</u>
Total expenses	<u>685,764</u>	<u>669,943</u>
Changes in unrestricted net assets from operations	(15,788)	(11,668)
Strategic planning fees	<u>-</u>	<u>(10,000)</u>
Changes in unrestricted net assets	<u>(15,788)</u>	<u>(21,668)</u>
Temporary Restricted Net Assets:		
Grants and pledges - purpose and time restricted	41,041	32,180
Net assets released from restriction	<u>(32,180)</u>	<u>(26,450)</u>
Changes in temporarily restricted net assets	<u>8,861</u>	<u>5,730</u>
Changes in net assets	<u>\$ (6,927)</u>	<u>\$ (15,938)</u>

THE BOSTON JEWISH FILM FESTIVAL, INC.

Statements of Changes in Net Assets
For the Years Ended December 31, 2015 and 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Net Assets, December 31, 2013	\$ 333,254	\$ 26,450	\$ 359,704
Changes in net assets	<u>(21,668)</u>	<u>5,730</u>	<u>(15,938)</u>
Net Assets, December 31, 2014	311,586	32,180	343,766
Changes in net assets	<u>(15,788)</u>	<u>8,861</u>	<u>(6,927)</u>
Net Assets, December 31, 2015	<u>\$ 295,798</u>	<u>\$ 41,041</u>	<u>\$ 336,839</u>

THE BOSTON JEWISH FILM FESTIVAL, INC.

Statements of Cash Flows

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ (6,927)	\$ (15,938)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	5,432	7,452
Changes in operating assets and liabilities:		
Accounts and pledges receivable	(27,156)	(6,645)
Prepaid expenses	(4,648)	3,424
Accounts payable and accrued expenses	(6,285)	1,710
Deferred rent	<u>(1,746)</u>	<u>3,333</u>
Net cash used in operating activities	(41,330)	(6,664)
Cash Flows from Investing Activities:		
Acquisition of property and equipment	<u>(2,936)</u>	<u>(1,948)</u>
Net Change in Cash and Cash Equivalents	(44,266)	(8,612)
Cash and Cash Equivalents:		
Beginning of year	<u>325,379</u>	<u>333,991</u>
End of year	<u>\$ 281,113</u>	<u>\$ 325,379</u>

THE BOSTON JEWISH FILM FESTIVAL, INC.

Statements of Functional Expenses
For the Years Ended December 31, 2015 and 2014

	2015					2014				
	Film Festival	Other Programs	Fundraising	General and Administrative	Total	Film Festival	Other Programs	Fundraising	General and Administrative	Total
Personnel and Related:										
Salaries	\$ 153,424	\$ 42,868	\$ 22,563	\$ 6,769	\$ 225,624	\$ 163,773	\$ 44,919	\$ 23,609	\$ 7,870	\$ 240,171
Contracted services	26,376	-	1,439	20,141	47,956	24,871	-	1,369	18,480	44,720
Payroll taxes	14,579	4,073	2,144	643	21,439	17,411	4,776	2,510	837	25,534
Donated salaries	11,040	-	-	-	11,040	11,040	-	-	-	11,040
Employee benefits	6,899	1,928	1,014	304	10,145	5,300	1,454	764	255	7,773
Total personnel and related	<u>212,318</u>	<u>48,869</u>	<u>27,160</u>	<u>27,857</u>	<u>316,204</u>	<u>222,395</u>	<u>51,149</u>	<u>28,252</u>	<u>27,442</u>	<u>329,238</u>
Occupancy:										
Rent	26,239	7,332	3,859	1,158	38,588	26,222	7,192	3,780	1,260	38,454
Utilities	3,009	841	443	133	4,426	2,101	576	303	101	3,081
Telephone	2,920	816	430	129	4,295	3,008	825	434	144	4,411
Depreciation	-	-	-	1,304	1,304	-	-	-	1,830	1,830
Total occupancy	<u>32,168</u>	<u>8,989</u>	<u>4,732</u>	<u>2,724</u>	<u>48,613</u>	<u>31,331</u>	<u>8,593</u>	<u>4,517</u>	<u>3,335</u>	<u>47,776</u>
Other:										
Other program events	-	45,480	-	-	45,480	-	43,842	-	-	43,842
Festival events	43,635	-	-	-	43,635	31,250	-	-	-	31,250
Printing and publications	33,502	-	-	-	33,502	32,265	-	-	-	32,265
Film rentals	31,275	-	-	-	31,275	24,071	-	-	-	24,071
Box office fees	23,903	-	-	-	23,903	21,800	-	-	-	21,800
Professional fees	-	-	-	21,625	21,625	-	-	-	21,195	21,195
Visiting artists	20,583	-	-	-	20,583	18,485	-	-	-	18,485
Venue rental	19,430	-	-	-	19,430	16,150	-	-	-	16,150
Donated goods and services	8,440	4,000	-	1,700	14,140	2,510	545	-	6,350	9,405
Maintenance	8,511	2,378	1,252	375	12,516	9,364	2,568	1,349	450	13,731
Direct mailings	-	-	11,769	-	11,769	-	-	9,919	-	9,919
Publicity	8,519	-	-	-	8,519	7,547	-	-	-	7,547
Travel/meetings	4,678	1,307	688	206	6,879	6,018	1,650	867	289	8,824
Credit card processing fees	3,675	1,027	540	162	5,404	4,919	1,349	709	236	7,213
Recruitment	3,876	867	357	-	5,100	2,319	527	222	-	3,068
Office	3,268	913	481	144	4,806	4,971	1,364	717	239	7,291
Depreciation	2,390	978	543	217	4,128	3,251	1,394	733	244	5,622
Insurance	2,765	772	407	122	4,066	2,835	778	409	136	4,158
Postage	1,605	448	236	71	2,360	1,973	542	285	95	2,895
Miscellaneous	1,242	347	183	55	1,827	2,636	832	492	238	4,198
Total other	<u>221,297</u>	<u>58,517</u>	<u>16,456</u>	<u>24,677</u>	<u>320,947</u>	<u>192,364</u>	<u>55,391</u>	<u>15,702</u>	<u>29,472</u>	<u>292,929</u>
Total expenses	<u>\$ 465,783</u>	<u>\$ 116,375</u>	<u>\$ 48,348</u>	<u>\$ 55,258</u>	<u>\$ 685,764</u>	<u>\$ 446,090</u>	<u>\$ 115,133</u>	<u>\$ 48,471</u>	<u>\$ 60,249</u>	<u>\$ 669,943</u>

The accompanying notes are an integral part of these statements.

THE BOSTON JEWISH FILM FESTIVAL, INC.

Notes to Financial Statements
December 31, 2015 and 2014

1. OPERATIONS AND NONPROFIT STATUS

The Boston Jewish Film Festival, Inc. (the Festival) was incorporated in March 1998 and presents contemporary films from around the world on Jewish themes at its annual Fall Festival and throughout the year. Through features, shorts, and documentaries, the Festival explores issues of Jewish identity, how Judaism relates to society at large, and the richness and diversity of Jewish culture.

The Festival is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Festival is also exempt from state income taxes. Donors may deduct contributions made to the Festival within the IRC regulations.

2. SIGNIFICANT ACCOUNTING POLICIES

The Festival prepares its financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Property and Equipment and Depreciation

Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at fair value at the date of receipt. Depreciation is calculated on a straight-line basis over estimated useful lives of three to five years.

Revenue Recognition

The Festival derives its revenue mainly from festival ticket sales, corporate sponsorships, special events, contributions, and grants. Ticket revenue is recognized as films are presented. Special events revenue is recognized when the events occur. Unrestricted contributions, grants, sponsorships and supporters revenue are recognized when unconditionally pledged or received. The Festival reports grants and contributions as temporarily restricted support if they are pledged or received with donor stipulations that limit their use. When a donor stipulated time restriction ends or purpose restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restriction. Temporarily restricted revenue received and expended in the same period is reflected as unrestricted support and revenues. All other revenue is recognized as it is earned.

Expense Allocation

Expenses related directly to a function are distributed to that function, while other expenses are allocated to programs based upon management's estimate of the percentage attributable to each function.

Income Taxes

The Festival accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Festival has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at December 31, 2015 and 2014.

THE BOSTON JEWISH FILM FESTIVAL, INC.

Notes to Financial Statements
December 31, 2015 and 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Publicity Costs

The Festival expenses publicity costs as they are incurred.

Net Assets

Unrestricted net assets represent net assets that are not subject to donor-imposed stipulations. The Board of Directors has discretionary control over these net assets and may elect to designate such resources for specific purposes. These designations may also be removed at the Board's discretion.

Unrestricted net assets consist of the following:

Operating – Net assets available to carry on the operations of the Festival.

Board designated – Net assets set aside by the Board of Directors to be used as an operating reserve to meet cash flow needs and for other purposes as approved by the Board of Directors. These funds may only be used with the approval of the Board of Directors. The Board authorized the use of approximately \$10,000 of these funds in 2014 relating to strategic planning. The expenses related to this process are shown as non-operating strategic planning fees in the accompanying statement of activities for the year ended December 31, 2014.

Property and equipment – These net assets reflect the net book value of the Festival's property and equipment.

Temporarily restricted net assets as of December 31, 2015 and 2014, include donor-restricted funds designated for a specific time period or specific activities, as follows:

	<u>2015</u>	<u>2014</u>
Purpose restricted	\$ 39,541	\$ 18,500
Time restricted	<u>1,500</u>	<u>13,680</u>
	<u>\$ 41,041</u>	<u>\$ 32,180</u>

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Donated Goods and Services

The Festival receives donated goods and services in support of various aspects of its programs. These donations consist mainly of items in connection with the film festival and are reflected in the accompanying financial statements as donated goods and services and related expenses. In addition, unpaid volunteers have made significant contributions of their time in furtherance of the Festival's programs. While these contributions are of value to the Festival, they do not meet the accounting requirements for recognition in the financial statements and, therefore, their value is not recorded.

THE BOSTON JEWISH FILM FESTIVAL, INC.

Notes to Financial Statements
December 31, 2015 and 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Goods and Services (Continued)

Donated goods and services in the accompanying statements of functional expenses consist of the following:

	<u>2015</u>	<u>2014</u>
Festival and other program events	\$ 6,430	\$ 2,645
Venue rentals	3,000	-
Publicity	2,600	-
Professional fees	1,700	6,350
Visiting artists	<u>410</u>	<u>410</u>
	<u>\$ 14,140</u>	<u>\$ 9,405</u>

Donated salaries of \$11,040 in both 2015 and 2014 are presented separately in the accompanying statements of functional expenses.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and money market accounts and highly liquid investments with maturities of three months or less at date of purchase.

Allowance for Doubtful Accounts and Pledges

An allowance for potentially uncollectible accounts and pledges receivable is provided based upon management's assessment of potential defaults. This assessment includes such factors as collection history and type of receivable. No allowance was deemed necessary as of December 31, 2015 and 2014.

Fair Value Measurements

The Festival follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that the Festival would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Festival uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Festival. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

THE BOSTON JEWISH FILM FESTIVAL, INC.

Notes to Financial Statements
December 31, 2015 and 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities are valued using Level 1 inputs.

Subsequent Events

Subsequent events have been evaluated through June 22, 2016, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

3. OCCUPANCY

The Festival is leasing its office space under a lease which runs through January 2019. The Festival received three months of free rent valued at \$9,613. In February 2014, the Festival began making monthly rent payments of \$3,193, which increase throughout the life of the lease. The Festival is recognizing rent expense on a straight-line basis over the term of the lease in accordance with the ASC Topic, *Accounting for Leases*. Deferred rent as of December 31, 2015 and 2014, was \$9,882 and \$9,742, respectively. As of December 31, 2015, the current portion of deferred rent of \$1,886 is included in accounts payable and accrued expenses in the accompanying statement of financial position.

The Festival has the right to extend the lease for an additional five year period. The Festival is also responsible for its proportionate share of utilities.

Remaining future minimum lease payments under this agreement are as follows:

2016	\$ 40,340
2017	\$ 42,213
2018	\$ 42,366
2019	\$ 3,531

THE BOSTON JEWISH FILM FESTIVAL, INC.

Notes to Financial Statements
December 31, 2015 and 2014

4. CONCENTRATIONS

- The Festival maintains its cash balances in several Massachusetts banks and is insured within the limits of the Federal Deposit Insurance Corporation (FDIC). The Festival has not experienced any losses in such accounts. The Festival's management believes that the Festival is not exposed to any significant credit risk related to these accounts.
- Approximately 65% of the Festival's receivables were due from five sources at December 31, 2015. Approximately 54% of the Festival's receivables were due from two sources at December 31, 2014.
- Approximately 21% and 18% of the Festival's revenue is derived from the annual film festival for the years ended December 31, 2015 and 2014, respectively.

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
Office furniture and equipment	\$ 44,861	\$ 43,063
Leasehold improvements	9,150	9,150
Database	21,050	21,050
Website	<u>13,401</u>	<u>13,401</u>
	88,462	84,664
Less - accumulated depreciation	<u>76,462</u>	<u>72,168</u>
	<u>\$ 12,000</u>	<u>\$ 14,496</u>

6. PLEDGES RECEIVABLE

Pledges receivable are recorded at their net present value when unconditionally committed to the Festival. Pledges receivable are included in accounts and pledges receivable in the accompanying statements of financial position and are expected to be collected as follows at December 31, 2015 and 2014, respectively:

	<u>2015</u>	<u>2014</u>
Due within one year	\$ 62,403	\$ 41,080
Due in one to five years	<u>5,000</u>	<u>-</u>
	67,403	41,080
Less – current portion	<u>62,403</u>	<u>41,080</u>
	<u>\$ 5,000</u>	<u>\$ -</u>

No discount is deemed necessary at December 31, 2015, as it was immaterial to the financial statements.

7. RECLASSIFICATIONS

Certain amounts in the 2014 financial statements have been reclassified to conform with the 2015 presentation.