NECHAMA - JEWISH RESPONSE TO DISASTER

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2018
## Independent Auditor’s Report

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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors
NECHAMA - Jewish Response to Disaster
Burnsville, Minnesota

We have audited the accompanying financial statements of NECHAMA - Jewish Response to Disaster (a nonprofit organization) which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to 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.

(Continued)
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NECHAMA - Jewish Response to Disaster as of December 31, 2018, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, NECHAMA - Jewish Response to Disaster has adopted Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. Our opinion is not modified with respect to that matter.

Report on Summarized Comparative Information

We have previously audited NECHAMA - Jewish Response to Disaster’s 2017 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated August 28, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

July 22, 2019
# NECHAMA - JEWISH RESPONSE TO DISASTER

## STATEMENT OF FINANCIAL POSITION

December 31, 2018  
(With Comparative Totals for 2017)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$774,758</td>
<td>$672,555</td>
</tr>
<tr>
<td>Investments</td>
<td>1,778</td>
<td>19,399</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>78,735</td>
<td>46,914</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>55,673</td>
<td>28,096</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>910,944</strong></td>
<td><strong>766,964</strong></td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>20,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>58,627</td>
<td>60,836</td>
</tr>
<tr>
<td>Security deposit</td>
<td>3,190</td>
<td>3,190</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$992,761</strong></td>
<td><strong>$870,990</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES AND NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$12,232</td>
<td>$44,477</td>
</tr>
<tr>
<td>Accrued payroll and related expenses</td>
<td>29,164</td>
<td>23,085</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>-</td>
<td>7,337</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>41,396</strong></td>
<td><strong>74,899</strong></td>
</tr>
<tr>
<td>Net assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Without donor restrictions</td>
<td>640,121</td>
<td>498,725</td>
</tr>
<tr>
<td>With donor restrictions</td>
<td>311,244</td>
<td>297,366</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>951,365</td>
<td>796,091</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$992,761</strong></td>
<td><strong>$870,990</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
## NECHAMA - JEWISH RESPONSE TO DISASTER

### STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2018
(With Comparative Totals for 2017)

<table>
<thead>
<tr>
<th>Support and revenue:</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$292,001</td>
<td>$1,527,773</td>
</tr>
<tr>
<td>Contributions - in-kind</td>
<td>288,182</td>
<td>24,654</td>
</tr>
<tr>
<td>Government grants</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fees for service</td>
<td>29,087</td>
<td>65,500</td>
</tr>
<tr>
<td>Other income</td>
<td>2,537</td>
<td>433</td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>(136)</td>
<td>358</td>
</tr>
<tr>
<td>Special event, net of direct donor benefits</td>
<td>88,042</td>
<td>86,669</td>
</tr>
<tr>
<td>Net assets released from use and time restrictions</td>
<td>1,221,894</td>
<td>-</td>
</tr>
<tr>
<td>Total support and revenue</td>
<td>1,921,607</td>
<td>1,113,056</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses:</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>1,539,586</td>
<td>623,808</td>
</tr>
<tr>
<td>Management and general</td>
<td>149,847</td>
<td>108,416</td>
</tr>
<tr>
<td>Fundraising</td>
<td>90,778</td>
<td>60,942</td>
</tr>
<tr>
<td>Total expenses</td>
<td>1,780,211</td>
<td>793,166</td>
</tr>
<tr>
<td>Change in net assets before sale of trailer</td>
<td>141,396</td>
<td>319,890</td>
</tr>
<tr>
<td>Loss on sale of trailer</td>
<td>-</td>
<td>(1,322)</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>141,396</td>
<td>318,568</td>
</tr>
<tr>
<td>Net assets, beginning of year</td>
<td>498,725</td>
<td>477,523</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>$640,121</td>
<td>$796,091</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
### NECHAMA - JEWISH RESPONSE TO DISASTER

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2018
(With Comparative Totals for 2017)

<table>
<thead>
<tr>
<th></th>
<th>Program services</th>
<th>Management and general</th>
<th>Fund - raising</th>
<th>Total 2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries</strong></td>
<td>$ 553,942</td>
<td>$ 28,580</td>
<td>$ 32,337</td>
<td>$ 614,859</td>
<td>$ 368,144</td>
</tr>
<tr>
<td><strong>Employee benefits</strong></td>
<td>57,833</td>
<td>5,580</td>
<td>8,718</td>
<td>72,131</td>
<td>36,285</td>
</tr>
<tr>
<td><strong>Payroll taxes</strong></td>
<td>45,140</td>
<td>2,024</td>
<td>2,481</td>
<td>49,645</td>
<td>35,659</td>
</tr>
<tr>
<td><strong>Total salaries and related</strong></td>
<td>656,915</td>
<td>36,184</td>
<td>43,536</td>
<td>736,635</td>
<td>440,088</td>
</tr>
<tr>
<td><strong>Advertising</strong></td>
<td>6,016</td>
<td>148</td>
<td>2,137</td>
<td>8,301</td>
<td>649</td>
</tr>
<tr>
<td><strong>Bank and credit card fees</strong></td>
<td>2,012</td>
<td>2,652</td>
<td>627</td>
<td>5,291</td>
<td>18,054</td>
</tr>
<tr>
<td><strong>Equipment</strong></td>
<td>225,413</td>
<td>4,015</td>
<td>75</td>
<td>229,503</td>
<td>24,311</td>
</tr>
<tr>
<td><strong>Office expense</strong></td>
<td>14,661</td>
<td>16,921</td>
<td>11,716</td>
<td>43,298</td>
<td>21,403</td>
</tr>
<tr>
<td><strong>Professional fees</strong></td>
<td>48,875</td>
<td>22,922</td>
<td>3,759</td>
<td>75,556</td>
<td>8,024</td>
</tr>
<tr>
<td><strong>Accounting and legal</strong></td>
<td>-</td>
<td>27,082</td>
<td>-</td>
<td>27,082</td>
<td>21,750</td>
</tr>
<tr>
<td><strong>Occupancy</strong></td>
<td>43,701</td>
<td>1,424</td>
<td>3,088</td>
<td>48,213</td>
<td>42,053</td>
</tr>
<tr>
<td><strong>Information technology</strong></td>
<td>14,399</td>
<td>10,005</td>
<td>11,697</td>
<td>36,101</td>
<td>26,920</td>
</tr>
<tr>
<td><strong>Insurance</strong></td>
<td>22,956</td>
<td>371</td>
<td>804</td>
<td>24,131</td>
<td>19,113</td>
</tr>
<tr>
<td><strong>Travel and lodging</strong></td>
<td>431,026</td>
<td>20,955</td>
<td>8,604</td>
<td>460,585</td>
<td>138,190</td>
</tr>
<tr>
<td><strong>Training and conferences</strong></td>
<td>2,370</td>
<td>1,917</td>
<td>913</td>
<td>5,200</td>
<td>1,190</td>
</tr>
<tr>
<td><strong>Volunteer expense</strong></td>
<td>33,289</td>
<td>10</td>
<td>24</td>
<td>33,323</td>
<td>6,257</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>19,783</td>
<td>2,071</td>
<td>2,069</td>
<td>23,923</td>
<td>10,912</td>
</tr>
<tr>
<td><strong>Miscellaneous expenses</strong></td>
<td>18,170</td>
<td>3,170</td>
<td>1,729</td>
<td>23,069</td>
<td>14,252</td>
</tr>
<tr>
<td><strong>Total expenses before direct donor benefits</strong></td>
<td>$ 1,539,586</td>
<td>$ 149,847</td>
<td>$ 90,778</td>
<td>$ 1,780,211</td>
<td>$ 793,166</td>
</tr>
<tr>
<td><strong>Direct donor benefit expenses</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>44,591</td>
<td>18,833</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>$ 1,824,802</td>
<td>$ 811,999</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
NECHAMA - JEWISH RESPONSE TO DISASTER

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2018
(With Comparative Totals for 2017)

Increase (Decrease) in Cash

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$ 155,274</td>
<td>$ 318,568</td>
</tr>
<tr>
<td>Adjustments to reconcile the change in net assets to net cash from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>23,923</td>
<td>10,912</td>
</tr>
<tr>
<td>Loss on sale of trailer</td>
<td>-</td>
<td>1,322</td>
</tr>
<tr>
<td>Donation of stocks</td>
<td>17,625</td>
<td>(17,625)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>(11,821)</td>
<td>88,776</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(27,577)</td>
<td>(14,971)</td>
</tr>
<tr>
<td>Other assets</td>
<td>-</td>
<td>(1,190)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(32,245)</td>
<td>36,402</td>
</tr>
<tr>
<td>Accrued payroll and related expenses</td>
<td>6,075</td>
<td>8,725</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(7,337)</td>
<td>7,337</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>123,917</td>
<td>438,256</td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property and equipment</td>
<td>(21,714)</td>
<td>(56,147)</td>
</tr>
<tr>
<td>Proceeds from sale of trailer</td>
<td>-</td>
<td>2,500</td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>(21,714)</td>
<td>(53,647)</td>
</tr>
<tr>
<td>Net increase in cash</td>
<td>102,203</td>
<td>384,609</td>
</tr>
<tr>
<td>Cash, beginning of year</td>
<td>672,555</td>
<td>287,946</td>
</tr>
<tr>
<td>Cash, end of year</td>
<td>$ 774,758</td>
<td>$ 672,555</td>
</tr>
</tbody>
</table>

Supplemental cash flow information:

Noncash investing and financing activities:

Donated stocks held in investments | $ | $ 17,625 |

See accompanying notes to financial statements.
1. ORGANIZATION

The NECHAMA - Jewish Response to Disaster (NECHAMA) is a nonprofit corporation located in Burnsville, Minnesota. NECHAMA is a volunteer organization providing natural disaster response, rebuild, and preparedness training services nationwide. Guided by the Jewish values of Tikkun Olam, repairing the world, performing good acts, and helping the stranger, NECHAMA offers a helping hand in the spirit of goodwill and creating mutual respect and understanding among people. Headquartered in Burnsville, Minnesota, NECHAMA’s work is comprised of three areas:

Disaster response - Following floods, hurricane, and wind events, NECHAMA provides a variety of services including mucking out homes; removing debris, damaged goods, and sediment; gutting homes down to the studs to prepare them for a rebuild; and deploying skilled chainsaw teams to remove downed trees and other dislodged debris.

Disaster recovery - In the wake of disasters, NECHAMA will, on occasion, provide rebuild assistance to affected families. This includes services such as installing drywall, insulation, and other minor repairs.

Disaster preparedness - In an effort to help affected-communities and national and local partners, NECHAMA offers preparedness trainings aimed at improving the disaster response skills of local volunteers and staff.

NECHAMA is primarily supported by contributions, special event income and fees for service.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Pronouncement Adopted - FASB issued Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities to address the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. NECHAMA has adopted the pronouncement and adjusted the presentation of these statements accordingly. As a result, net assets previously reported as temporarily and permanently restricted are now called net assets with donor restrictions. The amount of such net assets did not change. Footnote disclosures have been expanded as required by the ASU. NECHAMA opted not to disclose liquidity and availability information for 2017 and the Statement of Functional Expenses as permitted under the ASU in the year of adoption.

(Continued)
NECHAMA - JEWISH RESPONSE TO DISASTER

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2018
(With Comparative Totals for 2017)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Financial Statement Presentation - Revenues and support are classified based on the presence or absence of donor restrictions and are reported in the following net asset categories:

- Net assets without donor restrictions represent the portion of net assets that are not subject to donor-imposed restrictions.
- Net assets with donor restrictions arise from contributions that are restricted by donors for specific purposes or time periods. Some donor restrictions are temporary in nature and others are perpetual.

Cash Equivalents - For purposes of preparing the statement of cash flows, investments with an original maturity of three months or less are considered cash equivalents.

Investments - Investments in marketable securities are reported at fair value. Realized and unrealized gains and losses are reported as changes in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Contributions Receivable - Contributions receivable are recorded at the promised amount because the difference between the promised amount and the net present value of the promise is immaterial. Management believes that all amounts will be received when due, therefore no allowance for uncollectible amounts has been provided. Receivables are written off when, in management’s estimation, it is probable that the receivable is worthless.

Property and Equipment - Property and equipment is carried at cost. Donated equipment is capitalized at the estimated fair market value at the date of receipt. Additions with a cost of less than $2,500 are expensed. Depreciation is computed over estimated useful lives using the straight-line method. The cost of maintenance and repairs is charged to expense as incurred; significant renewals or betterments are capitalized. Absent explicit donor restrictions regarding how long contributed assets must be used, NECHAMA reports expiration of donor restrictions when the donated or acquired assets are placed in service.

(Continued)
2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Contributions** - Contributions are recognized when the donor makes an unconditional promise to give. Contributions restricted by donors are reported as increases in net assets with donor restrictions. When a specific time restriction ends or a purpose is accomplished, temporarily restricted net assets are reclassified to net assets without donor restrictions.

**Contributed Services** - Contributed services are recorded as contributions, at their fair value, when the service creates or enhances a non-financial asset or the service requires specialized skills that would need to be purchased if not provided by donation. NECHAMA relies on donated services from many volunteers for its disaster response and recovery activities. No amounts have been recognized for these services because they do not meet the criteria described above. No contributed services were recorded in 2018 and 2017.

**Contributed Materials** - Contributed materials are recorded as contributions, when received, at fair value. During 2018, NECHAMA received $120,806 of discounts on commercial airline tickets to disaster areas and lodging in disaster areas, $167,376 of equipment and supplies, which have been recorded as in-kind contributions and $3,798 of donated space for the special event, which have been included in special event revenue. During 2017, NECHAMA received $24,654 of discounts on commercial airline tickets to disaster areas, which have been recorded as in-kind contributions.

**Fees for service** - NECHAMA has contracts with other entities to provide services. Fees for service is recorded as revenue when earned. Revenue is earned when services are provided, as defined in each contract. Payments received but not yet earned are shown as deferred revenue.

**Functional Expenses** - The costs of providing programs and the Organization’s supporting services have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. The majority of expenses can be directly identified with the program or supporting services to which they relate and are charged accordingly. Other expenses have been allocated among program and supporting services based on an analysis of personnel time and estimates of space used for the related activities as determined by management.

**Income Taxes** - NECHAMA is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and applicable Minnesota Statutes, except to any extent it has taxable income that is not related to its tax exempt purpose. Management believes NECHAMA did not have any unrelated business income in 2018 and 2017. Management believes NECHAMA has appropriate support for
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

any tax positions taken, and accordingly, does not have any uncertain tax positions that are material to the financial statements.

Comparative Total Column - The financial statements include certain prior-year summarized comparative information in total but not by net asset class or by functionalized expenses. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with NECHAMA’S financial statements for the year ended December 31, 2017, from which the information was derived.

Reclassifications – Reclassifications were made to the 2017 financial statements to be consistent with the current year financial statements. These reclassifications did not affect net assets or the change in net assets.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

NECHAMA’s financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 774,758</td>
</tr>
<tr>
<td>Investments</td>
<td>1,778</td>
</tr>
<tr>
<td>Contributions receivable (Note 4)</td>
<td>78,735</td>
</tr>
<tr>
<td></td>
<td><strong>$ 855,271</strong></td>
</tr>
</tbody>
</table>

As part of NECHAMA’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NECHAMA’s goal is generally to maintain financial assets to meet 3 months of operating expenses.

NECHAMA adopts an annual budget and anticipates collecting sufficient revenue to fund general expenditures. Budget to actual results are monitored each month.

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable of $78,735 are due in 2019 and $20,000 are due in 2020.

(Continued)
5. **PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Estimated useful life in years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>$24,018</td>
<td>$8,366</td>
<td>3 - 5</td>
</tr>
<tr>
<td>Website development</td>
<td>23,612</td>
<td>17,550</td>
<td>5</td>
</tr>
<tr>
<td>Vehicles</td>
<td>71,628</td>
<td>71,628</td>
<td>5 - 7</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(60,631)</td>
<td>(36,708)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$58,627</td>
<td>$60,836</td>
<td></td>
</tr>
</tbody>
</table>

6. **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following:

<table>
<thead>
<tr>
<th>Expendable for specified purposes:</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disaster relief - Hurricane Harvey</td>
<td>$ -</td>
<td>$221,372</td>
</tr>
<tr>
<td>Disaster relief - Hurricane Irma</td>
<td>-</td>
<td>30,466</td>
</tr>
<tr>
<td>Disaster relief - Puerto Rico</td>
<td>120,847</td>
<td>-</td>
</tr>
<tr>
<td>Disaster relief - Wharton County, TX</td>
<td>75,898</td>
<td>-</td>
</tr>
<tr>
<td>Disaster relief - Hurricane Florence</td>
<td>101,444</td>
<td>-</td>
</tr>
<tr>
<td>Disaster relief - California flood and fire</td>
<td>5,100</td>
<td>-</td>
</tr>
<tr>
<td>Rapid disaster response project</td>
<td>-</td>
<td>45,528</td>
</tr>
<tr>
<td>Volunteer engagement supervisor travel</td>
<td>7,955</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$311,244</td>
<td>$297,366</td>
</tr>
</tbody>
</table>

Net assets released from restrictions consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use restrictions</td>
<td>$1,221,894</td>
<td>$419,254</td>
</tr>
<tr>
<td>Time restrictions</td>
<td>-</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,221,894</td>
<td>$439,254</td>
</tr>
</tbody>
</table>
NECHAMA - JEWISH RESPONSE TO DISASTER

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2018
(With Comparative Totals for 2017)

7. OFFICE LEASE

NECHAMA leases its office space under an operating lease agreement with a term ending October 31, 2020. In addition to base rent, NECHAMA pays its share of operating expenses. Occupancy expense was $48,213 and $42,053 in 2018 and 2017.

The future minimum lease commitments are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$21,370</td>
</tr>
<tr>
<td>2020</td>
<td>$18,100</td>
</tr>
</tbody>
</table>

$39,470

8. CONCENTRATIONS

NECHAMA maintains cash in a bank, which at times, may exceed the federally insured limits. NECHAMA has not experienced any losses on this account. Management believes NECHAMA is not exposed to any significant credit risk on such account. As of December 31, 2018 and 2017, cash balances exceeded the federally insured limit by $511,277 and $422,855.

The primary sources of support and revenue include contributions, special event income and fees for service. Many of the contributions and contracts are one year in duration. NECHAMA is dependent upon future contributions and contract funding.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 22, 2019, the date on which the financial statements were available for issue, and identified no further significant events or transactions to disclose.