

**JEWISH EDUCATIONAL ALLIANCE OF
SAVANNAH, GEORGIA, INC.
SAVANNAH, GEORGIA**

**Financial Statements
for the Year Ending
September 30, 2019**

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AUDIT REPORT

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August 11, 2020

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
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Independent Auditor's Report

To the Board of Directors

Jewish Educational Alliance of
Savannah, Georgia, Inc.

Savannah, Georgia

We have audited the accompanying statement of financial position of Jewish Educational Alliance of Savannah, Georgia, Inc. (JEA) as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended.

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 of 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 JEA as of September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the JEA's September 30, 2018 financial statements, and our report dated March 19, 2019 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Canaday, Hodges, Cairns & Richbourg, LLP

August 11, 2020

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2019 WITH COMPARATIVE
TOTALS AS OF SEPTEMBER 30, 2018

	Operating Fund	Building Fund	Individual Fund	Endowed Fund	Total	
					2019	2018
<u>ASSETS</u>						
Current Assets						
Cash and cash equivalents	113,635	99,231	160,995	-	373,861	331,707
Accounts receivable	5,753	-	-	-	5,753	6,195
Allocations receivable	275,000	-	-	-	275,000	260,000
Accounts receivable-other	412	-	-	-	412	2,992
Pledges receivable	-	-	-	-	-	418
Inventory	1,100	-	-	-	1,100	1,272
Investment income receivable	-	-	875	-	875	887
Prepaid expenses	11,937	-	-	-	11,937	4,551
Due from Savannah Jewish Federation	13,149	305	2,072	-	15,526	1,624
Total current assets	<u>420,986</u>	<u>99,536</u>	<u>163,942</u>	<u>-</u>	<u>684,464</u>	<u>609,646</u>
Noncurrent Assets						
Cash and cash equivalents	-	-	-	109,691	109,691	93,226
Investments	-	-	-	53,829	53,829	49,366
Investments held by Savannah Jewish Federation Endowment Fund	-	-	624,921	272,162	897,083	952,616
Property and equipment-net	-	1,930,475	-	-	1,930,475	2,122,584
Total noncurrent assets	<u>-</u>	<u>1,930,475</u>	<u>624,921</u>	<u>435,682</u>	<u>2,991,078</u>	<u>3,217,792</u>
Total Assets	<u>420,986</u>	<u>2,030,011</u>	<u>788,863</u>	<u>435,682</u>	<u>3,675,542</u>	<u>3,827,438</u>
<u>LIABILITIES</u>						
Current Liabilities						
Accounts payable	53,025	-	121	-	53,146	21,573
Accrued liabilities	40,203	-	-	-	40,203	34,614
Current portion of long-term debt	41,688	-	-	-	41,688	40,057
Deferred revenue	164,421	-	-	-	164,421	123,680
Total current liabilities	<u>299,337</u>	<u>-</u>	<u>121</u>	<u>-</u>	<u>299,458</u>	<u>219,924</u>
Noncurrent Liabilities						
Long-term debt	314,399	-	-	-	314,399	356,016
Interfund (receivables) payables	(8,824)	(11,783)	20,607	-	-	-
Total noncurrent liabilities	<u>305,575</u>	<u>(11,783)</u>	<u>20,607</u>	<u>-</u>	<u>314,399</u>	<u>356,016</u>
Total Liabilities	<u>604,912</u>	<u>(11,783)</u>	<u>20,728</u>	<u>-</u>	<u>613,857</u>	<u>575,940</u>
<u>NET ASSETS</u>						
Without donor restrictions	(458,926)	1,975,766	-	-	1,516,840	1,654,376
Without donor restrictions - board designated	-	66,028	-	-	66,028	66,028
With donor restrictions	275,000	-	768,135	435,682	1,478,817	1,531,094
Total Net Assets	<u>(183,926)</u>	<u>2,041,794</u>	<u>768,135</u>	<u>435,682</u>	<u>3,061,685</u>	<u>3,251,498</u>
Total Liabilities and Net Assets	<u>420,986</u>	<u>2,030,011</u>	<u>788,863</u>	<u>435,682</u>	<u>3,675,542</u>	<u>3,827,438</u>

The accompanying notes are an integral part of these financial statements

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019 WITH COMPARATIVE
TOTALS AS OF SEPTEMBER 30, 2018

	Without donor restrictions		With donor restrictions			Total	
	Operating Fund	Building Fund	Operating Fund	Individual Fund	Endowed Fund	2019	2018
Revenues and other support							
Member dues	541,084	-	-	-	-	541,084	544,139
Silver Sneakers participation fees	34,954	-	-	-	-	34,954	32,477
Enrollment fee	39,691	-	-	-	-	39,691	35,786
Program fees	1,387,919	-	-	-	-	1,387,919	1,285,132
Retail sales	17,080	-	-	-	-	17,080	10,046
SJF allocation	-	2,500	275,000	-	-	277,500	260,000
Fundraising	90,188	-	-	-	-	90,188	142,713
Rental income	163,621	-	-	-	-	163,621	142,413
United Way	2,308	-	-	-	-	2,308	7,441
Donations	79,324	2,536	-	17,691	-	99,551	101,365
Other income	14,826	-	-	-	-	14,826	7,757
Investment income	-	597	-	63,536	-	64,133	125,996
Net realized and unrealized gain (loss) on investments	3	-	-	(50,134)	-	(50,131)	(92,497)
Assets released from restriction	339,870	18,500	(263,793)	(94,577)	-	-	-
Total revenue and other support	2,710,868	24,133	11,207	(63,484)	-	2,682,724	2,602,768
Expenses							
Program services	2,209,121	163,293	-	-	-	2,372,414	2,196,345
Supporting services:							
Management and general	408,616	19,211	-	-	-	427,827	401,256
Fundraising	62,691	9,605	-	-	-	72,296	80,005
Total expenses	2,680,428	192,109	-	-	-	2,872,537	2,677,606
Excess revenues over (under) expenses	30,440	(167,976)	11,207	(63,484)	-	(189,813)	(74,838)
Net assets-beginning of year	(489,366)	2,209,770	263,793	831,619	435,682	3,251,498	3,326,336
Net assets-end of year	(458,926)	2,041,794	275,000	768,135	435,682	3,061,685	3,251,498

The accompanying notes are an integral part of these financial statements

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2019 WITH COMPARATIVE
TOTALS AS OF SEPTEMBER 30, 2018

	Supporting Services			Total Supporting Services	Total	
	Program Services	Management and General	Fundraising		2019	2018
Expenses:						
Salaries	987,258	199,162	12,016	211,178	1,198,436	1,158,950
Payroll taxes and benefits	177,561	36,864	4,685	41,549	219,110	185,604
Association fee	-	16,947	-	16,947	16,947	15,768
Audit fee	-	10,800	-	10,800	10,800	10,600
Bad debts	5,820	-	-	-	5,820	159
Bank and credit card service charges	-	35,784	-	35,784	35,784	31,683
Commissions	10,437	-	-	-	10,437	5,771
Conferences	7,320	4,418	-	4,418	11,738	10,700
Contract services	11,372	6,924	3,462	10,386	21,758	21,931
Depreciation	163,293	19,211	9,605	28,816	192,109	192,213
Equipment	17,750	-	-	-	17,750	10,873
Insurance	73,425	9,023	4,148	13,171	86,596	87,777
Interest	-	15,185	-	15,185	15,185	16,913
Miscellaneous	10,830	4,100	51	4,151	14,981	22,931
Office supplies and expense	8,876	4,762	199	4,961	13,837	14,513
Postage and shipping	628	1,937	699	2,636	3,264	2,341
Printing	2,992	188	785	973	3,965	1,094
Program instructors and speakers	84,941	-	-	-	84,941	60,522
Program supplies and fees	78,213	-	-	-	78,213	66,844
Program travel and admissions	27,592	-	-	-	27,592	23,609
Publicity and advertising	1,317	-	-	-	1,317	72
Restricted fund investment fees	-	5,153	-	5,153	5,153	5,271
Scholarships	84,062	-	-	-	84,062	73,589
Shaliach expenses	3,560	-	-	-	3,560	-
Trainer fees	96,108	-	-	-	96,108	96,572
Utilities	181,602	9,558	-	9,558	191,160	202,097
Fundraising	-	-	36,646	36,646	36,646	48,713
Facilities:						
Salaries	121,428	40,476	-	40,476	161,904	153,125
Payroll taxes and benefits	22,006	7,335	-	7,335	29,341	19,776
Contract services	48,102	-	-	-	48,102	52,814
Equipment	17,467	-	-	-	17,467	12,724
Supplies	34,369	-	-	-	34,369	37,420
Repairs	77,677	-	-	-	77,677	26,184
Vehicle	5,211	-	-	-	5,211	4,533
Miscellaneous	11,197	-	-	-	11,197	3,920
Total expense	2,372,414	427,827	72,296	500,123	2,872,537	2,677,606

The accompanying notes are an integral part of these financial statements

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2019 WITH COMPARATIVE
TOTALS AS OF SEPTEMBER 30, 2018

	2019	2018
Cash Flows From (For) Operating Activities:		
Excess revenues under expenses-all funds	(189,813)	(74,838)
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	192,109	192,213
Contributions restricted for permanent endowment	-	(189)
Net change in operating assets and liabilities:		
Accounts receivable	442	(4,277)
Allocations receivable	(15,000)	18,537
Accounts receivable-other	2,580	(2,812)
Pledges receivable	418	(418)
Prepaid expenses	(7,386)	17,272
Inventory	172	962
Investment income receivable	12	(253)
Due from SJF	(13,446)	43,152
Accrued expenses	5,589	6,146
Accounts payable	31,117	(15,618)
Deferred revenue	40,741	(34,186)
	47,535	145,691
Net Cash From Operating Activities		
Cash Flows From (For) Investing Activities:		
Purchase of property and equipment	-	(42,194)
Net activity from investments	51,070	23,720
	51,070	(18,474)
Net Cash From (For) Investing Activities		
Cash Flows From (For) Financing Activities:		
Contributions restricted for permanent endowment	-	189
Cash restricted for permanent endowment	(16,465)	(10,651)
Payments to reduce long-term debt	(39,986)	(45,757)
	(56,451)	(56,219)
Net Cash For Financing Activities		
Net Increase in Cash and Cash Equivalents	42,154	70,998
Beginning Cash and Cash Equivalents	331,707	260,709
Ending Cash and Cash Equivalents	373,861	331,707
 Supplemental Cash Flow Information:		
Interest paid	15,185	16,913
Income taxes paid	-	-

The accompanying notes are an integral part of these financial statements

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 1 - Nature of Activities

Founded in 1912, the mission of Jewish Educational Alliance shall be to promote the mental, moral and physical welfare of its members, to preserve cultural and spiritual values and to work for the best interest of the Jewish and general community by:

- a. Developing and conducting a comprehensive program of guided leisure time activities utilizing the skills and method of group work, informal education and recreation, and aimed at helping individuals to achieve an affirmative identification with Jewish life and a deep appreciation of their responsibilities as citizens of the United States.
- b. Serving as the meeting place for the entire Jewish and general Savannah Community and cooperating with all groups concerned with enriching community life.
- c. Cooperating with other civic bodies in advancing the welfare of the entire community and in furthering the democratic way of life.

Note 2 - Summary of Significant Accounting Policies

Accounting Method - The JEA uses the accrual method of accounting, recognizing income as earned and expenses as incurred.

Recent Accounting Pronouncements – On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-For-Profit Entities. The update addresses 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. The JEA has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

A recap of the net asset reclassifications driven by the adoption of ASU-2016-14 as of September 30, 2018, follows:

Net Assets Classifications	ASU 2016-14 Classifications		
	Without donor restrictions	With donor restrictions	Total Net Assets
As previously presented:			
Unrestricted	1,654,376	-	1,654,376
Unrestricted- Board Designated	66,028	-	66,028
Temporarily Restricted	-	1,095,412	1,095,412
Permanently Restricted	-	435,682	435,682
Net assets as previously presented	1,720,404	1,531,094	3,251,498

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

Investments - Investments with readily determinable fair values are measured at fair market value. At September 30, 2019 and 2018, the investments held consist of international and government bonds. JEA investments held by the Savannah Jewish Federation are pooled with other funds invested by the Savannah Jewish Federation Endowment Fund. The Savannah Jewish Federation Endowment Fund's assets are comprised of money market funds, certificates of deposit, international bonds, and mutual funds.

Basis of Presentation - The JEA is required to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

Fund Accounting - The JEA uses four funds to account for its activities. The Operating Fund accounts for the general, administrative and activity transactions. The Building Fund accounts for property and equipment transactions. The Individual and Endowed Fund accounts are for donor-restricted contributions.

Contributions - Contributions received are recorded as either without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a 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 are reported in the statement of activities as net assets released from restriction.

Deferred Revenue - Deferred revenue consists of payments from members in advance of the membership period, as well as payments from program participants in advance of the program. Such amounts are recorded as revenue when the related services are performed, or obligations are satisfied.

Allowance for Uncollectible Receivables - Accounts are charged to bad debt expense as they are deemed uncollectible based upon periodic review of accounts. At year-end, the allowance for uncollectible accounts is adjusted to reflect accounts deemed to be uncollectible at that time. No allowance for doubtful accounts is considered necessary at September 30, 2019 and 2018.

Inventory - The inventory is stated at cost, determined by the first-in first-out method.

Property and Equipment - Property and equipment are capitalized at cost, or if donated, at the approximate fair value at the date of donation. Purchases of property and equipment are capitalized when they are expected to provide benefit for multiple years. Effective for the year ending September 30, 2012, expenditures for property and equipment in excess of \$5,000 are capitalized. Depreciation is provided on a straight-line method over the estimated useful lives of the respective assets as follows:

Buildings	25-50 years
Improvements	15 years
Equipment	5-10 years
Automobiles	5 years

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2018.

U.S. Government obligations, mortgage and agency-backed securities and bonds and equity securities – Valued at the closing price reported on the active market on which the individual securities are traded.

State of Israel Bonds – Valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Cash and Cash Equivalents - For purpose of the statements of cash flows, the JEA considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Liquidity Management - As part of the JEA'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. To help manage unanticipated liquidity needs, the JEA operates with a balanced budget and anticipates covering its general expenditures with grants and other contributions.

Income Tax - The JEA is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and has been determined by the Internal Revenue Service not to be a private foundation under Section 509(a) of the Code. Contributions to the JEA are deductible within the limitations of the Code.

As of September 30, 2019, the tax years that remain subject to examination by taxing authorities begin with the year ended September 30, 2016.

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

Contributed Services - The JEA depends on volunteers donating their time to the accomplishment of JEA's goals. Such donations are reported as increases in unrestricted net assets if the services a) create or enhance nonfinancial assets or b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization.

Advertising Costs - Advertising costs are expensed as incurred.

Note 3 - Concentration of Credit Risk

The JEA occasionally maintains deposits in excess of federally insured limits. Accounting standards identify these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions. As of September 30, 2019 and 2018, the organization's uninsured cash balances totaled \$117,588 and \$95,753, respectively.

Note 4 - 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.

Note 6 - Retirement Plan

The JEA sponsors a 403(b) defined contribution plan that covers substantially all of its salaried employees. The plan allows participants to make voluntary contributions. The JEA did not make any employer contributions to the plan during the years ended September 30, 2019 and 2018.

Note 7 - Property and Equipment

Property and equipment consisted of the following as of September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Land	22,000	22,000
Building and improvements	6,024,189	6,024,189
Playground	78,226	78,226
Furniture, fixtures and equipment	<u>724,695</u>	<u>724,695</u>
	6,849,110	6,849,110
Less accumulated depreciation	<u>4,918,635</u>	<u>4,726,526</u>
	<u>1,930,475</u>	<u>2,112,584</u>

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 8 - Notes Payable

	<u>2019</u>		<u>2018</u>	
	<u>Current</u>	<u>Long-term</u>	<u>Current</u>	<u>Long-term</u>
\$525,000 installment note with Workmen's Circle Credit Union dated June 8, 2015 with interest at 4%, due in 144 monthly installments of \$4,598 including interest, remaining balance due June 8, 2027, secured by real property.	<u>41,688</u>	<u>314,399</u>	<u>40,057</u>	<u>356,016</u>

Principal payments due on long-term debt outstanding at September 30, 2019, during the succeeding five years are as follows:

Year Ended September 30:	2020	41,688
	2021	43,387
	2022	45,155
	2023	46,994
	2024	48,909
	Thereafter	129,954

Note 9 - Related Parties

The Savannah Jewish Federation is located inside the JEA building. Service fees of \$9,396 as compensation for space and service were paid to the JEA for the years ended September 30, 2019 and 2018. The JEA also shares its administrative and clerical employees with the Savannah Jewish Federation. The salaries and benefits of these employees are allocated to each entity proportionally. Salaries and benefits in the amount of \$279,474 and \$267,386 were paid to the JEA for the years ended September 30, 2019 and 2018, respectively. As of September 30, 2019 and 2018, \$15,526 and \$1,624 is due from the Savannah Jewish Federation, respectively.

Investments held by the Savannah Jewish Federation Endowment Fund in the amount of \$897,083 and \$952,616 as of September 30, 2019 and 2018, respectively, are restricted funds established by the JEA and transferred to the Savannah Jewish Federation Endowment Fund for investment and management purposes. The investments are pooled with the other assets of the Savannah Jewish Federation Foundation, and are reflected on the Federation financial statements as an outstanding liability due to the JEA. Quarterly fees are charged by the Federation to manage the funds. Disbursements are made to the JEA to fund activities in compliance with the fund purpose originally established by the JEA.

Note 10 – Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Note 11 - Activities

The following schedule provides detail of the activity revenue and expenses for the year ended September 30, 2019 and 2018:

	<u>2019</u>			<u>2018</u>		
	<u>Activity Revenue</u>	<u>Activity Expenses</u>	<u>Net Activity Gain/(Loss)</u>	<u>Activity Revenue</u>	<u>Activity Expenses</u>	<u>Net activity Gain/(Loss)</u>
Children	308,337	204,179	104,158	299,187	215,500	83,687
Early childhood education	734,391	662,235	72,156	659,488	586,390	73,098
Adult	46,583	49,147	(2,564)	18,498	21,454	(2,956)
H & PE-fitness & recreation	170,338	246,132	(75,794)	165,474	248,338	(82,864)
Camp	256,837	186,197	70,640	253,129	175,559	77,570
Aquatics	60,009	197,565	(137,556)	47,798	185,522	(137,724)
Total	<u>1,576,495</u>	<u>1,545,455</u>	<u>31,040</u>	<u>1,443,574</u>	<u>1,432,763</u>	<u>10,811</u>

Note 12 - Investments

The following table presents the investments measured at fair value by level, as described in note 2 as of September 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Savannah Jewish Federation			
Endowment Fund	897,083	-	897,083
Corporate Bonds	26,079	-	26,079
State of Israel Bonds	-	27,750	27,750
	<u>923,162</u>	<u>27,750</u>	<u>950,912</u>

The following table presents the investments measured at fair value by level, as described in note 2 as of September 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Savannah Jewish Federation			
Endowment Fund	952,616	-	952,616
Corporate Bonds	24,474	-	24,474
State of Israel Bonds	-	24,892	24,892
	<u>977,090</u>	<u>24,892</u>	<u>1,001,982</u>

Note 13 – Restrictions on Net Assets

Board designated funds as of September 30, 2019 and 2018 in the amount of \$66,028 is designated for the facility repairs and maintenance.

Operating net assets with donor restrictions as of September 30, 2019 and 2018 in the amount of \$263,793 are allocations awarded to the organization in the current year payable to the organization in the subsequent year.

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Note 13 - Net Assets with Donor Restrictions (Continued)

Donor-restricted individual funds are to be utilized for various memorials and activities. Donor-restricted funds also consist of endowed funds to be held indefinitely. Investment income received from the donor-restricted endowed funds is restricted for memorials and activities.

Net assets with donor restrictions consist of the following at September 30, 2019 and 2018:

	<u>2019</u>		<u>2018</u>	
	<u>Endowed Funds</u>	<u>Individual Funds</u>	<u>Endowed Funds</u>	<u>Individual Funds</u>
Arkin-Clark Garden	-	7,209	-	7,279
Jacob Bluestein Fund	20,000	(45)	20,000	1,636
Kay Becker Israel Fund	25,018	1,873	25,018	2,099
Blumberg Basketball Camp	6,400	115	6,400	115
Blumenthal Lecture	45,005	955	45,005	1,497
Brodzki Memorial Camp	16,605	325	16,605	317
Center Campership	21,328	526	21,328	493
Center Scholarship	-	19,509	-	18,391
Geffen Adult Education	6,669	429	6,669	601
Fitness Fund	-	4,887	-	4,494
Hoffman Memorial	47,608	1,285	47,608	2,524
Kanter Y/A/H	-	11,249	-	11,636
Levy Concert Series	50,015	9,437	50,015	14,923
Longwater Endowment	5,000	34,420	5,000	44,842
Meddin Memorial	-	5,536	-	5,393
NCJW Camp/Youth	10,140	197	10,140	338
Portman Memorial	-	7,073	-	7,649
Richman Fund	162,630	1,856	162,630	11,312
Rosen Memorial	-	6,121	-	6,523
Rubin Memorial	7,682	5,519	7,682	5,181
Samuels Children's & Youth Activity Fund	11,582	2,764	11,582	1,331
Tenenbaum Youth Award	-	15,392	-	16,391
Ullman Memorial Playground	-	6,582	-	7,128
Weinberg Endowment	-	<u>624,921</u>	-	<u>659,526</u>
	<u>435,682</u>	<u>768,135</u>	<u>435,682</u>	<u>831,619</u>
Operating Fund	-	<u>263,793</u>	-	<u>263,793</u>
	<u>435,682</u>	<u>1,031,928</u>	<u>435,682</u>	<u>1,095,412</u>

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Note 14 – Endowment Investments

The JEA's endowment consists of 24 named funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the JEA has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) 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 the interpretation, the JEA classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to be 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 restricted net assets until those amounts are appropriated for expenditure by the JEA in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the JEA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of various funds, (2) the purposes of the donor-restricted endowment funds, (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 the JEA, and (7) the JEA's investment policies.

Investment Return Objectives, Risk Parameters and Strategies – The JEA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Endowment assets managed by the JEA are invested in corporate and international bonds, and money market funds. Endowment assets managed by the Savannah Jewish Federation are invested in *The Investment Funds for Foundations* multi-asset funds, international bonds and certificates of deposit. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy – The Weinberg Endowment Fund has a policy of spending 5% of the average fund balance annually. The remaining endowment funds are spent based on the portion available and the needs of the organization that meet the use restriction of the funds.

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Note 14 – Endowment Investments (Continued)

Endowment net asset composition by type of fund as of September 30, 2019, is as follows:

	Individual Fund	Endowed Fund	<u>Total</u>
Donor-designated endowment funds	<u>768,135</u>	<u>435,682</u>	<u>1,203,817</u>

Endowment net asset composition by type of fund as of September 30, 2018, is as follows:

	Individual Fund	Endowed Fund	<u>Total</u>
Donor-designated endowment funds	<u>831,619</u>	<u>435,682</u>	<u>1,267,301</u>

Changes in endowment net assets as of September 30, 2019 and 2018 are as follows:

	Individual <u>Fund</u>	Endowed <u>Fund</u>	<u>Total</u>
Balance – September 30, 2017	841,850	435,493	1,277,343
Contributions	19,893	189	20,082
Investment income (net of expenses)	125,752	-	125,752
Net depreciation in value	(92,497)	-	(92,497)
Distribution	<u>(63,379)</u>	<u>-</u>	<u>(63,379)</u>
Balance – September 30, 2018	<u>831,619</u>	<u>435,682</u>	<u>1,267,301</u>
Contributions	17,691	-	17,691
Investment income (net of expenses)	63,536	-	63,536
Net depreciation in value	(50,134)	-	(50,134)
Distribution	<u>(94,577)</u>	<u>-</u>	<u>(94,577)</u>
Balance – September 30, 2019	<u>768,135</u>	<u>435,682</u>	<u>1,203,817</u>

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Note 15 – Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the JEA's financial statements for the year ended September 30, 2018, from which the summarized information was derived.

Note 16 – Subsequent Events

COVID-19 Outbreak

Management has evaluated subsequent events through August 11, 2020, the date the financial statements were available to be issued. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings. The related financial impact and duration cannot be reasonably estimated at this time.

On April 27, 2020, the JEA received loan proceeds in the amount of \$361,000 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying organizations for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying organization. The loans and accrued interest are forgivable after twenty four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The JEA intends to use the proceeds for purposes consistent with the PPP. While the JEA currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, we cannot assure you that we will not take actions that could cause the JEA to be ineligible for forgiveness of the loan, in whole or in part.