

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

**Financial Statements
for the Year Ending
September 30, 2020**

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AUDIT REPORT

*

June 3, 2021

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, 2020, 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, 2020, 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, 2019 financial statements, and our report dated August 11, 2020 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, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Coady, Ricabony & Associates, LLP

June 3, 2021

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2020 WITH COMPARATIVE
TOTALS AS OF SEPTEMBER 30, 2019

	Operating Fund	Building Fund	Individual Fund	Endowed Fund	Total	
					2020	2019
<u>ASSETS</u>						
Current Assets						
Cash and cash equivalents	289,597	108,648	190,837	-	589,082	373,861
Accounts receivable	7,191	-	-	-	7,191	5,753
Allocations receivable	386,000	-	-	-	386,000	275,000
Accounts receivable-other	417	-	-	-	417	412
Inventory	1,335	-	-	-	1,335	1,100
Investment income receivable	-	-	875	-	875	875
Prepaid expenses	7,816	-	-	-	7,816	11,937
Due from Savannah Jewish Federation	76,811	325	2,434	-	79,570	15,526
Total current assets	<u>769,167</u>	<u>108,973</u>	<u>194,146</u>	<u>-</u>	<u>1,072,286</u>	<u>684,464</u>
Noncurrent Assets						
Cash and cash equivalents	-	-	-	82,668	82,668	109,691
Investments	-	-	-	54,872	54,872	53,829
Investments held by Savannah Jewish Federation Endowment Fund	-	-	671,216	298,142	969,358	897,083
Property and equipment-net	-	1,777,500	-	-	1,777,500	1,930,475
Total noncurrent assets	<u>-</u>	<u>1,777,500</u>	<u>671,216</u>	<u>435,682</u>	<u>2,884,398</u>	<u>2,991,078</u>
Total Assets	<u>769,167</u>	<u>1,886,473</u>	<u>865,362</u>	<u>435,682</u>	<u>3,956,684</u>	<u>3,675,542</u>
<u>LIABILITIES</u>						
Current Liabilities						
Accounts payable	46,428	-	122	-	46,550	53,146
Accrued liabilities	83,415	-	-	-	83,415	40,203
Current portion of long-term debt	43,387	-	-	-	43,387	41,688
Payroll protection program loan	361,000	-	-	-	361,000	-
Deferred revenue	107,916	-	-	-	107,916	164,421
Total current liabilities	<u>642,146</u>	<u>-</u>	<u>122</u>	<u>-</u>	<u>642,268</u>	<u>299,458</u>
Noncurrent Liabilities						
Long-term debt	270,922	-	-	-	270,922	314,399
Interfund (receivables) payables	(9,378)	(11,973)	21,351	-	-	-
Total noncurrent liabilities	<u>261,544</u>	<u>(11,973)</u>	<u>21,351</u>	<u>-</u>	<u>270,922</u>	<u>314,399</u>
Total Liabilities	<u>903,690</u>	<u>(11,973)</u>	<u>21,473</u>	<u>-</u>	<u>913,190</u>	<u>613,857</u>
<u>NET ASSETS</u>						
Without donor restrictions	(520,523)	1,832,418	-	-	1,311,895	1,516,840
Without donor restrictions - board designated	-	66,028	-	-	66,028	66,028
With donor restrictions	386,000	-	843,889	435,682	1,665,571	1,478,817
Total Net Assets	<u>(134,523)</u>	<u>1,898,446</u>	<u>843,889</u>	<u>435,682</u>	<u>3,043,494</u>	<u>3,061,685</u>
Total Liabilities and Net Assets	<u>769,167</u>	<u>1,886,473</u>	<u>865,362</u>	<u>435,682</u>	<u>3,956,684</u>	<u>3,675,542</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, 2020 WITH COMPARATIVE
TOTALS AS OF SEPTEMBER 30, 2019

	Without donor restrictions		With donor restrictions			Total	
	Operating Fund	Building Fund	Operating Fund	Individual Fund	Endowed Fund	2020	2019
Revenues and other support							
Member dues	424,400	-	-	-	-	424,400	541,084
Silver Sneakers participation fees	17,225	-	-	-	-	17,225	34,954
Enrollment fee	40,342	-	-	-	-	40,342	39,691
Program fees	1,254,900	-	-	-	-	1,254,900	1,387,919
Retail sales	6,000	-	-	-	-	6,000	17,080
SJF allocation	-	-	275,000	-	-	275,000	277,500
SJF special allocation	-	-	111,000	-	-	111,000	-
Fundraising	60,309	-	-	-	-	60,309	90,188
Rental income	140,979	-	-	-	-	140,979	163,621
United Way	2,263	-	-	-	-	2,263	2,308
Donations	183,507	25,410	-	5,170	-	214,087	99,551
Other income	10,380	-	-	-	-	10,380	14,826
Investment income	-	450	-	7,100	-	7,550	64,133
Net realized and unrealized gain (loss) on investments	-	-	-	113,812	-	113,812	(50,131)
Assets released from restriction	302,561	22,767	(275,000)	(50,328)	-	-	-
Total revenue and other support	2,442,866	48,627	111,000	75,754	-	2,678,247	2,682,724
Expenses							
Program services	2,045,494	163,179	-	-	-	2,208,673	2,372,414
Supporting services:							
Management and general	416,628	19,197	-	-	-	435,825	427,827
Fundraising	42,341	9,599	-	-	-	51,940	72,296
Total expenses	2,504,463	191,975	-	-	-	2,696,438	2,872,537
Excess revenues over (under) expenses	(61,597)	(143,348)	111,000	75,754	-	(18,191)	(189,813)
Net assets-beginning of year	(458,926)	2,041,794	275,000	768,135	435,682	3,061,685	3,251,498
Net assets-end of year	(520,523)	1,898,446	386,000	843,889	435,682	3,043,494	3,061,685

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, 2020 WITH COMPARATIVE
TOTALS AS OF SEPTEMBER 30, 2019

	Supporting Services				Total	
	Program Services	Management and General	Fundraising	Total	Total	
				Supporting Services	2020	2019
Expenses:						
Salaries	1,031,055	199,158	14,023	213,181	1,244,236	1,198,436
Payroll taxes and benefits	160,872	30,793	1,602	32,395	193,267	219,110
Association fee	-	12,285	-	12,285	12,285	16,947
Audit fee	-	11,100	-	11,100	11,100	10,800
Bad debts	-	2,918	-	2,918	2,918	5,820
Bank and credit card service charges	-	34,688	-	34,688	34,688	35,784
Commissions	4,508	-	-	-	4,508	10,437
Conferences	5,406	1,212	-	1,212	6,618	11,738
Contract services	5,580	25,534	1,573	27,107	32,687	21,758
Depreciation	163,179	19,197	9,599	28,796	191,975	192,109
Equipment	15,927	-	-	-	15,927	17,750
Insurance	66,164	7,784	3,892	11,676	77,840	86,596
Interest	-	13,301	-	13,301	13,301	15,185
Miscellaneous	12,183	9,387	-	9,387	21,570	14,981
Office supplies and expense	10,477	6,594	208	6,802	17,279	13,837
Postage and shipping	488	1,387	290	1,677	2,165	3,264
Printing	136	411	675	1,086	1,222	3,965
Program instructors and speakers	33,719	-	-	-	33,719	84,941
Program supplies and fees	56,941	-	-	-	56,941	78,213
Program travel and admissions	2,059	-	-	-	2,059	27,592
Publicity and advertising	1,403	-	-	-	1,403	1,317
Restricted fund investment fees	-	4,457	-	4,457	4,457	5,153
Scholarships	86,435	-	-	-	86,435	84,062
Shaliach expenses	-	-	-	-	-	3,560
Trainer fees	76,126	-	-	-	76,126	96,108
Utilities	161,142	8,481	-	8,481	169,623	191,160
Fundraising	-	-	20,078	20,078	20,078	36,646
Facilities:						
Salaries	117,815	39,272	-	39,272	157,087	161,904
Payroll taxes and benefits	23,598	7,866	-	7,866	31,464	29,341
Contract services	43,693	-	-	-	43,693	48,102
Equipment	33,213	-	-	-	33,213	17,467
Supplies	29,701	-	-	-	29,701	34,369
Repairs	60,169	-	-	-	60,169	77,677
Vehicle	5,040	-	-	-	5,040	5,211
Miscellaneous	1,644	-	-	-	1,644	11,197
Total expense	2,208,673	435,825	51,940	487,765	2,696,438	2,872,537

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, 2020 WITH COMPARATIVE
TOTALS AS OF SEPTEMBER 30, 2019

	2020	2019
Cash Flows From (For) Operating Activities:		
Excess revenues under expenses-all funds	(18,191)	(189,813)
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	191,975	192,109
Net change in operating assets and liabilities:		
Accounts receivable	(1,438)	442
Allocations receivable	(111,000)	(15,000)
Accounts receivable-other	(5)	2,580
Pledges receivable	-	418
Prepaid expenses	4,121	(7,386)
Inventory	(235)	172
Investment income receivable	-	12
Due from SJF	(64,044)	(13,446)
Accrued expenses	43,212	5,589
Accounts payable	(6,596)	31,117
Deferred revenue	(56,505)	40,741
Net Cash From (For) Operating Activities	(18,706)	47,535
Cash Flows From (For) Investing Activities:		
Purchase of property and equipment	(39,000)	-
Net activity from investments	(73,318)	51,070
Net Cash From (For) Investing Activities	(112,318)	51,070
Cash Flows From (For) Financing Activities:		
Proceeds received from Payroll Protection Program loan	361,000	-
Cash restricted for permanent endowment	27,023	(16,465)
Payments to reduce long-term debt	(41,778)	(39,986)
Net Cash From (For) Financing Activities	346,245	(56,451)
Net Increase in Cash and Cash Equivalents	215,221	42,154
Beginning Cash and Cash Equivalents	373,861	331,707
Ending Cash and Cash Equivalents	589,082	373,861
 Supplemental Cash Flow Information:		
Interest paid	13,301	15,185
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, 2020

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 - In August 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.

In June 2018, the FASB issued ASU 2018-08 "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made" (Topic 958). The ASU amends the current reporting model for nonprofit organization and enhances their required disclosures. The update assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, "Not-for-Profit Entities", or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional." The JEA has implemented this ASU.

Investments - Investments with readily determinable fair values are measured at fair market value. At September 30, 2020 and 2019, 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.

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 2 - Summary of Significant Accounting Policies (Continued)

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, 2020 and 2019.

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

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.

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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, 2020, the tax years that remain subject to examination by taxing authorities begin with the year ended September 30, 2017.

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 - Liquidity

Financial assets available within one year of the statement of financial position date, without donor or other restrictions limiting their use, comprise the following:

Cash and cash equivalents	398,245
Accounts receivable	7,608
Allocation receivable	386,000
Due from Savannah Jewish Federation	<u>77,136</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>868,989</u>

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 4 - 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, 2020 and 2019, the organization's uninsured cash balances totaled \$165,463 and \$117,588, respectively.

Note 5 - 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, 2020 and 2019.

Note 7 - Property and Equipment

Property and equipment consisted of the following as of September 30, 2020 and 2019:

	2020	2019
Land	22,000	22,000
Building and improvements	6,048,922	6,024,189
Playground	78,226	78,226
Furniture, fixtures and equipment	738,962	724,695
	6,888,110	6,849,110
Less accumulated depreciation	5,110,610	4,918,635
	1,777,500	1,930,475

Note 8 - Notes Payable

	2020		2019	
	Current	Long-term	Current	Long-term
\$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.	43,387	270,922	41,688	314,399

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 8 - Notes Payable (Continued)

Principal payments due on long-term debt outstanding at September 30, 2020, during the succeeding five years are as follows:

Year Ended September 30:	2021	43,387
	2022	45,155
	2023	46,994
	2024	48,909
	2025	50,902
	Thereafter	78,962

Note 9 – Payroll Protection Program Loan

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.

Subsequent to September 30, 2020, the JEA applied for loan forgiveness. The forgiveness application was approved and full forgiveness was granted on November 27, 2020.

Note 10 - 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, 2020 and 2019. 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 \$325,485 and \$279,474 were paid to the JEA for the years ended September 30, 2020 and 2019, respectively. As of September 30, 2020 and 2019, \$79,570 and \$15,526 is due from the Savannah Jewish Federation, respectively.

Investments held by the Savannah Jewish Federation Endowment Fund in the amount of \$969,358 and \$897,083 as of September 30, 2020 and 2019, 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 11 – 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, 2020

Note 12 - Activities

The following schedule provides detail of the activity revenue and expenses for the year ended September 30, 2020 and 2019:

	<u>2020</u>			<u>2019</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	253,060	224,973	28,087	308,337	204,179	104,158
Early childhood education	739,920	657,472	82,448	734,391	662,235	72,156
Adult	9,749	24,397	(14,648)	46,583	49,147	(2,564)
H & PE-fitness & recreation	122,749	201,368	(78,619)	170,338	246,132	(75,794)
Camp	233,062	174,906	58,156	256,837	186,197	70,640
Aquatics	46,743	164,241	(117,498)	60,009	197,565	(137,556)
Total	<u>1,405,283</u>	<u>1,447,357</u>	<u>(42,074)</u>	<u>1,576,495</u>	<u>1,545,455</u>	<u>31,040</u>

Note 13 - Investments

The following table presents the investments measured at fair value by level, as described in note 2 as of September 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Savannah Jewish Federation			
Endowment Fund	969,358	-	969,358
Corporate Bonds	26,379	-	26,379
State of Israel Bonds	-	28,493	28,493
	<u>995,737</u>	<u>28,493</u>	<u>1,024,230</u>

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>

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Note 14 – Restrictions on Net Assets

Board designated funds as of September 30, 2020 and 2019 in the amount of \$66,028 is designated for the facility repairs and maintenance.

Operating net assets with donor restrictions as of September 30, 2020 and 2019 in the amount of \$386,000 and \$275,000 are allocations awarded to the organization in the current year payable to the organization in the subsequent year.

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, 2020 and 2019:

	<u>2020</u>		<u>2019</u>	
	<u>Endowed Funds</u>	<u>Individual Funds</u>	<u>Endowed Funds</u>	<u>Individual Funds</u>
Arkin-Clark Garden	-	7,108	-	7,209
Jacob Bluestein Fund	20,000	2,272	20,000	(45)
Kay Becker Israel Fund	25,018	3,955	25,018	1,873
Blumberg Basketball Camp	6,400	91	6,400	115
Blumenthal Lecture	45,005	750	45,005	955
Brodzki Memorial Camp	16,605	276	16,605	325
Center Campership	21,328	285	21,328	526
Center Scholarship	-	19,068	-	19,509
Geffen Adult Education	6,669	314	6,669	429
Fitness Fund	-	5,301	-	4,887
Hoffman Memorial	47,608	665	47,608	1,285
Kanter Y/A/H	-	13,163	-	11,249
Levy Concert Series	50,015	13,968	50,015	9,437
Longwater Endowment	5,000	36,497	5,000	34,420
Meddin Memorial	-	5,763	-	5,536
NCJW Camp/Youth	10,140	256	10,140	197
Portman Memorial	-	7,365	-	7,073
Richman Fund	162,630	19,156	162,630	1,856
Rosen Memorial	-	5,694	-	6,121
Rubin Memorial	7,682	5,797	7,682	5,519
Samuels Children's & Youth Activity Fund	11,582	4,663	11,582	2,764
Tenenbaum Youth Award	-	14,574	-	15,392
Ullman Memorial Playground	-	5,679	-	6,582
Weinberg Endowment	-	<u>671,229</u>	-	<u>624,921</u>
	<u>435,682</u>	<u>843,889</u>	<u>435,682</u>	<u>768,135</u>
Operating Fund	-	<u>386,000</u>	-	<u>275,000</u>
	<u><u>435,682</u></u>	<u><u>1,229,889</u></u>	<u><u>435,682</u></u>	<u><u>1,043,135</u></u>

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Note 15 – 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 15 – Endowment Investments (Continued)

Endowment net asset composition by type of fund as of September 30, 2020, is as follows:

	Individual Fund	Endowed Fund	<u>Total</u>
Donor-designated endowment funds	<u>843,889</u>	<u>435,682</u>	<u>1,279,571</u>

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>

Changes in endowment net assets as of September 30, 2020 and 2019 are as follows:

	Individual <u>Fund</u>	Endowed <u>Fund</u>	<u>Total</u>
Balance – September 30, 2018	831,619	435,682	1,267,301
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>
Contributions	5,170	-	5,170
Investment income (net of expenses)	7,100	-	7,100
Net appreciation in value	113,812	-	113,812
Distribution	<u>(50,328)</u>	<u>-</u>	<u>(50,328)</u>
Balance – September 30, 2020	<u>843,889</u>	<u>435,682</u>	<u>1,279,571</u>

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Note 16 – 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, 2019, from which the summarized information was derived.

Note 17 – Subsequent Events

COVID-19 Outbreak

Management has evaluated subsequent events through June 3, 2021, 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.