

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

**Financial Statements
for the Year Ending
September 30, 2021**

AUDIT REPORT

August 9, 2022

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

Opinion

We have audited the accompanying statement of financial position of Jewish Educational Alliance of Savannah, Georgia, Inc. (JEA) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2021, 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.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of JEA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit opinion. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about JEA's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedure responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 JEA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about JEA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the JEA's September 30, 2020, financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated June 3, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Canady R. Whang & Associates, LLP

August 9, 2022

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2021 WITH COMPARATIVE
TOTALS AS OF SEPTEMBER 30, 2020

	Operating Fund	Building Fund	Individual Fund	Endowed Fund	Total	
					2021	2020
<u>ASSETS</u>						
Current Assets						
Cash and cash equivalents	545,206	78,603	89,274	-	713,083	589,082
Accounts receivable	11,523	-	-	-	11,523	7,191
Allocations receivable	325,000	-	-	-	325,000	386,000
Accounts receivable-other	1,077	-	-	-	1,077	417
Pledges receivable	193,000	-	-	-	193,000	-
Inventory	1,138	-	-	-	1,138	1,335
Investment income receivable	-	-	274	-	274	875
Prepaid expenses	11,089	-	-	-	11,089	7,816
Due (to) from Savannah Jewish Federation	(3,114)	-	30	-	(3,084)	79,570
Total current assets	1,084,919	78,603	89,578	-	1,253,100	1,072,286
Noncurrent Assets						
Cash and cash equivalents	-	-	-	166,692	166,692	82,668
Cash restricted for capital campaign	120,000	-	-	-	120,000	-
Investments	-	-	-	44,757	44,757	54,872
Investments held by Savannah Jewish Federation Endowment Fund	-	-	873,544	227,040	1,100,584	969,358
Pledges receivable - less current portion	708,000	-	-	-	708,000	-
Less discount on pledges receivable	(72,018)	-	-	-	(72,018)	-
Property and equipment-net	-	1,683,522	-	-	1,683,522	1,777,500
Total noncurrent assets	755,982	1,683,522	873,544	438,489	3,751,537	2,884,398
Total Assets	1,840,901	1,762,125	963,122	438,489	5,004,637	3,956,684
<u>LIABILITIES</u>						
Current Liabilities						
Accounts payable	40,359	-	122	-	40,481	46,550
Accrued liabilities	59,337	-	-	-	59,337	83,415
Current portion of long-term debt	45,155	-	-	-	45,155	43,387
Payroll protection program loan	-	-	-	-	-	361,000
Deferred revenue	180,946	-	-	-	180,946	107,916
Total current liabilities	325,797	-	122	-	325,919	642,268
Noncurrent Liabilities						
Long-term debt	225,764	-	-	-	225,764	270,922
Interfund (receivables) payables	200	(54)	(146)	-	-	-
Total noncurrent liabilities	225,964	(54)	(146)	-	225,764	270,922
Total Liabilities	551,761	(54)	(24)	-	551,683	913,190
<u>NET ASSETS</u>						
Without donor restrictions	60,158	1,696,151	-	-	1,756,309	1,311,895
Without donor restrictions - board designated	-	66,028	-	-	66,028	66,028
With donor restrictions	1,228,982	-	963,146	438,489	2,630,617	1,665,571
Total Net Assets	1,289,140	1,762,179	963,146	438,489	4,452,954	3,043,494
Total Liabilities and Net Assets	1,840,901	1,762,125	963,122	438,489	5,004,637	3,956,684

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, 2021 WITH COMPARATIVE
TOTALS AS OF SEPTEMBER 30, 2020

	Without donor restrictions		With donor restrictions			Total	
	Operating Fund	Building Fund	Operating Fund	Individual Fund	Endowed Fund	2021	2020
Revenues and other support							
Member dues	435,759	-	-	-	-	435,759	424,400
Silver Sneakers participation fees	9,409	-	-	-	-	9,409	17,225
Enrollment fee	42,965	-	-	-	-	42,965	40,342
Program fees	1,600,179	-	-	-	-	1,600,179	1,254,900
Retail sales	9,734	-	-	-	-	9,734	6,000
SJF allocation	-	-	275,000	-	-	275,000	275,000
SJF special allocation	-	-	50,000	-	-	50,000	111,000
Fundraising	75,426	-	-	-	-	75,426	60,309
Rental income	137,716	-	-	-	-	137,716	140,979
United Way	1,602	-	-	-	-	1,602	2,263
Donations	141,030	33,557	-	11,291	2,807	188,685	214,087
Capital Campaign donations	-	-	903,982	-	-	903,982	-
Other income	1,711	-	-	-	-	1,711	10,380
Payroll protection program income	361,000	-	-	-	-	361,000	-
Investment income	-	196	-	5,352	-	5,548	7,550
Net realized and unrealized gain (loss) on investments	-	-	-	182,396	-	182,396	113,812
Assets released from restriction	448,124	17,658	(386,000)	(79,782)	-	-	-
Total revenue and other support	3,264,655	51,411	842,982	119,257	2,807	4,281,112	2,678,247
Expenses							
Program services	2,270,678	159,526	-	-	-	2,430,204	2,208,673
Supporting services:							
Management and general	360,398	18,768	-	-	-	379,166	435,825
Fundraising	52,898	9,384	-	-	-	62,282	51,940
Total expenses	2,683,974	187,678	-	-	-	2,871,652	2,696,438
Excess revenues over (under) expenses	580,681	(136,267)	842,982	119,257	2,807	1,409,460	(18,191)
Net assets-beginning of year	(520,523)	1,898,446	386,000	843,889	435,682	3,043,494	3,061,685
Net assets-end of year	60,158	1,762,179	1,228,982	963,146	438,489	4,452,954	3,043,494

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, 2021 WITH COMPARATIVE
TOTALS AS OF SEPTEMBER 30, 2020

	Program Services	Supporting Services			Total	
		Management and General	Fundraising	Total Supporting Services	2021	2020
Expenses:						
Salaries	1,189,312	142,866	14,802	157,668	1,346,980	1,244,236
Payroll taxes and benefits	175,405	19,303	1,707	21,010	196,415	193,267
Association fee	-	19,080	-	19,080	19,080	12,285
Audit fee	-	11,458	-	11,458	11,458	11,100
Bad debts	-	2,030	-	2,030	2,030	2,918
Bank and credit card service charges	-	43,497	-	43,497	43,497	34,688
Commissions	6,918	-	-	-	6,918	4,508
Conferences	2,585	-	-	-	2,585	6,618
Contract services	3,395	27,301	-	27,301	30,696	32,687
Depreciation	159,526	18,768	9,384	28,152	187,678	191,975
Equipment	27,493	3,124	-	3,124	30,617	15,927
Insurance	76,489	8,999	4,499	13,498	89,987	77,840
Interest	-	11,781	-	11,781	11,781	13,301
Miscellaneous	21,770	1,177	50	1,227	22,997	18,157
Office supplies and expense	10,990	4,302	232	4,534	15,524	17,279
Postage and shipping	110	1,183	260	1,443	1,553	2,165
Printing	47	32	955	987	1,034	1,222
Program instructors and speakers	6,198	-	-	-	6,198	33,719
Program supplies and fees	84,072	-	-	-	84,072	56,941
Program travel and admissions	-	-	-	-	-	2,059
Publicity and advertising	936	-	-	-	936	1,403
Restricted fund investment fees	-	5,347	-	5,347	5,347	4,457
Scholarships	124,498	-	-	-	124,498	86,435
Staff training	11,113	47	-	47	11,160	3,413
Trainer fees	73,330	-	-	-	73,330	76,126
Utilities	153,995	8,105	-	8,105	162,100	169,623
Fundraising	-	-	30,393	30,393	30,393	20,078
Facilities:						
Salaries	123,129	41,043	-	41,043	164,172	157,087
Payroll taxes and benefits	29,169	9,723	-	9,723	38,892	31,464
Contract services	42,363	-	-	-	42,363	43,693
Equipment	16,126	-	-	-	16,126	33,213
Supplies	31,097	-	-	-	31,097	29,701
Repairs	57,232	-	-	-	57,232	60,169
Vehicle	1,852	-	-	-	1,852	5,040
Miscellaneous	1,054	-	-	-	1,054	1,644
Total expense	2,430,204	379,166	62,282	441,448	2,871,652	2,696,438

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, 2021 WITH COMPARATIVE
TOTALS AS OF SEPTEMBER 30, 2020

	2021	2020
Cash Flows From (For) Operating Activities:		
Excess revenues under expenses-all funds	1,409,460	(18,191)
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	187,678	191,975
Forgiveness of Payroll Protection Program loan	(361,000)	-
Net change in operating assets and liabilities:		
Accounts receivable	(4,332)	(1,438)
Allocations receivable	61,000	(111,000)
Accounts receivable-other	(660)	(5)
Pledges receivable, net of discount	(828,982)	-
Prepaid expenses	(3,273)	4,121
Inventory	197	(235)
Investment income receivable	601	-
Due from SJF	82,654	(64,044)
Accrued expenses	(24,078)	43,212
Accounts payable	(6,069)	(6,596)
Deferred revenue	73,030	(56,505)
Net Cash From (For) Operating Activities	<u>586,226</u>	<u>(18,706)</u>
Cash Flows For Investing Activities:		
Purchase of property and equipment	(93,700)	(39,000)
Net activity from investments	<u>(121,111)</u>	<u>(73,318)</u>
Net Cash For Investing Activities	<u>(214,811)</u>	<u>(112,318)</u>
Cash Flows From (For) Financing Activities:		
Proceeds received from Payroll Protection Program loan	-	361,000
Cash restricted for permanent endowment	(84,024)	27,023
Cash restricted for capital campaign	(120,000)	-
Payments to reduce long-term debt	<u>(43,390)</u>	<u>(41,778)</u>
Net Cash From (For) Financing Activities	<u>(247,414)</u>	<u>346,245</u>
Net Increase in Cash and Cash Equivalents	124,001	215,221
Beginning Cash and Cash Equivalents	<u>589,082</u>	<u>373,861</u>
Ending Cash and Cash Equivalents	<u><u>713,083</u></u>	<u><u>589,082</u></u>
Supplemental Cash Flow Information:		
Interest paid	<u>11,781</u>	<u>13,301</u>
Income taxes paid	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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.

Investments - Investments with readily determinable fair values are measured at fair market value. At September 30, 2021 and 2020, 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 Receivable - Contributions are recognized at the fair market value as revenue in the period in which there is sufficient evidence that an unconditional promise was received. Conditional promises are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected over periods in excess of one year are recorded at the present value of the estimated cash flows beyond one year. Amortization of the discount is included in contribution revenue. Management believes all amounts are fully collectible, and has not established an allowance.

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.

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

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, 2021 and 2020.

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.

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.

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

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, 2021.

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, 2021, the tax years that remain subject to examination by taxing authorities begin with the year ended September 30, 2018.

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.

Subsequent Events - Management has evaluated subsequent events through August 9, 2022, the date the financial statements were available to be issued. Management was not aware of any subsequent events through this date that would have a material effect on these financial statements.

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	623,309
Accounts receivable	12,600
Allocation receivable	<u>325,000</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>961,409</u>

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021 and 2020, the organization's uninsured cash balances totaled \$480,797 and \$165,463, 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, 2021 and 2020.

Note 7 - Property and Equipment

Property and equipment consisted of the following as of September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Land	22,000	22,000
Building and improvements	6,133,864	6,048,922
Playground	86,984	78,226
Furniture, fixtures and equipment	<u>738,962</u>	<u>738,962</u>
	6,981,810	6,888,110
Less accumulated depreciation	<u>5,298,288</u>	<u>5,110,610</u>
	<u>1,683,522</u>	<u>1,777,500</u>

Note 8 - 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. The forgiveness application was approved and full forgiveness was granted on November 27, 2020.

JEWISH EDUCATIONAL ALLIANCE OF SAVANNAH, GEORGIA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 9 - Notes Payable

	2021		2020	
	<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.	45,155	225,764	43,387	270,922

Principal payments due on long-term debt outstanding at September 30, 2021, during the succeeding five years are as follows:

Year Ended September 30:	2022	45,155
	2023	46,994
	2024	48,909
	2025	50,902
	2026	52,975
	Thereafter	25,984

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, 2021 and 2020. 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 \$313,273 and \$325,485 were paid to the JEA for the years ended September 30, 2021 and 2020, respectively. As of September 30, 2021 and 2020, \$(3,084) and \$79,570 is due from/(to) the Savannah Jewish Federation, respectively.

Investments held by the Savannah Jewish Federation Endowment Fund in the amount of \$1,100,584 and \$969,358 as of September 30, 2021 and 2020, 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 Endowment Fund and are reflected on the Savannah Jewish 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, 2021

Note 12 - Activities

The following schedule provides detail of the activity revenue and expenses for the year ended September 30, 2021 and 2020:

	2021			2020		
	Activity Revenue	Activity Expenses	Net Activity Gain/(Loss)	Activity Revenue	Activity Expenses	Net activity Gain/(Loss)
Children	404,164	310,580	93,584	253,060	224,973	28,087
Early childhood education	831,859	675,649	156,211	739,920	657,472	82,448
Adult	11,029	18,463	(7,435)	9,749	24,397	(14,648)
H & PE-fitness & recreation	127,312	212,802	(85,490)	122,749	201,368	(78,619)
Camp	295,283	178,558	116,726	233,062	174,906	58,156
Aquatics	122,066	215,317	(93,252)	46,743	164,241	(117,498)
Total	<u>1,791,713</u>	<u>1,611,369</u>	<u>180,344</u>	<u>1,405,283</u>	<u>1,447,357</u>	<u>(42,074)</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, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Savannah Jewish Federation			
Endowment Fund	1,100,584	-	1,100,584
Corporate Bonds	17,206	-	17,206
State of Israel Bonds	-	27,551	27,551
	<u>1,117,790</u>	<u>27,551</u>	<u>1,145,341</u>

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>

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Note 14 – Restrictions on Net Assets

Board designated funds as of September 30, 2021 and 2020 in the amount of \$66,028 are designated for the facility repairs and maintenance.

Operating net assets with donor restrictions as of September 30, 2021 and 2020 are \$1,457,916 and \$386,000, respectively. JEA receives allocations awarded to the organization in the current year payable to the organization in the subsequent year. As of September 30, 2021 and 2020, \$325,000 and \$385,000 is restricted due to allocations. JEA's capital campaign donations are restricted for facility renovations and repairs. As of September 30, 2021, \$1,132,916 is restricted for the capital campaign.

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, 2021 and 2020:

	2021		2020	
	Endowed Funds	Individual Funds	Endowed Funds	Individual Funds
Arkin-Clark Garden	-	8,594	-	7,108
Jacob Bluestein Fund	20,000	4,442	20,000	2,272
Kay Becker Israel Fund	25,018	9,105	25,018	3,955
Blumberg Basketball Camp	6,400	138	6,400	91
Blumenthal Lecture	45,005	653	45,005	750
Brodzki Memorial Camp	16,605	198	16,605	276
Center Campership	21,328	241	21,328	285
Center Scholarship	-	20,547	-	19,068
Geffen Adult Education	6,669	319	6,669	314
Fitness Fund	-	5,752	-	5,301
Hoffman Memorial	47,608	815	47,608	665
Kanter Y/A/H	-	(929)	-	13,163
Levy Concert Series	50,015	16,723	50,015	13,968
Longwater Endowment	5,000	38,892	5,000	36,497
Meddin Memorial	-	5,600	-	5,763
NCJW Camp/Youth	10,140	231	10,140	256
Portman Memorial	-	8,161	-	7,365
Richman Fund	162,663	41,524	162,630	19,156
Rosen Memorial	-	5,235	-	5,694
Rubin Memorial	7,682	6,037	7,682	5,797
Samuels Children's & Youth Activity Fund	14,356	6,781	11,582	4,663
Tenenbaum Youth Award	-	14,679	-	14,574
Ullman Memorial Playground	-	4,756	-	5,679
Weinberg Endowment	-	764,652	-	671,229
	438,489	963,146	435,682	843,889
Operating Fund	-	1,457,916	-	386,000
	<u>438,489</u>	<u>2,410,062</u>	<u>435,682</u>	<u>1,229,889</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, 2021, is as follows:

	Individual Fund	Endowed Fund	<u>Total</u>
Donor-designated endowment funds	<u>963,146</u>	<u>438,489</u>	<u>1,401,635</u>

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>

Changes in endowment net assets as of September 30, 2021 and 2020 are as follows:

	Individual <u>Fund</u>	Endowed <u>Fund</u>	<u>Total</u>
Balance – September 30, 2019	768,135	435,682	1,203,817
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>
Contributions	11,291	2,807	14,098
Investment income (net of expenses)	5,352	-	5,352
Net appreciation in value	182,396	-	182,396
Distribution	<u>(79,782)</u>	<u>-</u>	<u>(79,782)</u>
Balance – September 30, 2021	<u>963,146</u>	<u>438,489</u>	<u>1,401,635</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, 2020, from which the summarized information was derived.