

JEWISH EDUCATIONAL LOAN FUND, INC.

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FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2019 AND 2018

JEWISH EDUCATIONAL LOAN FUND, INC.

TABLE OF CONTENTS

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	Page
Independent Auditor's Report	1
Financial Statements:	
Statement s of Financial Position as of December 31, 2019 and 2018	2
Statements of Activities for the Years Ended December 31, 2019 and 2018	3
Statement of Functional Expenses for the Year Ended December 31, 2019	4
Statement of Functional Expenses for the Year Ended December 31, 2018	5
Statements of Cash Flows for the Years Ended December 31, 2019 and 2018	6
Notes to Financial Statements	7



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Jewish Educational Loan Fund, Inc.:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Jewish Educational Loan Fund, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free 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 Jewish Educational Loan Fund, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Atlanta, Georgia  
March 24, 2020

*Brooks, McGinnis & Company, LLC*

Two Premier Plaza • 5607 Glenridge Drive • Suite 650 • Atlanta, Georgia • 30342  
T 404-531-4940 • F 404-531-4950 • [www.brooksmcginis.com](http://www.brooksmcginis.com)

JEWISH EDUCATIONAL LOAN FUND, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2019 AND 2018

ASSETS	2019	2018
Cash and cash equivalents	\$ 804,575	\$ 455,343
Prepaid expenses	10,418	-
Pledges receivable, net	407,844	363,611
Investments	3,628,734	3,570,102
Student loans receivable, net of allowance for uncollectible accounts of \$139,000 and \$126,000	6,829,031	6,187,355
Property and equipment, net	34,636	14,510
Total assets	\$ 11,715,238	\$ 10,590,921
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 30,873	\$ 22,434
Advance on conditional contribution	153,994	-
Total liabilities	184,867	22,434
Commitments and contingencies		
Net assets:		
Without donor restrictions:		
Available for operating purposes	625,262	407,919
Expended for student loans	6,829,031	6,187,355
Board designated for investments to finance operations and student loans	3,628,734	3,570,102
Total net assets without donor restrictions	11,083,027	10,165,376
With donor restrictions:		
Time and purpose restrictions	407,844	363,611
Perpetual in nature	39,500	39,500
Total net assets with donor restrictions	447,344	403,111
Total net assets	11,530,371	10,568,487
Total liabilities and net assets	\$ 11,715,238	\$ 10,590,921

The accompanying notes are an integral part of these financial statements.

JEWISH EDUCATIONAL LOAN FUND, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Changes in net assets without donor restrictions:		
Revenues, gains and support:		
Contributions	\$ 699,855	\$ 639,533
Fundraising events, net of expenses of \$121,921 in 2019 and \$109,673 in 2018	258,347	333,699
Student loan imputed interest income	415,000	360,000
Investment income (loss), net of investment fees of \$48,528 in 2019 and \$48,765 in 2018	479,934	(256,692)
Net assets released from restrictions (Note 9)	462,424	204,649
Total revenue, gains and support without donor restrictions	2,315,560	1,281,189
Expenses:		
Program services (includes imputed interest expense)	1,077,879	866,390
Supporting services:		
Management and general	77,385	63,232
Fundraising	242,645	205,368
Total supporting services	320,030	268,600
Total expenses	1,397,909	1,134,990
Increase in net assets without donor restrictions	917,651	146,199
Changes in net assets with donor restrictions:		
Sponsor a Student contributions and other pledges	333,651	350,860
Conditional contribution	173,006	-
Net assets released from restrictions (Note 9)	(462,424)	(204,649)
Increase in net assets with donor restrictions	44,233	146,211
Increase in net assets	961,884	292,410
Net assets at beginning of year	10,568,487	10,276,077
Net assets at end of year	\$ 11,530,371	\$ 10,568,487

The accompanying notes are an integral part of these financial statements.

JEWISH EDUCATIONAL LOAN FUND, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Supporting Services			Total
	Program Services	Management and General	Fund- raising	
Salaries and benefits	\$ 473,268	\$ 36,709	\$ 165,467	\$ 675,444
Committee support	3,582	-	-	3,582
Computers	20,478	2,497	1,998	24,973
Credit card fees	-	-	9,757	9,757
Depreciation	5,454	665	532	6,651
Dues and subscriptions	2,000	-	-	2,000
Equipment lease	2,468	301	241	3,010
Gifts	1,016	124	99	1,239
Insurance	2,807	1,674	96	4,577
Loan processing fees	21,523	-	-	21,523
Marketing and publicity	69,224	-	-	69,224
Office	35,386	4,316	3,452	43,154
Other	7	-	3,119	3,126
Postage and delivery	1,135	138	5,299	6,572
Direct mail	-	-	17,356	17,356
Professional fees	6,877	25,474	6,674	39,025
Staff development	-	4,966	-	4,966
State registrations	-	-	1,524	1,524
Student loan interest write off	415,000	-	-	415,000
Student loan principal write off	13,034	-	-	13,034
Pledge receivable write off	-	-	17,000	17,000
Telephone	3,927	479	383	4,789
Travel	348	42	9,648	10,038
Website	345	-	-	345
	<u>\$ 1,077,879</u>	<u>\$ 77,385</u>	<u>\$ 242,645</u>	<u>\$ 1,397,909</u>
	<u>77%</u>	<u>6%</u>	<u>17%</u>	<u>100%</u>

The accompanying notes are an integral part of these financial statements.

JEWISH EDUCATIONAL LOAN FUND, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Supporting Services			Total
	Program Services	Management and General	Fund- raising	
Salaries and benefits	\$ 371,988	\$ 32,843	\$ 146,040	\$ 550,871
Committee support	2,912	-	-	2,912
Computers	15,476	1,887	1,510	18,873
Credit card fees	-	-	12,665	12,665
Depreciation	2,297	280	224	2,801
Dues and subscriptions	2,000	-	-	2,000
Equipment lease	2,981	364	290	3,635
Gifts	213	26	21	260
Insurance	3,828	245	196	4,269
Loan processing fees	21,887	-	-	21,887
Marketing and publicity	35,104	-	3,443	38,547
Office	26,198	3,195	2,556	31,949
Other	-	-	3,379	3,379
Postage and delivery	1,287	157	2,916	4,360
Direct mail	-	-	14,762	14,762
Professional fees	1,700	20,000	1,650	23,350
Staff development	-	3,768	-	3,768
State registrations	-	-	1,759	1,759
Student loan interest write off	360,000	-	-	360,000
Student loan principal write off	14,048	-	-	14,048
Telephone	3,582	437	349	4,368
Travel	254	30	13,608	13,892
Website	635	-	-	635
	<u>\$ 866,390</u>	<u>\$ 63,232</u>	<u>\$ 205,368</u>	<u>\$ 1,134,990</u>
Total expenses				
Percentage of total	<u>76%</u>	<u>6%</u>	<u>18%</u>	<u>100%</u>

The accompanying notes are an integral part of these financial statements.

JEWISH EDUCATIONAL LOAN FUND, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash flows from operating activities:		
Increase in net assets	\$ 961,884	\$ 292,410
Adjustments to reconcile increase in net assets to cash provided by operating activities:		
Depreciation	6,651	2,801
Increase in allowance for uncollectible loans receivable	13,034	14,048
Write off of pledges receivable	17,000	-
Net realized and unrealized (gain) loss on investments	(452,079)	471,613
Long term pledges and contributions	(333,651)	(350,860)
Changes in assets and liabilities:		
(Increase) decrease in:		
Prepaid expenses and other assets	(10,418)	2,356
Increase in:		
Accounts payable and accrued expenses	8,439	20,367
Advance on conditional contribution	153,994	-
Total adjustments	(597,030)	160,325
Net cash provided by operating activities	364,854	452,735
Cash flows from investing activities:		
Student loan disbursements	(1,264,430)	(980,882)
Repayment of student loans	609,720	538,039
Equipment purchases	(26,777)	(10,688)
Purchases of investments	(880,150)	(1,234,012)
Proceeds from sale of investments	1,273,597	1,001,266
Net cash used in investing activities	(288,040)	(686,277)
Cash flows from financing activities:		
Collection of long term pledges and contributions	272,418	204,649
Net cash provided by financing activities	272,418	204,649
Increase (decrease) in cash and cash equivalents	349,232	(28,893)
Cash and cash equivalents at beginning of year	455,343	484,236
Cash and cash equivalents at end of year	\$ 804,575	\$ 455,343

The accompanying notes are an integral part of these financial statements.

JEWISH EDUCATIONAL LOAN FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

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1. Nature of the Organization and Significant Accounting Policies

Organization

Jewish Educational Loan Fund, Inc. (JELF), a nonprofit organization, is supported by bequests, tributes and contributions. JELF partners with Jewish students in need in a five-state region (Florida, Georgia, North Carolina, South Carolina, and Virginia) to fulfill their potential by providing last dollar, interest-free loans for higher education.

Method of Reporting

The accompanying financial statements have been prepared on the accrual basis of accounting. JELF reports information regarding its financial position and activities according to two classes of net assets as follows:

*Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions. Items that affect (i.e., increase or decrease) this net asset category include unrestricted contributions, investment income, and fundraising event income and related expenses associated with JELF’s core activities. At times, the governing board may earmark otherwise unrestricted net assets for a specified purpose. Since this is not a donor-imposed restriction, the designated asset is classified and reported as part of net assets without donor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor, or certain grantor, imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions

Unconditional promises to give and contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of donor restrictions.

JELF records gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, as well as gifts of cash or other assets that must be used to acquire long-lived assets, are reported as support with donor restrictions.

JEWISH EDUCATIONAL LOAN FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

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1. Nature of Organization and Significant Accounting Policies – Continued

Contributions – Continued

Absent explicit donor stipulations about how long those long-lived assets must be maintained, JELF reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Accordingly, JELF reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 reported in the statement of activities as net assets released from restrictions.

Land held for sale, other assets and marketable securities acquired by gift are recorded at their fair market value on the date of receipt. No amounts have been reflected in the financial statements for donated services; however, a substantial number of volunteers have donated significant amounts of their time in JELF's programs and supporting services. If donated services received either create or enhance non-financial assets or require specialized skills which would need to be purchased if not donated, the value of those donated services would be recorded.

Cash and Cash Equivalents

JELF considers all time deposits and highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents.

Investments

Investments are carried at market value. Gains or losses from investments are reflected in the statement of activities.

Student Loans Receivable

Student loans receivable are carried at estimated collectible amounts. An allowance for uncollectible loans has been established and is adjusted based on the evaluation of each loan as an amount becomes past due. For the years ended December 31, 2019 and 2018 the allowance for doubtful accounts totaled approximately \$139,000 and \$126,000, respectively. For financial statement purposes, JELF imputes interest on these student loans using the weighted average of the government student loan rate for comparable last dollar loans. However, because all loans are interest free, this imputed interest is written off annually as a program expense.

JEWISH EDUCATIONAL LOAN FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

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1. Nature of Organization and Significant Accounting Policies – Continued

Property and Equipment

Property and equipment are recorded at cost if purchased or at the estimated fair value at the date of gift if received by donation. JELF capitalizes property and equipment expenditures in excess of \$1,000. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Furniture, fixtures and equipment are being depreciated over three to five years.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses are generally allocated based on an analysis of either time or the square footage devoted to program or supporting function.

Marketing and Publicity

Marketing and publicity costs are expensed as incurred. For the years ended December 31, 2019 and 2018, marketing and publicity expense totaled \$69,224 and \$38,547, respectively.

Income Taxes

JELF is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as an organization other than a private foundation. Income from certain activities not directly related to JELF's tax-exempt purpose is subject to taxation as unrelated business income. For the years ended December 31, 2019 and 2018, JELF did not have any unrelated business income, and accordingly, there is no unrelated business income tax. JELF's management believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. JELF's income tax returns are subject to examination by the appropriate regulatory authorities and remain open to examination for the last three years.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

JEWISH EDUCATIONAL LOAN FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

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1. Nature of Organization and Significant Accounting Policies – Continued

New Accounting Policies

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities, (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This new standard clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The guidance in this update should be applied on a modified prospective basis. Retrospective application is permitted.

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. Subsequent to issuance of ASU 2014-09, FASB issued additional related ASU's to provide additional clarification of ASU 2014-09. ASU 2014-09 amends the FASB Codification (ASC) by creating *Topic 606, Revenue from Contracts with Customers*, and *Subtopic 340-40, Other Assets and Deferred Costs – Contracts with Customers*. The new revenue recognition standard eliminates the transaction- and industry-specific revenue recognition guidance under current GAAP and replaces it with a principle-based approach for determining revenue recognition. The core principle of Topic 606 is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

JELF adopted these accounting policies for the year ended December 31, 2019. Accordingly, the financial statements as of and for the year ended December 31, 2018 have been restated to conform to this new guidance. These new accounting policies did not affect total net assets for either the year ended December 31, 2019 or 2018.

Subsequent Events

Subsequent events have been evaluated by management through March 24, 2020, which is the date that the financial statements were available to be issued. Except as discussed below, there were no significant subsequent events requiring recognition or disclosure in the financial statements.

Subsequent to December 31, 2019, the global coronavirus pandemic threatened to deeply harm global growth. This has affected the U.S. and global equity markets, as well as consumer confidence, and the broad U.S. and global stocks market have experienced extreme volatility since December 31, 2019. It is uncertain how this downturn in the financial markets and consumer confidence may affect the operations, investments, funding and contribution income of nonprofit organizations in the near future.

JEWISH EDUCATIONAL LOAN FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

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1. Nature of Organization and Significant Accounting Policies – Continued

Subsequent Events – Continued

JELF depends heavily on contributions and investment income to support its operations. The ability of contributors to continue giving may be dependent on current and future overall economic conditions. Additionally, on March 20, 2020 the U.S. Government suspended, without penalty, all student loan payments for 60 days. JELF's loans are not considered federal student loans, and therefore, JELF has not implemented this policy for its own receivables.

While JELF has the resources to continue its programs, its ability to do so, and the extent to which it continues, may be dependent on many interdependent factors.

2. Cash, Student Loans Receivable and Concentrations of Credit Risk

JELF maintains its cash accounts at one financial institution. The account balances, as reflected in the institution's records, are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2019 and 2018, the uninsured portion of JELF's cash balances was \$942,758 and \$479,881, respectively. Management believes that cash is maintained at financial institutions with high credit ratings that would, under normal circumstances, carry a low risk of potential loss.

Student loans receivable represents approximately 980 loans, ranging in amounts from \$18 to \$33,067. Repayment terms are generally over eight years after the student graduates so the loans will be collected over the next thirteen to fourteen years. Concentration of credit risk with respect to student loans is considered limited due to the large number of students comprising JELF's total student loans.

3. Liquidity and Availability of Financial Assets

JELF is substantially supported by contributions without donor restrictions and income on investments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, JELF considers financial assets that are anticipated to be available in the next year available for general expenditure. Financial assets with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations are included in amounts available to meet cash needs for general expenditures. General expenditures may be incurred for program, administrative, or fundraising purposes. Annual operations are defined as activities occurring during JELF's fiscal year.

JEWISH EDUCATIONAL LOAN FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

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3. Liquidity and Availability of Financial Assets – Continued

JELF’s financial assets as of December 31, 2019 and 2018 (reduced by amounts that are Board designated or donor restricted for long term use) available within one year after this date to satisfy liabilities as of this date and for general expenditures are as follows:

	2019	2018
Cash and cash equivalents	\$ 804,575	\$ 455,343
Pledges receivable due within one year	182,845	163,063
Student loans receivable, estimated due within one year	563,000	520,000
Less:		
Advance on conditional contribution	(153,994)	-
Financial assets available for general expenditures within one year	\$ 1,396,426	\$ 1,138,406

JELF structures its financial assets to be available as its general expenditures come due. Refer to the statement of cash flows which identifies the sources and uses of JELF’s operating cash and shows positive cash generated by operations for fiscal years 2019 and 2018. The Board has designated a portion of its unrestricted assets for investments to finance operations and student loans. These investments are for long-term appreciation and current income but remain available and can be spent at the discretion of the Board. Within the Board designated investments, the Board allocates a portion of these investments to be held in money market funds. Also, as part of its liquidity management, JELF maintains cash in excess of daily requirements in various demand deposit and money market funds.

4. Pledges Receivable, Net

JELF has continued their fundraising campaign for the purpose of sponsoring students’ higher education expense. Total cumulative pledges made during this continuing campaign as of December 31, 2019 are \$1,357,884, of which JELF believes approximately \$1,356,184 will be realized. As of December 31, 2019, cumulative pledges collected for the sponsor a student campaign total \$939,368. In addition, pledges receivable of \$1,000 and \$5,800 were receivable for general operating purposes as of December 31, 2019 and 2018, respectively. Pledges receivable are recorded at their net realizable value upon receipt. Amounts expected to be received after one year are discounted at 1.62% and 2.46% for the years ended December 31, 2019 and 2018, respectively, commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue and utilized in accordance with donor-imposed restrictions on the contribution if any. Payments received against these pledges during the years ended December 31, 2019 and 2018 totaled \$272,418 and \$204,649, respectively.

JEWISH EDUCATIONAL LOAN FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

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4. Pledges Receivable, Net – Continued

Pledges receivable consist of the following as of December 31:

	2019	2018
Anticipated collections of pledges in:		
Less than one year	\$ 182,845	\$ 163,063
Two to five years	233,971	212,688
Total pledges receivable	416,816	375,751
Less unamortized present value discount	(8,972)	(12,140)
Total pledges receivable, net	\$ 407,844	\$ 363,611

5. Investments

Spending Policy

Withdrawals from investments are at the discretion of the Board.

Investment Policy

The primary objectives are to provide a combination of capital appreciation and principal protection over the long-term while meeting liquidity needs of JELF on a monthly basis. The portfolio invests in a combination of equity and fixed income securities.

The actual securities used in the portfolio are at the discretion of the third party investment manager. The targeted asset mix is as follows:

Equities	50-80%
Fixed income	0-50%
Cash equivalents	0-50%

JEWISH EDUCATIONAL LOAN FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

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5. Investments – Continued

Valuation

JELF classifies its investment assets using a hierarchy of inputs to fair value measurements in accordance with professional standards, as follows:

*Level 1* – Quoted prices in active markets for identical assets or liabilities that JELF has the ability to access.

*Level 2* – Inputs to the valuation methodology that are derived principally from or corroborated by observable market data:

- 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 assets liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

*Level 3* – Inputs that are unobservable and significant to the overall fair value measurement.

JEWISH EDUCATIONAL LOAN FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

5. Investments – Continued

Valuation – Continued

The asset's or liability's fair value measurement level within the 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. Investments at fair market value consist of the following as of December 31:

	<u>Fair Value Hierarchy Level</u>	<u>2019</u>	<u>2018</u>
U. S. Government money market fund and accrued interest and dividends	1	\$ <u>9,579</u>	\$ <u>218,136</u>
Domestic equities by sector:			
Healthcare		368,524	485,003
Basic materials		366,950	649,280
Energy		133,430	108,729
Industrial goods		123,445	117,907
Consumer goods		523,383	465,272
Financial and Services		355,936	284,040
Utilities		103,455	-
Real estate		108,720	-
Technology		<u>662,052</u>	<u>493,235</u>
Total domestic equities	1	<u>2,745,895</u>	<u>2,603,466</u>
Exchange traded products			
Commodities precious metals		85,740	-
Diversified emerging markets mutual fund		<u>107,520</u>	-
Total exchange traded products	1	<u>193,260</u>	-
Investments reported at NAV			
Non-publicly traded funds	(a)	<u>680,000</u>	<u>748,500</u>
Total investments		\$ <u>3,628,734</u>	\$ <u>3,570,102</u>

(a) Certain investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

JEWISH EDUCATIONAL LOAN FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

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5. Investments – Continued

Investment income (loss) consists of the following for the year ended December 31:

	2019	2018
Interest and dividends	\$ 76,383	\$ 263,686
Net realized and unrealized gain (loss)	452,079	(471,613)
Management fees	(48,528)	(48,765)
Investment income (loss)	\$ 479,934	\$ (256,692)

6. Property and Equipment, Net

Property and equipment consist of the following as of December 31:

	2019	2018
Office equipment	\$ 3,675	\$ 3,675
Computer equipment	28,763	25,622
Website	4,913	-
Software	65,179	46,456
	102,530	75,753
Less accumulated depreciation	(67,894)	(61,243)
Total property and equipment, net	\$ 34,636	\$ 14,510

Depreciation expense for the years ended December 31, 2019 and 2018 totaled \$6,651 and \$2,801, respectively.

7. Advance on Conditional Contribution

Advance on conditional contribution represents \$153,994 of funds anticipated to be recognized as revenue in 2020 as the conditions of the corresponding contribution are fulfilled. See Note 10 for further explanation.

JEWISH EDUCATIONAL LOAN FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

8. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following as of December 31:

	2019	2018
Pledges receivable restricted for time and purpose	\$ 406,844	\$ 357,811
Pledges receivable restricted for time	1,000	5,800
Perpetual in nature	39,500	39,500
Total net assets with donor restrictions	\$ 447,344	\$ 403,111

The net asset which is perpetual in nature represents a donor restricted gift, which stipulates the funds be used for loans to students studying science or medicine. The corresponding assets are either in cash or student loans receivable at any time, depending on the distribution and repayment of the student loans meeting this restriction.

9. Net Assets Released from Restriction

Net assets were released from donor restrictions by incurring expenditures for the following purposes for the year ended December 31:

	2019	2018
Sponsor A Student pledges receivable collected	\$ 289,418	\$ 204,649
Satisfaction of infrastructure grant:		
Salaries and benefits	95,607	-
Marketing	38,904	-
Computer software and hardware	25,163	-
Website	4,913	-
Other	8,419	-
Total net assets released from donor restrictions	\$ 462,424	\$ 204,649

10. Conditional Contribution

In November 2019, JELF received a contribution totaling \$327,000, on the condition that over the next year, it implements new capacity building items that will support loan portfolio growth, increases outreach efforts and hires additional staff, including a marketing professional. As of December 31, 2019, \$173,006 has been expended fulfilling the conditions of this contribution. The remaining contribution of \$153,994 is anticipated to be recognized as income as the funds are expended for the intended purposes and conditions in 2020.

JEWISH EDUCATIONAL LOAN FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019 AND 2018

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11. Retirement Plan

JELF funds a Simplified Employee Pension Individual Retirement Account for each eligible employee. JELF contributes up to 10% of each participating employee's annual salary to the employee's plan. Retirement expense for the years ended December 31, 2019 and 2018 totaled \$41,211 and \$32,934, respectively.

12. Reconciliation of Unadjusted Contributions to Adjusted Revenues, Gains and Support Without Donor Restrictions

The following is a reconciliation of the total unadjusted contributions raised to the amounts on the Statements of Activities for total revenue, gains and support without donor restrictions for the years ended December 31:

	2019	2018
Unadjusted contributions	\$ 1,320,801	\$ 1,002,533
Reclassification of unadjusted multi-year pledges to changes in net assets with restrictions	(295,000)	(363,000)
Reclassification of conditional contribution to changes in net assets with restrictions	(173,006)	-
Reclass of unspent conditional contribution to liability	(153,994)	-
Record stock gift	1,054	-
Record imputed interest	415,000	360,000
Record investment income (loss), net	479,934	(256,692)
Record fundraising event revenues, net of expenses	258,347	333,699
Record net assets released from restrictions (See Note 9)	462,424	204,649
Total revenue, gains and support without donor restrictions	\$ 2,315,560	\$ 1,281,189