



Jewish Educational Loan Fund, Inc.

FINANCIAL STATEMENTS

December 31, 2021 and 2020



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REPORT





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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Jewish Educational Loan Fund, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 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 Jewish Educational Loan Fund, Inc. as of December 31, 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 for 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jewish Educational Loan Fund, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on 2020 Financial Statements

The financial statements of Jewish Education Loan Fund, Inc. as of December 31, 2020 were audited by other auditors whose report dated March 26, 2021 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Jewish Educational Loan Fund, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment 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 procedures 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 Jewish Educational Loan Fund, Inc.'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jewish Educational Loan Fund Inc.'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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia

June 23, 2022



FINANCIAL STATEMENTS



Jewish Educational Loan Fund, Inc.
Statements of Financial Position

<i>December 31,</i>	2021	2020
Assets		
Cash and cash equivalents	\$ 1,346,981	\$ 966,294
Prepaid expenses	9,931	10,827
Grant receivable	-	175,000
Multi-year promises to give, net	442,429	344,823
Other receivables	-	2,500
Investments	5,000,738	4,136,831
Student loans receivable, net	8,536,329	7,550,506
Property and equipment, net	88,903	104,154
Total assets	\$ 15,425,311	\$ 13,290,935
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 6,855	\$ 16,023
Student loans payable	388,516	453,052
Refundable advances	182,505	38,351
Paycheck Protection Program grant	-	126,860
Total liabilities	577,876	634,286
Net assets		
Without donor restrictions	13,337,546	12,270,529
With donor restrictions	1,509,889	386,120
Total net assets	14,847,435	12,656,649
Total liabilities and net assets	\$ 15,425,311	\$ 13,290,935

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

Jewish Educational Loan Fund, Inc.
Statements of Activities

<i>For the years ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	2021 Total	Summarized 2020 Total
Revenue and Other Support				
Public support				
Contributions	\$ 1,109,212	\$ -	\$ 1,109,212	\$ 801,911
Contributions restricted for loan funding	-	793,328	793,328	350,000
Contributions restricted for loan forgiveness	-	232,835	232,835	29,989
Paycheck Protection Program loan	126,860	-	126,860	-
Multi-year contributions	-	365,500	365,500	198,227
Infrastructure contributions	183,346	-	183,346	279,143
Fundraising events, net of expenses of \$33,278 and \$29,946	8,131	-	8,131	138,880
Net assets released from restrictions				
Release of multi-year contributions	267,894	(267,894)	-	-
Total revenue and other support	1,695,443	1,123,769	2,819,212	1,798,150
Expenses				
<i>Program services</i>				
Program services	1,204,737	-	1,204,737	1,166,142
<i>Supporting services</i>				
General and administrative	83,782	-	83,782	75,620
Fundraising	312,574	-	312,574	281,599
Total supporting services	396,356	-	396,356	357,219
Total expenses	1,601,093	-	1,601,093	1,523,361
Change in net assets before imputed interest and investment income, net	94,350	1,123,769	1,218,119	274,818
Student loan imputed interest income	515,000	-	515,000	413,000
Investment income, net	457,667	-	457,667	438,460
Change in net assets	1,067,017	1,123,769	2,190,786	1,126,278
Net assets at beginning of year	12,270,529	386,120	12,656,649	11,530,371
Net assets at end of year	\$13,337,546	\$ 1,509,889	\$14,847,435	\$ 12,656,649

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

Jewish Educational Loan Fund, Inc.
Statements of Activities (Continued)

<i>For the year ended December 31, 2020</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Public support			
Contributions	\$ 801,911	\$ -	\$ 801,911
Contributions restricted for loan funding	-	350,000	350,000
Contributions restricted for loan forgiveness	-	30,989	30,989
Multi-year contributions	-	197,257	197,257
Infrastructure contributions	279,143	-	279,143
Fundraising events, net of expenses of \$29,986	138,879	-	138,879
Net assets released from restrictions			
Release of student loan funding restrictions	350,000	(350,000)	-
Release of multi-year contributions	260,248	(260,248)	-
Other releases	29,222	(29,222)	-
Total releases	639,470	(639,470)	-
Total revenue and other support	1,859,403	(61,224)	1,798,179
Expenses			
<i>Program services</i>			
Program services	1,166,142	-	1,166,142
<i>Supporting services</i>			
General and administrative	75,620	-	75,620
Fundraising	281,599	-	281,599
Total supporting services	357,219	-	357,219
Total expenses	1,523,361	-	1,523,361
Change in net assets before imputed interest and investment income, net	336,042	(61,224)	274,818
Student loan imputed interest income	413,000	-	413,000
Investment income, net	438,460	-	438,460
Change in net assets	1,187,502	(61,224)	1,126,278
Net assets at beginning of year	11,083,027	447,344	11,530,371
Net assets at end of year	\$ 12,270,529	\$ 386,120	\$ 12,656,649

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

Jewish Educational Loan Fund, Inc.
Statements of Functional Expenses

For the years ended December 31, 2021 and 2020

	Program Services	Supporting Services		2021 Total	Summarized 2020 Total
		General and Administrative	Fundraising		
Salaries and benefits	\$ 532,920	\$ 47,715	\$ 190,852	\$ 771,487	\$ 798,900
Student loan interest write off	515,000	-	-	515,000	413,000
Computers	48,251	5,884	4,707	58,842	25,502
Advertising	-	-	35,892	35,892	63,486
Other	3,249	399	29,683	33,331	7,334
Student loan principal write off	-	-	-	-	18,365
Increase in allowance for uncollectible loans	19,574	-	-	19,574	15,437
Forgiveness of student loans funded by donor restricted contributions	-	-	-	-	28,222
Office	26,456	7,721	2,581	36,758	36,752
Administrative and transaction fees	31,954	-	-	31,954	26,572
Professional fees	1,640	17,685	160	19,485	23,200
Depreciation	15,786	1,925	1,540	19,251	9,099
Direct mail	-	-	17,412	17,412	26,508
Credit card fees	-	-	12,564	12,564	8,997
Forgiveness of promise to give	-	-	10,000	10,000	-
Insurance	4,070	496	397	4,963	4,495
Fundraising - travel	-	-	4,634	4,634	-
Telephone	2,855	348	279	3,482	5,011
Equipment lease	2,291	279	224	2,794	2,932
Postage and delivery	691	84	1,649	2,424	5,103
Staff development	-	1,246	-	1,246	4,446
Total	\$ 1,204,737	\$ 83,782	\$ 312,574	\$ 1,601,093	\$ 1,523,361

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

Jewish Educational Loan Fund, Inc.
Statements of Functional Expenses (Continued)

For the year ended December 31, 2020

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Salaries and benefits	\$ 552,969	\$ 39,425	\$ 206,506	\$ 798,900
Student loan interest write off	413,000	-	-	413,000
Computers	20,912	2,550	2,040	25,502
Advertising	38,527	-	24,959	63,486
Other	2,955	55	4,324	7,334
Student loan principal write off	18,365	-	-	18,365
Increase in allowance for uncollectible loans	15,437	-	-	15,437
Forgiveness of student loans funded by donor restricted contributions	28,222	-	-	28,222
Office	30,137	3,675	2,940	36,752
Corrected	26,572	-	-	26,572
Professional fees	680	21,860	660	23,200
Depreciation	7,461	910	728	9,099
Direct mail	-	-	26,508	26,508
Credit card fees	-	-	8,997	8,997
Insurance	2,708	1,700	87	4,495
Telephone	4,109	501	401	5,011
Equipment lease	2,404	293	235	2,932
Postage and delivery	1,684	205	3,214	5,103
Staff development	-	4,446	-	4,446
Total	\$ 1,166,142	\$ 75,620	\$ 281,599	\$ 1,523,361

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

Jewish Educational Loan Fund, Inc.
Statements of Cash Flows

<i>For the years ended December 31,</i>	2021	2020
Operating Activities		
Change in net assets	\$ 2,190,786	\$ 1,126,278
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	19,251	9,099
Forgiveness of Paycheck Protection Program loan	(126,860)	-
Donated stock	(10,763)	-
Provision in allowance for uncollectible loans receivable	19,574	62,024
Forgiveness of multi-year promise to give	10,000	-
Net realized and unrealized (gains) on investments	(471,564)	(432,985)
Multi-year promises to give, net	(365,500)	(198,227)
Student loan disbursements	(1,749,486)	(1,430,495)
Repayment of student loans	744,089	646,596
Changes in operating assets and liabilities:		
Grant receivable	175,000	(175,000)
Prepaid expenses	896	(409)
Other receivables	2,500	(2,500)
Accounts payable and accrued expenses	(9,168)	(14,850)
Student loans payable	(64,536)	453,452
Refundable advances	144,154	(115,643)
Net cash provided by (used in) operating activities	508,373	(72,660)
Investing Activities		
Purchases of property and equipment	(4,000)	(78,617)
Purchases of investments	(2,540,297)	(1,576,731)
Proceeds from sale of investments	2,158,717	1,501,619
Net cash provided by (used in) investing activities	(385,580)	(153,729)
Financing Activities		
Multi-year promises to give and contributions collected	257,894	261,248
Proceeds from Paycheck Protection Program loan	-	126,860
Net cash provided by (used in) financing activities	257,894	388,108
Net change in cash, cash equivalents and restricted cash	380,687	161,719
Cash, cash equivalents and restricted cash at beginning of year	966,294	804,575
Cash, cash equivalents and restricted cash at end of year	\$ 1,346,981	\$ 966,294

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

Jewish Educational Loan Fund, Inc.

Notes to Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

Jewish Educational Loan Fund, Inc. (the Organization), a nonprofit organization, is supported by contributions and grants. The Organization partners with Jewish students in need across 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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to allowance for loan losses, allowance for multi-year promises to give and the allocation of expenses on the Statements of Functional Expenses.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Restricted Cash

Amounts included in restricted cash represent funds received from donors for specific programs or purposes. The restriction will lapse when the funds are spent for those purposes.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Jewish Educational Loan Fund, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Organization reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Student Loans Receivable

Student loans receivable are carried at estimated collectible amounts. Past due status is based on the contractual terms of the loan. Loan payments that are over 90 days past due are considered delinquent. Loans are charged off when management and the Board deem them uncollectible.

Allowance for Loan Losses

The allowance for loan losses is a valuation allowance for probable incurred credit losses. Loan losses are charged against the allowance when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance upon receipt. Management estimates the allowance balance required using loan loss experience, the nature and volume of the portfolio, information about specific borrower situations, economic conditions, and other factors. Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged off.

Student loans receivable include interest free unsecured loans. Therefore, economic conditions could significantly affect the repayment ability of the loans within the portfolio.

General Component- Because all loans are small homogeneous loans, they are considered in the general component of the evaluation of loan losses.

The general component covers loans that are collectively evaluated for impairment. Large groups of smaller balance homogeneous loans, which includes all student loans receivable, are collectively evaluated for impairment. This actual loss experience is supplemented with other economic factors based on the risks present for each portfolio segment.

These economic factors include consideration of the following:

- Levels of and trends in delinquencies and impaired loans
- Levels of and trends in charge-offs and recoveries
- Trends in volume and terms of loans
- National and local economic trends and conditions; industry conditions; and effects of changes in credit concentration.

For the years ended December 31, 2021 and 2020 the allowance for doubtful accounts totaled approximately \$174,574 and \$155,000, respectively.

Jewish Educational Loan Fund, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Imputed Interest

For financial statement purposes, the Organization 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 services expense.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for equipment and improvements that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimate useful life.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

Payments under contracts are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied. Prior to the adoption of ASC 606, the Organization recognized revenue when persuasive evidence of an arrangement existed, delivery of products had occurred, the sales price was fixed or determinable and collectability was reasonably assured.

Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

Jewish Educational Loan Fund, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (continued)

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

Donated services are recognized as contributions 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.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Expenses related to office operations are allocated across functional areas based on estimates of time and effort.

Advertising

The Organization uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the years ended December 2021 and 2020, advertising costs totaled \$35,892 and \$63,486, respectively.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. For the years ended December 31, 2021 and 2020, the Organization did not have any unrelated business income, and accordingly, there is no unrelated business income tax. As of December 31, 2021 and 2020, the Organization has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Jewish Educational Loan Fund, Inc.
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 23, 2022, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This change in accounting principle did not have a material impact on the financial statements.

Accounting Guidance Not Yet Implemented

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact of the guidance on its financial statements.

Jewish Educational Loan Fund, Inc.
Notes to Financial Statements

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in cash, cash equivalents and investments to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<i>December 31,</i>	2021	2020
Total assets at year end	\$ 15,425,311	\$ 13,290,935
Less non-financial assets		
Prepaid expenses	(9,931)	(10,827)
Property and equipment, net	(88,903)	(104,154)
Financial assets at year-end	15,326,477	13,175,954
Less multi-year promises to give due in more than one year	(232,249)	(180,541)
Less estimated student loans due in more than one year	(7,784,580)	(6,950,506)
Less those not available for general expenditures within one year, due to donor-imposed, contractual restrictions or board designations		
Refundable advances	(182,505)	(38,351)
Cash restricted for loan forgiveness	(234,602)	(1,767)
Cash restricted for student loan funding	(793,328)	-
Board designated for investments	(5,000,738)	(4,136,831)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,098,475	\$ 1,867,958

The Organization is principally supported by contributions, grants and investment income. Cash restricted for loan forgiveness above represents contributions collected in 2021 that will be used to forgive student loans in 2022. Cash restricted for loan funding above represents contributions collected in 2021 that will be used over the next 4 years to fund student loans.

Jewish Educational Loan Fund, Inc.
Notes to Financial Statements

Note 4: MULTI-YEAR PROMISES TO GIVE, NET

Multi-year promises to give consist of the following:

<i>December 31,</i>	2021	2020
Receivable within one year	\$ 210,180	\$ 164,282
Receivable in two to five years	232,994	181,286
Total multi-year promises to give	443,174	345,568
Discounted at 2%, which approximates the effective interest method	(745)	(745)
Multi-year promises to give, net	\$ 442,429	\$ 344,823

Forgiveness of promises to give totaled \$10,000 and \$-0- for 2021 and 2020, respectively. Management has evaluated the collectability of the remaining multi-year promises to give and determined that they are fully collectible.

Note 5: STUDENT LOANS RECEIVABLE, NET

Student loans receivable represents approximately 1,199 and 1,057 loans as of the year ended December 31, 2021 and 2020, respectively. Loans range in amounts from \$53 to \$33,524. 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 the Organization's total student loans. Loans considered past due totaled \$22,809 and \$18,875, at December 31, 2021 and 2020, respectively. Loans that are on a reduced payment schedule due to COVID or other circumstances total \$140,147 and \$117,149 at December 31, 2021 and 2020, respectively.

<i>December 31,</i>	2021	2020
Receivable within one year	\$ 760,000	\$ 600,000
Receivable in two to five years	3,040,000	2,400,000
Receivable in more that five years	4,910,903	4,705,506
Total student loans receivable	8,710,903	7,705,506
Less allowance for doubtful accounts	(174,574)	(155,000)
Student loans receivable, net	\$ 8,536,329	\$ 7,550,506

Jewish Educational Loan Fund, Inc.
Notes to Financial Statements

Note 5: STUDENT LOANS RECEIVABLE, NET (Continued)

Activity for the allowance for loan losses consists of the following:

<i>For the years ended December 31,</i>	2021	2020
Balance of allowance for loan losses at beginning of year	\$ 155,000	\$ 139,400
Provision for loan losses	19,574	62,024
Write-offs of student loans receivable	-	(18,365)
Forgiveness of student loans receivable funded by contributions	-	(28,059)
Balance of allowance for loan losses at end of year	\$ 174,574	\$ 155,000

Note 6: CONDITIONAL PROMISES TO GIVE

For each of the years ended December 31, 2021 and 2020, the Organization received a grant of \$327,000 on the condition that over the subsequent year it continues certain loan funding levels and implements new capacity by building initiatives that will support loan portfolio growth and increase outreach efforts. These conditional promises to give are recognized as revenue in the statements of activities when the conditions of the grants have been substantially met.

As of December 31, 2021 and 2020, \$183,346 and \$279,143, respectively, has been expended fulfilling the conditions of these contributions. As of December 31, 2021 and 2020, the Organization had received refundable advances on these conditional promises to give of \$182,505 and \$38,351, respectively. The remaining grant funds are expected to be recognized as revenue in fiscal year 2022 as the conditions of this remaining grant are substantially met.

Note 7: 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 the Organization 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.
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Note 7: INVESTMENTS (Continued)

Valuation

Investments in marketable securities consist of the following:

<i>December 31, 2021</i>	Cost	Market Value
Money market fund and accrued income	\$ 2,050,245	\$ 2,050,245
Common stocks	1,844,059	2,796,629
Gold exchange traded fund	138,623	153,864
Total investments in marketable securities	\$ 4,032,927	\$ 5,000,738

<i>December 31, 2020</i>	Cost	Market Value
Money market fund and accrued income	\$ 990,425	\$ 990,425
Common stocks	1,534,674	2,985,882
Gold exchange traded fund	138,623	160,524
Total investments in marketable securities	\$ 2,663,722	\$ 4,136,831

Note 8: PROPERTY AND EQUIPMENT, NET

The components of property and equipment at December 31, 2021 and 2020, are as follows:

	Estimated Useful Lives (in years)	2021	2020
Office equipment	3-5	\$ 7,675	\$ 3,675
Computer equipment	3-5	36,865	36,865
Website and software	3-5	101,507	101,507
		146,047	142,047
Less accumulated depreciation		(57,144)	(37,893)
Property and equipment, net		\$ 88,903	\$ 104,154

Depreciation expense for the years ended December 31, 2021 and 2020 amounted to \$19,574 and \$15,437, respectively.

Note 9: STUDENT LOANS PAYABLE

During December 2021 and 2020, \$884,480 and \$664,276, respectively of student loans were approved for the fall loan application season. \$487,713 and \$211,224 of these amounts were paid prior to December 31, 2021 and 2020, respectively. The remaining \$ 396,767 and \$453,052 are included in student loans receivable and student loans payable on the statements of financial position as of December 31, 2021 and 2020, respectively. Subsequent to year-end, these loans payable were disbursed in January and February of the subsequent year.

Jewish Educational Loan Fund, Inc.
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Note 10: IMPUTED INTEREST

Student loans administered by the Organization are interest free. Management estimates the interest on these loans that would have been earned had the loans been made at rates commensurate with the federal Direct LUS student aid rates. Rates used to calculate the imputed interest range from 3.76% to 7.0% depending on the year the loans were processed. The combined effective rate was 6.58% and 5.93% for the years ended December 31, 2021 and 2020, respectively. The Organization considers this imputed interest to be a program cost of providing these interest free loans and therefore reflects this non-cash income and offsetting non-cash expense of forgiven interest as part of its financial statements each year. Imputed interest for the years ended December 31, 2021 and 2020 totaled \$515,000 and \$413,000, respectively.

Note 11: NET ASSETS

A summary of net assets without donor restrictions follows:

<i>December 31,</i>	2021	2020
Available for operations	\$ 188,995	\$ 1,036,244
Expended on student loans receivable, net Board designated	8,147,813	7,097,454
Designated for investments	5,000,738	4,136,831
Total net assets without donor restrictions	\$ 13,337,546	\$ 12,270,529

A summary of net assets with donor restrictions follows:

<i>December 31,</i>	2021	2020
Cash restricted for loan funding	\$ 793,328	\$ -
Cash restricted for loan forgiveness	234,632	1,797
Promises to give, net - restricted for time and purpose Perpetual in nature	442,429	344,823
	39,500	39,500
Total net assets released from donor restrictions	\$ 1,509,889	\$ 386,120

A summary of the release of donor restrictions follows:

<i>For the years ended December 31,</i>	2021	2020
Time and purpose restrictions		
Student loan funding with collections on multi-year promises to give	\$ 267,894	\$ 260,248
Student loan funding	-	350,000
Student loan forgiveness	-	28,222
Time	-	1,000
Total net assets with donor restrictions	\$ 267,894	\$ 639,470

Jewish Educational Loan Fund, Inc.
Notes to Financial Statements

Note 11: NET ASSETS (Continued)

During 2021 and 2020, the Organization received contributions totaling \$232,835 and \$30,019, respectively for the purpose of forgiving student loans. Student loans forgiven for the year ended December 31, 2020 totaled \$28,222 and are included in student loan principal write-off in the statement of functional expenses.

Note 12: REVENUE

Disaggregated Revenue

A summary of disaggregated revenue information follows:

<i>For the years ended December 31,</i>	2021	2020
Imputed interest income (non-cash)	\$ 515,000	\$ 413,000
Grants and contributions (non-exchange)	1,793,049	1,418,161
Other revenue (non-exchange)	457,667	438,460
Total revenue	\$ 2,765,716	\$ 2,269,621

The Organization's customers are primarily Jewish college students in undergraduate, graduate, vocational and technical school in the Southeastern region of the United State. Contributions are generally from individual and foundations in the Atlanta Metropolitan area.

Note 13: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- 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; or
 - can be corroborated by observable market data.

If the asset or liability has a specified (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 Loan Fund, Inc.
Notes to Financial Statements

Note 13: FAIR VALUE MEASUREMENTS (Continued)

The asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

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 December 31, 2021 and 2020.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Gold exchange traded fund: Valued at the daily closing price as reported by the fund. This exchange traded fund held by the Organization is an open-end mutual funds that is registered with the SEC. Exchange traded funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Assets and liabilities measured at fair value on a recurring basis, are summarized for the years ended December 31, 2021 and 2020:

<i>December 31, 2021</i>	Level 1	Level 2	Level 3	Total
Money market and accrued income	\$ 2,050,245	\$ -	\$ -	\$ 2,050,245
Common stocks	2,796,629			2,796,629
Gold exchange traded fund	153,864	-	-	153,864
Total investments at fair value	\$ 5,000,738	\$ -	\$ -	\$ 5,000,738
<hr/>				
<i>December 31, 2020</i>	Level 1	Level 2	Level 3	Total
Money market and accrued income	\$ 990,425	\$ -	\$ -	\$ 990,425
Common stocks	2,985,882			2,985,882
Gold exchange traded fund	160,524	-	-	160,524
Total investments at fair value	\$ 4,136,831	\$ -	\$ -	\$ 4,136,831

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the year ended December 31, 2021, there were no significant transfers in or out of Levels 1, 2 or 3.

Jewish Educational Loan Fund, Inc.
Notes to Financial Statements

Note 14: CONCENTRATIONS OF CREDIT RISK AND SUPPORT

The Organization maintains cash deposits with financial institutions at December 31, 2021 and 2020 in excess of federally insured limits of \$1,092,445 and \$748,997, respectively.

For the years ended December 31, 2021 and 2020, a single donor to the Organization accounted for 29% and 35% of total support recognized as revenue, respectively.

Note 15: RETIREMENT EXPENSE

The Organization funds a Simplified Employee Pension Individual Retirement Account for each eligible employee. The Organization contributes up to ten (10%) of each participating employee's annual salary to the employee's plan. Retirement expense for the years ended December 31, 2021 and 2020 totaled \$44,156 and \$53,873, respectively

Note 16: COMMITMENTS

The Organization leases certain office equipment accounted for as operating leases. The leases expire in various years through 2027.

Minimum lease payments under non-cancellable operating leases are as follows:

For the years ending December 31,

2022	\$	40,535
2023		44,360
2024		45,469
2025		46,605
2026		47,770
2027		24,382
Total future minimum lease payments		\$ 249,121

Rent expense for each of the years ended December 31, 2021 and 2020 was \$32,264.

Note 17: PAYCHECK PROTECTION PROGRAM

In April 2020, in response to the global pandemic, the Organization applied for and received a \$126,860 loan through the Paycheck Protection Program under the CARES Act. The Organization applied for and received forgiveness of this loan in 2021 and recorded \$126,800 in loan revenue for the year ended December 31, 2021.

Jewish Educational Loan Fund, Inc. Notes to Financial Statements

Note 18: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. Due to the pandemic and general volatility in the global economy, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organization. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.