Jewish Educational Loan Fund, Inc.

FINANCIAL STATEMENTS

December 31, 2023 and 2022

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REPORT

CRI CARR RIGGS & INGRAM
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INDEPENDENT AUDITOR'S 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 statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years 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, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits 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 Jewish Educational Loan Fund, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

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, 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 audits.

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

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
April 1, 2024

FINANCIAL STATEMENTS

December 31,		**2023**		2022
Assets				
Cash and due from banks	**$**	**735,564**	$	1,357,475
Prepaid expenses		**5,196**		4,121
Multi-year promises to give, net		**570,889**		533,572
Operating lease right-of-use asset, net (see Note 8)		**145,395**		188,603
Student loans receivable, net of $192,000 allowance for credit losses		**10,504,206**		9,392,466
Investments in marketable securities		**4,865,503**		4,364,209
Property and equipment, net		**76,007**		82,726
Total assets	**$**	**16,902,760**	$	15,923,172
Liabilities and Net Assets				
Accounts payable and accrued expenses	**$**	**26,088**	$	63,088
Student loans payable		**437,156**		612,487
Operating lease liability (see Note 8)		**153,285**		196,205
Total liabilities		**616,529**		871,780
Net assets				
Without donor restrictions		**15,564,920**		14,085,677
With donor restrictions		**721,311**		965,715
Total net assets		**16,286,231**		15,051,392
Total liabilities and net assets	**$**	**16,902,760**	$	15,923,172

For the years ended December 31,		**2023**		2022
	Without Donor Restrictions	With Donor Restrictions	Total	Summarized Total
Revenue and Other Support				
Public support				
Contributions	$ 1,268,204	$ 105,089	**$ 1,373,293**	$ 1,257,990
Multi-year contributions	-	385,388	**385,388**	413,000
Contributions restricted for loan funding	-	-	**-**	45,649
Contributions restricted for loan forgiveness	-	-	**-**	77,039
Infrastructure contributions	-	-	**-**	345,505
Net assets released from restrictions				
Release of loan forgiveness restrictions	3,982	(3,982)	**-**	-
Other releases	730,899	(730,899)	**-**	-
Total revenue and other support	2,003,085	(244,404)	**1,758,681**	2,139,183
Expenses				
Program services				
Student loan services	1,446,181	-	**1,446,181**	1,662,795
Supporting services				
General and administrative	123,125	-	**123,125**	97,453
Fundraising	347,095	-	**347,095**	298,314
Total supporting services	470,220	-	**470,220**	395,767
Total expenses	1,916,401	-	**1,916,401**	2,058,562
Change in net assets before imputed interest and investment income (loss), net	86,684	(244,404)	**(157,720)**	80,621
Student loan imputed interest income	730,000	-	**730,000**	610,000
Investment income (loss), net	662,559	-	**662,559**	(486,664)
Change in net assets	1,479,243	(244,404)	**1,234,839**	203,957
Net assets at beginning of year	14,085,677	965,715	**15,051,392**	14,847,435
Net assets at end of year	$ 15,564,920	$ 721,311	**$ 16,286,231**	$15,051,392

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

For the year ended December 31, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Public support			
Contributions	$ 1,257,990	$ -	$ 1,257,990
Contributions restricted for loan funding	-	45,649	45,649
Contributions restricted for loan forgiveness	-	77,039	77,039
Multi-year contributions	-	413,000	413,000
Infrastructure contributions	345,505	-	345,505
Net assets released from restrictions			
Release of loan forgiveness restrictions	305,853	(305,853)	-
Other releases	774,009	(774,009)	-
Total revenue and other support	2,683,357	(544,174)	2,139,183
Expenses			
Program services			
Student loan services	1,662,795	-	1,662,795
Supporting services			
General and administrative	97,453	-	97,453
Fundraising	298,314	-	298,314
Total supporting services	395,767	-	395,767
Total expenses	2,058,562	-	2,058,562
Change in net assets before imputed interest and investment income (loss), net	624,795	(544,174)	80,621
Student loan imputed interest income	610,000	-	610,000
Investment income (loss), net	(486,664)	-	(486,664)
Change in net assets	748,131	(544,174)	203,957
Net assets at beginning of year	13,337,546	1,509,889	14,847,435
Net assets at end of year	$ 14,085,677	$ 965,715	$ 15,051,392

For the year ended December 31, 2023

	Program Services	Supporting Services		
	Student Loan Services	General and Administrative	Fundraising	Total
Salaries and benefits	$ 550,533	$ 53,984	$ 223,821	**$ 828,338**
Professional fees	-	40,328	22,442	**62,770**
Information technology	36,482	4,449	3,559	**44,490**
Advertising and marketing	14,017	-	29,584	**43,601**
Administrative and transaction fees	40,331	-	-	**40,331**
Office rent	30,450	3,713	2,971	**37,134**
Direct mail	-	-	24,716	**24,716**
Depreciation	16,785	2,047	1,638	**20,470**
Other	2,174	265	20,611	**23,050**
Credit card fees	-	7,650	7,650	**15,300**
Staff development	-	8,441	-	**8,441**
Travel	-	-	8,307	**8,307**
Insurance	6,697	817	653	**8,167**
Office supplies	5,686	693	555	**6,934**
Credit loss expense	3,000	-	-	**3,000**
Equipment rental	2,194	268	213	**2,675**
Dues and subscriptions	1,640	200	160	**2,000**
Postage and delivery	1,177	144	114	**1,435**
Telephone	1,033	126	101	**1,260**
Total expenses including special event expenses	712,199	123,125	347,095	**1,182,419**
Student loan interest write off	730,000	-	-	**730,000**
Forgiveness of student loans funded by donor restricted contributions	3,982	-	-	**3,982**
Total expenses	$ 1,446,181	$ 123,125	$ 347,095	**$ 1,916,401**

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

For the year ended December 31, 2022

	Program Services	Supporting Services		
	Student Loan Services	General and Administrative	Fundraising	Total
Salaries and benefits	$ 539,053	$ 51,406	$ 192,862	$ 783,321
Advertising and marketing	43,442	-	21,140	64,582
Information technology	42,852	5,226	4,181	52,259
Office rent	34,017	4,148	3,319	41,484
Direct mail	-	-	34,686	34,686
Professional fees	-	23,580	10,970	34,550
Administrative and transaction fees	28,528	-	-	28,528
Depreciation	16,141	1,968	1,575	19,684
Increase in allowance for credit losses	17,667	-	-	17,667
Other	2,107	257	14,366	16,730
Office supplies	13,227	1,613	1,290	16,130
Credit card fees	-	6,182	6,182	12,364
Travel	-	-	6,776	6,776
Insurance	3,411	416	333	4,160
Equipment rental	2,276	278	222	2,776
Dues and subscriptions	1,828	223	178	2,229
Telephone	1,556	190	152	1,898
Staff development	-	1,864	-	1,864
Postage and delivery	837	102	82	1,021
Total expenses including special event expenses	746,942	97,453	298,314	1,142,709
Student loan interest write off	610,000	-	-	610,000
Forgiveness of student loans funded by donor restricted contributions	305,853	-	-	305,853
Total expenses	$ 1,662,795	$ 97,453	$ 298,314	$ 2,058,562

Jewish Educational Loan Fund, Inc.
Statements of Cash Flows

For the years ended December 31,		**2023**		2022
Operating Activities				
Change in net assets	**$**	**1,234,839**	$	203,957
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities				
Depreciation		**20,470**		19,684
Amortization of operating lease right-of-use asset		**43,208**		33,021
Donated stock		**(14,227)**		(90,524)
Provision for credit losses		**3,000**		17,667
Forgiveness of student loans receivable		**3,982**		305,853
Net realized and unrealized (gains) loss on investments		**(555,216)**		511,061
Multi-year promises to give, net		**(385,388)**		(412,998)
Changes in operating assets and liabilities				
Prepaid expenses		**(1,075)**		5,810
Accounts payable and accrued expenses		**(37,000)**		56,233
Student loans payable		**(175,331)**		223,971
Refundable advances		**-**		(182,505)
Operating lease liability		**(42,920)**		(25,419)
Net cash provided by (used in) operating activities		**94,342**		665,811
Investing Activities				
Student loan disbursements		**(2,005,924)**		(1,908,501)
Repayment of student loans		**887,202**		728,844
Purchases of property and equipment		**(13,751)**		(13,507)
Purchases of investments		**(976,385)**		(1,231,538)
Proceeds from sale of investments		**1,044,534**		1,447,530
Net cash provided by (used in) investing activities		**(1,064,324)**		(977,172)
Financing Activities				
Multi-year promises to give and contributions collected		**348,071**		321,855
Net cash provided by (used in) financing activities		**348,071**		321,855
Net change in cash and cash equivalents		**(621,911)**		10,494
Cash and cash equivalents at beginning of year		**1,357,475**		1,346,981
Cash and cash equivalents at end of year	**$**	**735,564**	$	1,357,475
Schedule of Noncash Transactions				
Lease liability arising from obtaining right-of-use asset from implementation of ASC 842	**$**	**-**	$	221,624

The accompanying notes are an integral part of these 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, valuation of the right of use asset, operating lease liability, imputed interest on student loans, and the allocation of expenses on the statements of functional expenses.

Program Services

The Organization's program services consist of the following:

Student loan services – The Organization provides funding for last dollar secondary educational no interest loans.

Cash and Due from Banks

Cash and due from banks include cash and cash equivalents deposited at banks.

The Organization maintains cash deposits with financial institutions at December 31, 2023 and 2022 in excess of federally insured limits of $406,554 and $1,026,601, respectively.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 Credit Losses

The allowance for credit losses is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. Loans are charged off against the allowance when management believes the uncollectibility of a loan balance is confirmed. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

Management estimated the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss information provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in delinquency level, or term as well as for change in the environmental conditions, such as 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, or national and local economic trends and conditions.

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. The Organization has identified a single pool of interest free student loans and measures the allowance for credit losses using the following method.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Credit Losses (continued)

The Organization utilizes the Expected Loss Estimator (ELE) current expected credit losses (CECL) model developed by the Federal Reserve for estimating the allowance for credit losses. The ELE model applies the Weighted-Average Remaining Maturity (WARM) method to determine an expected lifetime loss rate by loan segment. ELE relies on data and assumptions supplied by the Organization including annualized loss rate and loan terms.

Qualitative adjustments are then made to the expected lifetime loss rate based on the facts and circumstances specific to the Organization and adjustments management determines are reasonable and supportable. The estimated credit losses for all loan segments are adjusted for changes in qualitative factors not inherently considered in the quantitative analyses. Qualitative adjustments shall be considered for those nine factors identified in ASU 2016-13. A scoring methodology is implemented under which each risk level score allows for a range of qualitative adjustments to be assigned for that factor, to in turn provide a total qualitative adjustment across all factors being considered. For macroeconomic conditions forecasting, a reasonable and supportable forecast period of one year is implemented with immediate reversion after this.

Loans that do not share risk characteristics are evaluated on an individual basis. Loans evaluated individually are not also included in the collective evaluation.

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

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 lives of the assets.

Leases

The Organization leases office space. The Organization determines if an arrangement is a lease at inception. The operating lease is included in operating lease right of use (ROU) asset, and operating lease liability in the statements of financial position.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (continued)

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The lease agreement does not contain any material residual value guarantees or material restrictive covenants.

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. Contributions with donor restrictions that are both received and released within the same year are recorded as an increase in net assets with donor restrictions and as a satisfaction of program restrictions.

Revenue Recognition

Revenue from any program fees or exchange transactions and payments under various contracts are recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate. These amounts are included in performance obligation liabilities within the statements of financial position.

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.

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 removed the conditions. 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 and Marketing

The Organization uses advertising and marketing to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the years ended December 2023 and 2022, advertising and marketing costs totaled $43,601 and $64,582, 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 had no unrelated business income for the years ended December 31, 2023 and 2022.

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, 2023 and 2022, the Organization did not have any unrelated business income, and accordingly, there is no unrelated business income tax. As of December 31, 2023 and 2022, the Organization has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 1, 2024, 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

On January 1, 2023, the Organization adopted , Accounting Standards Update (ASU) 2016-13, *Financial Instruments-Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit losses (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized costs.

The Organization adopted ASC 326 using the modified retrospective method for all financial assets measured at amortized cost. Results for reporting periods beginning after January 1, 2023 are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The impact of the adoption was not considered material to the financial statements.

As allowed by ASC 326, the Organization elected to maintain a pool of loans accounted for under ASC 310-30. Student loans receivable include interest free unsecured loans. Therefore, economic conditions could significantly affect the repayment ability of the loans within the portfolio. In accordance with the standard, management did not reassess whether modifications to individual acquired financial assets accounted for in pools were troubled debt restructurings as of the date of adoption.

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective January 1, 2022, and recognized and measured leases existing at, or entered into after, January 1, 2021 (the beginning of the earliest comparative period presented) using a modified retrospective approach, with certain practical expedients available. Lease disclosures for the year ended December 31, 2021, are made under prior lease guidance in FASB ASC 840.

The Organization elected the available practical expedients to account for the existing operating lease as an operating lease under the new guidance, without reassessing (a) whether the contract contains leases under the new standard, (b) whether the classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

The Organization entered into an operating lease in December 2021 with a commencement date of April 2022. On January 1, 2022, the Organization recognized a right of use asset of $221,624, which represents the operating lease liability of $221,624.

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, board designated or donor-imposed restrictions.

December 31,	**2023**	2022
Total assets at year end	**$ 16,902,760**	$ 15,923,172
Less non-financial assets		
Prepaid expenses	**(5,196)**	(4,121)
Operating lease right-of-use asset, net	**(145,395)**	(188,603)
Property and equipment, net	**(76,007)**	(82,726)
Financial assets at year-end	**16,676,162**	15,647,722
Less multi-year promises to give due in more than one year	**(290,607)**	(293,427)
Less estimated student loans due in more than one year	**(9,922,442)**	(8,804,512)
Less those not available for general expenditures within one year, due to donor-imposed, contractual restrictions or board designations		
Cash restricted for loan forgiveness	**-**	(3,982)
Cash restricted for student loan funding	**(110,922)**	(388,661)
Board designated for investments	**(4,865,503)**	(4,364,209)
Financial assets available to meet cash needs for general expenditures within one year	**$ 1,486,688**	$ 1,792,931

The Organization is principally supported by contributions, grants and investment income. Cash restricted for loan funding above represents contributions collected in 2023 and 2022 that will be used over the next year to fund student loans.

Note 4: MULTI-YEAR PROMISES TO GIVE, NET

Multi-year promises to give consist of the following:

December 31,		**2023**		2022
Receivable within one year	**$**	**281,027**	$	240,890
Receivable in two to five years		**290,607**		293,427
Total multi-year promises to give		**571,634**		534,317
Discounted at 2%, which approximates the effective interest method		**(745)**		(745)
Multi-year promises to give, net	**$**	**570,889**	$	533,572

The Organization forgave $4,621 in promises to give in the year ended December 31, 2023. The Organization did not have any forgiveness for promises to give in the year ended December 31, 2022. 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 2,199 and 1,177 loans at December 31, 2023 and 2022, respectively. Loans range in amounts from $18 to $44,944. 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. Occasionally, the Organization modifies loans to borrowers in financial distress by providing reduced payment and term extensions. The Organization closely monitors the performance of loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. Loans that are on a reduced payment schedule total $48,928 and $50,689 at December 31, 2023 and 2022, respectively.

Student loans receivable at December 31 consist of the following:

December 31,		**2023**		2022
Receivable within one year	**$**	**800,000**	$	780,000
Receivable in two to five years		**3,200,000**		3,100,000
Receivable in more that five years		**6,722,442**		5,704,512
Total student loans receivable		**10,722,442**		9,584,512
Less allowance for credit losses		**(192,046)**		(192,046)
Student loans receivable, net	**$**	**10,530,396**	$	9,392,466

Note 5: STUDENT LOANS RECEIVABLE, NET (Continued)

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

For the years ended December 31,		**2023**		2022
Balance of allowance for credit losses at beginning of year	**$**	**192,046**	$	174,574
Loans charged off		**(3,000)**		-
Credit loss expense		**3,000**		17,472
Balance of allowance for credit losses at end of year	**$**	**192,046**	$	192,046

Note 6: 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	65-85%
Fixed Income	5-25%
Liquid alternatives	0-15%
Cash equivalents	2-15%

Note 6: INVESTMENTS (Continued)

Valuation

Investments in marketable securities consist of the following:

December 31, 2023	Cost	Fair Value
Money market fund and accrued income	$ 1,091,031	$ 1,091,031
Common stocks	1,929,896	2,610,213
Corporate and U.S. Treasury bonds	766,696	764,471
Exchange traded funds	328,703	399,788
Total investments in marketable securities	**$ 4,116,326**	**$ 4,865,503**

December 31, 2022	Cost	Fair Value
Money market fund and accrued income	$ 1,446,610	$ 1,446,610
Common stocks	1,804,110	2,113,016
Corporate and U.S. Treasury bonds	547,181	531,687
Exchange traded funds	257,194	272,896
Total investments in marketable securities	$ 4,055,095	$ 4,364,209

Note 7: PROPERTY AND EQUIPMENT, NET

The components of property and equipment consist of the following at December 31, 2023 and 2022:

	Estimated Useful Lives (in years)	**2023**	2022
Website and software	3-7	**$ 105,432**	$ 101,507
Computer equipment	3-5	**39,811**	43,583
Office furniture	7	**10,789**	10,789
Office equipment	3-5	**-**	3,675
Total depreciable property and equipment		**156,032**	159,554
Less accumulated depreciation		**(80,025)**	(76,828)
Total property and equipment, net		**$ 76,007**	$ 82,726

Depreciation expense for the years ended December 31, 2023 and 2022 amounted to $20,470 and $19,684, respectively.

Note 8: LEASES

The Organization has an operating lease for office space. The lease terminates in 2027.

The components of lease expense consist of the following:

For the years ended December 31,	**2023**	2022
Operating lease cost	**$ 37,134**	$ 33,418

Future minimum lease payments under the non-cancellable office lease as of December 31, 2023, are as follows:

For the years ending December 31,	
2024	$ 45,376
2025	46,510
2026	47,673
2027	24,282
Total future minimum lease payments	163,841
Less imputed interest a 1.56%	(10,556)
Present value of lease liability	$ 153,285

Note 9: STUDENT LOANS PAYABLE

During December 2023 and 2022, $1,037,755 and $907,339, respectively of student loans were approved for the fall loan application season. $574,409 and $277,077 of these amounts were paid prior to December 31, 2023 and 2022, respectively. The remaining $463,346 and $612,487 are included in student loans receivable and student loans payable on the statements of financial position as of December 31, 2023 and 2022, respectively. Subsequent to year-end, these loans payable were disbursed in January and February of the subsequent year.

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 PLUS student aid rates. Rates used to calculate the imputed interest range from 4.29% to 7.54% depending on the year the loans were processed. The combined effective rate was 6.80% and 6.58% for the years ended December 31, 2023 and 2022, 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, 2023 and 2022 totaled $730,000 and $610,000, respectively.

Note 11: NET ASSETS

A summary of net assets without donor restrictions consists of the following:

December 31,	**2023**	2022
Available for operations	**$ 632,367**	$ 941,489
Expended on student loans receivable, net	**10,067,050**	8,779,979
Board designated		
Designated for investments	**4,865,503**	4,364,209
Total net assets without donor restrictions	**$ 15,564,920**	$ 14,085,677

A summary of net assets with donor restrictions consists of the following:

December 31,	**2023**	2022
Time and purpose restricted		
Promises to give, net - restricted for time and purpose	**$ 570,889**	$ 533,572
Noah Leopold fund	**105,089**	-
Sophie Einstein fund loan funding	**5,833**	31,333
Undergraduate loan funding from bequest	**-**	357,328
Loan forgiveness	**-**	3,982
Perpetual in nature	**39,500**	39,500
Total net assets with donor restrictions	**$ 721,311**	$ 965,715

A summary of the release of donor restrictions consists of the following:

For the years ended December 31,	**2023**	2022
Time and purpose restrictions		
Student loan funding with collections on multi-year promises to give	**$ 348,071**	$ 329,357
Student loan funding	**382,828**	444,652
Student loan forgiveness	**3,982**	305,853
Total net assets released from donor restrictions	**$ 734,881**	$ 1,079,862

During 2023 and 2022, the Organization received contributions totaling $ -0- and $77,039, respectively, for the purpose of forgiving student loans. Student loans forgiven for the years ended December 31, 2023 and 2022 totaled $3,982 and $305,892, respectively, and are included in student loan forgiveness in the statements of functional expenses.

Note 12: 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.

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, 2023 and 2022.

Money Market funds: a type of open-ended mutual fund that invests in short-term debt securities such as US Treasury bills and commercial paper. Valued at the daily closing price as reported by the fund. These funds are required to publish their daily NAV and to transact at that price. The money market funds held by the Organization are deemed to be actively traded.

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

Corporate and U.S. Treasury bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Exchange traded funds: Valued at the daily closing price as reported by the fund. Exchange traded funds 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.

Note 12: FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities measured at fair value on a recurring basis consist of the following:

December 31, 2023	Level 1	Level 2	Level 3	Total
Money market fund and accrued income	$ 1,091,031	$ -	$ -	**$ 1,091,031**
Common stocks	2,610,213	-	-	**2,610,213**
Corporate and U.S. Treasury bonds	764,471	-	-	**764,471**
Exchange traded funds	399,788	-	-	**399,788**
Total investments at fair value	$ 4,865,503	$ -	$ -	**$ 4,865,503**

December 31, 2022	Level 1	Level 2	Level 3	Total
Money market and accrued income	$ 1,446,610	$ -	$ -	$ 1,446,610
Common stocks	2,113,016	-	-	2,113,016
Corporate and U.S. Treasury bonds	531,687	-	-	531,687
Exchange traded funds	272,896	-	-	272,896
Total investments at fair value	$ 4,364,209	$ -	$ -	$ 4,364,209

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 years ended December 31, 2023 and 2022, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 13: CONCENTRATIONS

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 individuals and foundations in the Atlanta Metropolitan area.

Note 14: DEFINED CONTRIBUTION PLAN

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, 2023 and 2022 totaled $54,045 and $48,101, respectively.