

**SAVANNAH JEWISH COUNCIL, INC.
d/b/a SAVANNAH JEWISH FEDERATION
SAVANNAH, GEORGIA**

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

AUDIT REPORT

August 9, 2022

SAVANNAH JEWISH COUNCIL, INC.
d/b/a SAVANNAH JEWISH FEDERATION
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Independent Auditor's Report

To The Board of Directors

Savannah Jewish Council, Inc.
d/b/a Savannah Jewish Federation

Savannah, Georgia

Opinion

We have audited the accompanying statement of financial position of Savannah Jewish Council, Inc. d/b/a Savannah Jewish Federation (SJF), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the SJF as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

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

Responsibilities of Management for the Financial Statements

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

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

judgement made by a reasonable user based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedure responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SJF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about SJF's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the SJF's September 30, 2020, financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated August 16, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Canady, Ribicault & Associates, LLP

August 9, 2022

SAVANNAH JEWISH COUNCIL, INC.
d/b/a SAVANNAH JEWISH FEDERATION
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2021 WITH COMPARATIVE
TOTALS AS OF SEPTEMBER 30, 2020

	Operating Fund	Individual Fund	Endowment Fund	Total	
				2021	2020
<u>ASSETS</u>					
Current Assets					
Cash and cash equivalents	861,445	50,347	1,216,097	2,127,889	2,214,080
Pledges receivable (less allowance for doubtful pledges of \$32,917)	342,528	-	-	342,528	308,592
Other receivables	574	-	-	574	2,236
Investment income receivable	-	-	824	824	839
Prepaid expenses	1,413	-	-	1,413	6,349
Total current assets	<u>1,205,960</u>	<u>50,347</u>	<u>1,216,921</u>	<u>2,473,228</u>	<u>2,532,096</u>
Noncurrent Assets					
Investments	-	-	9,696,852	9,696,852	7,501,876
Total Assets	<u>1,205,960</u>	<u>50,347</u>	<u>10,913,773</u>	<u>12,170,080</u>	<u>10,033,972</u>
<u>LIABILITIES</u>					
Current Liabilities					
Unpaid allocations to agencies	407,866	-	-	407,866	428,016
Designated pledges payable	104,220	-	-	104,220	82,055
Accounts payable	11,109	-	-	11,109	8,677
Accrued expenses	2,342	-	-	2,342	1,952
Due to (from) JEA	(2,969)	-	(115)	(3,084)	79,570
Interfund (receivables) payables	37,676	(69,928)	32,252	-	-
Funds held in trust for JEA and Shalom School	-	-	1,200,019	1,200,019	1,053,782
PPP Loan Payable	-	-	-	-	13,900
Total current liabilities	<u>560,244</u>	<u>(69,928)</u>	<u>1,232,156</u>	<u>1,722,472</u>	<u>1,667,952</u>
<u>NET ASSETS</u>					
Without donor restrictions					
Undesignated	645,716	2,145	-	647,861	576,272
Board designated	-	-	491,813	491,813	428,745
	<u>645,716</u>	<u>2,145</u>	<u>491,813</u>	<u>1,139,674</u>	<u>1,005,017</u>
With donor restrictions					
Restricted by purpose or time	-	118,130	6,584,437	6,702,567	4,974,845
Restricted in perpetuity	-	-	2,605,367	2,605,367	2,386,158
	<u>-</u>	<u>118,130</u>	<u>9,189,804</u>	<u>9,307,934</u>	<u>7,361,003</u>
Total Net Assets	<u>645,716</u>	<u>120,275</u>	<u>9,681,617</u>	<u>10,447,608</u>	<u>8,366,020</u>
Total Liabilities and Net Assets	<u>1,205,960</u>	<u>50,347</u>	<u>10,913,773</u>	<u>12,170,080</u>	<u>10,033,972</u>

The accompanying notes are an integral part of these financial statements

SAVANNAH JEWISH COUNCIL, INC.
d/b/a SAVANNAH JEWISH FEDERATION
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021 WITH COMPARATIVE
TOTALS AS OF SEPTEMBER 30, 2020

	Without Donor Restrictions					With Donor Restrictions			
	Restricted by Purpose or Time			Restricted in Perpetuity				Total	
	Operating Fund	Individual Fund	Endowment Fund	Individual Fund	Endowment Fund	Endowment Fund	Endowment Fund		
Revenues									
Contributions-annual campaign	818,670	-	-	-	-	-	-	818,670	908,416
Contributions-other	38,320	892	-	-	1,328,721	201,217	1,569,150	1,561,395	
Investment income	50	-	602	7	72,030	189	72,878	69,572	
Net realized and unrealized (loss) gain on investments	86	-	63,166	-	1,164,377	17,803	1,245,432	599,716	
Program revenue	411	-	-	-	-	-	411	13,910	
Savannah Jewish Life revenue	4,125	-	-	-	-	-	4,125	3,252	
Social service revenue	98	-	-	-	-	-	98	4,620	
Payroll Protection Program income	13,900	-	-	-	-	-	13,900	-	
Other income	22,900	-	-	-	12,567	-	35,467	5,999	
Total revenue	898,560	892	63,768	7	2,577,695	219,209	3,760,131	3,166,880	
Assets released from restriction	420,433	283	429,264	(25,660)	(824,320)	-	-	-	-
Expenses									
Program services	954,273	6,000	413,646	-	-	-	1,373,919	1,933,921	
Supporting Services:									
Management and general	235,543	33	16,318	-	-	-	251,894	276,247	
Fundraising	52,730	-	-	-	-	-	52,730	54,168	
Total expenses	1,242,546	6,033	429,964	-	-	-	1,678,543	2,264,336	
Excess revenue over (under) expenses	76,447	(4,858)	63,068	(25,653)	1,753,375	219,209	2,081,588	902,544	
Net assets - beginning	569,269	7,003	428,745	143,783	4,831,062	2,386,158	8,366,020	7,463,476	
Net assets - ending	645,716	2,145	491,813	118,130	6,584,437	2,605,367	10,447,608	8,366,020	

The accompanying notes are an integral part of these financial statements
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SAVANNAH JEWISH COUNCIL
d/b/a SAVANNAH JEWISH FEDERATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2021 WITH COMPARATIVE
TOTALS AS OF SEPTEMBER 30, 2020

	Program Services	Supporting Services			Total	
		Management and General	Fundraising	Supporting Services	2021	2020
Expenses:						
Salaries	151,147	147,461	34,157	181,618	332,765	339,363
Employee benefits	12,731	14,862	2,860	17,722	30,453	27,572
Payroll taxes	10,493	10,237	2,371	12,608	23,101	24,356
Executive discretionary expense	-	1,080	-	1,080	1,080	836
Archives expense	6,000	33	-	33	6,033	7,769
Auditing and accounting	-	13,390	-	13,390	13,390	12,800
Bad debts	-	271	-	271	271	7,047
Bank charges	-	2,113	713	2,826	2,826	1,465
Computer maintenance and repairs	105	2,003	-	2,003	2,108	4,181
Conferences, meetings and conventions	362	-	-	-	362	358
Contracted services	22,353	16,587	3,504	20,091	42,444	18,915
Dues and subscriptions	6,107	344	1,082	1,426	7,533	6,873
Equipment expense	312	4,751	-	4,751	5,063	12,417
Financial assistance	143,250	-	-	-	143,250	151,037
Grants	21,027	-	-	-	21,027	1,600
Insurance	-	2,325	-	2,325	2,325	2,275
Miscellaneous	573	2,027	-	2,027	2,600	3,207
Occupancy	-	9,396	-	9,396	9,396	9,396
Office supplies and expense	-	3,557	-	3,557	3,557	4,893
Payment processing fees	-	138	4,221	4,359	4,359	4,518
Postage	2,780	1,491	590	2,081	4,861	5,078
Printing	11,210	-	1,690	1,690	12,900	9,417
Program speakers and fees	310	-	-	-	310	7,066
Program supplies and travel	25,050	-	1,542	1,542	26,592	36,866
Restricted and endowment fund administration	-	16,318	-	16,318	16,318	16,773
Staff expense	-	1,660	-	1,660	1,660	1,954
Taxes and licenses	2,013	50	-	50	2,063	4,080
Telephone	-	1,800	-	1,800	1,800	1,440
	<u>415,823</u>	<u>251,894</u>	<u>52,730</u>	<u>304,624</u>	<u>720,447</u>	<u>723,552</u>
Allocations:						
Allocations to agencies from operating fund	544,450	-	-	-	544,450	539,450
Allocations to agencies from endowment fund	<u>413,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,646</u>	<u>1,001,334</u>
	<u>958,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>958,096</u>	<u>1,540,784</u>
Total expense	<u><u>1,373,919</u></u>	<u><u>251,894</u></u>	<u><u>52,730</u></u>	<u><u>304,624</u></u>	<u><u>1,678,543</u></u>	<u><u>2,264,336</u></u>

The accompanying notes are an integral part of these financial statements
(5)

SAVANNAH JEWISH COUNCIL, INC.
d/b/a SAVANNAH JEWISH FEDERATION
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2021 WITH COMPARATIVE
TOTALS AS OF SEPTEMBER 30, 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From (For) Operating Activities		
Excess revenue under expense-all funds	2,081,588	902,544
Adjustment to reconcile changes in net assets to net cash provided by operating activities:		
Forgiveness of Payroll Protection Program loan	(13,900)	-
Provision for bad debts	(13,980)	6,736
Realized and unrealized (gain) loss on investments	(1,245,432)	(599,716)
Contributions restricted for permanent endowment	(201,217)	(172,829)
Interest and dividends restricted for permanent endowment	(189)	(101)
Changes in assets and liabilities:		
(Increase) decrease in assets		
Pledges receivable	(19,956)	61,428
Other receivables	1,662	(1,354)
Investment income receivable	15	(839)
Prepaid expenses	4,936	(1,150)
Increase (decrease) in liabilities		
Unpaid allocations	(20,150)	39,878
Designated pledges payable	22,165	42,687
Accounts payable and accrued expenses	2,822	4,480
Deferred revenue	-	(6,911)
Due to JEA	(82,654)	64,044
Funds held in trust for JEA	146,237	81,058
Net Cash Provided By Operating Activities	<u>661,947</u>	<u>419,955</u>
Cash Flows Used For Investing Activities		
Net purchase of investments	<u>(949,544)</u>	<u>(295,704)</u>
Cash Flows Provided By Financing Activities		
Contributions for investment in endowment fund	201,217	172,829
Interest and dividends for investment in endowment fund	189	101
Proceeds received from Payroll Protection Program loan	-	13,900
Net Cash Provided By Financing Activities	<u>201,406</u>	<u>186,830</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(86,191)	311,081
Beginning Cash and Cash Equivalents	<u>2,214,080</u>	<u>1,902,999</u>
Ending Cash and Cash Equivalents	<u>2,127,889</u>	<u>2,214,080</u>
Supplemental Cash Flow Information:		
Interest paid	<u>-</u>	<u>-</u>
Income taxes paid	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

SAVANNAH JEWISH COUNCIL, INC.
d/b/a SAVANNAH JEWISH FEDERATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 1. Nature of Activities

The objects and purposes of the Savannah Jewish Federation are:

- To coordinate, facilitate and make more effective the functioning of all Savannah Jewish Communal life; to encourage and support social, recreational, religious, benevolent, philanthropic, educational and cultural activities among organizations and the individual members thereof; and to be constituted and governed in a manner that will exemplify, foster and preserve the principles of Jewish heritage and American democracy.
- To raise, collect and distribute funds to local, national and overseas causes, for the purpose of advancing the welfare of the total Jewish community, either directly or through presently existing or subsequently established agencies.
- To preserve the civil, political, economic and religious rights of all Jews wherever they may be, whenever and wherever such rights may be in jeopardy, either directly or through presently existing or subsequently established agencies.
- To further the development of an articulate, intelligent and constructive Jewish community.
- To promote mutual understanding with the community at large and, to that end, use means that are democratic and representative of the wishes of the Jewish community.

Note 2. Summary of Significant Accounting Policies

Accounting Method – The SJF uses the accrual method of accounting, recognizing income as earned and expenses as incurred.

Investments – Investments are stated at fair value. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included as a component of unrestricted activity unless the income or loss is restricted by donor or law.

Fair Value Measurements – Fair Value Measurements establish a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below. Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Savannah Jewish Federation has the ability to access. Level 2 inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

SAVANNAH JEWISH COUNCIL, INC.
d/b/a SAVANNAH JEWISH FEDERATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 2. Summary of Significant Accounting Policies (Continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2021:

U.S. Government obligations, mortgage and agency-backed securities and bonds and equity securities – Valued at the closing price reported on the active market on which the individual securities are traded.

State of Israel Bonds – Valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Collateralized Mortgage Loans – Valued based on the outstanding principal balance reported by the loan servicing company, which management has determined approximates market value.

Basis of Presentation – U.S. GAAP requires the SJF to report information regarding its financial position and activities according to the following net assets classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the SJF's management and board of directors.

Net assets with donor restrictions: Net assets are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the SJF or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Fund Accounting – The SJF uses three funds to account for its activities. The Operating Fund accounts for the general, administrative, annual campaign and unrestricted SJF programming revenues and expenses. The Individual Fund accounts for named fund activity restricted by donors or designated for use by the Board of Governors. The Endowment Fund was established by the SJF Board of Governors to accept, invest and administer inter vivos and testamentary gifts to be used for the benevolent purposes of the Federation. The Endowment Fund accepts donor-restricted contributions, otherwise referred to as endowment funds and philanthropic funds, respectively. The income produced by the endowment funds may be spent in accordance with the terms of the gift agreement while the corpus is restricted in perpetuity. Donors of philanthropic funds may recommend charitable uses for both the principal and the income of their funds.

Contributions – Contributions are recorded as revenue when an unconditional promise to give has been made. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restriction, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

SAVANNAH JEWISH COUNCIL, INC.
d/b/a SAVANNAH JEWISH FEDERATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 2. Summary of Significant Accounting Policies (Continued)

Allowance for Uncollectible Pledges - The allowance for uncollectible pledges is computed as a percent of annual campaign pledges receivable as of the end of the year, based on experience in prior years.

Property and Equipment - Property and equipment are capitalized at cost, or if donated, at the approximate fair value at the date of donation. Purchases of property and equipment in excess of \$5,000 are capitalized when they are expected to provide benefit for multiple years. Depreciation is provided on a straight-line method over the estimated useful lives.

Income Tax - The SJF is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and has been determined by the Internal Revenue Service not to be a private foundation under Section 509(a) of the Code. Contributions to the SJF are deductible within the limitations of the Code.

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

Cash and Cash Equivalents - For purpose of the statements of cash flows, the SJF considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Contributed Services - The SJF depends on volunteers donating their time to the accomplishment of SJF's goals. The value of this contributed time is not reflected in these financial statements, since it does not require a specialized skill.

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

Note 3. Liquidity

Financial assets available within one year of the statement of financial position date, without donor or other restrictions limiting their use, comprise the following at September 30, 2021:

Cash and cash equivalents	861,445
Pledges receivable	342,528
Accounts receivable	<u>574</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>1,204,547</u>

Note 4. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SAVANNAH JEWISH COUNCIL, INC.
d/b/a SAVANNAH JEWISH FEDERATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 5. Investments

The following table presents the investments measured at fair value by level, as described in note 2 as of September 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
The Investment Fund for Foundations-				
Multi-Asset Fund	8,285,990	-	-	8,285,990
Equity Securities	199,598	-	-	199,598
Exchange Traded and Closed-End Funds	398,382	-	-	398,382
Fixed Income	460,451	-	-	460,451
Mutual Funds	49,308	-	-	49,308
Unit Investment Trusts	3,312	-	-	3,312
Israeli Bonds	-	250,000	-	250,000
Collateralized Mortgage Loans	-	-	49,811	49,811
	<u>9,397,041</u>	<u>250,000</u>	<u>49,811</u>	<u>9,696,852</u>

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
The Investment Fund for Foundations-				
Multi-Asset Fund	6,152,245	-	-	6,152,245
U.S Securities	232,975	-	-	232,975
Equity Securities	147,683	-	-	147,683
Exchange Traded and Closed-End Funds	333,227	-	-	333,227
Fixed Income	412,866	-	-	412,866
Mutual Funds	47,353	-	-	47,353
Unit Investment Trusts	19,569	-	-	19,569
Israeli Bonds	-	100,000	-	100,000
Collateralized Mortgage Loans	-	-	55,958	55,958
	<u>7,345,918</u>	<u>100,000</u>	<u>55,958</u>	<u>7,501,876</u>

Note 6. Concentration of Credit Risk

The Federation occasionally maintains deposits in excess of federally insured limits. Accounting standards identify these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions. As of September 30, 2021 and 2020, the organization's uninsured cash balances totaled \$883,966 and \$852,064, respectively.

The Federation's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Federation's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements.

SAVANNAH JEWISH COUNCIL, INC.
d/b/a SAVANNAH JEWISH FEDERATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 7. Property and Equipment

Property and equipment consisted of the following as of September 30:

	<u>2021</u>	<u>2020</u>
Furniture and other equipment	11,764	11,764
Less accumulated depreciation	<u>(11,764)</u>	<u>(11,764)</u>
	<u>-</u>	<u>-</u>

Note 8. Agency Transaction

In previous years The Jewish Educational Alliance of Savannah, Georgia, Inc., (JEA) and Shalom School transferred assets into the Savannah Jewish Federation Endowment Fund. These funds are invested and managed by the Federation Endowment Fund, and the income is transferred back to the JEA and Shalom School in compliance with the endowment agreements. These funds are shown as funds held in trust for the JEA and Shalom School. The investment balance at September 30, 2021 and 2020 was \$1,200,019 and \$1,053,782, respectively.

Note 9. Detail of Unpaid Allocations as of September 30:

	<u>2021</u>	<u>2020</u>
JFNA	39,416	(12,584)
Direct Overseas Projects	1,000	3,500
Birthright Israel	6,500	4,500
Jewish Educational Alliance	325,000	386,000
Shalom School	15,000	16,000
Jewish Council for Public Affairs	1,000	1,000
B'nai B'rith Youth Organization	1,500	-
Hillel – Savannah College of Art & Design	1,500	5,000
American Jewish Committee	2,500	-
Anti-Defamation League	2,500	2,500
Teen Jewish Identity Fund	-	15,650
Israel Action Network	450	450
Jewish Educational Loan Fund	2,000	2,000
Breman Museum	8,500	1,000
Jewish War Veterans	500	500
Jewish Telegraphic Agency	500	500
Jewish Theological Seminary – Leadership	-	2,000
Total Unpaid Allocations	<u>407,866</u>	<u>428,016</u>

SAVANNAH JEWISH COUNCIL, INC.
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 10. Detail of Net Asset Balances as of September 30:

	<u>2021</u>	<u>2020</u>
Without donor restrictions		
Operating	645,716	569,269
Individual Fund	2,145	7,003
Board Designated – Endowment Fund	<u>491,813</u>	<u>428,745</u>
	<u>1,139,674</u>	<u>1,005,017</u>
With donor restrictions		
Tzedakah Fund	45,136	70,789
Social Services Fund	43,244	43,244
Holocaust Library	29,750	29,750
Endowment Fund	6,584,437	4,831,062
Endowment Fund – held in perpetuity	<u>2,605,367</u>	<u>2,386,158</u>
	<u>9,307,934</u>	<u>7,361,003</u>
Total Net Assets	<u>10,447,608</u>	<u>8,366,020</u>

Note 11. Payroll Protection Program Loan

On April 27, 2020, the SJF received loan proceeds in the amount of \$13,900 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying organizations for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying organization. The loans and accrued interest are forgivable after twenty four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The application for loan forgiveness was approved and full forgiveness was granted on December 14, 2020.

Note 12. Functional Allocation of Expenses

The cost of providing various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 13. Related Parties

The SJF is located inside the JEA building. Service fees of \$9,396 were paid to the JEA as compensation for space and service for the year ended September 30, 2021 and 2020. The JEA also shares its administrative and clerical employees with the Federation. The salaries and benefits of these employees are allocated to each entity proportionally. Salaries and benefits in the amount of \$313,273 and \$325,485 were paid to the JEA for the years ended September 30, 2021 and 2020, respectively. As of September 30, 2021 and 2020, (\$3,084) and \$79,570 is due (from) to the JEA, respectively

Note 14. Endowment Investments

The SJF’s endowment consists of 126 individual funds established for a variety of purposes. As required by Generally Accepted Accounting Principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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NOTES TO FINANCIAL STATEMENTS
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Note 14. Endowment Investments (Continued)

The Board of Directors of the SJF has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the SJF classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to be permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the SJF in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the SJF considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the SJF, and (7) the SJF's investment policies.

Investment Return Objectives, Risk Parameters and Strategies – The SJF has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and fixed income securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

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

	Without Donor Restrictions	With Donor Restrictions	With Donor Restrictions-Held in Perpetuity	Total
Balance-September 30, 2019	<u>391,939</u>	<u>4,141,378</u>	<u>2,201,150</u>	<u>6,734,467</u>
Contributions	-	<u>1,352,219</u>	<u>172,829</u>	<u>1,525,048</u>
Investment income (net of expenses)	344	69,000	101	69,445
Net appreciation in value	37,023	550,634	12,078	599,735
Net management fee income	-	5,239	-	5,239
Distributions	(561)	(1,287,408)	-	(1,287,969)
Balance-September 30, 2020	<u>428,745</u>	<u>4,831,062</u>	<u>2,386,158</u>	<u>7,645,965</u>
Contributions	-	<u>1,328,721</u>	<u>201,217</u>	<u>1,529,938</u>
Investment income (net of expenses)	602	72,030	189	72,821
Net appreciation in value	63,166	1,164,377	17,803	1,245,346
Net management fee income	-	12,567	-	12,567
Distributions	(700)	(824,320)	-	(825,020)
Balance-September 30, 2021	<u>491,813</u>	<u>6,584,437</u>	<u>2,605,367</u>	<u>9,681,617</u>

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Note 14. Endowment Investments (Continued)

Endowment net asset composition by type of fund as of September 30, 2021, is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>With Donor Restrictions-Held in Perpetuity</u>	<u>Total</u>
Donor-restricted endowment funds	-	6,584,437	2,605,367	9,189,804
Board-designated endowment funds	<u>491,813</u>	<u>-</u>	<u>-</u>	<u>491,813</u>
	<u>491,813</u>	<u>6,584,437</u>	<u>2,605,367</u>	<u>9,681,617</u>

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>With Donor Restrictions-Held in Perpetuity</u>	<u>Total</u>
Donor-restricted endowment funds	-	4,831,062	2,386,158	7,217,220
Board-designated endowment funds	<u>428,745</u>	<u>-</u>	<u>-</u>	<u>428,745</u>
	<u>428,745</u>	<u>4,831,062</u>	<u>2,386,158</u>	<u>7,645,965</u>

Note 15. Annual Campaign Contributions

In conformity with Generally Accepted Accounting Principles, the annual campaign contributions of \$818,670 and \$908,416 for the years ending September 30, 2021 and 2020, respectively, reflected on the Statement of Activities do not include pledges and pledge payments from the Savannah Jewish Federation Endowment Fund and pledges designated by the donor to go to specific agencies. Had those amounts been included, annual campaign contributions attributable to the current year campaign would have been \$1,084,700 and \$1,107,858 for the years ending September 30, 2021 and 2020, respectively.

Note 16. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the SJF's financial statements for the year ended September 30, 2020, from which the summarized information was derived.

SUPPLEMENTARY INFORMATION

SAVANNAH JEWISH COUNCIL, INC.
d/b/a SAVANNAH JEWISH FEDERATION
SCHEDULE OF UNRESTRICTED EXPENSES - BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Unfavorable (Favorable)</u>
Administration			
Revenues	(58,694)	(21,200)	(37,494)
Salaries	226,408	250,828	(24,420)
Payroll taxes	15,041	19,188	(4,147)
Worker's compensation insurance	720	750	(30)
Health and life insurance	30,449	44,232	(13,783)
Unemployment insurance	4	50	(46)
Executive contract benefits	360	360	-
Executive discretionary expense	1,080	1,000	80
Advertising and promotions	-	250	(250)
Auditing and accounting	13,390	12,000	1,390
Bank charges and credit card fees	2,251	100	2,151
Computer maintenance and repairs	2,003	1,500	503
Contracted services	16,588	7,500	9,088
Equipment	2,011	750	1,261
Equipment leases and contracts	2,740	2,700	40
Grants	6,000	-	6,000
Insurance	1,530	1,600	(70)
Meetings	-	-	-
Miscellaneous	27	-	27
Office supplies and expense	3,557	3,500	57
Office rental fee	9,396	9,396	-
Postage	1,491	2,000	(509)
Professional dues and insurance	75	375	(300)
Program supplies	-	-	-
Recruitment and moving	2,000	-	2,000
Staff conferences and training	-	1,000	(1,000)
Staff expense	1,660	500	1,160
Subscriptions	344	375	(31)
Taxes and licenses	50	375	(325)
Telephone	1,440	1,440	-
	<u>281,921</u>	<u>340,569</u>	<u>(58,648)</u>
Campaign and Fundraising			
Revenues	(1,391)	(850)	(541)
Expenses	34,179	33,333	846
	<u>32,788</u>	<u>32,483</u>	<u>305</u>
Total Administration	<u>314,709</u>	<u>373,052</u>	<u>(58,343)</u>
Services			
Savannah Jewish Life			
Revenues	(4,125)	(3,000)	(1,125)
Expenses	20,744	12,860	7,884
	<u>16,619</u>	<u>9,860</u>	<u>6,759</u>
Jewish Family Services			
Revenues	(155,470)	(143,500)	(11,970)
Expenses	185,879	186,692	(813)
	<u>30,409</u>	<u>43,192</u>	<u>(12,783)</u>
Federation Programs			
Revenues	(16,935)	(18,600)	1,665
Expenses	51,730	70,379	(18,649)
	<u>34,795</u>	<u>51,779</u>	<u>(16,984)</u>
Community Relations			
Revenues	(1,940)	(20,000)	18,060
Expenses	21,289	30,660	(9,371)
	<u>19,349</u>	<u>10,660</u>	<u>8,689</u>
Leadership			
Revenues	(11,000)	(13,500)	2,500
Expenses	43,391	41,792	1,599
	<u>32,391</u>	<u>28,292</u>	<u>4,099</u>
Total Services	<u>133,563</u>	<u>143,783</u>	<u>(10,220)</u>
Total Budgeted Items	<u>448,272</u>	<u>516,835</u>	<u>(68,563)</u>