

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

**Financial Statements  
for the Year Ending  
September 30, 2020**

\*

**AUDIT REPORT**

\*

**August 16, 2021**

**SAVANNAH JEWISH COUNCIL, INC.**  
**d/b/a SAVANNAH JEWISH FEDERATION**  
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**SEPTEMBER 30, 2020**

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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

We have audited the accompanying statement of financial position of Savannah Jewish Council, Inc. d/b/a Savannah Jewish Federation (SJF) as of September 30, 2020, and the related statements of activities, functional expense and cash flows for the year then ended, and the related notes to the financial statements.

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

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SJF as of September 30, 2020, 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.

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Unrestricted Expenses – Budget and Actual for the year ended September 30, 2020 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Report on Summarized Comparative Information***

We have previously audited SJF's September 30, 2019 financial statements, and our report dated August 12, 2020 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Canady, Reuberg & Associates, LLP*

August 16, 2021

SAVANNAH JEWISH COUNCIL, INC.  
d/b/a SAVANNAH JEWISH FEDERATION  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2020 WITH COMPARATIVE  
TOTALS AS OF SEPTEMBER 30, 2019

	Operating Fund	Individual Fund	Endowment Fund	Total	
				<u>2020</u>	<u>2019</u>
<b><u>ASSETS</u></b>					
<b>Current Assets</b>					
Cash and cash equivalents	872,440	91,212	1,250,428	2,214,080	1,902,999
Pledges receivable (less allowance for doubtful pledges of \$46,897)	308,592	-	-	308,592	376,756
Other receivables	2,236	-	-	2,236	882
Investment income receivable	-	-	839	839	-
Prepaid expenses	6,349	-	-	6,349	5,199
<b>Total current assets</b>	<u>1,189,617</u>	<u>91,212</u>	<u>1,251,267</u>	<u>2,532,096</u>	<u>2,285,836</u>
<b>Noncurrent Assets</b>					
Investments	-	-	7,501,876	7,501,876	6,606,456
<b>Total Assets</b>	<u>1,189,617</u>	<u>91,212</u>	<u>8,753,143</u>	<u>10,033,972</u>	<u>8,892,292</u>
<b><u>LIABILITIES</u></b>					
<b>Current Liabilities</b>					
Unpaid allocations to agencies	428,016	-	-	428,016	388,138
Designated pledges payable	82,055	-	-	82,055	39,368
Accounts payable	8,677	-	-	8,677	4,552
Accrued expenses	1,952	-	-	1,952	1,597
Deferred revenue	-	-	-	-	6,911
Due to (from) JEA	83,318	-	(3,748)	79,570	15,526
Interfund (receivables) payables	2,430	(59,574)	57,144	-	-
Funds held in trust for JEA and Shalom School	-	-	1,053,782	1,053,782	972,724
PPP Loan Payable	13,900	-	-	13,900	-
<b>Total current liabilities</b>	<u>620,348</u>	<u>(59,574)</u>	<u>1,107,178</u>	<u>1,667,952</u>	<u>1,428,816</u>
<b><u>NET ASSETS</u></b>					
<b>Without donor restrictions</b>					
Undesignated	569,269	7,003	-	576,272	623,113
Board designated	-	-	428,745	428,745	391,939
	<u>569,269</u>	<u>7,003</u>	<u>428,745</u>	<u>1,005,017</u>	<u>1,015,052</u>
<b>With donor restrictions</b>					
Restricted by purpose or time	-	143,783	4,831,062	4,974,845	4,247,274
Restricted in perpetuity	-	-	2,386,158	2,386,158	2,201,150
	<u>-</u>	<u>143,783</u>	<u>7,217,220</u>	<u>7,361,003</u>	<u>6,448,424</u>
<b>Total Net Assets</b>	<u>569,269</u>	<u>150,786</u>	<u>7,645,965</u>	<u>8,366,020</u>	<u>7,463,476</u>
<b>Total Liabilities and Net Assets</b>	<u>1,189,617</u>	<u>91,212</u>	<u>8,753,143</u>	<u>10,033,972</u>	<u>8,892,292</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, 2020 WITH COMPARATIVE  
TOTALS AS OF SEPTEMBER 30, 2019

	With Donor Restrictions					Total	
	Without Donor Restrictions		Restricted by Purpose or Time		Restricted in Perpetuity		
	Operating Fund	Individual Fund	Endowment Fund	Individual Fund	Endowment Fund	2020	2019
<b>Revenues</b>							
Contributions-annual campaign	908,416	-	-	-	-	908,416	923,127
Contributions-other	29,807	6,540	-	-	172,829	1,561,395	3,001,837
Investment income	121	2	344	4	101	69,572	275,633
Net realized and unrealized (loss) gain on investments	(19)	-	37,023	-	12,078	599,716	(209,288)
Program revenue	13,910	-	-	-	-	13,910	11,307
Savannah Jewish News revenue	3,252	-	-	-	-	3,252	2,796
Social service revenue	4,620	-	-	-	-	4,620	8,902
Other income	760	-	-	-	5,239	5,999	11,976
<b>Total revenue</b>	<u>960,867</u>	<u>6,542</u>	<u>37,367</u>	<u>4</u>	<u>185,008</u>	<u>3,166,880</u>	<u>4,026,290</u>
Assets released from restriction	231,954	25	1,017,546	37,883	(1,287,408)	-	-
<b>Expenses</b>							
Program services	925,087	7,500	1,001,334	-	-	1,933,921	1,619,485
Supporting Services:							
Management and general	259,205	269	16,773	-	-	276,247	256,575
Fundraising	54,168	-	-	-	-	54,168	50,535
<b>Total expenses</b>	<u>1,238,460</u>	<u>7,769</u>	<u>1,018,107</u>	<u>-</u>	<u>-</u>	<u>2,264,336</u>	<u>1,926,595</u>
<b>Excess revenue over (under) expenses</b>	<u>(45,639)</u>	<u>(1,202)</u>	<u>36,806</u>	<u>37,887</u>	<u>185,008</u>	<u>902,544</u>	<u>2,099,695</u>
<b>Net assets - beginning</b>	<u>614,908</u>	<u>8,205</u>	<u>391,939</u>	<u>105,896</u>	<u>2,201,150</u>	<u>7,463,476</u>	<u>5,363,781</u>
<b>Net assets - ending</b>	<u>569,269</u>	<u>7,003</u>	<u>428,745</u>	<u>143,783</u>	<u>2,386,158</u>	<u>8,366,020</u>	<u>7,463,476</u>

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, 2020 WITH COMPARATIVE  
TOTALS AS OF SEPTEMBER 30, 2019

	Supporting Services			Total Supporting Services	Total	
	Program Services	Management and General	Fundraising		2020	2019
<b>Expenses:</b>						
Salaries	136,132	171,109	32,122	203,231	339,363	309,680
Employee benefits	11,303	13,788	2,481	16,269	27,572	31,353
Payroll taxes	9,986	12,178	2,192	14,370	24,356	22,091
Executive discretionary expense	-	836	-	836	836	1,226
Archives expense	7,500	269	-	269	7,769	8,164
Association fees	-	-	-	-	-	2,400
Auditing and accounting	-	12,800	-	12,800	12,800	11,800
Bad debts	-	7,047	-	7,047	7,047	13,347
Bank and credit card fees	-	415	5,568	5,983	5,983	3,915
Computer maintenance and repairs	-	2,608	1,573	4,181	4,181	6,863
Conferences, meetings and conventions	155	32	171	203	358	1,282
Contracted services	8,553	6,770	3,592	10,362	18,915	20,917
Dues and subscriptions	5,901	972	-	972	6,873	6,235
Equipment expense	4,977	7,440	-	7,440	12,417	6,687
Financial assistance	151,037	-	-	-	151,037	118,115
Grants	1,600	-	-	-	1,600	21,308
Insurance	-	2,275	-	2,275	2,275	2,250
Miscellaneous	1,332	1,875	-	1,875	3,207	3,764
Occupancy	-	9,396	-	9,396	9,396	9,396
Office supplies and expense	349	4,144	400	4,544	4,893	4,052
Postage	2,892	1,348	838	2,186	5,078	6,739
Printing	8,412	-	1,005	1,005	9,417	11,874
Program speakers and fees	6,938	-	128	128	7,066	35,143
Program supplies and travel	32,327	441	4,098	4,539	36,866	39,791
Restricted and endowment fund administration	-	16,773	-	16,773	16,773	4,809
Staff expense	-	1,954	-	1,954	1,954	1,460
Taxes and licenses	3,743	337	-	337	4,080	3,758
Telephone	-	1,440	-	1,440	1,440	1,440
	<u>393,137</u>	<u>276,247</u>	<u>54,168</u>	<u>330,415</u>	<u>723,552</u>	<u>709,859</u>
<b>Allocations:</b>						
Allocations to agencies from operating fund	539,450	-	-	-	539,450	505,071
Allocations to agencies from endowment fund	1,001,334	-	-	-	1,001,334	711,665
	<u>1,540,784</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,540,784</u>	<u>1,216,736</u>
<b>Total expense</b>	<u><u>1,933,921</u></u>	<u><u>276,247</u></u>	<u><u>54,168</u></u>	<u><u>330,415</u></u>	<u><u>2,264,336</u></u>	<u><u>1,926,595</u></u>

The accompanying notes are an integral part of these financial statements

SAVANNAH JEWISH COUNCIL, INC.  
d/b/a SAVANNAH JEWISH FEDERATION  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2020 WITH COMPARATIVE  
TOTALS AS OF SEPTEMBER 30, 2019

	<u>2020</u>	<u>2019</u>
<b>Cash Flows From (For) Operating Activities</b>		
Excess revenue under expense-all funds	902,544	2,099,695
Adjustment to reconcile changes in net assets to net cash provided by operating activities:		
Provision for bad debts	6,736	13,347
Realized and unrealized (gain) loss on investments	(599,716)	209,288
Contributions restricted for permanent endowment	(172,829)	(172,463)
Interest and dividends restricted for permanent endowment	(101)	(3,499)
Changes in assets and liabilities:		
(Increase) decrease in assets		
Pledges receivable	61,428	(77,960)
Other receivables	(1,354)	21,550
Investment income receivable	(839)	-
Prepaid expenses	(1,150)	1,259
Increase (decrease) in liabilities		
Unpaid allocations	39,878	4,207
Designated pledges payable	42,687	39,368
Accounts payable and accrued expenses	4,480	(601)
Deferred revenue	(6,911)	6,911
Due to JEA	64,044	13,445
Funds held in trust for JEA	81,058	(56,169)
<b>Net Cash Provided By Operating Activities</b>	<u>419,955</u>	<u>2,098,378</u>
<b>Cash Flows Used For Investing Activities</b>		
Net purchase of investments	<u>(295,704)</u>	<u>(2,100,972)</u>
<b>Cash Flows Provided By Financing Activities</b>		
Contributions for investment in endowment fund	172,829	172,463
Interest and dividends for investment in endowment fund	101	3,499
Proceeds received from Payroll Protection Program loan	13,900	-
<b>Net Cash Provided By Financing Activities</b>	<u>186,830</u>	<u>175,962</u>
<b>Net Increase in Cash and Cash Equivalents</b>	311,081	173,368
<b>Beginning Cash and Cash Equivalents</b>	<u>1,902,999</u>	<u>1,729,631</u>
<b>Ending Cash and Cash Equivalents</b>	<u>2,214,080</u>	<u>1,902,999</u>
<b>Supplemental Cash Flow Information:</b>		
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, 2020**

**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.

Recent Accounting Pronouncements - In August 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-For-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The SJF has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly.

In June 2018, the FASB issued ASU 2018-08 “Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made” (Topic 958). The ASU amends the current reporting model for nonprofit organization and enhances their required disclosures. The update assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, “Not-for-Profit Entities”, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.” The SJF has implemented this ASU.

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.

**SAVANNAH JEWISH COUNCIL, INC.**  
**d/b/a SAVANNAH JEWISH FEDERATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**Note 2. Summary of Significant Accounting Policies (Continued)**

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.

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, 2020:

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.

**SAVANNAH JEWISH COUNCIL, INC.**  
**d/b/a SAVANNAH JEWISH FEDERATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**Note 2. Summary of Significant Accounting Policies (Continued)**

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.

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, 2020, the tax years that remain subject to examination by taxing authorities begin with the year ended September 30, 2017.

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.

**SAVANNAH JEWISH COUNCIL, INC.**  
**d/b/a SAVANNAH JEWISH FEDERATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**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, 2020:

Cash and cash equivalents	879,443
Pledges receivable	308,592
Accounts receivable	<u>2,236</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>1,190,271</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.

**Note 5. Investments**

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>

The following table presents the investments measured at fair value by level, as described in note 2 as of September 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
The Investment Fund for Foundations-				
Multi-Asset Fund	5,386,237	-	-	5,386,237
Equity Securities	138,287	-	-	138,287
Exchange Traded and Closed-End Funds	387,633	-	-	387,633
Fixed Income	449,177	-	-	449,177
Mutual Funds	48,107	-	-	48,107
Unit Investment Trusts	27,638	-	-	27,638
Israeli Bonds	-	100,000	-	100,000
Collateralized Mortgage Loans	-	-	69,377	69,377
	<u>6,437,079</u>	<u>100,000</u>	<u>69,377</u>	<u>6,606,456</u>

**SAVANNAH JEWISH COUNCIL, INC.**  
**d/b/a SAVANNAH JEWISH FEDERATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

**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, 2020 and 2019, the organization's uninsured cash balances totaled \$852,064 and \$788,752, 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.

**Note 7. Property and Equipment**

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

	<u>2020</u>	<u>2019</u>
Furniture and other equipment	11,764	11,764
Less accumulated depreciation	(11,764)	(11,764)
	<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, 2020 and 2019 was \$1,053,782 and \$972,724, respectively.

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

	<u>2020</u>	<u>2019</u>
JFNA	(12,584)	34,988
Direct Overseas Projects	3,500	9,500
Birthright Israel	4,500	9,000
Jewish Educational Alliance	386,000	275,000
Shalom School	16,000	20,000
Jewish Council for Public Affairs	1,000	1,000
B'nai B'rith Youth Organization	-	1,500
Hillel – Savannah College of Art & Design	5,000	5,500
Anti-Defamation League	2,500	2,500
Teen Jewish Identity Fund	15,650	15,650
Israel Action Network	450	1,000
Jewish Educational Loan Fund	2,000	2,000
Breman Museum	1,000	7,500
Jewish War Veterans	500	500
Jewish Telegraphic Agency	500	500
Jewish Theological Seminary – Leadership	<u>2,000</u>	<u>2,000</u>
Total Unpaid Allocations	<u>428,016</u>	<u>388,138</u>

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

	<u>2020</u>	<u>2019</u>
Without donor restrictions		
Operating	569,269	614,908
Individual Fund	7,003	8,205
Board Designated – Endowment Fund	<u>428,745</u>	<u>391,939</u>
	<u>1,005,017</u>	<u>1,015,052</u>
With donor restrictions		
Tzedakah Fund	70,789	32,902
Social Services Fund	43,244	43,244
Holocaust Library	29,750	29,750
Endowment Fund	4,831,062	4,141,378
Endowment Fund – held in perpetuity	<u>2,386,158</u>	<u>2,201,150</u>
	<u>7,361,003</u>	<u>6,448,424</u>
 Total Net Assets	 <u>8,366,020</u>	 <u>7,463,476</u>

**Note 11. Payroll Protection Program Loan**

On April 27, 2020, the JEA 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. Subsequent to September 30, 2020, the SJF applied for loan forgiveness. The forgiveness application was approved and full forgiveness was granted on December 14, 2020.

**Note 12. 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, 2020 and 2019. 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 \$325,485 and \$279,474 were paid to the JEA for the years ended September 30, 2020 and 2019, respectively. As of September 30, 2020 and 2019, \$79,570 and \$15,526 is due to the Jewish Educational Alliance.

**Note 13. Endowment Investments**

The SJF’s endowment consists of 119 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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**Note 13. 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, 2020 and 2019 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>With Donor Restrictions-Held in Perpetuity</u>	<u>Total</u>
Balance-September 30, 2018	<u>392,525</u>	<u>2,187,740</u>	<u>2,004,622</u>	<u>4,584,887</u>
Contributions	-	2,793,737	172,463	2,966,200
Investment income (net of expenses)	16,305	254,869	3,499	274,673
Net depreciation in value	(16,891)	(188,080)	(4,434)	(209,405)
Net management fee income	-	6,178	-	6,178
Transfer	-	(25,000)	25,000	-
Distributions	-	(888,066)	-	(888,066)
Balance-September 30, 2019	<u>391,939</u>	<u>4,141,378</u>	<u>2,201,150</u>	<u>6,734,467</u>
Contributions	-	1,352,219	172,829	1,525,048
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>

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**Note 13. Endowment Investments (Continued)**

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>

Endowment net asset composition by type of fund as of September 30, 2019, 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	-	4,141,378	2,201,150	6,342,528
Board-designated endowment funds	<u>391,939</u>	<u>-</u>	<u>-</u>	<u>391,939</u>
	<u>391,939</u>	<u>4,141,378</u>	<u>2,201,150</u>	<u>6,734,467</u>

**Note 14. Annual Campaign Contributions**

In conformity with Generally Accepted Accounting Principles, the annual campaign contributions of \$908,416 and \$923,127 for the years ending September 30, 2020 and 2019, 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 \$1,115,459 and \$1,107,858 for the years ending September 30, 2020 and 2019, respectively.

**Note 15. 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, 2019, from which the summarized information was derived.

**Note 16. Subsequent Events**

COVID-19 Outbreak

Management has evaluated subsequent events through August 16, 2021, the date the financial statements were available to be issued. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings. The related financial impact and duration cannot be reasonably estimated at this time.



**SUPPLEMENTARY INFORMATION**

SAVANNAH JEWISH COUNCIL, INC.  
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SCHEDULE OF UNRESTRICTED EXPENSES - BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2020

	Actual	Budget	Unfavorable (Favorable)
<b>Administration</b>			
Revenues	(12,683)	(22,250)	9,567
Salaries	245,899	246,442	(543)
Payroll taxes	17,317	18,852	(1,535)
Worker's compensation insurance	720	792	(72)
Health and life insurance	27,568	58,613	(31,045)
Unemployment insurance	4	185	(181)
Executive contract benefits	375	360	15
Executive discretionary expense	836	1,000	(164)
Advertising and promotions	249	-	249
Auditing and accounting	12,800	12,000	800
Bad debt	36	-	36
Bank charges	415	250	165
Computer maintenance and repairs	2,608	2,600	8
Contracted services	5,919	7,090	(1,171)
Employee theft loss	800	-	800
Equipment	3,904	400	3,504
Equipment leases and contracts	3,536	2,700	836
Insurance	1,555	1,600	(45)
Legal fees	751	-	751
Meetings	33	200	(167)
Office supplies and expense	4,144	4,200	(56)
Office rental fee	9,396	9,396	-
Postage	1,348	2,500	(1,152)
Professional dues and insurance	500	520	(20)
Program supplies	441	-	441
Recruitment and moving	450	-	450
Staff conferences and training	650	3,000	(2,350)
Staff expense	1,304	500	804
Subscriptions	472	314	158
Taxes and licenses	337	375	(38)
Telephone	1,440	1,440	-
	<u>333,124</u>	<u>353,079</u>	<u>(19,955)</u>
<b>Campaign and Fundraising</b>			
Revenues	(2,599)	(3,600)	1,001
Expenses	36,958	35,800	1,158
	<u>34,359</u>	<u>32,200</u>	<u>2,159</u>
<b>Total Administration</b>	<u>367,483</u>	<u>385,279</u>	<u>(17,796)</u>
<b>Services</b>			
<b>Savannah Jewish News</b>			
Revenues	(3,252)	(5,500)	2,248
Expenses	16,119	25,980	(9,861)
	<u>12,867</u>	<u>20,480</u>	<u>(7,613)</u>
<b>Jewish Family Services</b>			
Revenues	(118,848)	(115,000)	(3,848)
Expenses	193,616	180,333	13,283
	<u>74,768</u>	<u>65,333</u>	<u>9,435</u>
<b>Federation Programs</b>			
Revenues	(18,421)	(26,450)	8,029
Expenses	52,040	75,865	(23,825)
	<u>33,619</u>	<u>49,415</u>	<u>(15,796)</u>
<b>Community Relations</b>			
Revenues	(13,370)	(28,160)	14,790
Expenses	21,979	45,552	(23,573)
	<u>8,609</u>	<u>17,392</u>	<u>(8,783)</u>
<b>Leadership</b>			
Revenues	(2,800)	(12,800)	10,000
Expenses	25,480	46,739	(21,259)
	<u>22,680</u>	<u>33,939</u>	<u>(11,259)</u>
<b>Total Services</b>	<u>152,543</u>	<u>186,559</u>	<u>(34,016)</u>
<b>Total Budgeted Items</b>	<u>520,026</u>	<u>571,838</u>	<u>(51,812)</u>