

# **Jewish Federation of St. Louis**

Independent Auditor's Report and Consolidated Financial Statements

December 31, 2017 and 2016

**Jewish Federation**  
**December 31, 2017 and 2016**

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## Independent Auditor's Report

Board of Directors  
Jewish Federation of St. Louis  
St. Louis, Missouri

We have audited the accompanying consolidated financial statements of Jewish Federation of St. Louis and subsidiaries (the "Federation"), which comprise the consolidated statement of financial position as of December 31, 2017, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Federation's preparation and fair presentation of the consolidated 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 Federation'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jewish Federation of St. Louis and subsidiaries as of December 31, 2017, 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.

***Prior Year Audited by Other Auditors***

The 2016 financial statements were audited by other auditors, and their report thereon, dated June 5, 2017, expressed an unmodified opinion.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The appropriations to beneficiary and other agencies, schedules of functional expenses, consolidating schedule of financial position and consolidating schedule of activities listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

***BKD, LLP***

St. Louis, Missouri  
July 2, 2018

**Jewish Federation of St. Louis**  
**Consolidated Statements of Financial Position**  
**December 31, 2017 and 2016**

|  | <u>2017</u>           | <u>2016</u>           |
|--|-----------------------|-----------------------|
| <b>Assets</b>  |                       |                       |
| Cash and cash equivalents  | \$ 2,867,484          | \$ 1,065,052          |
| Receivables  |                       |                       |
| Campaign pledges, net of allowance                               | 1,744,519             | 1,238,943             |
| Accrued interest   | 742                   | 17,462                |
| Other  | 284,228               | 406,883               |
| Prepaid expenses   | 69,753                | 170,114               |
| Allocations paid in advance                                      | -                     | 1,500,000             |
| Building and equipment, net                                      | 4,198,619             | 3,123,231             |
| Notes receivable   | 3,865,992             | 8,673,437             |
| Contributions receivable, net                                    | 11,401,685            | 7,351,341             |
| Long-term investments  | <u>143,169,197</u>    | <u>138,265,763</u>    |
| Total assets   | <u>\$ 167,602,219</u> | <u>\$ 161,812,226</u> |
| <br><b>Liabilities</b>   |                       |                       |
| Account payable  |                       |                       |
| Beneficiary agencies   | \$ 2,096,204          | \$ 2,083,296          |
| The Jewish Federation of North America                           | 101,695               | 51,986                |
| Other  | 710,148               | 193,541               |
| Grants payable   | 7,252,151             | 4,417,468             |
| Accrued expenses   | 426,635               | 595,522               |
| Accrued pension obligation                                       | 2,983,584             | 2,810,500             |
| Obligations to beneficiaries under split-<br>interest agreements | 1,766,248             | 1,764,803             |
| Line of credit   | 2,196,945             | 617,871               |
| Note payable   | -                     | 7,613,437             |
| Funds held in custody for others                                 |                       |                       |
| Pooled investments   | 19,176,667            | 16,731,005            |
| Split-interest agreements  | 405,452               | 354,808               |
| Passport to Israel   | 642,525               | 647,177               |
| Other  | <u>1,061,564</u>      | <u>956,867</u>        |
| Total liabilities  | <u>\$ 38,819,818</u>  | <u>\$ 38,838,281</u>  |

**(Continued)**

**Jewish Federation of St. Louis**  
**Consolidated Statements of Financial Position (Continued)**  
**December 31, 2017 and 2016**

|  | <b>2017</b>    | <b>2016</b>    |
|--|----------------|----------------|
| <b>Net Assets</b>                        |                |                |
| Unrestricted                             |                |                |
| Undesignated                             |                |                |
| Net investment in building and equipment | \$ 4,198,619   | \$ 3,123,231   |
| Undesignated                             | (7,232,631)    | (7,134,241)    |
| Board-controlled endowments and other    |                |                |
| Philanthropic funds                      | 9,985,513      | 8,409,490      |
| Board designated as endowment            | 9,009,952      | 8,463,287      |
| Board designated as future use           | 29,759,368     | 27,905,907     |
| Other                                    | 22,834,122     | 34,579,249     |
| Total unrestricted                       | 68,554,943     | 75,346,923     |
| Restricted                               |                |                |
| Temporarily                              | 29,546,036     | 21,083,535     |
| Permanently                              | 30,681,422     | 26,543,487     |
| Total net assets                         | 128,782,401    | 122,973,945    |
| Total liabilities and net assets         | \$ 167,602,219 | \$ 161,812,226 |

**Jewish Federation of St. Louis**  
**Consolidated Statements of Activities**  
**Year Ended December 31, 2017**

|  | Unrestricted     |   |              | Restricted  |             |              |
|--|------------------|---|--------------|-------------|-------------|--------------|
|  | Board-Controlled |   |              | Temporarily | Permanently | Total        |
|  | Unrestricted     | Board-Controlled<br>Endowments<br>and Other | Total        |             |             |              |
| <b>Revenues, Gains and Other Support</b>                     |                  |   |              |             |             |              |
| Pledges  |                  |   |              |             |             |              |
| Pledges received in the current year                         | \$ 9,630,551     | \$ -  | \$ 9,630,551 | \$ -        | \$ -        | \$ 9,630,551 |
| Prior year pledges received and released<br>from restriction | 574,717          | -   | 574,717      | (574,717)   | -           | -            |
| Pledges restricted for subsequent year                       | -                | -   | -            | 721,818     | -           | 721,818      |
| Total regular campaign                                       | 10,205,268       | -   | 10,205,268   | 147,101     | -           | 10,352,369   |
| Annual campaign: Designated                                  | 5,000            | -   | 5,000        | 55,803      | -           | 60,803       |
| Total annual campaign  | 10,210,268       | -   | 10,210,268   | 202,904     | -           | 10,413,172   |
| Friends of the Holocaust Campaign                            | 237,604          | -   | 237,604      | -           | -           | 237,604      |
| Building renovation  | -                | -   | -            | 5,100,000   | -           | 5,100,000    |
| Less: Amounts derived from board-controlled funds            | (504,699)        | (2,142,738)                                 | (2,647,437)  | -           | -           | (2,647,437)  |
| Net campaigns  | 9,943,173        | (2,142,738)                                 | 7,800,435    | 5,302,904   | -           | 13,103,339   |
| Contributions, bequests and gifts                            | 76,343           | 2,298,753                                   | 2,375,096    | 1,217,336   | 4,137,935   | 7,730,367    |
| Government grants  | 46,730           | -   | 46,730       | -           | -           | 46,730       |
| United Way of Greater St. Louis                              | 162,878          | -   | 162,878      | -           | -           | 162,878      |
| Other grants   | 251,458          | -   | 251,458      | 134,478     | -           | 385,936      |
| Services to beneficiary agencies                             | 57,930           | -   | 57,930       | -           | -           | 57,930       |
| Other income   | 173,768          | -   | 173,768      | -           | -           | 173,768      |
| Investment income  | (281,721)        | 1,916,108                                   | 1,634,387    | 327,136     | -           | 1,961,523    |
| Net gain on investments                                      | (1,962)          | 7,961,811                                   | 7,959,849    | 5,010,108   | -           | 12,969,957   |
| Change in value of split interest agreements                 | -                | -   | -            | 112,643     | -           | 112,643      |
| Net assets released from restriction                         |                  |   |              |             |             |              |
| Program  | 2,118,499        | (437,030)                                   | 1,681,469    | (1,681,469) | -           | -            |
| Building renovations   | 1,044,907        | -   | 1,044,907    | (1,044,907) | -           | -            |
| Other  | 892,220          | -   | 892,220      | (892,220)   | -           | -            |
| Reclassification of Board-controlled endowments, net         | 2,459,341        | (2,459,341)                                 | -            | -           | -           | -            |
| Total revenues, gains and other support                      | 16,943,564       | 7,137,563                                   | 24,081,127   | 8,486,009   | 4,137,935   | 36,705,071   |

**(Continued)**

**Jewish Federation of St. Louis**  
**Consolidated Statement of Activities (Continued)**  
**Year Ended December 31, 2017**

|   | Unrestricted          |                      |                      | Restricted           |                      |                       |
|---|-----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
|   | Board-Controlled      |                      |                      | Temporarily          | Permanently          | Total                 |
|   | Unrestricted          | and Other            | Total                |                      |                      |                       |
| <b>Appropriations and Program Expenses</b>                    |                       |                      |                      |                      |                      |                       |
| Appropriations  |                       |                      |                      |                      |                      |                       |
| Unrestricted  |                       |                      |                      |                      |                      |                       |
| Local agencies  | \$ 2,491,614          | \$ -                 | \$ 2,491,614         | \$ -                 | \$ -                 | \$ 2,491,614          |
| Israel and overseas   | 1,324,177             | -                    | 1,324,177            | -                    | -                    | 1,324,177             |
| National agencies   | 474,986               | -                    | 474,986              | -                    | -                    | 474,986               |
| Strategic program grants                                      |                       |                      |                      |                      |                      |                       |
| Ensuring the Jewish Future                                    | 277,980               | -                    | 277,980              | -                    | -                    | 277,980               |
| Caring for Jews in Need - Domestic                            | 737,783               | -                    | 737,783              | -                    | -                    | 737,783               |
| Caring for Jews in Need - Overseas                            | 698,671               | -                    | 698,671              | -                    | -                    | 698,671               |
| Community Engagement  | 432,484               | -                    | 432,484              | -                    | -                    | 432,484               |
| Endowment and Foundation distributions                        |                       |                      |                      |                      |                      |                       |
| Beneficiary and other local agencies                          | 211,114               | 3,763,066            | 3,974,180            | -                    | -                    | 3,974,180             |
| National agencies   | 83,581                | 7,101,671            | 7,185,252            | -                    | -                    | 7,185,252             |
| Distribution to charitable organizations                      | 461,672               | 3,887,763            | 4,349,435            | -                    | -                    | 4,349,435             |
| Other program expenses  |                       |                      |                      |                      |                      |                       |
| Planning and appropriations                                   | 1,160,857             | -                    | 1,160,857            | -                    | -                    | 1,160,857             |
| Community development   | 3,466,322             | -                    | 3,466,322            | -                    | -                    | 3,466,322             |
| Holocaust Museum and Community Libraries                      | 640,424               | -                    | 640,424              | -                    | -                    | 640,424               |
| Total appropriations and program expenses                     | <u>12,461,665</u>     | <u>14,752,500</u>    | <u>27,214,165</u>    | <u>-</u>             | <u>-</u>             | <u>27,214,165</u>     |
| <b>Operating Expenses</b>                                     |                       |                      |                      |                      |                      |                       |
| Philanthropy  | 2,258,104             | -                    | 2,258,104            | -                    | -                    | 2,258,104             |
| Management and general  | 1,090,445             | 154,041              | 1,244,486            | 23,508               | -                    | 1,267,994             |
| Total operating expenses                                      | <u>3,348,549</u>      | <u>154,041</u>       | <u>3,502,590</u>     | <u>23,508</u>        | <u>-</u>             | <u>3,526,098</u>      |
| Total appropriations and expenses                             | <u>15,810,214</u>     | <u>14,906,541</u>    | <u>30,716,755</u>    | <u>23,508</u>        | <u>-</u>             | <u>30,740,263</u>     |
| <b>Change in Net Assets Before Pension Changes</b>            | 1,133,350             | (7,768,978)          | (6,635,628)          | 8,462,501            | 4,137,935            | 5,964,808             |
| Pension related change other than net periodic cost, net loss | (156,352)             | -                    | (156,352)            | -                    | -                    | (156,352)             |
| <b>Change in Net Assets</b>                                   | <u>976,998</u>        | <u>(7,768,978)</u>   | <u>(6,791,980)</u>   | <u>8,462,501</u>     | <u>4,137,935</u>     | <u>5,808,456</u>      |
| <b>Net Assets Beginning of Year</b>                           | <u>(4,011,010)</u>    | <u>79,357,933</u>    | <u>75,346,923</u>    | <u>21,083,535</u>    | <u>26,543,487</u>    | <u>122,973,945</u>    |
| <b>Net Assets, End of Year</b>                                | <u>\$ (3,034,012)</u> | <u>\$ 71,588,955</u> | <u>\$ 68,554,943</u> | <u>\$ 29,546,036</u> | <u>\$ 30,681,422</u> | <u>\$ 128,782,401</u> |



**Jewish Federation of St. Louis**  
**Consolidated Statement of Activities**  
**Year Ended December 31, 2016**

|   | Unrestricted<br>Board-Controlled<br>Endowments<br>and Other |             |              | Restricted  |             |              |
|---|---|-------------|--------------|-------------|-------------|--------------|
|   | Unrestricted  | and Other   | Total        | Temporarily | Permanently | Total        |
| <b>Revenues, Gains and Other Support</b>                  |   |             |              |             |             |              |
| Pledges   |   |             |              |             |             |              |
| Pledges received in the current year                      | \$ 9,160,032  | \$ -        | \$ 9,160,032 | \$ 2,502    | \$ -        | \$ 9,162,534 |
| Prior year pledges received and released from restriction | 416,254   | -           | 416,254      | (416,254)   | -           | -            |
| Pledges restricted for subsequent year                    | -   | -           | -            | 572,717     | -           | 572,717      |
| Total regular campaign                                    | 9,576,286   | -           | 9,576,286    | 158,965     | -           | 9,735,251    |
| Annual campaign: Designated                               | 5,000   | -           | 5,000        | 4,500       | -           | 9,500        |
| Total annual campaign                                     | 9,581,286   | -           | 9,581,286    | 163,465     | -           | 9,744,751    |
| Other campaigns   | 68,015  | -           | 68,015       | -           | -           | 68,015       |
| Friends of the Holocaust Campaign                         | 210,701   | -           | 210,701      | -           | -           | 210,701      |
| Friends of the Saul Brodsky Library Campaign              | 12,655  | -           | 12,655       | -           | -           | 12,655       |
| Less: Amounts derived from board-controlled funds         | (440,387)   | (1,847,989) | (2,288,376)  | -           | -           | (2,288,376)  |
| Net campaigns   | 9,432,270   | (1,847,989) | 7,584,281    | 163,465     | -           | 7,747,746    |
| Contributions, bequests and gifts                         | 104,316   | 9,697,496   | 9,801,812    | 724,494     | 3,234,674   | 13,760,980   |
| Government grants   | 195,852   | -           | 195,852      | -           | -           | 195,852      |
| United Way of Greater St. Louis                           | 162,878   | -           | 162,878      | -           | -           | 162,878      |
| Other grants  | 371,868   | -           | 371,868      | 99,000      | -           | 470,868      |
| Services to beneficiary agencies                          | 73,551  | -           | 73,551       | -           | -           | 73,551       |
| Other income  | 327,066   | -           | 327,066      | -           | -           | 327,066      |
| Investment income   | (133,472)   | 2,068,617   | 1,935,145    | 343,902     | -           | 2,279,047    |
| Net gain on investments                                   | 14,920  | 6,186,906   | 6,201,826    | 2,477,094   | -           | 8,678,920    |
| Change in value of split interest agreements              | -   | -           | -            | 59,572      | -           | 59,572       |
| Net assets released from restriction                      |   |             |              |             |             |              |
| Program   | 1,340,986   | 182,204     | 1,523,190    | (1,523,190) | -           | -            |
| Other   | 779,775   | -           | 779,775      | (779,775)   | -           | -            |
| Reclassification of Board-controlled endowments, net      | 2,721,086   | (2,734,023) | (12,937)     | 12,937      | -           | -            |
| Total revenues, gains and other support                   | 15,391,096  | 13,553,211  | 28,944,307   | 1,577,499   | 3,234,674   | 33,756,480   |

(Continued)

**Jewish Federation of St. Louis**  
**Consolidated Statement of Activities (Continued)**  
**Year Ended December 31, 2016**

|   | Unrestricted          |   |                      | Restricted           |                      |                       |
|---|-----------------------|---|----------------------|----------------------|----------------------|-----------------------|
|   | Unrestricted          | Board-Controlled<br>Endowments<br>and Other | Total                | Temporarily          | Permanently          | Total                 |
| <b>Appropriations and Program Expenses</b>                    |                       |   |                      |                      |                      |                       |
| Appropriations  |                       |   |                      |                      |                      |                       |
| Unrestricted  |                       |   |                      |                      |                      |                       |
| Local agencies  | \$ 2,462,739          | \$ -  | \$ 2,462,739         | \$ -                 | \$ -                 | \$ 2,462,739          |
| Israel and overseas   | 1,699,176             | -   | 1,699,176            | -                    | -                    | 1,699,176             |
| National agencies   | 116,451               | -   | 116,451              | -                    | -                    | 116,451               |
| Strategic program grants:                                     |                       |   |                      |                      |                      |                       |
| Ensuring the Jewish Future                                    | 293,681               | -   | 293,681              | -                    | -                    | 293,681               |
| Caring for Jews in Need - Domestic                            | 649,715               | -   | 649,715              | -                    | -                    | 649,715               |
| Caring for Jews in Need - Overseas                            | 659,171               | -   | 659,171              | -                    | -                    | 659,171               |
| Community Engagement  | 318,118               | -   | 318,118              | -                    | -                    | 318,118               |
| Jewish Federation of North America - Due                      | 358,535               | -   | 358,535              | -                    | -                    | 358,535               |
| Endowment and Foundation distributions                        |                       |   |                      |                      |                      |                       |
| Beneficiary and other local agencies                          | 412,097               | 1,213,209                                   | 1,625,306            | -                    | -                    | 1,625,306             |
| National agencies   | 25,242                | 5,614,273                                   | 5,639,515            | -                    | -                    | 5,639,515             |
| Distribution to charitable organizations                      | 49,552                | 1,385,356                                   | 1,434,908            | -                    | -                    | 1,434,908             |
| Other campaigns   | 22,256                | -   | 22,256               | -                    | -                    | 22,256                |
| Other program expenses  |                       |   |                      |                      |                      |                       |
| Planning and appropriations                                   | 1,335,001             | -   | 1,335,001            | -                    | -                    | 1,335,001             |
| Community development   | 4,001,323             | -   | 4,001,323            | -                    | -                    | 4,001,323             |
| Holocaust Museum and Community Libraries                      | 694,616               | -   | 694,616              | -                    | -                    | 694,616               |
| Total appropriations and program expenses                     | <u>13,097,673</u>     | <u>8,212,838</u>                            | <u>21,310,511</u>    | <u>-</u>             | <u>-</u>             | <u>21,310,511</u>     |
| <b>Operating Expenses</b>                                     |                       |   |                      |                      |                      |                       |
| Philanthropy  | 1,858,002             | -   | 1,858,002            | -                    | -                    | 1,858,002             |
| Management and general  | 1,373,544             | 182,808                                     | 1,556,352            | -                    | -                    | 1,556,352             |
| Total operating expenses                                      | <u>3,231,546</u>      | <u>182,808</u>                              | <u>3,414,354</u>     | <u>-</u>             | <u>-</u>             | <u>3,414,354</u>      |
| Total appropriations and expenses                             | <u>16,329,219</u>     | <u>8,395,646</u>                            | <u>24,724,865</u>    | <u>-</u>             | <u>-</u>             | <u>24,724,865</u>     |
| <b>Change in Net Assets Before Pension Changes</b>            | (938,123)             | 5,157,565                                   | 4,219,442            | 1,577,499            | 3,234,674            | 9,031,615             |
| Pension related change other than net periodic cost, net loss | 152,929               | -   | 152,929              | -                    | -                    | 152,929               |
| <b>Change in Net Assets</b>                                   | <u>(785,194)</u>      | <u>5,157,565</u>                            | <u>4,372,371</u>     | <u>1,577,499</u>     | <u>3,234,674</u>     | <u>9,184,544</u>      |
| <b>Net Assets Beginning of Year</b>                           | <u>(3,225,816)</u>    | <u>74,200,368</u>                           | <u>70,974,552</u>    | <u>19,506,036</u>    | <u>23,308,813</u>    | <u>113,789,401</u>    |
| <b>Net Assets, End of Year</b>                                | <u>\$ (4,011,010)</u> | <u>\$ 79,357,933</u>                        | <u>\$ 75,346,923</u> | <u>\$ 21,083,535</u> | <u>\$ 26,543,487</u> | <u>\$ 122,973,945</u> |

**Jewish Federation of St. Louis**  
**Consolidated Statements of Cash Flows**  
**December 31, 2017 and 2016**

|   | <b>2017</b>         | <b>2016</b>         |
|---|---------------------|---------------------|
| <b>Operating Activities</b>                                     |                     |                     |
| Change in net assets  | \$ 5,808,456        | \$ 9,184,544        |
| Items not requiring (providing) operating activities cash flows |                     |                     |
| Depreciation  | 314,963             | 310,989             |
| Net realized and unrealized gains on investments                | (12,969,957)        | (8,678,920)         |
| Contributions restricted for long-term purposes                 | (4,137,935)         | (3,234,674)         |
| Change if value of split interest agreements                    | (112,643)           | (59,572)            |
| Pension related charges other than net periodic pension costs   | 156,352             | (152,929)           |
| Change in discount on contribution receivable                   | 350,357             | (1,504,185)         |
| Change in discount on grants payable                            | 9,583               | (176,562)           |
| Provision for recovery of uncollectible receivables             | 15,453              | 54,475              |
| Changes in  |                     |                     |
| Receivables   | (4,782,355)         | (1,244,115)         |
| Prepaid expenses  | 100,361             | 181,813             |
| Allocations paid in advance                                     | 1,500,000           | 48,115              |
| Accounts payable  | 254,405             | (16,562)            |
| Grants payable  | 3,825,100           | 2,698,324           |
| Accrued expenses  | (168,887)           | 3,640               |
| Obligations under split-interest agreements                     | 332,347             | 269,680             |
| Funds held in custody for others                                | 2,596,351           | 2,166,008           |
| Net cash used in operating activities                           | (6,908,049)         | (149,931)           |
| <b>Investing Activities</b>                                     |                     |                     |
| Collections of notes receivable                                 | 30,000              | 3,155,159           |
| Payments for notes receivable                                   | (3,835,992)         | (1,000,000)         |
| Purchase of property and equipment                              | (1,048,800)         | (572,056)           |
| Purchases of investments  | (103,322,473)       | (140,895,259)       |
| Proceeds from sales of investments                              | 111,388,996         | 140,087,389         |
| Net cash provided by investing activities                       | 3,211,731           | 775,233             |
| <b>Financing Activities</b>                                     |                     |                     |
| Net proceeds (payments) on line of credit                       | 1,579,074           | (999,348)           |
| Payments on note payable  | -                   | (3,134,256)         |
| Contributions restricted for long term purposes                 | 4,137,935           | 3,234,674           |
| Payments of obligations under split-interest agreements         | (218,259)           | (375,839)           |
| Net cash provided by (used in) financing activities             | 5,498,750           | (1,274,769)         |
| <b>Increase (Decrease) in Cash and Cash Equivalents</b>         | 1,802,432           | (649,467)           |
| <b>Cash and Cash Equivalents, Beginning of Year</b>             | 1,065,052           | 1,714,519           |
| <b>Cash and Cash Equivalents, End of Year</b>                   | <b>\$ 2,867,484</b> | <b>\$ 1,065,052</b> |
| <b>Supplemental Cash Flows Information</b>                      |                     |                     |
| Interest paid   | \$ 72,527           | \$ 292,499          |
| Note receivable offset with grant payable                       | \$ 1,000,000        | \$ -                |
| Note receivable offset with note payable                        | \$ 7,613,437        | \$ -                |
| Property and equipment in accounts payable                      | \$ 341,551          | \$ -                |

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
**December 31, 2017 and 2016**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies**

***Nature of Operations***

Jewish Federation of St. Louis (the “Federation”) is a not-for-profit organization established for the purpose of soliciting, collecting and distributing contributions for the benefit of all Jewish charitable, social welfare, cultural, educational and philanthropic organizations and for providing certain asset management and general services to beneficiary agencies. The beneficiary agencies are legally separate operating entities distinct from the Federation and, as such, maintain their own accounting records and carry on their own services and programs. The activities of such agencies are not included in these consolidated financial statements.

***Basis of Consolidation***

The accompanying consolidated financial statements include the accounts and operations of the Lubin-Green Foundation, the Staenberg Family Foundation and the Kranzberg Foundation (the “Supporting Organizations”). The Supporting Organizations are separate not-for-profit entities, organized under Section 509(a)(3) of the *Internal Revenue Code*, and operated to carry out the purposes of the Federation. The Federation appoints a majority of the members of the Supporting Organizations’ boards of directors, and provides all administrative services for the Supporting Organizations. All significant transactions between the Federation and the Supporting Organizations have been eliminated.

In addition, the accompanying consolidated financial statements include the accounts and operations of the Women’s Auxiliary Foundation for the Jewish Aged, LLC. This Foundation is organized as a Single Member LLC, of which the Federation is the sole owner.

***Use of Estimates***

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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, expenses gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

The Federation considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2017 and 2016, cash equivalents consisted primarily of money market accounts with brokers and certificates of deposit.

At December 31, 2017, the Federation’s cash accounts exceeded federally insured limits by approximately \$689,000.

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
**December 31, 2017 and 2016**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies  
(Continued)**

***Investments and Net Investment Return***

Investments in equity securities having a readily determinable fair value are carried at fair value. Other investments are valued at the lower of cost or fair value. Investments in private equity funds are recorded at net asset value (NAV), as a practical expedient. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is recorded as temporarily restricted and then released from restriction. Other investment return is reflected in the statements of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

The Federation maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Certain investments of nonpublicly traded real estate limited partnerships totaling approximately \$4,788,000 and \$5,696,000 at December 31, 2017 and 2016, respectively, are carried at the lower of cost or fair value. Cost for real estate limited partnership investments, if contributed, are based on the fair value of the investments as determined by an independent appraisal at the date of the gift.

Investments in life insurance policies are carried at net cash surrender value. Changes in cash surrender value (realized and unrealized) are recorded in the consolidated statements of activities.

***Property and Equipment***

Property and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

|  |            |
|--|------------|
| Building and building improvements     | 45 years   |
| Holocaust Museum building improvements | 33 years   |
| Furniture, fixtures and equipment      | 3-12 years |

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
**December 31, 2017 and 2016**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies  
(Continued)**

***Regular Campaign Pledges Restricted for Subsequent Year***

Solicitation for the Federation's annual campaign begins prior to the fiscal operating year to which it relates. Campaign pledges and related cash contributions received between commencement of the annual campaign and December 31 each year are initially recorded as "regular campaign pledges restricted for subsequent year" in the temporarily restricted net asset class. Such pledges are reclassified to unrestricted net assets – regular campaign revenue at the beginning of the year to which they relate.

***Appropriations to Beneficiary Agencies and the Jewish Federation of North America***

Appropriations to beneficiary agencies are recorded in the unrestricted net asset class when approved by the board of directors of the Federation. Appropriations are typically paid to beneficiary agencies in the year following the campaign from which they are funded and are reflected as accounts payable to beneficiary agencies in the accompanying consolidated financial statements. In instance when a payment is made for an upcoming allocation year, this is reflected within the allocations paid in advance asset account. The Federation uses appropriations to the Jewish Federations of North America for directing national and international funds.

***Temporarily and Permanently Restricted Net Assets***

Temporarily restricted net assets are those whose use by the Federation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Federation in perpetuity.

***Pledges and Contributions***

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted revenue and then released from restriction.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Gifts of land, buildings, equipment and other long-lived assets are reported as revenue and unrestricted net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and temporarily restricted net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in release of net assets are reported when the long-lived assets are placed in service.

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
**December 31, 2017 and 2016**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies  
(Continued)**

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

***Income Taxes***

The Federation is exempt from income taxes under Section 501 of the *Internal Revenue Code* and a similar provision of state law. However, the Federation is subject to income tax on any unrelated business taxable income.

The Federation files tax returns in the U.S. federal jurisdiction and certain states.

***Functional Allocation of Expenses***

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management, fund raising, marketing, information technology and building operations categories based on the best estimate of management.

***Reclassifications***

Certain reclassifications have been made to the 2016 consolidated financial statements to conform to the 2017 consolidated financial statement presentation. These reclassifications had no effect on the change in net assets.

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
**December 31, 2017 and 2016**

**Note 2: Investments and Investment Return**

Investments at December 31 consisted of the following:

|  | <u>2017</u>           | <u>2016</u>           |
|--|-----------------------|-----------------------|
| Cash equivalents                                     | \$ 5,892,862          | \$ 5,900,572          |
| Capital preservation and U.S. government obligations | 1,769,280             | 1,956,466             |
| State of Israel bonds                                | 834,461               | 835,000               |
| Global fixed income                                  | 14,256,113            | 3,622,713             |
| Unites Stated equity                                 | 36,448,825            | 28,005,648            |
| International equity                                 | 131,225               | 3,704,229             |
| Alternative investments                              | 77,532,903            | 73,662,579            |
| Real estate, at cost                                 | 4,787,854             | 5,696,085             |
| Real estate, at fair value                           | 123,360               | 13,516,468            |
| Cash surrender value of life insurance policies      | 1,358,307             | 1,331,996             |
| Other  | 34,007                | 34,007                |
| Total  | <u>\$ 143,169,197</u> | <u>\$ 138,265,763</u> |

Total investment return is comprised of the following:

|  | <u>2017</u>          | <u>2016</u>          |
|--|----------------------|----------------------|
| Interest and dividend income, net of fees  | \$ 1,961,523         | \$ 2,279,047         |
| Net unrealized and realized gains (losses) | 12,969,957           | 8,678,920            |
| Total                                      | <u>\$ 14,931,480</u> | <u>\$ 10,957,967</u> |

**Note 3: Fair Value Measurements and Disclosures**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities



**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
**December 31, 2017 and 2016**

**Note 3: Fair Value Measurements and Disclosures (Continued)**

***Recurring Measurements***

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2017 and 2016:

|  | Total         | Fair Value Measurements Using                                  |   |   | Investments Measured at NAV <sup>(A)</sup> |
|--|---------------|--|---|---|--|
|  |               | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |  |
| <b>December 31, 2017</b>                               |               |  |   |   |  |
| <b>Assets</b>  |               |  |   |   |  |
| Capital preservation and U.S. government obligations   | \$ 1,769,280  | \$ 1,769,280   | \$ -  | \$ -                                      | \$ -                                       |
| State of Israel bonds                                  | \$ 834,461    | \$ -   | \$ 834,461                                    | \$ -                                      | \$ -                                       |
| Global fixed income                                    | \$ 14,256,113 | \$ 14,256,113  | \$ -  | \$ -                                      | \$ -                                       |
| Unites States equity                                   | \$ 36,448,825 | \$ 35,844,036  | \$ 604,789                                    | \$ -                                      | \$ -                                       |
| International equity                                   | \$ 131,225    | \$ 131,225   | \$ -  | \$ -                                      | \$ -                                       |
| Real estate  | \$ 123,360    | \$ -   | \$ -  | \$ 123,360                                | \$ -                                       |
| Alternative investments                                | \$ 77,532,903 | \$ 3,285,504   | \$ 4,036,707                                  | \$ -                                      | \$ 70,210,692                              |
| Beneficial interest in charitable remainder unitrusts  | \$ 76,928     | \$ -   | \$ 76,928                                     | \$ -                                      | \$ -                                       |
| <b>Liabilities</b>                                     |               |  |   |   |  |
| Split-interest obligations to beneficiaries and others | \$ 2,171,700  | \$ -   | \$ 2,171,700                                  | \$ -                                      | \$ -                                       |
| <b>December 31, 2016</b>                               |               |  |   |   |  |
| <b>Assets</b>  |               |  |   |   |  |
| Capital preservation and U.S. government obligations   | \$ 1,956,466  | \$ 1,956,466   | \$ -  | \$ -                                      | \$ -                                       |
| State of Israel bonds                                  | \$ 835,000    | \$ -   | \$ 835,000                                    | \$ -                                      | \$ -                                       |
| Global fixed income                                    | \$ 3,622,713  | \$ 3,622,713   | \$ -  | \$ -                                      | \$ -                                       |
| Unites States equity                                   | \$ 28,005,648 | \$ 28,005,648  | \$ -  | \$ -                                      | \$ -                                       |
| International equity                                   | \$ 3,704,229  | \$ 3,704,229   | \$ -  | \$ -                                      | \$ -                                       |
| Real estate  | \$ 13,516,468 | \$ -   | \$ -  | \$ 13,516,468                             | \$ -                                       |
| Alternative investments                                | \$ 73,662,579 | \$ -   | \$ -  | \$ -                                      | \$ 73,662,579                              |
| Beneficial interest in charitable remainder unitrusts  | \$ 74,790     | \$ -   | \$ 74,790                                     | \$ -                                      | \$ -                                       |
| <b>Liabilities</b>                                     |               |  |   |   |  |
| Split-interest obligations to beneficiaries and others | \$ 2,119,611  | \$ -   | \$ 2,119,611                                  | \$ -                                      | \$ -                                       |

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
**December 31, 2017 and 2016**

**Note 3: Fair Value Measurements and Disclosures (Continued)**

- (A) Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2017. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

***Investments***

Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of investments with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such investments are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy. See the table below for inputs and valuation techniques used for Level 3 investments.

***Beneficial Interest in Charitable Remainder Unitrusts***

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement.

***Split-Interest Obligations to Beneficiaries and Others***

The yield in certain trusts is affected by the volatility of the market rate of the investments in which the Federation is investing the trust assets. Fair value is estimated using inputs that are consistent with those assets held for annuity and trust agreements as these liabilities are directly related to their respective assets.

***Real Estate***

This category includes investments in real estate. The pricing of these securities are subject to unobservable inputs. Due to the nature of the valuation inputs, these investments are classified within Level 3 of the hierarchy of the Federation. The valuation technique used is each property's assessed value based on real estate market records.

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
**December 31, 2017 and 2016**

**Note 3: Fair Value Measurements and Disclosures (Continued)**

***Level 3 Valuation Process***

Fair value determinations for Level 3 measurements of securities are the responsibility of management. Management relies on a third party to generate fair value estimates on a quarterly or annual basis. Management challenges the reasonableness of the assumptions used and reviews the methodology to ensure the estimated fair value complies with accounting standards generally accepted in the United States.

***Level 3 Reconciliation***

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statements of financial position using significant unobservable (Level 3) inputs:

|  | <u><b>Real Estate</b></u> |
|--|---------------------------|
| Balance January 1, 2016  | \$ 5,165,732              |
| Total realized and unrealized gains and<br>(losses) included in change of net assets | 3,673,856                 |
| Investment income  | -                         |
| Purchases and contributions  | 7,028,228                 |
| Sales  | (2,351,348)               |
| Distributions to beneficiaries   | -                         |
| Change in value  | -                         |
|  | <hr/>                     |
| Balance December 31, 2016  | 13,516,468                |
| Total realized and unrealized gains and<br>(losses) included in change of net assets | -                         |
| Investment income  | -                         |
| Purchases and contributions  | -                         |
| Sales  | (13,393,108)              |
| Distributions to beneficiaries   | -                         |
| Change in value  | -                         |
|  | <hr/>                     |
| Balance December 31, 2017  | <u><u>\$ 123,360</u></u>  |

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
**December 31, 2017 and 2016**

**Note 3: Fair Value Measurements and Disclosures (Continued)**

***Alternative Investments***

Investments in certain entities measured at fair value using the NAV per share as a practical expedient consist of the following:

|                           | <b>2017</b>          | <b>2016</b>          | <b>Unfunded<br/>Commitments<br/>December 31, 2017</b> | <b>Redemption<br/>Frequency</b> | <b>Redemption<br/>Notice<br/>Period</b> |
|---------------------------|----------------------|----------------------|---|---------------------------------|---|
| US equity (A)             | \$ -                 | \$ 1,805,319         | \$ -  | Annually                        | 60 days                                 |
| US equity (A)             | -                    | 1,898,166            | -   | Semi annually                   | 60 days                                 |
| US equity (A)             | 5,221,734            | 5,043,387            | -   | Quarterly                       | 60 days                                 |
| US equity (A)             | 3,083,441            | 2,893,591            | -   | N/A                             | N/A                                     |
| US equity (A)             | 1,878,047            | 1,607,865            | -   | Quarterly                       | 90 days                                 |
| US equity (A)             | 2,656,000            | 2,081,400            | -   | Annually                        | 120 days                                |
| US equity (A)             | 4,554,737            | 4,063,518            | -   | Monthly                         | 45 days                                 |
| US equity (A)             | 158,682              | -                    | 1,346,374   | N/A                             | N/A                                     |
| US equity (A)             | 2,658,066            | -                    | -   | N/A                             | 60 days                                 |
| US equity (A)             | 2,246,995            | -                    | -   | Monthly                         | 60 days                                 |
| International equity (A)  | -                    | 1,530,458            | -   | Monthly                         | 90 days                                 |
| International equity (A)  | -                    | 1,587,974            | -   | Quarterly                       | 60 Days                                 |
| International equity (A)  | 8,330,445            | 7,433,098            | -   | Monthly                         | 45 days                                 |
| International equity (A)  | 8,087,714            | 6,995,265            | -   | Monthly                         | 5 days                                  |
| International equity (A)  | 6,879,434            | 5,345,278            | -   | Monthly                         | 30 days                                 |
| International equity (A)  | 3,903,988            | -                    | -   | Monthly                         | 10 days                                 |
| Absolute return (B)       | 59,090               | 1,551,571            | -   | Annual                          | 45-90 days                              |
| Absolute return (B)       | 156,737              | 7,616,883            | -   | Quarterly                       | 60-65 days                              |
| Absolute return (B)       | 10,404               | 284,345              | -   | Quarterly                       | 45 days                                 |
| Absolute return (B)       | 2,270,339            | 2,010,940            | -   | Quarterly                       | 85 days                                 |
| Commodities (C)           | 7,490,544            | 9,285,927            | 3,354,324   | N/A                             | N/A                                     |
| Private debt (D)          | 6,553,386            | 6,392,471            | 3,273,950   | N/A                             | N/A                                     |
| Private equity (D)        | 4,010,909            | 4,235,123            | 1,693,215   | N/A                             | N/A                                     |
| Balance December 31, 2017 | <u>\$ 70,210,692</u> | <u>\$ 73,662,579</u> | <u>\$ 9,667,863</u>                                   |                                 |   |

- (A) United State Equity and International Equity funds include long-term investments in domestic securities and foreign securities, respectively. In this category, units were priced daily but the fund manager with certain liquidity restrictions imposed on participants.
- (B) Absolute Return funds invest in diversified portfolios designed to provide a less correlated source of return than fixed income and equity strategies. The strategy is implemented with a wide array of financial instruments, both domestic and global, including equities, fixed income and derivatives. Managers may leverage portfolios, sell financial instruments short, and/or invest selectively in illiquid investments.

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
**December 31, 2017 and 2016**

**Note 3: Fair Value Measurements and Disclosures (Continued)**

- (C) Commodities take positions in a variety of commodities, commodity futures, as well as equity securities closely correlated with the performance of such assets, including energy related companies. Investing in commodities provides additional diversification as well as a hedge against inflation. In this category, units were priced daily but the fund manager with certain liquidity restrictions imposed on participants.
- (D) Private debt and equity funds includes investments in funds of funds holding underlying positions in funds owning private assets. Underlying investments are valued quarterly and annually and have restrictive liquidity provisions. Investing in private debt and equity funds provides diversification, growth potential and wider market access to the overall portfolio.

**Note 4: Campaign Pledges Receivable**

At December 31, campaign pledges receivable all due currently consisted of the following campaigns:

|   | <u>2017</u>                | <u>2016</u>                |
|---|----------------------------|----------------------------|
| Annual  | \$ 2,167,275               | \$ 1,720,675               |
| Passage to Freedom                                  | 15,000                     | 15,000                     |
| Other   | <u>10,030</u>              | <u>583</u>                 |
|   | 2,192,305                  | 1,736,258                  |
| Less allowance for uncollectible pledge receivables | <u>447,786</u>             | <u>497,315</u>             |
| Total Pledge Receivable, net of allowance           | <u><u>\$ 1,744,519</u></u> | <u><u>\$ 1,238,943</u></u> |

The annual campaign pledges receivable consisted of pledges from the following annual campaign years:

|                                  | <u>2017</u>                | <u>2016</u>                |
|----------------------------------|----------------------------|----------------------------|
| Campaign year                    |                            |                            |
| 2018 and future                  | \$ 293,846                 | \$ -                       |
| 2017                             | 1,231,892                  | 149,485                    |
| 2016                             | 93,197                     | 855,109                    |
| 2015                             | 51,866                     | 169,247                    |
| 2014                             | 7,892                      | 79,990                     |
| 2013                             | 42,000                     | 46,686                     |
| 2012 and prior                   | <u>446,582</u>             | <u>420,158</u>             |
| Total annual campaign receivable | <u><u>\$ 2,167,275</u></u> | <u><u>\$ 1,720,675</u></u> |

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
**December 31, 2017 and 2016**

**Note 5: Contributions Receivable**

Contributions receivable consisted of the following:

|                             | <b>2017</b>         |                               |                               | <b>Total</b>         |
|-----------------------------|---------------------|-------------------------------|-------------------------------|----------------------|
|                             | <b>Unrestricted</b> | <b>Temporarily Restricted</b> | <b>Permanently Restricted</b> |                      |
| Due within one year         | \$ 65,570           | \$ 650,850                    | \$ 6,698,108                  | \$ 7,414,528         |
| Due in one to five years    | -                   | 200,000                       | 1,200,000                     | 1,400,000            |
| Due in more than five years | -                   | 3,776,079                     | 600,000                       | 4,376,079            |
|                             | 65,570              | 4,626,929                     | 8,498,108                     | 13,190,607           |
| Less                        |                     |                               |                               |                      |
| Unamortized discount        | -                   | 1,195,606                     | 593,316                       | 1,788,922            |
|                             | <u>\$ 65,570</u>    | <u>\$ 3,431,323</u>           | <u>\$ 7,904,792</u>           | <u>\$ 11,401,685</u> |

  

|                             | <b>2016</b>         |                               |                               | <b>Total</b>        |
|-----------------------------|---------------------|-------------------------------|-------------------------------|---------------------|
|                             | <b>Unrestricted</b> | <b>Temporarily Restricted</b> | <b>Permanently Restricted</b> |                     |
| Due within one year         | \$ 59,816           | \$ 48,043                     | -                             | \$ 107,859          |
| Due in one to five years    | -                   | -                             | 7,883,468                     | 7,883,468           |
| Due in more than five years | -                   | 146,439                       | 652,140                       | 798,579             |
|                             | 59,816              | 194,482                       | 8,535,608                     | 8,789,906           |
| Less                        |                     |                               |                               |                     |
| Unamortized discount        | -                   | 55,395                        | 1,383,170                     | 1,438,565           |
|                             | <u>\$ 59,816</u>    | <u>\$ 139,087</u>             | <u>\$ 7,152,438</u>           | <u>\$ 7,351,341</u> |

Discount rates ranged from 3.59 percent to 6.05 percent for 2017 and from 3.66 percent to 6.05 percent for 2016.

Included within contributions receivable are two beneficial interest in charitable remainder trusts carried at fair value of \$76,928 and \$74,290 at December 31, 2017 and 2016, respectively. Approximately 90 percent of contributions receivable net of discount were from three donors and 93 percent from two donors at December 31, 2017 and 2016, respectively.

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
**December 31, 2017 and 2016**

**Note 6: Property and Equipment**

Property and equipment at December 31 consists of:

|  | <u>2017</u>         | <u>2016</u>         |
|--|---------------------|---------------------|
| Building and building improvements     | \$ 3,378,182        | \$ 3,378,182        |
| Holocaust Museum building improvements | 666,249             | 666,249             |
| Furniture, fixtures and equipment      | 5,079,380           | 5,041,158           |
| Construction in progress               | 1,352,130           | -                   |
|  | <u>10,475,941</u>   | <u>9,085,589</u>    |
| Less accumulated depreciation          | <u>6,277,322</u>    | <u>5,962,358</u>    |
|  | <u>\$ 4,198,619</u> | <u>\$ 3,123,231</u> |

The Federation began renovations of its facility during 2017. Total estimated cost to complete the renovations as of December 31, 2017, was approximately \$2,715,000.

**Note 7: Notes Receivable**

|  | <u>2017</u>         | <u>2016</u>         |
|--|---------------------|---------------------|
| St. Louis Hillel at Washington University<br>Unsecured note, interest at 5% due monthly,<br>principal due December 31, 2017  | \$ 30,000           | \$ 60,000           |
| Jewish Community Center<br>Note secured by a security interest in substantially<br>all assets and personal property of the Jewish<br>Community Center, interest at 2.75% due monthly, loan<br>paid in full during 2017 | -                   | 7,613,437           |
| Jewish Community Center - Denver<br>Unsecured note, interest at 3% due upon maturity,<br>loan converted to a pledge on 7/1/17  | -                   | 1,000,000           |
| Jewish Community Center - Denver<br>Unsecured note, interest at 4% due upon maturity,<br>due June 29, 2022   | 1,020,000           | -                   |
| Jewish Community Center - Denver<br>Unsecured note, interest at 2.25% due upon maturity,<br>due August 31, 2024  | 2,815,992           | -                   |
|  | <u>\$ 3,865,992</u> | <u>\$ 8,673,437</u> |

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
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**Note 8: Line of Credit**

The Federation has an unsecured line of credit agreement with US Bank which allows it to borrow up to \$5,000,000 with interest accruing at the one-month LIBOR rate plus 1.5 percent. The interest rate for the line of credit was 2.86 percent and 2.27 percent at December 31, 2017 and 2016, respectively. The amounts outstanding at December 31, 2017 and 2016, were \$2,196,945 and \$617,871, respectively. The line of credit is due September 2018.

**Note 9: Note Payable**

The Federation had a note payable to US Bank of \$7,613,437 at December 31, 2016, with a related receivable as described in Note 7 of these consolidated financial statements. The note payable was paid in full during 2017 by a gift made to the Jewish Community Center by a third party and the note payable and note receivable were removed.

**Note 10: Grants Payable**

At December 31, grants payable expected to be paid in the future consisted of the following:

|                           | <b>2017</b>  | <b>2016</b>  |
|---------------------------|--------------|--------------|
| Grants payable            | \$ 7,552,200 | \$ 4,727,100 |
| Less unamortized discount | 300,049      | 309,632      |
| Net grants payable        | \$ 7,252,151 | \$ 4,417,468 |

Included in total grants payable before eliminations were commitments made by the supporting organizations of \$7,718,456 and \$3,946,735 at December 31, 2017 and 2016, respectively.

The scheduled payments of grants as of December 31, 2017, are as follows:

|            |              |
|------------|--------------|
| 2018       | \$ 3,826,800 |
| 2019       | 2,756,200    |
| 2020       | 316,200      |
| 2021       | 275,000      |
| 2022       | 275,000      |
| Thereafter | 103,000      |
|            | \$ 7,552,200 |



**Jewish Federation of St. Louis**  
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**Note 11: Split-Interest Agreements**

The Federation administers annuity trusts subject to the obligation to pay stipulated amounts periodically to the respective donors or designated beneficiaries during their lifetimes. Assets received under these agreements are recorded at fair value on the date the agreement or trust is recognized, and a liability is recorded at the present value of the estimated future obligations over the period of the agreement or mortality rates if applicable. The difference between the assets received and obligations recorded is recognized as contribution revenue. The obligations are discounted at 3.8 percent at December 31, 2017 and 2016. Marketable securities valued at \$2,967,855 and \$2,790,644 at December 31, 2017 and 2016, respectively, were available to fund annuity obligations.

**Note 12: Funds Held in Custody for Others**

Funds held in custody for others include investments of various beneficiary agencies and other organizations which participate in the pooled investment program of the Federation, which are related parties. These agencies and organizations retain the authority to withdraw these funds at any time with certain advance notice. Funds held in custody for others also include the estimated amount to be distributed to other organizations upon the death of a donor annuity beneficiary and amounts to be distributed in accordance with the Passport to Israel program.

**Note 13: Net Assets**

***Board Controlled Net Assets***

Board controlled net assets are designated by the board of directors to function as endowments, and philanthropic funds representing irrevocable gifts to the Federation. Principal and income of philanthropic funds must be redistributed to qualifying charitable organizations; however, the Federation retains full discretion as to the distribution.

***Temporarily and Permanently Restricted Net Assets***

Net assets with donor restrictions at December 31 are restricted for the following purposes or periods:

|   | <b>Temporarily Restricted</b> |                      | <b>Permanently Restricted</b> |                      |
|---|-------------------------------|----------------------|-------------------------------|----------------------|
|   | <b>2017</b>                   | <b>2016</b>          | <b>2017</b>                   | <b>2016</b>          |
| Net assets available for                |                               |                      |                               |                      |
| Acquisition of building and equipment   | \$ 3,992,016                  | \$ 136,923           | \$ -                          | \$ -                 |
| Pledges restricted for subsequent year  | 595,350                       | 574,717              | -                             | -                    |
| Other time and purpose restricted funds | 24,168,125                    | 19,696,132           | 30,681,422                    | 26,543,487           |
| Donor annuities                         | 790,545                       | 675,763              | -                             | -                    |
|   | <u>\$ 29,546,036</u>          | <u>\$ 21,083,535</u> | <u>\$ 30,681,422</u>          | <u>\$ 26,543,487</u> |

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
**December 31, 2017 and 2016**

**Note 14: Endowment**

The Federation’s endowment consists of approximately 250 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Federation’s governing body is subject to the State of Missouri Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net asset to net asset without donor restrictions. The governing body of the Federation has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Federation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Federation has interpreted SPMIFA to permit spending [not spending] from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, the Federation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Federation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Federation
7. Investment policies of the Federation

The composition of net assets by type of endowment fund at December 31, 2017 and 2016, was:

|                                  | <b>2017</b>          |                               |                               |                       |
|----------------------------------|----------------------|-------------------------------|-------------------------------|-----------------------|
|                                  | <b>Unrestricted</b>  | <b>Temporarily Restricted</b> | <b>Permanently Restricted</b> | <b>Total</b>          |
| Donor-restricted endowment funds | \$ -                 | \$ 11,754,282                 | \$ 30,681,422                 | \$ 42,435,704         |
| Board-designated endowment funds | 50,086,015           | 10,356,275                    | -                             | 60,442,290            |
|                                  | <u>\$ 50,086,015</u> | <u>\$ 22,110,557</u>          | <u>\$ 30,681,422</u>          | <u>\$ 102,877,994</u> |

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
**December 31, 2017 and 2016**

**Note 14: Endowment (Continued)**

|                                  | 2016          |                           |                           |               |
|----------------------------------|---------------|---------------------------|---------------------------|---------------|
|                                  | Unrestricted  | Temporarily<br>Restricted | Permanently<br>Restricted | Total         |
| Donor-restricted endowment funds | \$ -          | \$ 8,690,069              | \$ 26,543,487             | \$ 35,233,556 |
| Board-designated endowment funds | 46,496,693    | 10,166,827                | -                         | 56,663,520    |
|                                  | \$ 46,496,693 | \$ 18,856,896             | \$ 26,543,487             | \$ 91,897,076 |

Changes in endowment net assets for the years ended December 31, 2017, were:

|  | Unrestricted  | Temporarily<br>Restricted | Permanently<br>Restricted | Total          |
|--|---------------|---------------------------|---------------------------|----------------|
| Endowment net assets,<br>December 31, 2015           | \$ 41,773,278 | \$ 17,212,417             | \$ 23,308,813             | \$ 82,294,508  |
| Investment return                                    |               |                           |                           |                |
| Interest and dividends, net of fees                  | 701,099       | 343,902                   | -                         | 1,045,001      |
| Realized losses                                      | (1,761,359)   | (1,485,422)               | -                         | (3,246,781)    |
| Unrealized gains                                     | 4,494,150     | 3,962,515                 | -                         | 8,456,665      |
| Total investment return                              | 3,433,890     | 2,820,995                 | -                         | 6,254,885      |
| Contributions  | 6,214,213     | 47,272                    | 3,234,674                 | 9,496,159      |
| Appropriation of endowment assets<br>for expenditure | (4,924,688)   | (1,223,788)               | -                         | (6,148,476)    |
| Endowment net assets,<br>December 31, 2016           | 46,496,693    | 18,856,896                | 26,543,487                | 91,897,076     |
| Investment return                                    |               |                           |                           |                |
| Interest and dividends, net of fees                  | 694,471       | 327,136                   | -                         | 1,021,607      |
| Realized gains                                       | 3,327,243     | 2,508,242                 | -                         | 5,835,485      |
| Unrealized gains                                     | 1,992,645     | 2,501,866                 | -                         | 4,494,511      |
| Total investment return                              | 6,014,359     | 5,337,244                 | -                         | 11,351,603     |
| Contributions  | 3,379,572     | 716,867                   | 4,137,935                 | 8,234,374      |
| Appropriation of endowment assets<br>for expenditure | (5,804,609)   | (2,800,450)               | -                         | (8,605,059)    |
| Endowment net assets, end of year                    | \$ 50,086,015 | \$ 22,110,557             | \$ 30,681,422             | \$ 102,877,994 |

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
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**Note 14: Endowment (Continued)**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the Federation is required to retain as a fund of perpetual duration pursuant to donor stipulation or SPMIFA. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no donor funds with deficiencies at December 31, 2017 or 2016.

The Federation has a policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value over the prior eight quarters through the calendar year-end proceeding the calendar year prior to the year distribution is planned. In establishing this policy, the Federation considered the long-term expected return on its endowment.

The primary investment objective of the portfolio is an emphasis on capital appreciation with modest current income. The portfolio seeks to maximize potential return consistent with minimizing overall volatility in the context of these guidelines. The total rate of return for individual investment styles will be compared to their appropriate index.

**Note 15: Related-Party Transactions**

Certain individuals who serve on the board of directors of the Federation also serve on the boards of directors of the recipient local beneficiary agencies. The Federation appropriates amounts to various local beneficiary agencies based on budgets submitted to the Federation's Planning and Allocations Committee for approval, which are related party transactions.

Periodically, the Federation has a member of its board of directors serve on the board of directors of the Jewish Federations of North America. As such, transactions and balances with the Jewish Federations of North America are considered related party transactions.

The members of the Federation's board of directors generously support the Federation. The approximate amount of board support included in pledges and contributions for the years ended December 31, 2017 and 2016, was approximately \$800,000 and \$750,000, respectively, and the approximate amount of the pledges and contributions receivable due from board members was approximately \$155,000 and \$152,000 at December 31, 2017 and 2016, respectively.

Additional net receivables resulting from long-term deferred gifts were approximately \$6.7 million and \$6.1 million at December 31, 2017 and 2016, respectively.

During the years ended December 31, 2017 and 2016, the Federation billed several local beneficiary agencies amounts representing their share of certain administrative expenses. Receivables from beneficiary agencies include billings for services provided to such agencies, and other loans or advances.

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
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**Note 16: Operating Leases**

The Federation leases office space for various local beneficiary agencies from the Community Housing Association, Inc., a beneficiary agency. Annual rent expense in 2017 and 2016 was \$52,346 and \$50,454, respectively.

Future minimum lease payments under operating leases are:

|                              |                          |
|------------------------------|--------------------------|
| 2018                         | \$ 52,346                |
| 2019                         | 52,346                   |
| 2020                         | 52,346                   |
| 2021                         | <u>34,897</u>            |
| Total minimum lease payments | <u><u>\$ 191,935</u></u> |

**Note 17: Pension and Other Postretirement Benefit Plans**

***Defined Contribution Plan***

Effective July 1, 2011, the Federation adopted an ERISA 403(b) plan with a match and a discretionary employer contribution component. The Federation makes matching contributions of 50 percent of employees' contributions, up to 4 percent of compensation, to all eligible employees. Matching contributions were \$54,531 and \$50,219 in 2017 and 2016, respectively. In addition, prior to January 1, 2017, all employees hired after February 2011, with one year of service and employed on the last day of the year, were eligible for an employer discretionary contribution. The discretionary contribution was a predetermined percentage of the employees' annual compensation and determined by years of service. The employer discretionary contribution for 2016 was \$27,926. January 1, 2017, the plan was amended and a discretionary contribution is no longer made. The amendment included a 3 percent qualified nonelective employer contribution for all participants who are active any time during the plan year. The nonelective employer contribution for 2017 was \$107,753.

The board also approved a supplemental payment over four years, resulting in a contribution for the year ended December 31, 2016, of \$190,631 as a result of the freezing of the defined benefit plan to the defined benefit plan participants, resulting in a total of \$218,557 for the year ended December 31, 2016.

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
**December 31, 2017 and 2016**

**Note 17: Pension and Other Postretirement Benefit Plans (Continued)**

***Defined Benefit Plan***

The Federation has a noncontributory defined benefit pension and disability plan (the “Plan”) covering all employees hired prior to February 2011. The Plan’s benefits are based primarily on years of service and average employee compensation near retirement. Plan costs are funded as they accrue. In February 2011, the board of directors approved freezing the Plan to new entrants and amended the future benefit accrual as of July 1, 2011. Annual contributions to the Plan are determined by an actuary using the aggregate actuarial cost method which is designed to meet the full annual current costs of the Plan. On April 21, 2016, the board of directors of the Federation approved the freezing of benefit accruals for the Plan effective June 30, 2016. Total expected contributions to the Plan in 2018 are \$196,116.

The Federation uses a December 31, measurement date for the plans. Information about the plan’s funded status follows:

|                              | <b>2017</b>    | <b>2016</b>    |
|------------------------------|----------------|----------------|
| Projected benefit obligation | \$ 7,769,813   | \$ 7,180,364   |
| Fair value of plan assets    | 5,024,533      | 4,596,703      |
| Funded status                | \$ (2,745,280) | \$ (2,583,661) |

Amounts recognized in change in net assets not yet recognized as components of net periodic benefit cost consist of:

|                    | <b>2017</b>  | <b>2016</b>  |
|--------------------|--------------|--------------|
| Net loss           | \$ 1,389,519 | \$ 1,251,059 |
| Prior service cost | -            | -            |
|                    | \$ 1,389,519 | \$ 1,251,059 |

The accumulated benefit obligation for the defined benefit pension plans was \$7,769,813 and \$7,640,350 at December 31, 2017 and 2016, respectively.

Information for pension plans with an accumulated benefit obligation in excess of plan assets:

|                                | <b>2017</b>  | <b>2016</b>  |
|--------------------------------|--------------|--------------|
| Projected benefit obligation   | \$ 7,769,813 | \$ 7,180,364 |
| Accumulated benefit obligation | \$ 7,769,813 | \$ 7,640,350 |
| Fair value of plan assets      | \$ 5,024,533 | \$ 4,596,703 |

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
**December 31, 2017 and 2016**

**Note 17: Pension and Other Postretirement Benefit Plans (Continued)**

Other significant balances and costs are:

|                            | <b>2017</b> | <b>2016</b> |
|----------------------------|-------------|-------------|
| Employer contributions     | \$ 166,138  | \$ 241,276  |
| Benefits paid              | \$ 309,996  | \$ 145,547  |
| Net periodic benefit costs | \$ 189,297  | \$ 268,336  |

Significant assumptions include:

|  | <b>2017</b> | <b>2016</b> |
|--|-------------|-------------|
| Weighted-average assumptions used to determine benefit obligations |             |             |
| Discount rate  | 3.60%       | 4.15%       |
| Rate of compensation increase                                      | N/A         | N/A         |
| Weighted-average assumptions used to determine benefit costs       |             |             |
| Discount rate  | 4.15%       | 4.50%       |
| Expected return on plan assets                                     | 5.75%       | 6.50%       |
| Rate of compensation increase                                      | N/A         | 3.00%       |

The Federation has estimated the long-term rate of return on plan assets based primarily on historical returns on Plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information. The long-term rate of return decreased 0.75 percent. The asset allocation percentages as of December 31 are as follows:

|                           | <b>2017</b> | <b>2016</b> |
|---------------------------|-------------|-------------|
| Cash and cash equivalents | 3.89%       | 3.97%       |
| Mutual funds              |             |             |
| Large cap                 | 31.67%      | 30.41%      |
| Mid cap                   | 10.48%      | 10.09%      |
| International             | 10.50%      | 9.92%       |
| Fixed income/bond funds   | 43.47%      | 45.61%      |
|                           | <u>100%</u> | <u>100%</u> |

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
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**Note 17: Pension and Other Postretirement Benefit Plans (Continued)**

***Pension Plan Assets***

Following is a description of the valuation methodologies used for pension plan assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of pension plan assets pursuant to the valuation hierarchy.

Where quoted market prices are available in an active market, plan assets are classified within Level 1 of the valuation hierarchy. Level 1 plan assets include cash, cash equivalents and mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of plan assets with similar characteristics or discounted cash flows. In certain cases where Level 1 or Level 2 inputs are not available, plan assets are classified within Level 3 of the hierarchy. There were no Level 2 or Level 3 assets at December 31, 2017 or 2016.

The fair values of the Federation's pension plan assets at December 31, 2017 and 2016, by asset class are as follows:

|                           | Total            | 2017   |   |  |
|---------------------------|------------------|--|---|--|
|                           |                  | Fair Value Measurements Using  |   |  |
|                           |                  | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Cash and cash equivalents | \$ 195,267       | \$ 195,267   | \$ -  | \$ -   |
| Mutual funds              |                  |  |   |  |
| Large cap                 | 1,591,195        | 1,591,195  | -   | -  |
| Mid cap                   | 526,554          | 526,554  | -   | -  |
| International             | 527,379          | 527,379  | -   | -  |
| Fixed income/bond funds   | 2,184,138        | 2,184,138  | -   | -  |
|                           | <u>5,024,533</u> | <u>5,024,533</u>   | <u>-</u>  | <u>-</u>   |
| Total assets              | \$ 5,024,533     | \$ 5,024,533   | \$ -  | \$ -   |



**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
**December 31, 2017 and 2016**

**Note 17: Pension and Other Postretirement Benefit Plans (Continued)**

|                           | Total               | 2016<br>Fair Value Measurements Using                                      |   |  |
|---------------------------|---------------------|--|---|--|
|                           |                     | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|                           |                     |  |   |  |
| Cash and cash equivalents | \$ 182,237          | \$ 182,237   | \$ -  | \$ -   |
| Mutual funds              |                     |  |   |  |
| Large cap                 | 1,398,043           | 1,398,043  | -   | -  |
| Mid cap                   | 463,705             | 463,705  | -   | -  |
| International             | 456,109             | 456,109  | -   | -  |
| Fixed income/bond funds   | 2,096,609           | 2,096,609  | -   | -  |
| <b>Total assets</b>       | <b>\$ 4,596,703</b> | <b>\$ 4,596,703</b>  | <b>\$ -</b>   | <b>\$ -</b>  |

The Federation's Investment Policy has been to allow the Plan's Custodian to allocate Plan assets based on the demographics of Plan participants and expected future outflows.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of December 31, 2017:

|           |              |
|-----------|--------------|
| 2018      | \$ 1,040,000 |
| 2019      | \$ 240,000   |
| 2020      | \$ 180,000   |
| 2021      | \$ 410,000   |
| 2022      | \$ 470,000   |
| 2023-2027 | \$ 2,430,000 |

**Defined Benefit Plan – CAJE Acquisition**

On July 1, 2015, the Federation assumed sponsorship of a defined benefit retirement plan (the "Plan") through the acquisition of the Central Agency for Jewish Education (CAJE). The Plan's benefits are based primarily on years of service and average employee compensation near retirement. The Plan was frozen for new entrants and future benefit accruals effective January 1, 2000. Annual contributions to the Plan are determined by an actuary using the aggregate actuarial cost method which is designed to meet the full annual current costs of the Plan. Total expected contributions to the Plan in 2018 are \$9,583.

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
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**Note 17: Pension and Other Postretirement Benefit Plans (Continued)**

The Federation uses a December 31, measurement date for the plans. Information about the Plan's funded status follows:

|  | <u>2017</u>         | <u>2016</u>         |
|--|---------------------|---------------------|
| Benefit obligation, both projected and accumulated | \$ 882,642          | \$ 888,885          |
| Fair value of plan assets                          | <u>644,338</u>      | <u>662,046</u>      |
| Funded status                                      | <u>\$ (238,304)</u> | <u>\$ (226,839)</u> |

Amounts recognized in change in net assets not yet recognized as components of net periodic benefit cost consist of:

|                    | <u>2017</u>      | <u>2016</u>      |
|--------------------|------------------|------------------|
| Net loss           | \$ 75,506        | \$ 49,614        |
| Prior service cost | <u>-</u>         | <u>-</u>         |
|                    | <u>\$ 75,506</u> | <u>\$ 49,614</u> |

The accumulated benefit obligation for the defined benefit pension plans was \$882,642 and \$888,885 at December 31, 2017 and 2016, respectively.

Information for pension plans with an accumulated benefit obligation in excess of plan assets:

|                                | <u>2017</u> | <u>2016</u> |
|--------------------------------|-------------|-------------|
| Projected benefit obligation   | \$ 882,642  | \$ 888,885  |
| Accumulated benefit obligation | \$ 882,642  | \$ 888,885  |
| Fair value of plan assets      | \$ 644,338  | \$ 662,046  |

Other significant balances and costs are:

|                            | <u>2017</u> | <u>2016</u> |
|----------------------------|-------------|-------------|
| Employer contributions     | \$ 17,992   | \$ 26,800   |
| Benefits paid              | \$ 42,199   | \$ 19,484   |
| Net periodic benefit costs | \$ 3,565    | \$ 5,731    |

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
**December 31, 2017 and 2016**

**Note 17: Pension and Other Postretirement Benefit Plans (Continued)**

Significant assumptions include:

|  | <b>2017</b> | <b>2016</b> |
|--|-------------|-------------|
| Weighted-average assumptions used to determine benefit obligations |             |             |
| Discount rate  | 3.15%       | 3.30%       |
| Rate of compensation increase                                      | N/A         | N/A         |
| Weighted-average assumptions used to determine benefit costs       |             |             |
| Discount rate  | 3.30%       | 3.00%       |
| Expected return on plan assets                                     | 4.00%       | 4.50%       |
| Rate of compensation increase                                      | N/A         | N/A         |

The expected long-term return on plan assets assumption was selected using the “building block” approach described by the Actuarial Standards Board in Actuarial Standards of Practice No. 27 – *Selection of Economic Assumptions for Measuring Pension Obligations*. A best estimate range was determined for both the real rate of return (net of inflation) and for inflation based on Jewish Federation of St. Louis’ historical 30-year period rolling averages. An average inflation rate within the range was selected. The asset allocation percentages as of December 31 are as follows:

|   | <b>2017</b> | <b>2016</b> |
|---|-------------|-------------|
| Cash Equivalents Guaranteed Investment Contract | 100.00%     | 100.00%     |

**Pension Plan Assets**

The fair values of the Federation’s pension plan assets at December 31, 2017 and 2016, are considered Level 1.

The Federation’s Investment Policy has been to allow the Plan’s Custodian to allocate Plan assets based on the demographics of plan participants and expected future outflows.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of December 31, 2017:

|           |            |
|-----------|------------|
| 2018      | \$ 111,000 |
| 2019      | \$ 93,000  |
| 2020      | \$ 107,000 |
| 2021      | \$ 106,000 |
| 2022      | \$ 32,000  |
| 2023-2027 | \$ 277,000 |

**Jewish Federation of St. Louis**  
**Notes to Consolidated Financial Statements**  
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**Note 18: Significant Estimates and Concentrations**

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

***Contributions***

Approximately 40 percent of all contributions were received from two donors in 2017.

***Pension and Other Postretirement Benefit Obligations***

The Federation has a noncontributory defined benefit pension plan whereby it agrees to provide certain postretirement benefits to eligible employees. The benefit obligation is the actuarial present value of all benefits attributed to service rendered prior to the valuation date based on the projected unit credit cost method. It is reasonably possible that events could occur that would change the estimated amount of this liability materially in the near term.

***Investments***

The Federation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statements of financial position.

**Note 19: Subsequent Event**

Subsequent events have been evaluated through July 2, 2018, which is the date the consolidated financial statements were available to be issued.

## **Supplementary Information**

**Jewish Federation of St. Louis**  
**Appropriations to Beneficiary and Other Agencies**  
**Years Ended December 31, 2017 and 2016**

|  | <u>2017</u>   |   | <u>2016</u>   |   |
|--|---|---|---|---|
|  | <u>Unrestricted<br/>Allocation -<br/>Local<br/>Agencies</u> | <u>Strategic<br/>Program<br/>Grants</u> | <u>Unrestricted<br/>Allocation -<br/>Local<br/>Agencies</u> | <u>Strategic<br/>Program<br/>Grants</u> |
| Ashreinu   | \$ -  | \$ 15,000                               | \$ -  | \$ -                                    |
| B'nai Brith Hillel Foundation                        | 167,042   | 70,000                                  | 167,042   | 67,450                                  |
| Chabad on Campus                                     | -   | 112,548                                 | -   | 36,992                                  |
| Community Aging Corporation                          | 69,887  | 8,280                                   | 69,887  | -                                       |
| Congregations  | -   | 38,500                                  | -   | 32,000                                  |
| Day School Funding Pool:                             |   |   |   |   |
| Bais Yakov   | 50,500  | -                                       | 27,750  | -                                       |
| H. F. Epstein Hebrew Academy                         | 96,000  | -                                       | 101,000   | 2,250                                   |
| Saul Mirowitz Community Day School                   | 188,000   | -                                       | 175,500   | -                                       |
| Torah Prep School                                    | 187,500   | -                                       | 194,500   | -                                       |
| Yashivat Kadimah                                     | 28,500  | -                                       | 22,875  | -                                       |
| The Gladys & Henry Crown Center<br>for Senior Living | -   | 67,650                                  | -   | 67,650                                  |
| Inclusion Mini Grants                                | -   | 52,899                                  | -   | 86,350                                  |
| Initiatives  |   |   |   |   |
| Engaging Family with Young Children                  | -   | 13,037                                  | -   | -                                       |
| Enhancing Jewish Early Childhood                     | -   | 9,488                                   | -   | -                                       |
| Feasibility Study                                    | -   | 28,534                                  | -   | -                                       |
| Jewish Neighborhood Center                           | -   | 20,000                                  | -   | -                                       |
| Poverty Initiative                                   | -   | 40,000                                  | -   | -                                       |
| Teen Initiative                                      | -   | 58,274                                  | -   | -                                       |
| Innovation Grants                                    | -   | -                                       | -   | 7,226                                   |
| Jewish Community Center                              | 991,405   | 230,206                                 | 991,405   | 370,009                                 |
| Jewish Community Relations Council                   | 285,055   | -                                       | 285,055   | 56,284                                  |
| Jewish Family and Children's Service                 | 329,603   | 274,407                                 | 329,603   | 184,102                                 |
| Jewish Federations of North America:                 |   |   |   |   |
| Domestic Agencies                                    | -   | 200,000                                 | -   | 225,247                                 |
| Overseas Agencies                                    | -   | 651,412                                 | -   | 659,170                                 |
| Jewish Student Union                                 | -   | 38,500                                  | -   | 33,000                                  |
| MERS/Goodwill Industries                             | 20,952  | 105,497                                 | 20,952  | 47,955                                  |
| National Council of Jewish Women                     | -   | 35,000                                  | -   | -                                       |
| Next Dor   | -   | 20,000                                  | -   | -                                       |
| Sherut Leumi   | -   | 30,000                                  | -   | 30,000                                  |
| St. Louis Jewish Light                               | 77,170  | -                                       | 77,170  | -                                       |
| St. Louis Kollel                                     | -   | 15,000                                  | -   | 15,000                                  |
| Discretionary  | -   | 12,686                                  | -   | -                                       |
|  | <u>\$ 2,491,614</u>   | <u>\$ 2,146,918</u>                     | <u>\$ 2,462,739</u>   | <u>\$ 1,920,685</u>                     |

**Jewish Federation of St. Louis**  
**Schedule of Functional Expenses**  
**Year Ended December 31, 2017**

|                                    | Other Program Expenses         |                          |  |                      | Operating Expenses  |                                  |                        |                           |                      |                      | 2017<br>Total |
|------------------------------------|--------------------------------|--------------------------|--|----------------------|---------------------|----------------------------------|------------------------|---------------------------|----------------------|----------------------|---------------|
|                                    | Planning and<br>Appropriations | Community<br>Development | Holocaust<br>Museum/<br>Community<br>Library | Total<br>Program     | Philanthropy        | Marketing<br>and<br>Communicatio | Building<br>Operations | Management<br>and General | Board<br>Controlled  |                      |               |
| Salary                             | \$ 553,061                     | \$ 933,791               | \$ 215,248                                   | \$ 1,702,100         | \$ 1,099,704        | \$ 334,456                       | \$ 177,928             | \$ 837,447                | \$ -                 | \$ 4,151,635         |               |
| Medical and dental                 | 57,287                         | 102,808                  | 30,038                                       | 190,133              | 116,876             | 47,093                           | 29,540                 | 78,314                    | -                    | 461,956              |               |
| Retirement expenses (DB plan)      | 51,500                         | 65,198                   | 43,937                                       | 160,635              | 63,510              | 10,923                           | 33,633                 | 57,844                    | -                    | 326,545              |               |
| Retirement expenses (DC plan)      | 21,418                         | 43,737                   | 9,695  | 74,850               | 39,579              | 12,717                           | 8,248                  | 26,890                    | -                    | 162,284              |               |
| Payroll taxes                      | 35,606                         | 65,915                   | 16,246                                       | 117,767              | 71,248              | 25,373                           | 12,774                 | 60,083                    | -                    | 287,245              |               |
| <b>Total compensation</b>          | <b>718,872</b>                 | <b>1,211,449</b>         | <b>315,164</b>                               | <b>2,245,485</b>     | <b>1,390,917</b>    | <b>430,562</b>                   | <b>262,123</b>         | <b>1,060,578</b>          | <b>-</b>             | <b>5,389,665</b>     |               |
| Professional fees                  | 109,405                        | 262,239                  | 26,504                                       | 398,148              | 130,559             | 43,336                           | 1,500                  | 265,582                   | 149,880              | 989,005              |               |
| Missions                           | 2,286                          | 136,496                  | -  | 138,782              | 10,486              | -                                | -                      | 4,664                     | -                    | 153,932              |               |
| Travel - local                     | 1,356                          | 13,029                   | 3,953  | 18,338               | 1,355               | -                                | 415                    | 6,240                     | -                    | 26,348               |               |
| Supplies and equipment maintenance | 473                            | 22,960                   | 8,422  | 31,855               | 2,163               | 11,460                           | 49,932                 | 56,108                    | -                    | 151,518              |               |
| Marketing & communication          | 2,178                          | 203,331                  | 29,896                                       | 235,405              | 260,667             | 88,578                           | 3,857                  | 46,271                    | -                    | 634,778              |               |
| Events and functions               | 15,265                         | 67,337                   | 28,525                                       | 111,127              | 87,764              | (1,468)                          | 7,132                  | 68,629                    | -                    | 273,184              |               |
| Subscriptions and dues             | 6,316                          | 63,609                   | 900  | 70,825               | 14,104              | 411                              | 203                    | 11,028                    | -                    | 96,571               |               |
| Awards/grants/scholarships         | 15,358                         | 199,503                  | 9,173  | 224,034              | (3,632)             | 569                              | -                      | 37,928                    | -                    | 258,899              |               |
| Postage/shipping                   | 796                            | 7,421                    | 7,381  | 15,598               | 21,897              | 5,599                            | 5,807                  | 5,508                     | -                    | 54,409               |               |
| Telephone                          | 1,650                          | 508                      | -  | 2,158                | -                   | -                                | 20,883                 | 3,297                     | -                    | 26,338               |               |
| Utilities                          | -                              | -                        | -  | -                    | -                   | -                                | 60,101                 | -                         | -                    | 60,101               |               |
| Building operations                | -                              | -                        | 7,735  | 7,735                | -                   | -                                | 91,771                 | 27,255                    | -                    | 126,761              |               |
| Occupancy                          | 50,333                         | 173,686                  | 79,852                                       | 303,871              | 101,795             | 38,468                           | (495,458)              | 120,045                   | -                    | 68,721               |               |
| Liability insurance                | 5,085                          | 16,687                   | 6,032  | 27,804               | 10,286              | 3,887                            | 1,419                  | 31,893                    | -                    | 75,289               |               |
| Miscellaneous                      | 200                            | 772                      | 62   | 1,034                | 1,000               | -                                | 36,840                 | 58,265                    | 231                  | 97,370               |               |
| Interest expense                   | -                              | -                        | -  | -                    | 127,189             | -                                | -                      | 68,292                    | -                    | 195,481              |               |
| Stock/credit card fees             | -                              | -                        | -  | -                    | 43,858              | -                                | -                      | -                         | -                    | 43,858               |               |
| Bad debt expense                   | -                              | -                        | -  | -                    | (8,055)             | -                                | -                      | 23,508                    | -                    | 15,453               |               |
| Depreciation                       | 14,463                         | 57,153                   | 38,125                                       | 109,741              | 29,254              | 11,055                           | 143,526                | 17,457                    | 3,930                | 314,963              |               |
| Inter-company billings             | 216,821                        | 1,030,142                | 78,700                                       | 1,325,663            | 36,497              | (632,457)                        | (190,051)              | (798,595)                 | -                    | (258,943)            |               |
|                                    | 1,160,857                      | 3,466,322                | 640,424                                      | 5,267,603            | 2,258,104           | -                                | -                      | 1,113,953                 | 154,041              | 8,793,701            |               |
| Allocations                        | 7,194,062                      | -                        | -  | 7,194,062            | -                   | -                                | -                      | -                         | 14,752,500           | 21,946,562           |               |
| <b>Total functional expenses</b>   | <b>\$ 8,354,919</b>            | <b>\$ 3,466,322</b>      | <b>\$ 640,424</b>                            | <b>\$ 12,461,665</b> | <b>\$ 2,258,104</b> | <b>\$ -</b>                      | <b>\$ -</b>            | <b>\$ 1,113,953</b>       | <b>\$ 14,906,541</b> | <b>\$ 30,740,263</b> |               |

**Jewish Federation of St. Louis**  
**Schedule of Functional Expenses**  
**Year Ended December 31, 2016**

|                                    | Other Program Expenses      |                       |                                    |               | Operating Expenses |                            |                     |                        |                  |               |  |
|------------------------------------|-----------------------------|-----------------------|------------------------------------|---------------|--------------------|----------------------------|---------------------|------------------------|------------------|---------------|--|
|                                    | Planning and Appropriations | Community Development | Holocaust Museum/Community Library | Total Program | Philanthropy       | Marketing and Communicatio | Building Operations | Management and General | Board Controlled | 2016 Total    |  |
| Salary                             | \$ 519,531                  | \$ 1,138,611          | \$ 215,704                         | \$ 1,873,846  | \$ 1,046,948       | \$ 353,589                 | \$ 178,123          | \$ 709,425             | \$ -             | \$ 4,161,931  |  |
| Medical and dental                 | 58,906                      | 120,287               | 27,075                             | 206,268       | 103,941            | 43,937                     | 27,000              | 64,899                 | -                | 446,045       |  |
| Retirement expenses (DB plan)      | 56,224                      | 77,953                | 37,736                             | 171,913       | 51,553             | 10,386                     | 14,845              | 35,985                 | -                | 284,682       |  |
| Retirement expenses (DC plan)      | 34,532                      | 61,982                | 27,406                             | 123,920       | 62,063             | 12,525                     | 14,732              | 55,536                 | -                | 268,776       |  |
| Payroll taxes                      | 34,467                      | 80,995                | 16,232                             | 131,694       | 74,143             | 26,491                     | 12,228              | 49,174                 | -                | 293,730       |  |
| Total compensation                 | 703,660                     | 1,479,828             | 324,153                            | 2,507,641     | 1,338,648          | 446,928                    | 246,928             | 915,019                | -                | 5,455,164     |  |
| Professional fees                  | 124,704                     | 323,124               | 53,791                             | 501,619       | 73,115             | 209,268                    | 5,913               | 273,295                | 175,229          | 1,238,439     |  |
| Missions                           | 72,380                      | 94,491                | -                                  | 166,871       | 13,778             | -                          | -                   | 15,576                 | -                | 196,225       |  |
| IT Services                        | 21,154                      | 70,598                | 33,578                             | 125,330       | 42,812             | -                          | -                   | 41,721                 | -                | 209,863       |  |
| Travel - local                     | 1,277                       | 12,954                | 3,969                              | 18,200        | 1,917              | 112                        | 503                 | 6,498                  | 277              | 27,507        |  |
| Supplies and equipment maintenance | 6,394                       | 28,826                | 6,370                              | 41,590        | 9,804              | 12,548                     | 31,667              | 103,376                | -                | 198,985       |  |
| Marketing and communication        | 2,228                       | 653,835               | 79,552                             | 735,615       | 427,752            | 272,597                    | -                   | 20,330                 | 6,975            | 1,463,269     |  |
| Events and functions               | 14,528                      | 303,819               | 35,714                             | 354,061       | 33,614             | 8,714                      | 542                 | 69,608                 | -                | 466,539       |  |
| Subscriptions and dues             | 5,856                       | 50,734                | 1,623                              | 58,213        | 6,412              | 1,405                      | 118                 | 9,972                  | -                | 76,120        |  |
| Awards/grants/scholarships         | 30,040                      | 224,968               | 3,275                              | 258,283       | (205)              | 450                        | -                   | 15,200                 | -                | 273,728       |  |
| Postage/shipping                   | 1,059                       | 9,752                 | 5,714                              | 16,525        | 16,998             | 12,318                     | 18                  | 8,557                  | -                | 54,416        |  |
| Telephone                          | 989                         | 296                   | -                                  | 1,285         | -                  | -                          | 24,359              | 3,477                  | -                | 29,121        |  |
| Utilities                          | -                           | -                     | -                                  | -             | -                  | -                          | 62,392              | -                      | -                | 62,392        |  |
| Building operations                | -                           | -                     | 9,932                              | 9,932         | -                  | -                          | 91,429              | 22,589                 | -                | 123,950       |  |
| Occupancy                          | 83,192                      | 277,636               | 132,050                            | 492,878       | 168,364            | -                          | -                   | 102,974                | -                | 764,216       |  |
| Liability insurance                | 2,864                       | 10,883                | -                                  | 13,747        | 5,728              | 8,966                      | 11,572              | 37,803                 | -                | 77,816        |  |
| Miscellaneous                      | 431                         | 142                   | 4,895                              | 5,468         | 2,069              | -                          | -                   | 75,548                 | 327              | 83,412        |  |
| Interest expense                   | 251,805                     | -                     | -                                  | 251,805       | -                  | -                          | -                   | 40,694                 | -                | 292,499       |  |
| Stock/credit card fees             | -                           | -                     | -                                  | -             | 3,982              | -                          | -                   | -                      | -                | 3,982         |  |
| Bad debt expense                   | -                           | -                     | -                                  | -             | 54,475             | -                          | -                   | -                      | -                | 54,475        |  |
| Depreciation                       | 12,440                      | 93,297                | -                                  | 105,737       | 24,879             | 9,330                      | 155,494             | 15,549                 | -                | 310,989       |  |
| Inter-company billings             | -                           | 366,140               | -                                  | 366,140       | (366,140)          | (982,636)                  | (630,935)           | (404,242)              | -                | (2,017,813)   |  |
|                                    | 1,335,001                   | 4,001,323             | 694,616                            | 6,030,940     | 1,858,002          | -                          | -                   | 1,373,544              | 182,808          | 9,445,294     |  |
| Allocations                        | 7,066,733                   | -                     | -                                  | 7,066,733     | -                  | -                          | -                   | -                      | 8,212,838        | 15,279,571    |  |
| Total functional expenses          | \$ 8,401,734                | \$ 4,001,323          | \$ 694,616                         | \$ 13,097,673 | \$ 1,858,002       | \$ -                       | \$ -                | \$ 1,373,544           | \$ 8,395,646     | \$ 24,724,865 |  |



**Jewish Federation of St. Louis**  
**Consolidating Statement of Financial Position**  
**Year Ended December 31, 2017**

|  | <b>Jewish<br/>Federation<br/>St. Louis</b> | <b>Supporting<br/>Organization</b> | <b>Total Before<br/>Eliminations</b> | <b>Eliminations</b>   | <b>Consolidated</b>   |
|--|--|------------------------------------|--------------------------------------|-----------------------|-----------------------|
| <b>Assets</b>  |  |                                    |                                      |                       |                       |
| Cash and cash equivalents                                    | \$ 2,432,074                               | \$ 435,410                         | \$ 2,867,484                         | \$ -                  | \$ 2,867,484          |
| Receivables  |  |                                    |                                      |                       |                       |
| Campaign pledges, net of allowance                           | 1,791,019                                  | 500                                | 1,791,519                            | (47,000)              | 1,744,519             |
| Accrued interest   | 742  | -                                  | 742                                  | -                     | 742                   |
| Other  | 284,228                                    | -                                  | 284,228                              | -                     | 284,228               |
| Prepaid expenses   | 69,753                                     | -                                  | 69,753                               | -                     | 69,753                |
| Allocations paid in advance                                  | -  | -                                  | -                                    | -                     | -                     |
| Building and equipment, net                                  | 3,923,885                                  | 274,734                            | 4,198,619                            | -                     | 4,198,619             |
| Notes receivable   | 30,000                                     | 3,835,992                          | 3,865,992                            | -                     | 3,865,992             |
| Contributions receivable, net                                | 5,518,217                                  | 6,683,468                          | 12,201,685                           | (800,000)             | 11,401,685            |
| Long-term investments  | 116,258,955                                | 26,910,242                         | 143,169,197                          | -                     | 143,169,197           |
| Due from supporting organizations                            | 190,710                                    | -                                  | 190,710                              | (190,710)             | -                     |
| Total assets   | <u>\$ 130,499,583</u>                      | <u>\$ 38,140,346</u>               | <u>\$ 168,639,929</u>                | <u>\$ (1,037,710)</u> | <u>\$ 167,602,219</u> |
| <b>Liabilities</b>   |  |                                    |                                      |                       |                       |
| Account payable  |  |                                    |                                      |                       |                       |
| Beneficiary agencies   | \$ 2,096,204                               | \$ -                               | \$ 2,096,204                         | \$ -                  | \$ 2,096,204          |
| The Jewish Federation of North America                       | 101,695                                    | -                                  | 101,695                              | -                     | 101,695               |
| Other  | 621,864                                    | 88,284                             | 710,148                              | -                     | 710,148               |
| Grants payable   | 380,695                                    | 7,718,456                          | 8,099,151                            | (847,000)             | 7,252,151             |
| Accrued expenses   | 426,635                                    | -                                  | 426,635                              | -                     | 426,635               |
| Accrued pension obligation                                   | 2,983,584                                  | -                                  | 2,983,584                            | -                     | 2,983,584             |
| Obligations to beneficiaries under split-interest agreements | 1,766,248                                  | -                                  | 1,766,248                            | -                     | 1,766,248             |
| Due to Jewish Federation                                     | -  | 190,710                            | 190,710                              | (190,710)             | -                     |
| Line of credit   | 2,196,945                                  | -                                  | 2,196,945                            | -                     | 2,196,945             |
| Funds held in custody for others                             |  |                                    |                                      |                       |                       |
| Pooled investments   | 19,176,667                                 | -                                  | 19,176,667                           | -                     | 19,176,667            |
| Split-interest agreements                                    | 405,452                                    | -                                  | 405,452                              | -                     | 405,452               |
| Passport to Israel   | 642,525                                    | -                                  | 642,525                              | -                     | 642,525               |
| Other  | 1,061,564                                  | -                                  | 1,061,564                            | -                     | 1,061,564             |
| Total Liabilities  | <u>\$ 31,860,078</u>                       | <u>\$ 7,997,450</u>                | <u>\$ 39,857,528</u>                 | <u>\$ (1,037,710)</u> | <u>\$ 38,819,818</u>  |

**(Continued)**

**Jewish Federation of St. Louis**  
**Consolidating Statement of Financial Position (Continued)**  
**Year Ended December 31, 2017**

|   | <b>Jewish<br/>Federation of<br/>St. Louis</b> | <b>Supporting<br/>Organization</b> | <b>Total Before<br/>Eliminations</b> | <b>Eliminations</b>   | <b>Consolidated</b>         |
|---|---|------------------------------------|--------------------------------------|-----------------------|-----------------------------|
| <b>Net Assets</b>                           |   |                                    |                                      |                       |                             |
| Unrestricted:                               |   |                                    |                                      |                       |                             |
| Undesignated:                               |   |                                    |                                      |                       |                             |
| Net investment in building and Undesignated | \$ 3,923,885<br>(7,232,631)                   | \$ 274,734<br>-                    | \$ 4,198,619<br>(7,232,631)          | \$ -<br>-             | \$ 4,198,619<br>(7,232,631) |
| Board-controlled endowments and             |   |                                    |                                      |                       |                             |
| Philanthropic funds                         | 9,985,513                                     | -                                  | 9,985,513                            | -                     | 9,985,513                   |
| Board designated endowment                  | 9,009,952                                     | -                                  | 9,009,952                            | -                     | 9,009,952                   |
| Board designated as future use              | 29,729,466                                    | 29,902                             | 29,759,368                           | -                     | 29,759,368                  |
| Other                                       | 287,199                                       | 22,546,923                         | 22,834,122                           | -                     | 22,834,122                  |
| Total unrestricted                          | <u>45,703,384</u>                             | <u>22,851,559</u>                  | <u>68,554,943</u>                    | <u>-</u>              | <u>68,554,943</u>           |
| Restricted:                                 |   |                                    |                                      |                       |                             |
| Temporarily                                 | 29,546,036                                    | -                                  | 29,546,036                           | -                     | 29,546,036                  |
| Permanently                                 | 23,390,085                                    | 7,291,337                          | 30,681,422                           | -                     | 30,681,422                  |
| Total net assets                            | <u>98,639,505</u>                             | <u>30,142,896</u>                  | <u>128,782,401</u>                   | <u>-</u>              | <u>128,782,401</u>          |
| Total liabilities and net assets            | <u>\$ 130,499,583</u>                         | <u>\$ 38,140,346</u>               | <u>\$ 168,639,929</u>                | <u>\$ (1,037,710)</u> | <u>\$ 167,602,219</u>       |

**Jewish Federation of St. Louis**  
**Consolidating Statement of Activities**  
**Year Ended December 31, 2017**

|  | Jewish Federation of St. Louis |             |             |              | Supporting Organizations |                           |           | Eliminating<br>Entries | Consolidated Total |             |             |              |
|--|--------------------------------|-------------|-------------|--------------|--------------------------|---------------------------|-----------|------------------------|--------------------|-------------|-------------|--------------|
|  | Unrestricted                   | Restricted  |             | Total        | Unrestricted             | Permanently<br>Restricted | Total     |                        | Unrestricted       | Restricted  |             | Total        |
|  |                                | Temporarily | Permanently |              |                          |                           |           |                        |                    | Temporarily | Permanently |              |
| <b>Revenues, Gains and Other Support</b>             |                                |             |             |              |                          |                           |           |                        |                    |             |             |              |
| Pledges  |                                |             |             |              |                          |                           |           |                        |                    |             |             |              |
| Pledges received in the current year                 | \$ 9,630,551                   | \$ -        | \$ -        | \$ 9,630,551 | \$ -                     | \$ -                      | \$ -      | \$ -                   | \$ 9,630,551       | \$ -        | \$ -        | \$ 9,630,551 |
| Prior year pledges released from restriction         | 574,717                        | (574,717)   | -           | -            | -                        | -                         | -         | -                      | 574,717            | (574,717)   | -           | -            |
| Pledges restricted for subsequent year               | -                              | 721,818     | -           | 721,818      | -                        | -                         | -         | -                      | -                  | 721,818     | -           | 721,818      |
| Total regular campaign                               | 10,205,268                     | 147,101     | -           | 10,352,369   | -                        | -                         | -         | -                      | 10,205,268         | 147,101     | -           | 10,352,369   |
| Annual campaign: Designated                          | 5,000                          | 55,803      | -           | 60,803       | -                        | -                         | -         | -                      | 5,000              | 55,803      | -           | 60,803       |
| Total annual campaign                                | 10,210,268                     | 202,904     | -           | 10,413,172   | -                        | -                         | -         | -                      | 10,210,268         | 202,904     | -           | 10,413,172   |
| Other campaigns                                      | -                              | -           | -           | -            | -                        | -                         | -         | -                      | -                  | -           | -           | -            |
| Friends of the Holocaust Campaign                    | 237,604                        | -           | -           | 237,604      | -                        | -                         | -         | -                      | 237,604            | -           | -           | 237,604      |
| Building renovation                                  | -                              | 5,100,000   | -           | 5,100,000    | -                        | -                         | -         | -                      | -                  | 5,100,000   | -           | 5,100,000    |
| Friends of the Saul Brodsky Library Campaign         | -                              | -           | -           | -            | -                        | -                         | -         | -                      | -                  | -           | -           | -            |
| Less: Amounts derived from board-controlled funds    | (1,305,905)                    | -           | -           | (1,305,905)  | -                        | -                         | -         | (1,341,532)            | (2,647,437)        | -           | -           | (2,647,437)  |
| Net campaigns  | 9,141,967                      | 5,302,904   | -           | 14,444,871   | -                        | -                         | -         | (1,341,532)            | 7,800,435          | 5,302,904   | -           | 13,103,339   |
| Contributions, bequests and gifts                    | 3,455,915                      | 1,217,336   | 3,379,405   | 8,052,656    | 114,759                  | 758,530                   | 873,289   | (1,195,578)            | 2,375,096          | 1,217,336   | 4,137,935   | 7,730,367    |
| Government grants                                    | 46,730                         | -           | -           | 46,730       | -                        | -                         | -         | -                      | 46,730             | -           | -           | 46,730       |
| United Way of Greater St. Louis                      | 162,878                        | -           | -           | 162,878      | -                        | -                         | -         | -                      | 162,878            | -           | -           | 162,878      |
| Other grants   | 298,458                        | 134,478     | -           | 432,936      | -                        | -                         | -         | (47,000)               | 251,458            | 134,478     | -           | 385,936      |
| Services to beneficiary agencies                     | 57,930                         | -           | -           | 57,930       | -                        | -                         | -         | -                      | 57,930             | -           | -           | 57,930       |
| Other income   | 134,386                        | -           | -           | 134,386      | 39,382                   | -                         | 39,382    | -                      | 173,768            | -           | -           | 173,768      |
| Investment income                                    | 412,753                        | 327,136     | -           | 739,889      | 1,221,634                | -                         | 1,221,634 | -                      | 1,634,387          | 327,136     | -           | 1,961,523    |
| Net gain on investments                              | 5,317,926                      | 5,010,108   | -           | 10,328,034   | 2,641,923                | -                         | 2,641,923 | -                      | 7,959,849          | 5,010,108   | -           | 12,969,957   |
| Change in value of split interest agreements         | -                              | 112,643     | -           | 112,643      | -                        | -                         | -         | -                      | -                  | 112,643     | -           | 112,643      |
| Net assets released from restriction                 |                                |             |             |              |                          |                           |           |                        |                    |             |             |              |
| Program  | 1,649,476                      | (1,681,469) | 31,993      | -            | 31,993                   | (31,993)                  | -         | -                      | 1,681,469          | (1,681,469) | -           | -            |
| Building renovation                                  | 1,044,907                      | (1,044,907) | -           | -            | -                        | -                         | -         | -                      | 1,044,907          | (1,044,907) | -           | -            |
| Other  | 892,220                        | (892,220)   | -           | -            | -                        | -                         | -         | -                      | 892,220            | (892,220)   | -           | -            |
| Reclassification of Board-controlled endowments, net | (2,450)                        | -           | -           | (2,450)      | 2,450                    | -                         | 2,450     | -                      | -                  | -           | -           | -            |
| Total revenues, gains and other support              | 22,613,096                     | 8,486,009   | 3,411,398   | 34,510,503   | 4,052,141                | 726,537                   | 4,778,678 | (2,584,110)            | 24,081,127         | 8,486,009   | 4,137,935   | 36,705,071   |

(Continued)

**Jewish Federation of St. Louis**  
**Consolidating Statement of Activities (Continued)**  
**Year Ended December 31, 2017**

|   | Jewish Federation of St. Louis |               |               |               | Supporting Organizations |                           |               | Eliminating<br>Entries | Consolidated Total |               |               |                |       |
|---|--------------------------------|---------------|---------------|---------------|--------------------------|---------------------------|---------------|------------------------|--------------------|---------------|---------------|----------------|-------|
|   | Unrestricted                   | Restricted    |               | Total         | Unrestricted             | Permanently<br>Restricted |               |                        | Total              | Unrestricted  | Restricted    |                | Total |
|   |                                | Temporarily   | Permanently   |               |                          | Temporarily               | Permanently   |                        |                    |               |               |                |       |
| <b>Appropriations and Program Expenses</b>                    |                                |               |               |               |                          |                           |               |                        |                    |               |               |                |       |
| Appropriations  |                                |               |               |               |                          |                           |               |                        |                    |               |               |                |       |
| Unrestricted  |                                |               |               |               |                          |                           |               |                        |                    |               |               |                |       |
| Local agencies  | \$ 2,491,614                   | \$ -          | \$ -          | \$ 2,491,614  | \$ -                     | \$ -                      | \$ -          | \$ -                   | \$ 2,491,614       | \$ -          | \$ -          | \$ 2,491,614   |       |
| Israel and overseas   | 1,324,177                      | -             | -             | 1,324,177     | -                        | -                         | -             | -                      | 1,324,177          | -             | -             | 1,324,177      |       |
| National agencies   | 474,986                        | -             | -             | 474,986       | -                        | -                         | -             | -                      | 474,986            | -             | -             | 474,986        |       |
| Strategic program grants                                      |                                |               |               |               |                          |                           |               |                        |                    |               |               |                |       |
| Ensuring the Jewish Future                                    | 277,980                        | -             | -             | 277,980       | -                        | -                         | -             | -                      | 277,980            | -             | -             | 277,980        |       |
| Caring for Jews in Need - Domestic                            | 737,783                        | -             | -             | 737,783       | -                        | -                         | -             | -                      | 737,783            | -             | -             | 737,783        |       |
| Caring for Jews in Need - Overseas                            | 698,671                        | -             | -             | 698,671       | -                        | -                         | -             | -                      | 698,671            | -             | -             | 698,671        |       |
| Community Engagement  | 432,484                        | -             | -             | 432,484       | -                        | -                         | -             | -                      | 432,484            | -             | -             | 432,484        |       |
| Endowment and Foundation distributions                        |                                |               |               |               |                          |                           |               |                        |                    |               |               |                |       |
| Jewish Federation   | -                              | -             | -             | -             | 2,584,110                | -                         | 2,584,110     | (2,584,110)            | -                  | -             | -             | -              |       |
| Beneficiary and other local agencies                          | 1,083,810                      | -             | -             | 1,083,810     | 2,890,370                | -                         | 2,890,370     | -                      | 3,974,180          | -             | -             | 3,974,180      |       |
| National agencies   | 269,283                        | -             | -             | 269,283       | 6,915,969                | -                         | 6,915,969     | -                      | 7,185,252          | -             | -             | 7,185,252      |       |
| Distribution to charitable organizations                      | 1,091,857                      | -             | -             | 1,091,857     | 3,257,578                | -                         | 3,257,578     | -                      | 4,349,435          | -             | -             | 4,349,435      |       |
| Other program expenses  |                                |               |               |               |                          |                           |               |                        |                    |               |               |                |       |
| Planning and appropriations                                   | 1,160,857                      | -             | -             | 1,160,857     | -                        | -                         | -             | -                      | 1,160,857          | -             | -             | 1,160,857      |       |
| Community development   | 3,466,322                      | -             | -             | 3,466,322     | -                        | -                         | -             | -                      | 3,466,322          | -             | -             | 3,466,322      |       |
| Holocaust Museum and Community Libraries                      | 640,424                        | -             | -             | 640,424       | -                        | -                         | -             | -                      | 640,424            | -             | -             | 640,424        |       |
| Total appropriations and program expenses                     | 14,150,248                     | -             | -             | 14,150,248    | 15,648,027               | -                         | 15,648,027    | (2,584,110)            | 27,214,165         | -             | -             | 27,214,165     |       |
| <b>Operating Expenses</b>                                     |                                |               |               |               |                          |                           |               |                        |                    |               |               |                |       |
| Philanthropy  | 2,258,104                      | -             | -             | 2,258,104     | -                        | -                         | -             | -                      | 2,258,104          | -             | -             | 2,258,104      |       |
| Management and general  | 1,090,445                      | 23,508        | -             | 1,113,953     | 154,041                  | -                         | 154,041       | -                      | 1,244,486          | 23,508        | -             | 1,267,994      |       |
| Total operating expenses                                      | 3,348,549                      | 23,508        | -             | 3,372,057     | 154,041                  | -                         | 154,041       | -                      | 3,502,590          | 23,508        | -             | 3,526,098      |       |
| Total appropriations and expenses                             | 17,498,797                     | 23,508        | -             | 17,522,305    | 15,802,068               | -                         | 15,802,068    | (2,584,110)            | 30,716,755         | 23,508        | -             | 30,740,263     |       |
| <b>Change in Net Assets Before Pension Changes</b>            | 5,114,299                      | 8,462,501     | 3,411,398     | 16,988,198    | (11,749,927)             | 726,537                   | (11,023,390)  | -                      | (6,635,628)        | 8,462,501     | 4,137,935     | 5,964,808      |       |
| Pension related change other than net periodic cost, net loss | (156,352)                      | -             | -             | (156,352)     | -                        | -                         | -             | -                      | (156,352)          | -             | -             | (156,352)      |       |
| <b>Change in Net Assets</b>                                   | 4,957,947                      | 8,462,501     | 3,411,398     | 16,831,846    | (11,749,927)             | 726,537                   | (11,023,390)  | -                      | (6,791,980)        | 8,462,501     | 4,137,935     | 5,808,456      |       |
| <b>Net Assets Beginning of Year</b>                           | 40,745,437                     | 21,083,535    | 19,978,687    | 81,807,659    | 34,601,486               | 6,564,800                 | 41,166,286    | -                      | 75,346,923         | 21,083,535    | 26,543,487    | 122,973,945    |       |
| <b>Net Assets, End of Year</b>                                | \$ 45,703,384                  | \$ 29,546,036 | \$ 23,390,085 | \$ 98,639,505 | \$ 22,851,559            | \$ 7,291,337              | \$ 30,142,896 | \$ -                   | \$ 68,554,943      | \$ 29,546,036 | \$ 30,681,422 | \$ 128,782,401 |       |