

Jewish Federation of St. Louis

Independent Auditor's Report and Consolidated Financial Statements

December 31, 2019 and 2018

Jewish Federation of St. Louis
December 31, 2019 and 2018

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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 statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits 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 consolidated financial position of the Federation as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Consolidating Information

Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information is presented for purposes of additional analysis rather than to present the financial position and changes in net assets of the individual entities 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 audits 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 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
June 4, 2020

Jewish Federation of St. Louis
Consolidated Statements of Financial Position
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 2,266,669	\$ 327,596
Receivables		
Campaign pledges, net of allowance	1,722,471	2,001,875
Other	244,117	202,896
Prepaid expenses	145,360	121,133
Building and equipment, net	6,981,576	7,081,650
Contributions receivable, net	10,476,977	6,537,174
Long-term investments	<u>154,276,425</u>	<u>141,646,769</u>
 Total assets	 <u>\$176,113,595</u>	 <u>\$157,919,093</u>
Liabilities		
Account payable		
Beneficiary agencies	\$ 2,700,169	\$ 2,892,611
The Jewish Federations of North America	42,409	86,370
Other	331,532	397,631
Grants payable, net	2,893,966	5,076,525
Accrued expenses	515,811	581,460
Accrued pension obligation	2,808,910	2,788,102
Obligations to beneficiaries under split- interest agreements	2,026,538	1,577,507
Line of credit	2,542,496	4,183,682
Note payable	1,605,862	1,758,645
Funds held in custody for others		
Pooled investments	22,128,225	19,496,313
Split-interest agreements	501,258	350,862
Passport to Israel	666,562	653,807
Other	<u>815,930</u>	<u>1,131,738</u>
 Total liabilities	 <u>\$ 39,579,668</u>	 <u>\$ 40,975,253</u>

(Continued)

Jewish Federation of St. Louis
Consolidated Statements of Financial Position (Continued)
December 31, 2019 and 2018

	2019	2018
Net Assets		
Without donor restrictions		
Undesignated	\$ (3,531,938)	\$ (3,433,051)
Board-controlled endowments and other		
Philanthropic funds	8,439,427	8,635,395
Board designated as endowment	8,850,519	8,294,109
Board designated as future use	28,725,825	25,848,337
Other	20,466,962	15,696,099
Total without donor restrictions	62,950,795	55,040,889
With donor restrictions	73,583,132	61,902,951
Total net assets	136,533,927	116,943,840
Total liabilities and net assets	\$176,113,595	\$157,919,093

Jewish Federation of St. Louis
Consolidated Statement of Activities
Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>			<u>With Donor Restrictions</u>	<u>Total</u>
	<u>Undesignated</u>	<u>Board-Controlled Endowments and Other</u>	<u>Total</u>		
Revenues, Gains and Other Support					
Pledges					
Pledges received in the current year	\$ 9,062,570	\$ -	\$ 9,062,570	\$ -	\$ 9,062,570
Prior year pledges received and released from restriction	730,220	-	730,220	(730,220)	-
Pledges restricted for subsequent year	-	-	-	620,346	620,346
Total regular campaign	9,792,790	-	9,792,790	(109,874)	9,682,916
Annual campaign: Other	-	-	-	100,500	100,500
Total annual campaign	9,792,790	-	9,792,790	(9,374)	9,783,416
Friends of the Holocaust Campaign	256,589	-	256,589	-	256,589
Less: Amounts derived from board-controlled funds	(778,660)	(1,573,783)	(2,352,443)	-	(2,352,443)
Net campaigns	9,270,719	(1,573,783)	7,696,936	(9,374)	7,687,562
Contributions, bequests and gifts	83,203	4,616,434	4,699,637	8,214,018	12,913,655
United Way of Greater St. Louis	142,277	-	142,277	-	142,277
Other grants	409,424	-	409,424	20,000	429,424
Services to beneficiary agencies	28,143	-	28,143	-	28,143
Other income	489,333	-	489,333	-	489,333
Investment income, net	(521,133)	1,371,501	850,368	451,578	1,301,946
Net gain on investments	25,478	9,477,917	9,503,395	6,093,147	15,596,542
Change in value of split interest agreements	-	-	-	646,667	646,667
Net assets released from restriction					
Program	2,722,034	(757,170)	1,964,864	(1,964,864)	-
Building renovations	233,582	-	233,582	(233,582)	-
Other	1,537,409	-	1,537,409	(1,537,409)	-
Reclassification of Board-controlled endowments, net	1,923,199	(1,923,199)	-	-	-
Total revenues, gains and other support	16,343,668	11,211,700	27,555,368	11,680,181	39,235,549

(Continued)

Jewish Federation of St. Louis
Consolidated Statement of Activities (Continued)
Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>			<u>With Donor Restrictions</u>	<u>Total</u>
	<u>Undesignated</u>	<u>Board-Controlled Endowments and Other</u>	<u>Total</u>		
Appropriations and Program Expenses					
Appropriations					
Community investments	\$ 6,457,787	\$ -	\$ 6,457,787	\$ -	\$ 6,457,787
Endowment and Foundation distributions					
Beneficiary and other local agencies	189,852	1,220,162	1,410,014	-	1,410,014
National agencies	94,523	782,032	876,555	-	876,555
Distribution to charitable organizations	300,609	1,149,280	1,449,889	-	1,449,889
Total appropriations	7,042,771	3,151,474	10,194,245	-	10,194,245
Other program expenses					
Planning and appropriations	1,130,712	-	1,130,712	-	1,130,712
Community development	3,383,789	-	3,383,789	-	3,383,789
Holocaust Museum and Community Libraries	1,015,793	-	1,015,793	-	1,015,793
Total appropriations and program expenses	12,573,065	3,151,474	15,724,539	-	15,724,539
Operating Expenses					
Philanthropy	2,801,008	-	2,801,008	-	2,801,008
Management and general	1,185,248	51,433	1,236,681	-	1,236,681
Total operating expenses	3,986,256	51,433	4,037,689	-	4,037,689
Total appropriations and expenses	16,559,321	3,202,907	19,762,228	-	19,762,228
Change in Net Assets Before Pension Changes	(215,653)	8,008,793	7,793,140	11,680,181	19,473,321
Pension related change other than net periodic cost, net gain	116,766	-	116,766	-	116,766
Change in Net Assets	(98,887)	8,008,793	7,909,906	11,680,181	19,590,087
Net Assets Beginning of Year	(3,433,051)	58,473,940	55,040,889	61,902,951	116,943,840
Net Assets, End of Year	\$ (3,531,938)	\$ 66,482,733	\$ 62,950,795	\$ 73,583,132	\$136,533,927

Jewish Federation of St. Louis
Consolidated Statement of Activities
Year Ended December 31, 2018

	<u>Without Donor Restrictions</u>			<u>With Donor Restrictions</u>	<u>Total</u>
	<u>Undesignated</u>	<u>Board-Controlled Endowments and Other</u>	<u>Total</u>		
Revenues, Gains and Other Support					
Pledges					
Pledges received in the current year	\$ 9,599,695	\$ -	\$ 9,599,695	\$ -	\$ 9,599,695
Prior year pledges received and released from restriction	646,830	-	646,830	(646,830)	-
Pledges restricted for subsequent year	-	-	-	691,564	691,564
Total regular campaign	10,246,525	-	10,246,525	44,734	10,291,259
Annual campaign: Other	6,000	-	6,000	326,000	332,000
Total annual campaign	10,252,525	-	10,252,525	370,734	10,623,259
Friends of the Holocaust Campaign	261,535	-	261,535	-	261,535
Less: Amounts derived from board-controlled funds	(822,785)	(1,974,142)	(2,796,927)	-	(2,796,927)
Net campaigns	9,691,275	(1,974,142)	7,717,133	370,734	8,087,867
Contributions, bequests and gifts	144,840	802,931	947,771	6,224,690	7,172,461
Government grants	48,500	-	48,500	-	48,500
United Way of Greater St. Louis	145,056	-	145,056	-	145,056
Other grants	158,913	-	158,913	195,000	353,913
Services to beneficiary agencies	28,227	-	28,227	-	28,227
Other income	616,574	-	616,574	-	616,574
Investment income, net	(453,369)	1,260,713	807,344	416,916	1,224,260
Net gain (loss) on investments	8,393	(3,993,873)	(3,985,480)	(2,462,005)	(6,447,485)
Change in value of split interest agreements	-	-	-	(148,756)	(148,756)
Net assets released from restriction					
Program	2,042,045	(1,194,279)	847,766	(847,766)	-
Building renovations	609,425	-	609,425	(609,425)	-
Other	1,231,188	-	1,231,188	(1,231,188)	-
Reclassification of Board-controlled endowments, net	2,590,733	(2,590,733)	-	-	-
Total revenues, gains and other support	16,861,800	(7,689,383)	9,172,417	1,908,200	11,080,617

(Continued)

Jewish Federation of St. Louis
Consolidated Statement of Activities (Continued)
Year Ended December 31, 2018

	Without Donor Restrictions			With Donor Restrictions	Total
	Undesignated	Board-Controlled Endowments and Other	Total		
Appropriations					
Community investments	\$ 7,348,814	\$ -	\$ 7,348,814	\$ -	\$ 7,348,814
Endowment and Foundation distributions					
Beneficiary and other local agencies	352,206	1,322,472	1,674,678	232,707	1,907,385
National agencies	4,487	2,232,837	2,237,324	-	2,237,324
Distribution to charitable organizations	430,269	1,790,787	2,221,056	-	2,221,056
Total appropriations	8,135,776	5,346,096	13,481,872	232,707	13,714,579
Other program expenses					
Planning and appropriations	1,255,787	-	1,255,787	-	1,255,787
Community development	3,835,340	-	3,835,340	-	3,835,340
Holocaust Museum and Community Libraries	714,581	-	714,581	-	714,581
Total appropriations and program expenses	13,941,484	5,346,096	19,287,580	232,707	19,520,287
Operating Expenses					
Philanthropy	2,331,789	-	2,331,789	-	2,331,789
Management and general	1,095,856	79,536	1,175,392	-	1,175,392
Total operating expenses	3,427,645	79,536	3,507,181	-	3,507,181
Total appropriations and expenses	17,369,129	5,425,632	22,794,761	232,707	23,027,468
Change in Net Assets Before Pension Changes	(507,329)	(13,115,015)	(13,622,344)	1,675,493	(11,946,851)
Pension related change other than net periodic cost, net loss	108,290	-	108,290	-	108,290
Change in Net Assets	(399,039)	(13,115,015)	(13,514,054)	1,675,493	(11,838,561)
Net Assets Beginning of Year	(3,034,012)	71,588,955	68,554,943	60,227,458	128,782,401
Net Assets, End of Year	\$ (3,433,051)	\$ 58,473,940	\$ 55,040,889	\$ 61,902,951	\$ 116,943,840

Jewish Federation of St. Louis
Consolidated Statement of Functional Expenses
December 31, 2019

	Program Services				Support Services						2019 Total
	Planning and Appropriations	Community Development	Holocaust Museum/ Community Library	Total Program	Philanthropy	Marketing and Communication	Building Operations	Management and General	Board Controlled		
Salary	\$ 495,262	\$ 942,832	\$ 255,844	\$ 1,693,938	\$ 1,003,638	\$ 376,928	\$ 88,611	\$ 981,623	\$ -	\$ 4,144,738	
Medical and dental	42,442	117,980	33,754	194,176	126,584	48,996	15,327	93,179	-	478,262	
Retirement expenses (DB plan)	62,705	96,788	54,650	214,143	62,529	15,046	25,102	81,049	-	397,869	
Retirement expenses (DC plan)	18,642	36,644	9,376	64,662	44,816	13,252	4,487	45,341	-	172,558	
Payroll taxes	41,600	67,952	19,460	129,012	72,524	27,467	5,897	74,809	-	309,709	
Total compensation	660,651	1,262,196	373,084	2,295,931	1,310,091	481,689	139,424	1,276,001	-	5,503,136	
Professional fees	102,327	317,521	194,033	613,881	174,482	44,610	-	340,342	42,244	1,215,559	
Missions	20,024	327,351	-	347,375	72,876	-	-	2,033	-	422,284	
Travel - local	3,190	19,580	3,844	26,614	1,696	48	180	1,616	-	30,154	
Supplies and equipment maintenance	596	26,049	5,301	31,946	1,496	6,600	30,910	112,064	-	183,016	
Marketing & communication	122	181,725	94,205	276,052	240,465	61,505	-	56,400	-	634,422	
Events and functions	17,600	109,303	41,319	168,222	233,070	5,165	49	85,842	-	492,348	
Subscriptions and dues	5,972	70,841	4,373	81,186	4,432	240	(70)	15,164	-	100,952	
Awards/grants/scholarships	18,592	177,744	4,163	200,499	6,222	-	-	3,720	-	210,441	
Postage/shipping	447	5,944	7,226	13,617	21,003	5,508	4,000	14,031	-	58,159	
Telephone	550	1,627	-	2,177	-	-	18,874	628	-	21,679	
Utilities	-	-	-	-	-	-	75,650	-	-	75,650	
Building operations	-	554	5,040	5,594	-	-	107,382	38,034	-	151,010	
Occupancy	56,965	183,306	99,470	339,741	110,987	50,448	(621,671)	170,059	-	49,564	
Liability insurance	8,594	31,103	16,369	56,066	21,740	8,236	-	15,264	-	101,306	
Miscellaneous	-	1,436	-	1,436	-	271	10,567	3,095	4,902	20,271	
Interest expense	-	-	-	-	-	-	-	178,764	-	178,764	
Stock/credit card fees	-	-	-	-	42,789	-	-	-	-	42,789	
Bad debt expense	-	-	-	-	-	-	-	(100,000)	-	(100,000)	
Depreciation	14,887	81,626	85,975	182,488	32,576	13,184	255,949	12,858	4,287	501,342	
Inter-company billings/recoveries	220,195	585,883	81,391	887,469	527,083	(677,504)	(21,244)	(1,040,667)	-	(324,863)	
	1,130,712	3,383,789	1,015,793	5,530,294	2,801,008	-	-	1,185,248	51,433	9,567,983	
Appropriations	7,042,771	-	-	7,042,771	-	-	-	-	3,151,474	10,194,245	
Total functional expenses	\$ 8,173,483	\$ 3,383,789	\$ 1,015,793	\$ 12,573,065	\$ 2,801,008	\$ -	\$ -	\$ 1,185,248	\$ 3,202,907	\$ 19,762,228	

Jewish Federation of St. Louis
Consolidated Statement of Functional Expenses (Continued)
December 31, 2018

	Program Services				Support Services						2018 Total
	Planning and Appropriations	Community Development	Holocaust Museum/ Community Library	Total Program	Philanthropy	Marketing and Communication	Building Operations	Management and General	Board Controlled		
Salary	\$ 608,600	\$ 1,020,519	\$ 228,627	\$ 1,857,746	\$ 1,060,005	\$ 320,199	\$ 89,611	\$ 950,734	\$ -	\$ 4,278,295	
Medical and dental	55,608	125,946	30,831	212,385	137,126	50,142	16,842	90,225	-	506,720	
Retirement expenses (DB plan)	50,097	83,984	32,050	166,131	52,568	8,624	14,296	59,626	-	301,245	
Retirement expenses (DC plan)	22,405	38,502	9,522	70,429	45,056	10,931	4,475	33,255	-	164,146	
Payroll taxes	37,030	74,693	16,948	128,671	70,609	23,740	5,871	66,062	-	294,953	
Total compensation	773,740	1,343,644	317,978	2,435,362	1,365,364	413,636	131,095	1,199,902	-	5,545,359	
Professional fees	75,895	214,475	89,062	379,432	158,604	90,209	-	224,718	79,536	932,499	
Missions	84,707	246,083	-	330,790	23,216	-	-	12,644	-	366,650	
Travel - local	598	13,931	5,844	20,373	1,158	345	13	6,185	-	28,074	
Supplies and equipment maintenance	1,595	26,023	6,788	34,406	2,633	13,974	20,549	89,339	-	160,901	
Marketing and communication	4,045	190,506	21,019	215,570	222,767	57,984	1,867	21,372	-	519,560	
Events and functions	7,735	112,564	34,883	155,182	222,836	12,387	127	107,846	-	498,378	
Subscriptions and dues	5,698	75,523	1,735	82,956	14,369	244	258	13,013	-	110,840	
Awards/grants/scholarships	-	178,936	9,075	188,011	15,621	-	-	32,238	-	235,870	
Postage/shipping	426	5,294	3,409	9,129	15,607	83	-	25,920	-	50,739	
Telephone	1,572	1,326	-	2,898	-	-	20,304	2,336	-	25,538	
Utilities	-	-	-	-	-	-	68,387	-	-	68,387	
Building operations	-	-	5,040	5,040	-	-	103,366	29,852	-	138,258	
Occupancy	50,193	193,017	95,711	338,921	127,109	48,185	(598,196)	141,645	-	57,664	
Liability insurance	4,213	16,879	5,657	26,749	10,574	4,007	553	36,006	-	77,889	
Miscellaneous	-	1,343	409	1,752	-	-	32,556	50,783	-	85,091	
Interest expense	-	-	-	-	-	-	-	129,745	-	129,745	
Stock/credit card fees	-	-	-	-	47,370	-	-	-	-	47,370	
Bad debt expense	-	-	-	-	74,438	-	-	-	-	74,438	
Depreciation	12,441	55,973	41,328	109,742	31,505	11,943	223,715	33,253	-	410,158	
Inter-company billings/recoveries	232,929	1,159,823	76,643	1,469,395	(1,382)	(652,997)	(4,594)	(1,060,941)	-	(250,519)	
	1,255,787	3,835,340	714,581	5,805,708	2,331,789	-	-	1,095,856	79,536	9,312,889	
Appropriations	8,368,484	-	-	8,368,484	-	-	-	-	5,346,095	13,714,579	
Total functional expenses	\$ 9,624,271	\$ 3,835,340	\$ 714,581	\$ 14,174,192	\$ 2,331,789	\$ -	\$ -	\$ 1,095,856	\$ 5,425,631	\$ 23,027,468	

Jewish Federation of St. Louis
Consolidated Statements of Cash Flows
December 31, 2019 and 2018

	2019	2018
Operating Activities		
Change in net assets	\$ 19,590,087	\$(11,838,561)
Items not requiring (providing) operating activities cash flows		
Depreciation	501,342	410,158
Net realized and unrealized (gains) losses on investments	(15,596,542)	6,447,485
Contributions restricted for long-term purposes	(6,204,705)	(2,750,000)
Contribution of equity method investment	(3,757,000)	-
Change in value of split interest agreements	(646,667)	148,756
Forgiveness of note receivable	-	1,573,945
Pension related charges other than net periodic pension costs	(116,766)	(108,290)
Change in discount on contribution receivable	40,592	252,801
Change in discount on grants payable	34,439	186,060
Provision (credit) for losses of uncollectible receivables	(100,000)	74,438
Changes in		
Receivables	(3,642,212)	4,361,990
Prepaid expenses	(24,227)	(51,380)
Accounts payable and pension obligation	(164,928)	381,373
Grants payable	(2,216,998)	(2,361,686)
Accrued expenses	(65,649)	154,825
Obligations under split-interest agreements	1,298,076	(107,729)
Funds held in custody for others	2,479,255	346,512
Net cash used in operating activities	(8,591,903)	(2,879,303)
Investing Activities		
Collections of notes receivable	-	2,292,047
Purchase of property and equipment	(401,268)	(3,293,189)
Purchases of investments	(143,374,646)	(106,907,941)
Proceeds from sales of investments	150,098,532	101,982,884
Net cash provided by (used in) investing activities	6,322,618	(5,926,199)
Financing Activities		
Net proceeds (payments) on line of credit	(1,641,186)	1,986,737
Proceeds from note payable	191,249	2,170,700
Payments on note payable	(344,032)	(412,055)
Contributions restricted for long term purposes	6,204,705	2,750,000
Payments of obligations under split-interest agreements	(202,378)	(229,768)
Net cash provided by financing activities	4,208,358	6,265,614
Increase (Decrease) in Cash and Cash Equivalents	1,939,073	(2,539,888)
Cash and Cash Equivalents, Beginning of Year	327,596	2,867,484
Cash and Cash Equivalents, End of Year	\$ 2,266,669	\$ 327,596
Supplemental Cash Flows Information		
Interest paid	\$ 178,764	\$ 129,745

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

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 consolidated 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, 2019 and 2018, cash equivalents consisted primarily of money market accounts with brokers and certificates of deposit.

At December 31, 2019, the Federation’s cash accounts exceeded federally insured limits by approximately \$1,215,000.

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

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

Investments

The Federation measures securities, other than investments that qualify for the equity method of accounting, at fair value. Investments in private equity funds and hedge funds are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments.

The Federation measures equity investments without a readily determinable fair value at cost, minus impairment, if any, plus or minus changes resulting from observable price changes for the identical or a similar investment.

Certain investments of nonpublicly traded real estate limited partnerships totaling approximately \$8,589,000 and \$4,846,000 at December 31, 2019 and 2018, 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.

Net Investment Return

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. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is recorded as revenue with donor restrictions and then released from restrictions. Other investment return is reflected in the statements of activities with or without donor restrictions 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.

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.

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

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

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

Building and building improvements	5-45 years
Holocaust Museum building improvements	33 years
Furniture, fixtures and equipment	3-12 years

Long-Lived Asset Impairment

The Federation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2019 and 2018.

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 with donor restrictions net asset class. Such pledges are reclassified to without donor restrictions net assets – regular campaign revenue at the beginning of the year to which they relate.

Appropriations to Beneficiary Agencies and the Jewish Federations of North America

Appropriations to beneficiary agencies are recorded in the without donor restrictions 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 instances 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.

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

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

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for use at discretion of the board and board-designated endowment. Net assets with donor restrictions are subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Pledges and Contributions

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

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions 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 net assets without donor restriction unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions. 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.

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.

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

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

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 services and support services categories based on the best estimate of management.

Reclassifications and Revisions

Certain reclassifications have been made to the 2018 consolidated financial statements to conform to the 2019 consolidated financial statement presentation. These reclassifications had no effect on the change in net assets.

In addition, certain immaterial revisions have been made to the 2018 endowment footnote to remove amounts that don't follow the investing and spending policies of the endowment. These revisions did not have an impact on the consolidated statements of financial position or consolidated statements of activities.

Changes in Accounting Principles

On January 1, 2019, the Federation adopted the Financial Accounting Standards Board Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (Topic 606), (ASU 2014-09) using a modified retrospective method of adoption to all contracts not completed at the date of initial application.

The core guidance in ASU 2014-09 is to recognize revenue to depict the transfer of promised goods or services in amounts that reflect the consideration to which the Federation expects to be entitled in exchange for those goods or services.

The amount to which the Federation expects to be entitled is calculated as the transaction price and recorded as revenue in exchange for providing goods or services.

The significant revenue streams accounted for under ASC 606 are event fees and sponsorships. The related revenue is recognized when performance obligations are satisfied, which is, generally, at a point in time.

The Federation's adoption of ASU 2014-09 did not result in changes in the timing of revenue recognition.

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

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

On January 1, 2019, the Federation also adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received*, which clarifies and improves the scope and accounting guidance in ASU 2014-09 related to revenue recognition for grants and contributions. This change had no impact on previously reported total change in net assets.

Note 2: Disclosures About Fair Value of Assets and Liabilities

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. The hierarchy comprises 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 that are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying consolidated 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, 2019 and 2018:

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 2: Disclosures About Fair Value of Assets and Liabilities (Continued)

	<u>Fair Value Measurements Using</u>				
	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Investments Measured at NAV^(A)</u>
December 31, 2019					
Assets					
Cash equivalents	\$ 7,743,027	\$ 7,743,027	\$ -	\$ -	\$ -
Capital preservation and U.S. government obligations	3,205,253	3,205,253	-	-	-
State of Israel bonds	3,831,821	-	3,831,821	-	-
Global fixed income	10,152,611	10,152,611	-	-	-
United States equity	29,590,932	29,590,932	-	-	-
International equity	1,427,204	1,427,204	-	-	-
Mutual funds	13,385,385	13,385,385	-	-	-
Corporate bonds	781,210	-	781,210	-	-
Other	579,076	579,076	-	-	-
Real estate, at fair value	137,952	-	-	137,952	-
Alternative investments	73,548,355	-	2,636,394	-	70,911,961
Real estate, at cost (B)	8,588,508	-	-	-	-
Cash surrender value of life insurance policies (C)	1,271,084	-	-	-	-
Other investments, at cost (B)	34,007	-	-	-	-
	<u>\$154,276,425</u>	<u>\$ 66,083,488</u>	<u>\$ 7,249,425</u>	<u>\$ 137,952</u>	<u>\$ 70,911,961</u>
Beneficial interest in charitable remainder unitrusts	\$ 80,656	\$ -	\$ 80,656	\$ -	\$ -
Liabilities					
Split-interest obligations to beneficiaries and others	\$ 2,527,796	\$ -	\$ 2,527,796	\$ -	\$ -

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 2: Disclosures About Fair Value of Assets and Liabilities (Continued)

	<u>Fair Value Measurements Using</u>				
	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Investments Measured at NAV^(A)</u>
December 31, 2018					
Assets					
Cash equivalents	\$ 6,075,338	\$ 6,075,338	\$ -	\$ -	\$ -
Capital preservation and U.S. government obligations	1,857,581	1,857,581	-	-	-
State of Israel bonds	3,833,621	-	3,833,621	-	-
Global fixed income	9,472,019	9,472,019	-	-	-
United States equity	29,989,039	29,989,039	-	-	-
International equity	97,169	97,169	-	-	-
Corporate bonds	1,160,179	-	1,160,179	-	-
Real estate, at fair value	123,360	-	-	123,360	-
Alternative investments	82,829,244	-	2,248,676	-	80,580,568
Real estate, at cost (B)	4,846,066	-	-	-	-
Cash surrender value of life insurance policies (C)	1,329,146	-	-	-	-
Other investments, at cost (B)	34,007	-	-	-	-
	<u>\$141,646,769</u>	<u>\$ 47,491,146</u>	<u>\$ 7,242,476</u>	<u>\$ 123,360</u>	<u>\$ 80,580,568</u>
Beneficial interest in charitable remainder unitrusts	<u>\$ 78,856</u>	<u>\$ -</u>	<u>\$ 78,856</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities					
Split-interest obligations to beneficiaries and others	<u>\$ 1,928,369</u>	<u>\$ -</u>	<u>\$ 1,928,369</u>	<u>\$ -</u>	<u>\$ -</u>

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

(B) Certain investments are carried at lower of cost or fair value and therefore 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 consolidated statements of financial position.

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 2: Disclosures About Fair Value of Assets and Liabilities (Continued)

- (C) The Federation has been named as a beneficiary on certain life insurance policies of donors. The life insurance is recorded at the amount that can be realized under the insurance contract at the consolidated statement of financial position date, which is the cash surrender value adjusted for other charges or other amounts due that are probably at settlement.

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 consolidated 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, 2019. 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, 2019 and 2018

Note 2: Disclosures About Fair Value of Assets and Liabilities (Continued)

Alternative Investments

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

	2019	2018	Unfunded Commitments December 31, 2019	Redemption Frequency	Redemption Notice Period
US equity (A)	\$ 8,103,642	\$ 10,902,805	\$ -	Quarterly	60 days
US equity (A)	790,598	3,080,451	-	N/A	N/A
US equity (A)	1,093,580	2,001,022	-	Quarterly	90 days
US equity (A)	3,368,880	2,644,200	-	Annually	120 days
US equity (A)	-	4,020,956	-	Monthly	45 days
US equity (A)	1,517,052	1,007,807	1,337,446	N/A	N/A
US equity (A)	3,047,463	2,673,010	-	N/A	60 days
US equity (A)	1,073,073	1,997,609	-	Monthly	7 days
US equity (A)	2,707,896	2,504,534	-	Monthly	10 days
US equity (A)	3,029,558	2,560,628	-	Monthly	60 days
US equity (A)	3,236,043	-	-	Quarterly	65 days
US equity (A)	3,111,674	-	-	Quarterly	180 days
US equity (A)	2,168,555	-	-	Semi-annually	60 days
International equity (A)	8,347,616	8,103,263	-	Monthly	45 days
International equity (A)	-	8,237,915	-	Monthly	5 days
International equity (A)	6,518,858	5,887,367	-	Monthly	30 days
International equity (A)	2,746,097	3,167,575	-	Monthly	10 days
Absolute return (B)	52,711	55,738	-	Annual	45-90 days
Absolute return (B)	124,200	216,871	-	Quarterly	60-65 days
Absolute return (B)	-	-	-	Quarterly	45 days
Absolute return (B)	3,574,185	3,263,030	-	Quarterly	85 days
Commodities (C)	4,213,281	6,900,926	4,752,149	N/A	N/A
Private debt (D)	7,285,332	6,979,450	1,893,017	N/A	N/A
Private equity (D)	4,801,667	4,375,411	3,641,498	N/A	N/A
Ending Balance	<u>\$ 70,911,961</u>	<u>\$ 80,580,568</u>	<u>\$ 11,624,110</u>		

(A) United States 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 imposed certain liquidity restrictions on participants.

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 2: Disclosures About Fair Value of Assets and Liabilities (Continued)

- (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.
- (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 imposed certain liquidity restrictions 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 3: Campaign Pledges Receivable

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

	<u>2019</u>	<u>2018</u>
Annual	\$ 2,005,611	\$ 2,441,258
Passage to Freedom	15,000	15,000
Other	<u>3,488</u>	<u>6,822</u>
	2,024,099	2,463,080
Less allowance for uncollectible pledge receivables	<u>301,628</u>	<u>461,205</u>
Total pledge receivable, net of allowance	<u>\$ 1,722,471</u>	<u>\$ 2,001,875</u>

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 3: Campaign Pledges Receivable (Continued)

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

	<u>2019</u>	<u>2018</u>
Campaign year		
2020 and future	\$ 285,488	\$ -
2019	1,113,012	403,834
2018	113,494	1,326,207
2017	32,175	128,905
2016 and prior	<u>461,442</u>	<u>582,312</u>
Total annual campaign receivable	<u>\$ 2,005,611</u>	<u>\$ 2,441,258</u>

Note 4: Contributions Receivable

Contributions receivable consisted of the following:

	<u>2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Due within one year	\$ 14,550	\$ 1,869,933	\$ 1,884,483
Due in one to five years	-	3,593,730	3,593,730
Due in more than five years	<u>-</u>	<u>7,081,079</u>	<u>7,081,079</u>
	14,550	12,544,742	12,559,292
Less			
Unamortized discount	<u>-</u>	<u>2,082,315</u>	<u>2,082,315</u>
	<u>\$ 14,550</u>	<u>\$ 10,462,427</u>	<u>\$ 10,476,977</u>
	<u>2018</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Due within one year	\$ 45,603	\$ 1,586,501	\$ 1,632,104
Due in one to five years	-	1,100,000	1,100,000
Due in more than five years	<u>-</u>	<u>5,846,793</u>	<u>5,846,793</u>
	45,603	8,533,294	8,578,897
Less			
Unamortized discount	<u>-</u>	<u>2,041,723</u>	<u>2,041,723</u>
	<u>\$ 45,603</u>	<u>\$ 6,491,571</u>	<u>\$ 6,537,174</u>

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 4: Contributions Receivable (Continued)

Discount rates ranged from 3.60 percent to 3.80 percent for 2019 and ranged from 3.59 percent to 5.80 percent for 2018.

Included within contributions receivable are two beneficial interest in charitable remainder trusts carried at fair value of \$80,656 and \$78,856 at December 31, 2019 and 2018, respectively.

Approximately 21 percent of contributions receivable net of discount were from one donor and 70 percent from four donors at December 31, 2019 and 2018, respectively.

Note 5: Conditional Contributions

The Federation has received a conditional promise to give for \$500,000 at December 31, 2019, that is not recognized in the consolidated financial statements. The promise to give is conditional upon obtaining \$14,100,000 in unconditional promises to give to the Holocaust Museum and Learning Center by a specified date.

Note 6: Property and Equipment

Property and equipment at December 31 consists of:

	<u>2019</u>	<u>2018</u>
Building and building improvements	9,188,716	\$ 9,187,686
Holocaust Museum building improvements	666,249	666,249
Furniture, fixtures and equipment	1,389,524	3,723,738
Construction in progress	<u>429,653</u>	<u>196,071</u>
	11,674,142	13,773,744
Less accumulated depreciation	<u>4,692,566</u>	<u>6,692,094</u>
	<u>\$ 6,981,576</u>	<u>\$ 7,081,650</u>

Note 7: 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 1.25 percent. The interest rate for the line of credit was 3.00 percent and 3.88 percent at December 31, 2019 and 2018, respectively. The amounts outstanding at December 31, 2019 and 2018, were \$2,542,496 and \$4,183,682, respectively. The line of credit is due August 2020.

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 8: Note Payable

During 2019, in conjunction with the renewal of the line of credit, the Federation renewed an unsecured multiple advance term note payable with US Bank which allows it to borrow up to \$2,500,000 with interest accruing at the one-month LIBOR rate plus 1.25 percent. The interest rate for the line of credit was 3.00 percent and 3.88 percent at December 31, 2019 and 2018, respectively. The amounts outstanding at December 31, 2019 and 2018, were \$1,605,862 and \$1,758,645, respectively. Proceeds were used for the acquisition of building and equipment. The note payable is due August 2020.

Note 9: Grants Payable

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

	2019	2018
Grants payable	\$ 2,973,516	\$ 5,190,514
Less unamortized discount	79,550	113,989
Net grants payable	\$ 2,893,966	\$ 5,076,525

Discount rates ranged from 3.16 percent to 4.65 percent and from 4.65 percent to 4.69 percent for 2019 and 2018, respectively.

Included in total grants payable before eliminations were commitments made by the supporting organizations of \$4,486,042 and \$6,178,409 at December 31, 2019 and 2018, respectively.

The scheduled payments of grants as of December 31, 2019, are as follows:

2020	\$ 1,529,679
2021	713,837
2022	365,000
2023	365,000
	\$ 2,973,516

Note 10: 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, 2019 and 2018. Marketable securities valued at \$3,652,143 and \$2,577,790 at December 31, 2019 and 2018, respectively, were available to fund annuity obligations.

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 11: 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 12: Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for the following purposes or periods:

	2019	2018
Undesignated		
Net investment in building and equipment	\$ 5,375,714	\$ 5,323,005
Undesignated	(8,907,652)	(8,756,056)
Board-controlled endowments and other		
Philanthropic funds	8,439,427	8,635,395
Board designated as endowment	8,850,519	8,294,109
Board designated as future use	28,725,825	25,848,337
Other	20,466,962	15,696,099
	\$ 62,950,795	\$ 55,040,889

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.

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 12: Net Assets (Continued)

Net Assets With Donor Restrictions

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

	<u>2019</u>	<u>2018</u>
Subject to expenditure for a specified purpose		
Acquisition of building and equipment	\$ 11,932,522	\$ 7,137,124
Pledges restricted for subsequent year	544,541	816,564
Other time and purpose restricted funds	1,178,193	1,256,805
	<u>13,655,256</u>	<u>9,210,493</u>
Subject to the passage of time		
Assets held under split-interest agreements	1,290,183	1,025,451
Held in Endowment		
Subject to endowment spending policy and appropriation restricted by donors for general use	36,070,261	30,880,298
Other donor restricted funds not subject to endowment spending policy	22,567,432	20,786,709
	<u>58,637,693</u>	<u>51,667,007</u>
	<u>\$ 73,583,132</u>	<u>\$ 61,902,951</u>

Note 13: 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

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 13: Endowment (Continued)

SPMIFA to not spend 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, 2019 and 2018, was:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 55,823,130	\$ -	\$ 55,823,130
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	27,206,375	27,206,375
Accumulated investment gains	-	8,863,886	8,863,886
Other donor restricted gifts held in endowment until spent	-	22,567,432	22,567,432
	<u>\$ 55,823,130</u>	<u>\$ 58,637,693</u>	<u>\$ 114,460,823</u>
	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 48,682,156	\$ -	\$ 48,682,156
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	26,392,180	26,392,180
Accumulated investment gains	-	4,488,118	4,488,118
Other donor restricted gifts held in endowment until spent	-	20,786,709	20,786,709
	<u>\$ 48,682,156</u>	<u>\$ 51,667,007</u>	<u>\$ 100,349,163</u>

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 13: Endowment (Continued)

Changes in endowment net assets for the years ended December 31, 2019 and 2018, were:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, December 31, 2017	\$ 50,086,015	\$ 50,736,475	\$ 100,822,490
Investment return	(1,500,999)	(1,095,265)	(2,596,264)
Contributions	1,922,850	2,283,541	4,206,391
Appropriation of endowment assets for expenditure	<u>(1,825,710)</u>	<u>(257,744)</u>	<u>(2,083,454)</u>
Endowment net assets, December 31, 2018	48,682,156	51,667,007	100,349,163
Investment return	7,180,307	6,487,179	13,667,486
Contributions	1,668,729	1,470,990	3,139,719
Appropriation of endowment assets for expenditure	<u>(1,708,062)</u>	<u>(987,483)</u>	<u>(2,695,545)</u>
Endowment net assets, December 31, 2019	<u>\$ 55,823,130</u>	<u>\$ 58,637,693</u>	<u>\$ 114,460,823</u>

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. At December 31, 2019 and 2018, funds with original gift values of \$557,215 and \$4,537,331, fair values of \$401,190 and \$4,334,034, and deficiencies of \$156,025 and \$203,297, were reported in net assets with donor restrictions. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after investment of new restricted contributions and continued appropriation for certain purposes that was deemed prudent by the governing body.

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.

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 14: Related-Party Transactions

Certain individuals who serve on the board of directors of the Federation also serve on the boards of directors of 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, 2019 and 2018, was approximately \$2,492,000 and \$2,833,000, respectively, and the approximate amount of the pledges and contributions receivable due from board members was approximately \$1,055,000 and \$1,798,000 at December 31, 2019 and 2018, respectively.

During the years ended December 31, 2019 and 2018, 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.

Note 15: 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 2019 and 2018 was \$53,917 and \$52,346, respectively.

Future minimum lease payments under operating leases are:

2020	\$	52,346
2021		34,897
Total minimum lease payments	\$	87,243

Note 16: 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 \$60,462 and \$60,406 in 2019 and 2018, 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. January 1,

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 16: Pension and Other Postretirement Benefit Plans (Continued)

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 contributions for 2019 and 2018 were \$112,097 and \$103,741, respectively.

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 2020 are \$235,412.

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

	2019	2018
Projected benefit obligation	\$ 7,508,216	\$ 7,402,956
Fair value of plan assets	<u>5,016,556</u>	<u>4,844,837</u>
Funded status	<u>\$ (2,491,660)</u>	<u>\$ (2,558,119)</u>

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

	2019	2018
Net loss	\$ 1,157,825	\$ 1,274,591
Prior service cost	<u>-</u>	<u>-</u>
	<u>\$ 1,157,825</u>	<u>\$ 1,274,591</u>

The accumulated benefit obligation for the Plan was \$7,508,216 and \$7,402,956 at December 31, 2019 and 2018, respectively.

Information for the Plan with an accumulated benefit obligation in excess of plan assets:

	2019	2018
Projected benefit obligation	\$ 7,508,216	\$ 7,402,956
Accumulated benefit obligation	\$ 7,508,216	\$ 7,402,956
Fair value of plan assets	\$ 5,016,556	\$ 4,844,837

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 16: Pension and Other Postretirement Benefit Plans (Continued)

Other significant balances and costs are:

	2019	2018
Employer contributions	\$ 270,564	\$ 239,173
Benefits paid	\$ 129,204	\$ 127,873
Net periodic benefit costs	\$ 320,871	\$ 166,940

Significant assumptions include:

	2019	2018
Weighted-average assumptions used to determine benefit obligations		
Discount rate	3.25%	4.15%
Rate of compensation increase	N/A	N/A
Weighted-average assumptions used to determine benefit costs		
Discount rate	4.15%	3.60%
Expected return on plan assets	6.00%	5.75%
Rate of compensation increase	N/A	N/A

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 asset allocation percentages as of December 31 are as follows:

	2019	2018
Cash and cash equivalents	3.70%	3.67%
Mutual funds		
Large cap	30.87%	28.51%
Mid cap	10.14%	9.28%
International	10.34%	8.94%
Fixed income/bond funds	44.95%	49.60%
	<u>100%</u>	<u>100%</u>

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 consolidated statements of financial position, as well as the general classification of pension plan assets pursuant to the valuation hierarchy.

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 16: Pension and Other Postretirement Benefit Plans (Continued)

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, 2019 or 2018.

The fair values of the Federation's pension plan assets at December 31, 2019 and 2018, by asset class are as follows:

	Total	2019		
		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	\$ 185,772	\$ 185,772	\$ -	\$ -
Mutual funds				
Large cap	1,548,767	1,548,767	-	-
Mid cap	508,560	508,560	-	-
International	518,476	518,476	-	-
Fixed income/bond funds	2,254,981	2,254,981	-	-
Total assets	<u>\$ 5,016,556</u>	<u>\$ 5,016,556</u>	<u>\$ -</u>	<u>\$ -</u>
	Total	2018		
		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	\$ 177,837	\$ 177,837	\$ -	\$ -
Mutual funds				
Large cap	1,381,485	1,381,485	-	-
Mid cap	449,538	449,538	-	-
International	433,111	433,111	-	-
Fixed income/bond funds	2,402,866	2,402,866	-	-
Total assets	<u>\$ 4,844,837</u>	<u>\$ 4,844,837</u>	<u>\$ -</u>	<u>\$ -</u>

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.

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 16: Pension and Other Postretirement Benefit Plans (Continued)

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of December 31, 2019:

2020	\$ 830,000
2021	\$ 480,000
2022	\$ 570,000
2023	\$ 220,000
2024	\$ 520,000
2025-2029	\$ 2,980,000

Defined Benefit Plan – CAJE Acquisition

On July 1, 2015, the Federation assumed sponsorship of a defined benefit retirement plan (the “CAJE Plan”) through the acquisition of the Central Agency for Jewish Education (CAJE). The CAJE Plan’s benefits are based primarily on years of service and average employee compensation near retirement. The CAJE Plan was frozen for new entrants and future benefit accruals effective January 1, 2000. Annual contributions to the CAJE Plan are determined by an actuary using the aggregate actuarial cost method which is designed to meet the full annual current costs of the CAJE Plan. Total expected contributions to the CAJE Plan in 2020 are \$35,073.

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

	<u>2019</u>	<u>2018</u>
Benefit obligation, both projected and accumulated	\$ 889,520	\$ 814,213
Fair value of plan assets	<u>572,270</u>	<u>584,230</u>
Funded status	<u>\$ (317,250)</u>	<u>\$ (229,983)</u>

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

	<u>2019</u>	<u>2018</u>
Net loss	\$ 178,311	\$ 87,117
Prior service cost	<u>-</u>	<u>-</u>
	<u>\$ 178,311</u>	<u>\$ 87,117</u>

The accumulated benefit obligation for the CAJE Plan was \$889,520 and \$814,213 at December 31, 2019 and 2018, respectively.

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 16: Pension and Other Postretirement Benefit Plans (Continued)

Information for the CAJE Plan with an accumulated benefit obligation in excess of plan assets:

	2019	2018
Projected benefit obligation	\$ 889,520	\$ 814,213
Accumulated benefit obligation	\$ 889,520	\$ 814,213
Fair value of plan assets	\$ 572,270	\$ 584,230

Other significant balances and costs are:

	2019	2018
Employer contributions	\$ 15,209	\$ 32,884
Benefits paid	\$ 37,139	\$ 99,096
Net periodic benefit costs	\$ 11,282	\$ 6,314

Significant assumptions include:

	2019	2018
Weighted-average assumptions used to determine benefit obligations		
Discount rate	2.75%	3.60%
Rate of compensation increase	N/A	N/A
Weighted-average assumptions used to determine benefit costs		
Discount rate	3.60%	3.15%
Expected return on plan assets	4.00%	4.00%
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:

	2019	2018
Cash Equivalents Guaranteed Investment Contract	100.00%	100.00%

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 16: Pension and Other Postretirement Benefit Plans (Continued)

Pension Plan Assets

The fair values of the Federation's pension plan assets at December 31, 2019 and 2018, are considered Level 1.

The Federation's Investment Policy has been to allow the CAJE Plan's Custodian to allocate CAJE 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, 2019:

2020	\$ 195,000
2021	\$ 114,000
2022	\$ 33,000
2023	\$ 33,000
2024	\$ 153,000
2025-2029	\$ 197,000

Note 17: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2019 and 2018, comprise the following:

	<u>2019</u>	<u>2018</u>
Total financial assets	\$ 158,509,682	\$ 144,179,136
Less donor imposed restrictions		
Endowments	58,637,693	51,667,007
Acquisition of building and equipment	<u>11,587,944</u>	<u>4,937,742</u>
Net financial assets after donor-imposed restrictions	88,284,045	87,574,387
Less internal designations		
Board designated endowment	8,850,519	8,294,109
Supporting organizations	20,428,509	16,017,867
Philanthropic funds	8,439,427	8,635,395
Other	<u>11,885,301</u>	<u>14,121,177</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 38,680,289</u> *	<u>\$ 40,505,839</u> *

*Includes board controlled funds of \$16,878,977 for 2019 and \$11,405,392 for 2018.

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 17: Liquidity and Availability (Continued)

The Federation receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.

The Federation's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from the donor-restricted endowments is restricted for specific purposes, with the exception of the amounts of available for general use. Donor-restricted endowment funds are not available for general expenditure.

The board-designated endowment of \$8,850,519 and \$8,294,109 at December 31, 2019 and 2018, respectively, is subject to an annual spending rate of 5 percent. Although the Federation does not intend to spend the board designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

The Federation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Federation forecasts its future cash flows and monitors liquidity and cash reserves quarterly. To help manage unanticipated liquidity needs, the Federation has a committed line of credit in the amount of \$5,000,000, which it could draw upon. As of December 31, 2019 and 2018, the balance of the line of credit was \$2,542,496 and \$4,183,682, respectively.

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 21 percent of all contributions were received from one donor in 2019. Approximately 35 percent of all contributions were received from two donors in 2018.

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.

Jewish Federation of St. Louis
Notes to Consolidated Financial Statements
December 31, 2019 and 2018

Note 18: Significant Estimates and Concentrations (Continued)

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

There has been significant volatility in the investment markets both nationally and globally since December 31, 2019, resulting in an overall market decline in certain market segments which has resulted in a substantial decline in the value of the Federation's investment portfolio.

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the Federation. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

In April 2020, the Federation received a \$1,120,482 loan under the Small Business Administration Paycheck Protection Program (PPP) which was established under the *Coronavirus Aid, Relief, and Economic Security Act*. Loan proceeds are to be used only for business-related purposes as specified in the PPP Rule and the loan application. The PPP loan may be all or partially forgiven for specific allowable amounts spent within an eight week period after receiving the loan. In addition, the Federation increased its line of credit to \$10,000,000.

Subsequent events have been evaluated through June 4, 2020, which is the date the consolidated financial statements were available to be issued.

Supplementary Information

Jewish Federation of St. Louis
Consolidating Statement of Financial Position
Year Ended December 31, 2019

	Jewish Federation of St. Louis	Supporting Organization	Total Before Eliminations	Eliminations	Consolidated
Assets					
Cash and cash equivalents	\$ 2,051,622	\$ 215,047	\$ 2,266,669	\$ -	\$ 2,266,669
Receivables					
Campaign pledges, net of allowance	1,722,471	-	1,722,471	-	1,722,471
Other	280,117	-	280,117	(36,000)	244,117
Prepaid expenses	145,360	-	145,360	-	145,360
Building and equipment, net	6,717,560	264,016	6,981,576	-	6,981,576
Contributions receivable, net	12,316,977	-	12,316,977	(1,840,000)	10,476,977
Long-term investments	122,511,538	31,764,887	154,276,425	-	154,276,425
Due from supporting organizations	170	-	170	(170)	-
Total assets	<u>\$145,745,815</u>	<u>\$ 32,243,950</u>	<u>\$177,989,765</u>	<u>\$ (1,876,170)</u>	<u>\$176,113,595</u>
Liabilities					
Account payable					
Beneficiary agencies	\$ 2,700,169	\$ -	\$ 2,700,169	\$ -	\$ 2,700,169
The Jewish Federations of North America	42,409	-	42,409	-	42,409
Other	297,932	33,600	331,532	-	331,532
Grants payable, net	283,924	4,486,042	4,769,966	(1,876,000)	2,893,966
Accrued expenses	515,811	-	515,811	-	515,811
Accrued pension obligation	2,808,910	-	2,808,910	-	2,808,910
Obligations to beneficiaries under split-interest agreements	2,026,538	-	2,026,538	-	2,026,538
Due to Jewish Federation	-	170	170	(170)	-
Line of credit	2,542,496	-	2,542,496	-	2,542,496
Note payable	1,605,862	-	1,605,862	-	1,605,862
Funds held in custody for others					
Pooled investments	22,128,225	-	22,128,225	-	22,128,225
Split-interest agreements	501,258	-	501,258	-	501,258
Passport to Israel	666,562	-	666,562	-	666,562
Other	815,930	-	815,930	-	815,930
Total liabilities	<u>\$ 36,936,026</u>	<u>\$ 4,519,812</u>	<u>\$ 41,455,838</u>	<u>\$ (1,876,170)</u>	<u>\$ 39,579,668</u>

(Continued)

Jewish Federation of St. Louis
Consolidating Statement of Financial Position (Continued)
Year Ended December 31, 2019

	Jewish Federation of St. Louis	Supporting Organization	Total Before Eliminations	Eliminations	Consolidated
Net Assets					
Without donor restrictions:					
Undesignated:					
Net investment in building and Undesignated	\$ 5,111,698 (8,907,652)	\$ 264,016 -	\$ 5,375,714 (8,907,652)	\$ - -	\$ 5,375,714 (8,907,652)
Board-controlled endowments and					
Philanthropic funds	8,439,427	-	8,439,427	-	8,439,427
Board designated endowment	8,850,519	-	8,850,519	-	8,850,519
Board designated as future use	28,692,793	33,032	28,725,825	-	28,725,825
Other	335,501	20,131,461	20,466,962	-	20,466,962
Total without donor restrictions	<u>42,522,286</u>	<u>20,428,509</u>	<u>62,950,795</u>	<u>-</u>	<u>62,950,795</u>
With donor restrictions	<u>66,287,503</u>	<u>7,295,629</u>	<u>73,583,132</u>	<u>-</u>	<u>73,583,132</u>
Total net assets	<u>108,809,789</u>	<u>27,724,138</u>	<u>136,533,927</u>	<u>-</u>	<u>136,533,927</u>
Total liabilities and net assets	<u>\$ 145,745,815</u>	<u>\$ 32,243,950</u>	<u>\$177,989,765</u>	<u>\$ (1,876,170)</u>	<u>\$176,113,595</u>

Jewish Federation of St. Louis
Consolidating Statement of Activities
Year Ended December 31, 2019

	Jewish Federation of St. Louis			Supporting Organizations			Eliminating Entries	Consolidated Total		
	Without Restrictions	With Donor Restrictions	Total	Without Restrictions	With Donor Restrictions	Total		Without Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support										
Pledges										
Pledges received in the current year	\$ 9,062,570	\$ -	\$ 9,062,570	\$ -	\$ -	\$ -	\$ -	\$ 9,062,570	\$ -	\$ 9,062,570
Prior year pledges released from restriction	730,220	(730,220)	-	-	-	-	-	730,220	(730,220)	-
Pledges restricted for subsequent year	-	620,346	620,346	-	-	-	-	-	620,346	620,346
Total regular campaign	9,792,790	(109,874)	9,682,916	-	-	-	-	9,792,790	(109,874)	9,682,916
Annual campaign: Other	-	100,500	100,500	-	-	-	-	-	100,500	100,500
Total annual campaign	9,792,790	(9,374)	9,783,416	-	-	-	-	9,792,790	(9,374)	9,783,416
Friends of the Holocaust Campaign	256,589	-	256,589	-	-	-	-	256,589	-	256,589
Less: Amounts derived from board-controlled funds	(1,476,443)	-	(1,476,443)	-	-	-	(876,000)	(2,352,443)	-	(2,352,443)
Net campaigns	8,572,936	(9,374)	8,563,562	-	-	-	(876,000)	7,696,936	(9,374)	7,687,562
Contributions, bequests and gifts	1,751,932	8,212,791	9,964,723	3,857,005	1,227	3,858,232	(909,300)	4,699,637	8,214,018	12,913,655
United Way of Greater St. Louis	142,277	-	142,277	-	-	-	-	142,277	-	142,277
Other grants	409,424	20,000	429,424	-	-	-	-	409,424	20,000	429,424
Services to beneficiary agencies	28,143	-	28,143	-	-	-	-	28,143	-	28,143
Other income	489,333	-	489,333	-	-	-	-	489,333	-	489,333
Investment income, net	328,020	451,578	779,598	522,348	-	522,348	-	850,368	451,578	1,301,946
Net gain on investments	6,222,383	6,093,147	12,315,530	3,281,012	-	3,281,012	-	9,503,395	6,093,147	15,596,542
Change in value of split interest agreements	-	646,667	646,667	-	-	-	-	-	646,667	646,667
Net assets released from restriction										
Program	1,965,864	(1,965,864)	-	(1,000)	1,000	-	-	1,964,864	(1,964,864)	-
Building renovation	233,582	(233,582)	-	-	-	-	-	233,582	(233,582)	-
Other	1,505,986	(1,537,409)	(31,423)	31,423	-	31,423	-	1,537,409	(1,537,409)	-
Reclassification of Board-controlled endowments, net	-	-	-	-	-	-	-	-	-	-
Total revenues, gains and other support	21,649,880	11,677,954	33,327,834	7,690,788	2,227	7,693,015	(1,785,300)	27,555,368	11,680,181	39,235,549

(Continued)

Jewish Federation of St. Louis
Consolidating Statement of Activities (Continued)
Year Ended December 31, 2019

	Jewish Federation of St. Louis			Supporting Organizations			Eliminating Entries	Consolidated Total		
	Without Restrictions	With Donor Restrictions	Total	Without Restrictions	With Donor Restrictions	Total		Without Restrictions	With Donor Restrictions	Total
Appropriations and Program Expenses										
Appropriations										
Community investments	\$ 6,457,787	\$ -	\$ 6,457,787	\$ -	\$ -	\$ -	\$ -	\$ 6,457,787	\$ -	\$ 6,457,787
Endowment and Foundation distributions										
Jewish Federation	-	-	-	1,785,300	-	1,785,300	(1,785,300)	-	-	-
Beneficiary and other local agencies	817,261	-	817,261	592,753	-	592,753	-	1,410,014	-	1,410,014
National agencies	439,764	-	439,764	436,791	-	436,791	-	876,555	-	876,555
Distribution to charitable organizations	1,036,020	-	1,036,020	413,869	-	413,869	-	1,449,889	-	1,449,889
Other program expenses										
Planning and appropriations	1,130,712	-	1,130,712	-	-	-	-	1,130,712	-	1,130,712
Community development	3,383,789	-	3,383,789	-	-	-	-	3,383,789	-	3,383,789
Holocaust Museum and Community Libraries	1,015,793	-	1,015,793	-	-	-	-	1,015,793	-	1,015,793
Total appropriations and program expenses	<u>14,281,126</u>	<u>-</u>	<u>14,281,126</u>	<u>3,228,713</u>	<u>-</u>	<u>3,228,713</u>	<u>(1,785,300)</u>	<u>15,724,539</u>	<u>-</u>	<u>15,724,539</u>
Operating Expenses										
Philanthropy	2,801,008	-	2,801,008	-	-	-	-	2,801,008	-	2,801,008
Management and general	1,185,248	-	1,185,248	51,433	-	51,433	-	1,236,681	-	1,236,681
Total operating expenses	<u>3,986,256</u>	<u>-</u>	<u>3,986,256</u>	<u>51,433</u>	<u>-</u>	<u>51,433</u>	<u>-</u>	<u>4,037,689</u>	<u>-</u>	<u>4,037,689</u>
Total appropriations and expenses	<u>18,267,382</u>	<u>-</u>	<u>18,267,382</u>	<u>3,280,146</u>	<u>-</u>	<u>3,280,146</u>	<u>(1,785,300)</u>	<u>19,762,228</u>	<u>-</u>	<u>19,762,228</u>
Change in Net Assets Before Pension Changes	3,382,498	11,677,954	15,060,452	4,410,642	2,227	4,412,869	-	7,793,140	11,680,181	19,473,321
Pension related change other than net periodic cost, net loss	116,766	-	116,766	-	-	-	-	116,766	-	116,766
Change in Net Assets	<u>3,499,264</u>	<u>11,677,954</u>	<u>15,177,218</u>	<u>4,410,642</u>	<u>2,227</u>	<u>4,412,869</u>	<u>-</u>	<u>7,909,906</u>	<u>11,680,181</u>	<u>19,590,087</u>
Net Assets Beginning of Year	<u>39,023,022</u>	<u>54,609,549</u>	<u>93,632,571</u>	<u>16,017,867</u>	<u>7,293,402</u>	<u>23,311,269</u>	<u>-</u>	<u>55,040,889</u>	<u>61,902,951</u>	<u>116,943,840</u>
Net Assets, End of Year	<u>\$ 42,522,286</u>	<u>\$ 66,287,503</u>	<u>\$ 108,809,789</u>	<u>\$ 20,428,509</u>	<u>\$ 7,295,629</u>	<u>\$ 27,724,138</u>	<u>\$ -</u>	<u>\$ 62,950,795</u>	<u>\$ 73,583,132</u>	<u>\$ 136,533,927</u>