



**CONFERENCE ON JEWISH MATERIAL CLAIMS  
AGAINST GERMANY, INC.**

Financial Statements

December 31, 2013 and 2012

(With Independent Auditors' Report Thereon)



KPMG LLP  
345 Park Avenue  
New York, NY 10154-0102

## **Independent Auditors' Report**

The Board of Directors  
Conference on Jewish Material Claims  
Against Germany, Inc.:

We have audited the accompanying financial statements of the Conference of Jewish Material Claims Against Germany, Inc. (the Claims Conference), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Conference on Jewish Material Claims Against Germany, Inc. as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.



### **Other Matters**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The fund information included in the statements of financial position and statements of activities is presented for purposes of additional analysis of the financial statements rather than to present the financial position and changes in net assets of the individual funds, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*KPMG LLP*

August 6, 2014

**CONFERENCE ON JEWISH MATERIAL CLAIMS  
AGAINST GERMANY, INC.**

Statement of Financial Position

December 31, 2013

<b>Assets</b>	<b>Claims Conference as Successor Organization (note 4)</b>	<b>BMF Fund for In-Home Services (note 5)</b>	<b>German Government Funds (note 6)</b>	<b>Other Program Funds (note 7)</b>	<b>Eliminations</b>	<b>Total</b>
Cash and cash equivalents (note 2)	\$ 178,905,939	2,271,230	74,891,487	4,272,722	—	260,341,378
Investments (notes 2 and 3)	666,632,915	21,705,789	—	24,234,947	—	712,573,651
Total cash, cash equivalents, and investments	<u>845,538,854</u>	<u>23,977,019</u>	<u>74,891,487</u>	<u>28,507,669</u>	<u>—</u>	<u>972,915,029</u>
Other assets:						
Property compensation receivable	10,425,558	—	—	—	—	10,425,558
Receivable from sale of properties	1,278,468	—	—	—	—	1,278,468
Rent receivable from properties	1,288,876	—	—	—	—	1,288,876
Grants receivable	—	—	—	10,897,500	—	10,897,500
Other – net	886,746	—	7,316,068	469	—	8,203,283
Loans receivable, net	1,440,789	—	—	—	—	1,440,789
Estimated value of unsold restituted properties (note 3)	6,423,509	—	—	—	—	6,423,509
Deferred costs	4,357,701	—	—	—	—	4,357,701
Interfund receivable (note 1)	26,142,808	—	8,470,784	1,094,672	(35,708,264)	—
Total assets	<u>\$ 897,783,309</u>	<u>23,977,019</u>	<u>90,678,339</u>	<u>40,500,310</u>	<u>(35,708,264)</u>	<u>1,017,230,713</u>
<b>Liabilities and Net Assets</b>						
Liabilities:						
Accrued expenses	\$ 16,262,904	—	6,005,477	1,037,194	—	23,305,575
Deferred income	148,422	—	—	219,855	—	368,277
Grants payable	241,233,740	21,358,180	11,220,909	16,597,264	—	290,410,093
Goodwill fund	53,787,446	—	—	—	—	53,787,446
Due to cooperating organizations	—	—	8,406,504	17,975	—	8,424,479
Interfund payables (note 1)	2,506,881	—	31,644,929	1,556,454	(35,708,264)	—
Total liabilities	<u>313,939,393</u>	<u>21,358,180</u>	<u>57,277,819</u>	<u>19,428,742</u>	<u>(35,708,264)</u>	<u>376,295,870</u>
Contingencies and commitments (notes 8 and 9)						
Net assets:						
Unrestricted net assets:						
Designated for programs	285,537,623	2,618,839	—	12,447,065	—	300,603,527
Net funding (deficit)	—	—	(14,571,245)	—	—	(14,571,245)
Designated for future costs	21,667,300	—	—	2,260,199	—	23,927,499
Designated for goodwill and late applicants fund and other uses	88,043,606	—	—	—	—	88,043,606
Unsold restituted properties	4,792,436	—	—	—	—	4,792,436
Designated for longer-term needs	183,802,951	—	—	1,054,787	—	184,857,738
Total unrestricted net assets	<u>583,843,916</u>	<u>2,618,839</u>	<u>(14,571,245)</u>	<u>15,762,051</u>	<u>—</u>	<u>587,653,561</u>
Temporarily restricted assets:						
For contractual obligations	—	—	47,971,765	—	—	47,971,765
For programs	—	—	—	5,309,517	—	5,309,517
Total temporarily restricted assets	<u>—</u>	<u>—</u>	<u>47,971,765</u>	<u>5,309,517</u>	<u>—</u>	<u>53,281,282</u>
Total net assets	<u>583,843,916</u>	<u>2,618,839</u>	<u>33,400,520</u>	<u>21,071,568</u>	<u>—</u>	<u>640,934,843</u>
Total liabilities and net assets	<u>\$ 897,783,309</u>	<u>23,977,019</u>	<u>90,678,339</u>	<u>40,500,310</u>	<u>(35,708,264)</u>	<u>1,017,230,713</u>

See accompanying notes to financial statements.

**CONFERENCE ON JEWISH MATERIAL CLAIMS  
AGAINST GERMANY, INC.**

Statement of Financial Position

December 31, 2012

<b>Assets</b>	<b>Claims Conference as Successor Organization (note 4)</b>	<b>BMF Fund for In-Home Services (note 5)</b>	<b>German Government Funds (note 6)</b>	<b>Other Program Funds (note 7)</b>	<b>Eliminations</b>	<b>Total</b>
Cash and cash equivalents (note 2)	\$ 56,099,814	2,989,336	24,730,403	4,099,377	—	87,918,930
Investments (notes 2 and 3)	784,921,987	36,746,959	—	21,477,914	—	843,146,860
Total cash, cash equivalents, and investments	841,021,801	39,736,295	24,730,403	25,577,291	—	931,065,790
Other assets:						
Property compensation receivable	8,802,802	—	—	—	—	8,802,802
Receivable from sale of properties	1,276,417	—	—	—	—	1,276,417
Rent receivable from properties	916,804	—	—	—	—	916,804
Grants receivable	875,000	—	—	2,500,000	—	3,375,000
Other – net	3,642,593	—	5,692,442	12,995	—	9,348,030
Loans receivable, net	1,820,789	—	—	—	—	1,820,789
Estimated value of unsold restituted properties (note 3)	5,970,179	—	—	—	—	5,970,179
Deferred costs	4,222,938	—	—	—	—	4,222,938
Interfund receivable (note 1)	22,810,403	365,956	571,445	1,883,882	(25,631,686)	—
Total assets	\$ 891,359,726	40,102,251	30,994,290	29,974,168	(25,631,686)	966,798,749
<b>Liabilities and Net Assets</b>						
Liabilities:						
Accrued expenses	\$ 18,632,114	127	5,264,923	1,182,487	—	25,079,651
Deferred income	170,142	—	—	507,651	—	677,793
Grants payable	290,931,893	24,510,651	16,851,365	15,460,751	—	347,754,660
Goodwill fund	58,502,868	—	—	—	—	58,502,868
Due to cooperating organizations	—	—	4,724,530	241,622	—	4,966,152
Interfund payables (note 1)	1,355,279	13,218,000	8,940,572	2,117,835	(25,631,686)	—
Total liabilities	369,592,296	37,728,778	35,781,390	19,510,346	(25,631,686)	436,981,124
Contingencies and commitments (notes 8 and 9)						
Net assets:						
Unrestricted net assets:						
Designated for programs	360,500,527	2,373,473	—	2,029,821	—	364,903,821
Net funding (deficit)	—	—	(10,676,204)	—	—	(10,676,204)
Designated for future costs	19,961,100	—	—	2,225,620	—	22,186,720
Designated for goodwill and late applicants fund and other uses	85,689,650	—	—	—	—	85,689,650
Unsold restituted properties	3,415,675	—	—	—	—	3,415,675
Designated for longer-term needs	52,200,478	—	—	1,054,666	—	53,255,144
Total unrestricted net assets	521,767,430	2,373,473	(10,676,204)	5,310,107	—	518,774,806
Temporarily restricted assets:						
For contractual obligations	—	—	5,889,104	—	—	5,889,104
For programs	—	—	—	5,153,715	—	5,153,715
Total temporarily restricted assets	—	—	5,889,104	5,153,715	—	11,042,819
Total net assets	521,767,430	2,373,473	(4,787,100)	10,463,822	—	529,817,625
Total liabilities and net assets	\$ 891,359,726	40,102,251	30,994,290	29,974,168	(25,631,686)	966,798,749

See accompanying notes to financial statements.

**CONFERENCE ON JEWISH MATERIAL CLAIMS  
AGAINST GERMANY, INC.**

Statement of Activities

Year ended December 31, 2013

	<b>Claims Conference as Successor Organization (note 4)</b>	<b>BMF Fund for In-Home Services (note 5)</b>	<b>German Government Funds (note 6)</b>	<b>Other Program Funds (note 7)</b>	<b>Eliminations</b>	<b>Total</b>
Revenues:						
Revenue from operations:						
Contractual programs	\$ —	—	437,792,518	—	—	437,792,518
Administrative reimbursement of expenses	—	—	16,556,000	169,870	—	16,725,870
Revenue from sold and unsold restituted properties	82,646,262	—	—	—	—	82,646,262
Rental income	2,293,913	—	—	—	—	2,293,913
Grants and other	62,514,070	181,573,142	—	25,678,331	—	269,765,543
Total revenue from operations	147,454,245	181,573,142	454,348,518	25,848,201	—	809,224,106
Investment income (note 2)	2,968,660	543,325	6,836	59,428	—	3,578,249
Total revenues	150,422,905	182,116,467	454,355,354	25,907,629	—	812,802,355
Expenses:						
Program expenses:						
Contractual and other obligations	—	—	396,043,027	—	—	396,043,027
Goodwill fund	13,381,506	—	—	—	—	13,381,506
Grants	67,046,998	179,468,372	—	15,317,201	—	261,832,571
Total program expenses	80,428,504	179,468,372	396,043,027	15,317,201	—	671,257,104
Other expenses:						
Property Restitution Program	3,756,319	—	—	—	—	3,756,319
Management and other costs of restituted properties	641,438	—	—	—	—	641,438
Administration	11,366,311	56,882	21,608,742	185,382	—	33,217,317
Transfer (note 6)	—	—	—	—	—	—
Total other expenses	15,764,068	56,882	21,608,742	185,382	—	37,615,074
Total expenses	96,192,572	179,525,254	417,651,769	15,502,583	—	708,872,178
Excess of revenues over expenses	\$ 54,230,333	2,591,213	36,703,585	10,405,046	—	103,930,177

See accompanying notes to financial statements.

**CONFERENCE ON JEWISH MATERIAL CLAIMS  
AGAINST GERMANY, INC.**

Statement of Activities

Year ended December 31, 2012

	<b>Claims Conference as Successor Organization (note 4)</b>	<b>BMF Fund for In-Home Services (note 5)</b>	<b>German Government Funds (note 6)</b>	<b>Other Program Funds (note 7)</b>	<b>Eliminations</b>	<b>Total</b>
Revenues:						
Revenue from operations:						
Contractual programs	\$ —	—	334,439,369	—	—	334,439,369
Administrative reimbursement of expenses	—	—	12,919,960	170,948	—	13,090,908
Revenue from sold and unsold restituted properties	87,484,026	—	—	—	—	87,484,026
Rental income	2,771,889	—	—	—	—	2,771,889
Grants and other	22,514,110	162,946,336	797,913	7,165,710	(797,913)	192,626,156
Total revenue from operations	112,770,025	162,946,336	348,157,242	7,336,658	(797,913)	630,412,348
Investment income (note 2)	5,801,979	732,356	16,987	68,627	—	6,619,949
Total revenues	118,572,004	163,678,692	348,174,229	7,405,285	(797,913)	637,032,297
Expenses:						
Program expenses:						
Contractual and other obligations	4,830,734	—	339,712,566	—	—	344,543,300
Goodwill fund	20,853,877	—	—	—	—	20,853,877
Grants	160,795,167	162,025,757	—	8,897,013	(797,913)	330,920,024
Total program expenses	186,479,778	162,025,757	339,712,566	8,897,013	(797,913)	696,317,201
Other expenses:						
Property Restitution Program	6,566,027	—	—	—	—	6,566,027
Management and other costs of restituted properties	798,251	—	—	—	—	798,251
Administration	12,013,606	25,691	17,710,783	188,265	—	29,938,345
Transfer (note 6)	(5,194,743)	—	5,194,743	—	—	—
Total other expenses	14,183,141	25,691	22,905,526	188,265	—	37,302,623
Total expenses	200,662,919	162,051,448	362,618,092	9,085,278	(797,913)	733,619,824
Excess (deficiency) of revenues over (under) expenses	\$ (82,090,915)	1,627,244	(14,443,863)	(1,679,993)	—	(96,587,527)

See accompanying notes to financial statements.

**CONFERENCE ON JEWISH MATERIAL CLAIMS  
AGAINST GERMANY, INC.**

Statements of Activities

Years ended December 31, 2013 and 2012

	<b>Claims Conference as Successor Organization (note 4)</b>	<b>BMF Fund for In-Home Services (note 5)</b>	<b>German Government Funds (note 6)</b>	<b>Other Program Funds (note 7)</b>	<b>Total</b>
Excess (deficiency) of revenues over (under) expenses for the year ended December 31, 2012	\$ (82,090,915)	1,627,244	(14,443,863)	(1,679,993)	(96,587,527)
Change in cumulative foreign currency translation adjustment (note 1)	4,737,767	(575,035)	(71,760)	261,418	4,352,390
Increase (decrease) in net assets in 2012	(77,353,148)	1,052,209	(14,515,623)	(1,418,575)	(92,235,137)
Net assets at December 31, 2011	599,120,578	1,321,264	9,728,523	11,882,397	622,052,762
Net assets at December 31, 2012	<u>\$ 521,767,430</u>	<u>2,373,473</u>	<u>(4,787,100)</u>	<u>10,463,822</u>	<u>529,817,625</u>
Excess of revenues over expenses for the year ended December 31, 2013	\$ 54,230,333	2,591,213	36,703,585	10,405,046	103,930,177
Change in cumulative foreign currency translation adjustment (note 1)	7,846,153	(2,345,847)	1,484,035	202,700	7,187,041
Increase in net assets in 2013	62,076,486	245,366	38,187,620	10,607,746	111,117,218
Net assets at December 31, 2012	521,767,430	2,373,473	(4,787,100)	10,463,822	529,817,625
Net assets at December 31, 2013	<u>\$ 583,843,916</u>	<u>2,618,839</u>	<u>33,400,520</u>	<u>21,071,568</u>	<u>640,934,843</u>
Composition of changes in net assets 2013 (note 10):					
Increase (decrease) in unrestricted net assets	\$ 62,076,486	245,366	(3,895,041)	10,451,944	68,878,755
Increase in temporarily restricted assets	—	—	42,082,661	155,802	42,238,463
Increase in net assets	<u>\$ 62,076,486</u>	<u>245,366</u>	<u>38,187,620</u>	<u>10,607,746</u>	<u>111,117,218</u>
Composition of changes in net assets 2012 (note 10):					
Increase (decrease) in unrestricted net assets	\$ (77,353,148)	1,052,209	(10,676,204)	276,415	(86,700,728)
Increase (decrease) in temporarily restricted assets	—	—	(3,839,419)	(1,694,990)	(5,534,409)
Increase (decrease) in net assets	<u>\$ (77,353,148)</u>	<u>1,052,209</u>	<u>(14,515,623)</u>	<u>(1,418,575)</u>	<u>(92,235,137)</u>

See accompanying notes to financial statements.

**CONFERENCE ON JEWISH MATERIAL CLAIMS  
AGAINST GERMANY, INC.**

Statements of Cash Flows

Years ended December 31, 2013 and 2012

	<b>2013</b>	<b>2012</b>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 111,117,218	(92,235,137)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Unrealized depreciation of investments	1,496,519	4,175,223
Realized gain on sales of investments	(1,470,444)	(4,883,485)
Changes in operating assets and liabilities:		
Property compensation receivable	(1,622,756)	(2,323,728)
Receivable from sale of properties	(2,051)	1,320,560
Rent receivable from properties	(372,072)	454,617
Grants receivables	(7,522,500)	709,731
Other assets – net	1,144,747	(4,397,950)
Loans receivable	380,000	(182,000)
Unsold restituted properties	(453,330)	3,224,135
Deferred costs	(134,763)	208,547
Accrued expenses	(1,774,076)	2,135,245
Deferred income	(309,516)	(134,480)
Grants payable	(57,344,567)	34,130,121
Goodwill fund	(4,715,422)	(1,928,307)
Due to cooperating organizations	3,458,327	1,491,669
Net cash provided by (used in) operating activities	41,875,314	(58,235,239)
Cash flows from investing activities:		
Purchases of investments	(879,166,748)	(1,088,171,001)
Proceeds from sale of investments	1,009,713,882	1,192,107,869
Net cash provided by investing activities	130,547,134	103,936,868
Net increase in cash and cash equivalents	172,422,448	45,701,629
Cash and cash equivalents at beginning of year	87,918,930	42,217,301
Cash and cash equivalents at end of year	\$ 260,341,378	87,918,930

See accompanying notes to financial statements.

**CONFERENCE ON JEWISH MATERIAL CLAIMS  
AGAINST GERMANY, INC.**

Notes to Financial Statements

December 31, 2013 and 2012

**(1) Organization and Summary of Significant Accounting Policies**

**(a) Organization**

The Conference on Jewish Material Claims Against Germany, Inc. (the Claims Conference) was founded in 1951 by 23 international Jewish organizations to represent world Jewry in negotiating for compensation and restitution for victims of Nazi persecution and their heirs. The Claims Conference administers compensation funds, recovers unclaimed Jewish property in the former East Germany, allocates grant funds to institutions that provide social welfare services to victims of Nazi persecution, and preserves the memory and lessons of the Holocaust. It maintains primary offices in Frankfurt, Germany; New York, New York; and Tel Aviv, Israel. In addition, the Claims Conference maintains several smaller satellite offices. The activities of the Claims Conference are more fully described in the following notes to financial statements.

**(b) Basis of Presentation**

The accompanying statements of activities are presented in total by programmatic activity. To ensure compliance with restrictions placed on the use of resources available to the Claims Conference, its accounts are maintained in accordance with the principles of fund accounting. This is a procedure by which resources are classified for accounting and reporting purposes into funds established according to their nature and purposes. Net assets and revenues, gains and losses are classified based on the existence or absence of grantor-imposed restrictions. Accordingly, net assets are classified and reported as follows:

Unrestricted net assets – net assets that are not restricted by grantors or where the grantor-imposed restrictions have expired. As reflected in the accompanying statements of financial position, the Claims Conference’s Board of Directors has designated a portion of the Claims Conference’s unrestricted net assets for various purposes.

Temporarily restricted net assets – net assets subject to grantor restrictions that permit the Claims Conference to expend the assets as specified. The restrictions are satisfied either by the passage of time or by actions of the Claims Conference in accordance with those specified by the grantor. Restricted grants whose restrictions are met in the same reporting period are reported as increases in unrestricted net assets.

**(c) Use of Estimates**

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the valuation of investments and unsold restituted properties and collectibility of receivables.

**CONFERENCE ON JEWISH MATERIAL CLAIMS  
AGAINST GERMANY, INC.**

Notes to Financial Statements

December 31, 2013 and 2012

**(d) Foreign Currency Translation**

The Claims Conference conducts its operations in different countries. However, the accompanying financial statements are reported in U.S. dollars. Assets and liabilities are translated using the exchange rates in effect at the statement of financial position date. Revenue and expenses are translated based on a weighted average exchange rate for the year. The resulting translation gains and losses are reported as a component of the applicable net asset category.

Foreign currency transactions have been translated from Euros into U.S. dollars at (i) the prevailing rate of exchange at December 31, 2013 and 2012 (1.37680 and 1.32180), respectively, for assets and liabilities, and (ii) an average of the daily prevailing rates of exchange for the years ended December 31, 2013 and 2012 (1.32826 and 1.28608), respectively, for revenues and expenses. Foreign exchange transactions have also been translated from New Israeli Shekels (NIS) into U.S. dollars at (i) the prevailing rate of exchange at December 31, 2013 and 2012 (3.48710 and 3.73510), respectively, for assets and liabilities and (ii) an average of the daily prevailing rates of exchange for the years ended December 31, 2013 and 2012 (3.61488 and 3.86006), respectively, for revenues and expenses.

**(e) Fair Value Measurements**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The three levels in the fair value hierarchy are as follows:

- *Level 1* – Inputs are quoted prices in active markets for identical assets or liabilities.
- *Level 2* – Inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.
- *Level 3* – Inputs are unobservable inputs based on the Claims Conference’s own assumptions used to measure assets and liabilities at fair value.

A financial asset or liability’s classification within the hierarchy is determined based on the lowest-level input that is significant to the fair value measurement.

**(f) Interfund Accounts**

The interfund accounts represent temporary advances (borrowings) principally related to reallocations of administrative expenses and borrowings against anticipated grants. The interfund balances, eliminated in combination, are generally settled during the following year.

**CONFERENCE ON JEWISH MATERIAL CLAIMS  
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Notes to Financial Statements

December 31, 2013 and 2012

**(g) *Cash and Cash Equivalents***

The Claims Conference considers all highly liquid financial instruments with original maturities of three months or less when purchased, other than those held in the investment portfolio, to be cash equivalents, and the carrying amount approximates fair value.

**(h) *Investments***

The Claims Conference's investment policy is generally to invest in securities issued by the U.S. Treasury and U.S. Agencies having an average portfolio maturity of less than two years. The Claims Conference also invests in Israeli government securities and short-term fixed income European AAA sovereign securities when feasible. Additionally, funds are invested in U.S. and European money market accounts that invest in sovereign and government and agency securities. The investment philosophy of the Claims Conference is based on the dual mandates of preservation of principal and liquidity in all environments and currencies. Investments are stated at fair value based on quoted market prices.

**(i) *Income Taxes***

The Claims Conference is a not-for-profit agency exempt from U.S. federal income tax under Section 501(c)(4) of the Internal Revenue Code, and state and local income taxes. The Claims Conference is exempt from taxes in Germany and Israel based on local tax codes.

The Claims Conference follows Accounting Standards Update (ASU) No. 2009-06, *Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities*. Accordingly, the Claims Conference recognizes the effect of income tax positions only if those positions are more likely than not of being sustained.

**(j) *Contractual and Other Obligations and Grants***

Contractual and other obligations are recognized in accordance with the terms of contractual agreements for individual compensation programs. Grant obligations are generally recognized when the related allocations for institutional programs are approved by the Board of Directors. The majority of such obligations are scheduled to be paid in the next year.

**(k) *Restituted Properties and Compensation***

The Claims Conference recognizes the estimated fair value of restituted property when it is awarded unconditional title to the property. Properties received are recorded at estimated fair value generally based on independent appraisals obtained when the property was recovered, subsequent evaluations, and comparable sale values. Actual proceeds realized will depend on market conditions at the time of the sale, and may be materially different from amounts currently recognized. If the Claims Conference recovers compensation in lieu of receiving a property itself, such compensation is recognized when it has been certified as to its value by the Regional Tax Authorities (Oberfinanzdirektion).

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Certain costs related to the disposal of restituted property are deferred until such time as the sales on properties is realized, at which time such costs will be expensed as a charge against the sales proceeds. Other general expenses with respect to property administration are expensed when incurred.

**(1) Reclassifications**

Certain reclassifications of 2012 amounts have been made to conform to the 2013 presentation.

**(2) Cash and Cash Equivalents and Investments**

Cash and cash equivalents and investments are primarily maintained in large international banks in New York, London, Israel, and Frankfurt. Certain accounts at these financial institutions in the United States have balances in excess of U.S. federally insured limits.

Investments and cash and cash equivalents, at fair value at December 31, 2013 and 2012, consist of the following:

	<b>2013</b>			
	<u>United States</u>	<u>Israel</u>	<u>Europe</u>	<u>Total</u>
Cash and cash equivalents	\$ 26,841,664	2,104,942	231,394,772	260,341,378
Investments:				
Government money market funds	\$ 52,761,813	—	2,071	52,763,884
Government bills	109,947,500	139,267,298	—	249,214,798
Government notes	140,059,560	—	—	140,059,560
Government-sponsored enterprise	265,216,173	—	—	265,216,173
Government bonds	—	5,005,240	—	5,005,240
Certificates of deposit	313,996	—	—	313,996
Total investments	\$ 568,299,042	144,272,538	2,071	712,573,651
	<b>2012</b>			
	<u>United States</u>	<u>Israel</u>	<u>Europe</u>	<u>Total</u>
Cash and cash equivalents	\$ 18,397,263	1,665,404	67,856,263	87,918,930
Investments:				
Government money market funds	\$ 50,864,535	—	1,988	50,866,523
Government bills	94,964,335	134,709,749	—	229,674,084
Government notes	165,164,257	—	—	165,164,257
Government-sponsored enterprise	307,479,979	—	54,590,009	362,069,988
Government bonds	—	5,006,211	30,051,782	35,057,993
Certificates of deposit	314,015	—	—	314,015
Total investments	\$ 618,787,121	139,715,960	84,643,779	843,146,860

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Unrealized depreciation of investments recognized in the statements of activities was approximately \$1,497,000 in 2013 and \$4,175,000 in 2012. Realized gains on sales of investments were approximately \$1,470,000 in 2013 and \$4,883,000 in 2012.

**(3) Fair Value Measurements**

The following tables provide the assets and liabilities carried at fair value measured on a recurring basis as of December 31, 2013 and 2012:

	<b>2013</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments	\$ 712,573,651	712,573,651	—	—
Estimated value of unsold restituted properties	6,423,509	—	—	6,423,509
	<b>2012</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments	\$ 843,146,860	843,146,860	—	—
Estimated value of unsold restituted properties	5,970,179	—	—	5,970,179

The following table is a rollforward of the financial instruments classified by the Claims Conference in Level 3 for the years ended December 31, 2013 and 2012:

	<b>2013</b>	<b>2012</b>
Fair value at January 1	\$ 5,970,179	9,194,314
Additions	2,013,238	1,689,843
Proceeds from sales of properties	(5,670,067)	(12,173,501)
Realized gains on sales of properties, net	2,086,663	5,577,714
Change in unrealized gains and losses, net	1,838,830	1,629,470
Foreign currency translation adjustment	184,666	52,339
Fair value at December 31	\$ 6,423,509	5,970,179

The carrying value of assets and liabilities other than investments and estimated value of unsold restituted properties approximate fair value due to their short maturity. These estimated fair values, however, involves unobservable inputs considered to be Level 3 in the fair value hierarchy.

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**(4) Claims Conference as Successor Organization**

**(a) Property Restitution and Compensation**

Upon German reunification in 1990, the Claims Conference negotiated for the right of Jewish asset owners and heirs to file claims for assets in the former East Germany. Under the German Property Restitution Law, the deadline for filing claims for restitution of assets located in the territory of the former East Germany expired on December 31, 1992 for real estate claims, and on June 30, 1993 for claims against moveable assets. Thousands of Jewish claimants filed timely claims and recovered a significant number of assets or substantial amounts of compensation in lieu of restitution. The Claims Conference was designated under the Germany Property Restitution Law to be the successor for unclaimed Jewish assets (through its Successor Organization). The disposition of any net recoveries from the operation of this program is determined by the Board of Directors of the Claims Conference; accordingly, revenue recognized from sales of property restitution and compensation is classified as unrestricted in the accompanying statements of activities.

Revenue from sold and unsold restituted properties during the years ended December 31, 2013 and 2012 is comprised of the following:

<b>Description</b>	<b>2013</b>	<b>2012</b>
Compensation and other	\$ 76,734,700	76,523,500
Restituted properties:		
Property additions	2,013,200	1,689,800
Realized gains on sales	2,086,700	5,577,700
Translation and valuation adjustments	2,023,500	1,681,800
Other	(212,100)	2,011,200
Total	<u>\$ 82,646,000</u>	<u>87,484,000</u>

As of December 31, 2013 and 2012, the total estimated fair value of unsold restituted property was approximately \$6,423,500 and \$5,970,200 (€4,665,500 and €4,516,700), respectively. As of December 31, 2013 and 2012, respectively, the Claims Conference held 193 and 224 different parcels of property.

Certain costs relating to the disposal of restituted property, approximately \$4,357,700 and \$4,223,000 at December 31, 2013 and 2012, respectively, have been recorded as deferred costs. Such deferred costs will be charged against the proceeds upon sale of the related property. Other general expenses with respect to property administration are expensed when incurred.

**(b) Goodwill Fund**

Notwithstanding its legal right to retain the full proceeds of the claims it makes as Successor Organization, the Claims Conference established a Goodwill Fund in 1994 in order to set aside funds for payments to certain Jewish asset owners or heirs who had not filed claims by the German-mandated deadline, and thus were no longer legally entitled to the assets or their proceeds under German law, and who met the criteria of the Goodwill Fund.

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In advertising campaigns in 1998 and 2003, the Claims Conference informed the general public that certain owners or heirs who had failed to meet the legal deadline for filing claims for Jewish assets in the former East Germany could participate in the Goodwill Fund. The Board of Directors of the Claims Conference established December 31, 1998 as the deadline for applications to the Goodwill Fund. In July 2000, the Board of Directors also decided to accept certain applications made after December 31, 1998.

In September 2003, the Claims Conference published a list of former owners of Jewish assets in the former East Germany, which it had either recovered, or for which it had received a compensation payment under the German Property Restitution Law covering the former East Germany, or for which it had filed claims that were not yet adjudicated. The Board of Directors established a final deadline for applications to the Goodwill Fund of six months from the date of publication of the list. In making its decision on this subject, the Board of Directors of the Claims Conference took special note of the fact that the Goodwill Fund had been accepting applications for more than nine years, that there was uncertainty surrounding the ultimate number of applications that would be made to the Goodwill Fund, that applications are frequently for unclaimed properties that the Claims Conference had already recovered and sold with the proceeds having been allocated, and the need to decide whether to continue making allocations for homecare and other social needs of Holocaust survivors from Successor Organization funds. Amendments, in 2011 and 2010, to the Goodwill Fund provide for review of certain applications made after March 31, 2004 under special circumstances, with a final deadline of December 31, 2011.

In 2013 and 2012, the Claims Conference paid out approximately \$21,020,000 (€15,267,500) and \$24,612,000 (€18,620,000), respectively, under this program to original owners and heirs. Since inception, the Claims Conference has paid approximately €671,204,500 under this program. In addition, it has established reserves for Goodwill Fund applications that have been approved for payment. These reserves are classified as liabilities in the accompanying statements of financial position. These applications relate to various assets for which the Claims Conference has received proceeds. At December 31, 2013 and 2012, the reserve for the Goodwill Fund was approximately \$53,787,000 (€39,067,000) and \$58,503,000 (€44,260,000), respectively. The Goodwill Fund expense for 2013 and 2012 was approximately \$13,381,500 (€10,074,500) and \$20,854,000 (€16,215,100), respectively.

**(c) *Designated for Goodwill and Late Applicants Fund and Other Uses***

As of December 31, 2013 and 2012, the Claims Conference has designated amounts totaling approximately \$88,043,600 (€63,948,000) and \$85,689,700 (€64,828,000), respectively, for Goodwill and Late Applicants Fund and Other Uses. A description of the designated uses of the fund is discussed below.

The fund includes the Late Applicants Fund (LAF) for certain applicants who missed the deadline established under the Goodwill Fund, which the Board of Directors of the Claims Conference established in July 2012. The LAF will be open for a period of two years and commenced on January 1, 2013 and will accept applications from certain heirs of former owners of Jewish assets located in the former East Germany for which the Claims Conference received proceeds under the

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German Property Law of 1990. In 2013, the Claims Conference undertook an international advertising campaign, informing the general public that certain owners or heirs who had failed to meet the legal deadline for filing claims for Jewish assets in the former East Germany – under the German government deadline or the Goodwill Fund - could participate in the LAF. A list of assets is published on the Claims Conference website ([www.claimscon.org](http://www.claimscon.org)).

The funds designated also include funds held for Goodwill applications where the approval process has not been completed, or where applicants may not be able to satisfy the routine additional documentation requirements and include funds with respect to applications where either the required documentary evidence has still not been presented, where heirs in a “community of heirs” have not yet been identified where an indemnification exists arising out of an agreement regarding certain properties, or where a final determination has not been made regarding the validity of certain Goodwill claims. Should these Goodwill Fund applications be approved in the future, the Claims Conference will recognize the obligation at that time. On an annual basis, the Claims Conference reviews the adequacies of these reserves and adjustments.

Designated for Goodwill and Late Applicants Fund and Other Uses also includes the portion of the values of properties restituted to the Claims Conference but not sold as of year-end that management estimates may in the future be subject to pending Goodwill Fund claims. As of December 31, 2013 and 2012, respectively, such values totaled approximately \$1,631,500 and \$2,555,000. A final assessment of any Goodwill Fund application associated with such properties will be performed when such properties are sold, and such amounts will be recorded as a liability if the application is approved. If such applications are not approved, the designation will be removed. In addition, designated for Goodwill and Late Applicants Fund and Other Uses includes the portion of the proceeds of bulk settlements that management estimates may be subject to Goodwill Fund payments in the future.

**(d) *Allocations and Grants***

Allocations by the Board of Directors in 2013 and 2012 were approximately \$75,000,000 and \$189,878,000, respectively. These amounts are included in the accompanying financial statements, net of cancellations of approximately \$7,955,000 and \$29,083,000, for the years ended December 31, 2013 and 2012, respectively. The 2013 decrease in the amounts granted is principally because 2012 allocations included certain commitments designated for the 2013 program year as well as for 2012. Amounts are paid in accordance with the progress of the specific projects.

**(e) *Designated for Programs***

Through December 31, 2013, the unexpended amount that the Board of Directors has designated for programs totaled approximately \$285,500,000. The Claims Conference anticipates utilizing these funds for the following program years:

2014 and 2015	\$ 149,500,000
2016	<u>136,000,000</u>
	<u>\$ 285,500,000</u>

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**(f) Bulk Settlements**

In 2013, the Claims Conference completed separate negotiations with the Federal Office for Central Services and Open Asset Questions (BADV) of the German Ministry of Finance regarding a certain class of bulk settlements for the textile/apparel industry and securities for minor stakeholders. The agreements between the Claims Conference and the German Ministry of Finance resulted in payments to the Claims Conference in the amount of approximately \$61,142,000 (€46,959,200). During 2012, the Claims Conference negotiated bulk settlements with the BADV in the amount of approximately \$22,169,000 (€17,200,000). These amounts are recorded in grants and other in the years 2013 and 2012, respectively.

**(g) Designated for Contractual Obligations**

In July 2011, the Board of Directors established the Holocaust Victims Compensation Fund (HVCF) for Jewish victims of Nazi persecution living in Eastern European countries that are today part of the European Union. Eligible residents of these former Soviet bloc countries received a one-time payment. During 2012, the Claims Conference approved payments of approximately \$4,831,000 (€3,756,000). The total distribution under this program funded by the Successor Organization was €4,259,500. Commencing November 1, 2012, the HVCF program is funded by the German Ministry of Finance under the Hardship Fund.

**(h) Designated for Longer-Term Needs**

The Board of Directors believes there will be direct and critical ongoing needs of Nazi victims over the coming years. Accordingly, net assets not otherwise designated, are designated by the Claims Conference to support longer-term needs of Jewish victims of Nazi persecution arising after income from current Claims Conference activities declines, as well as a special fund for research, documentation, and education of the Holocaust. The amount available in these funds at December 31, 2013 and 2012 was approximately \$183,800,000 and \$52,200,000, respectively. The Board of Directors has a policy to review the reserves on a periodic basis. In July 2014, an additional \$118,000,000 has been designated by the Board of Directors for the 2017 program year.

**(5) BMF Fund for In-Home Services**

In 2004, the Federal Republic of Germany reached an agreement with the Claims Conference to provide support for welfare organizations assisting Jewish victims of Nazi persecution. In 2011 and 2013, multiyear agreements were entered into between the Federal Republic of Germany and the Claims Conference that extends the “Fund for In-Home Services” until 2017. The amount, to be used as a “Fund for In-Home Services,” as negotiated with the Ministry of Finance (Bundesministerium der Finanzen) was set at €215,000,000 for 2017, €210,000,000 for 2016, €205,000,000 for 2015, €142,000,000 for 2014, €136,700,000 for 2013 and €126,700,000 for 2012. Revenue and expenses related to BMF funding will be recognized when the welfare organizations are notified of the award and agree to the terms of the allocation letter.

In 2013, the Board of Directors approved grant awards of €142,000,000 under this multi-year agreement, the majority of which is expected to be recognized in revenue and expense in 2014. In 2012, the Board of

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Directors approved awards of €136,700,000 under this multi-year agreement, which was recognized as revenue and expense in 2013.

**(6) German Government Compensation Funds**

Since 1980, the Claims Conference has administered compensation programs on behalf of the Federal Republic of Germany. There are currently three such programs being administered: the Hardship Fund, the Article II Fund, and the Central and Eastern European Fund.

**(a) *Hardship Fund***

In October 1980, the Federal Republic of Germany established a Hardship Fund primarily for those needy Jewish victims of Nazi persecution who were prevented from filing claims under the German indemnification laws by the 1965 deadline. The Claims Conference assumed the responsibility for the administration of the Hardship Fund under guidelines established by the Federal Republic of Germany. The guidelines limit individual payments to DM 5,000 (€2,556) per person, allow for small grants to organizations, which aid Jewish victims of Nazi persecution, and provide for administrative costs to be incurred by the Claims Conference. In 2012, this program was expanded to include all Jewish victims of Nazi persecution living in areas of the former Soviet Union and to Eastern European countries, including those which are part of the European Union (formerly the Successor Organization Holocaust Victims Compensation Fund (HVCF)).

Net approved payments to individuals from the Hardship Fund were approximately \$73,908,000 and \$57,530,000 (€55,642,600 and €44,728,000) for 2013 and 2012, respectively.

During 2012, the Claims Conference submitted to and received reimbursement of approximately €4,039,000 (\$5,194,700) from the German Ministry of Finance for certain individual payments that were made in prior years by the Successor Organization. This amount is included in contractual programs on the statement of activities and transferred to the Successor Organization to reimburse the Successor Organization for these payments made.

**(b) *Article II Fund***

In 1992, the Federal Republic of Germany agreed to pay a pension to certain survivors who (i) were in a concentration camp, ghetto or hiding for a minimum of a specified duration, (ii) are below a defined income limit, and (iii) have received little or no compensation. Liberalizations to the eligibility criteria have been negotiated subsequently.

Net approved payments to individuals from the Article II Fund were approximately \$244,889,000 and \$234,900,000 (€184,368,600 and €182,700,000) during 2013 and 2012, respectively.

Approximately €271,170,600 and €217,897,000 of Hardship and Article II funding was received for the years ended December 31, 2013 and 2012, and is included in the accompanying financial statements at the translated amounts of approximately \$360,185,000 and \$280,232,000, respectively, excluding administrative reimbursement of expenses of approximately \$16,600,000 in 2013 and \$12,920,000 in 2012.

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**(c) *Central and Eastern European Fund***

In 1998, the Federal Republic of Germany agreed to provide funds to a Central and Eastern European Fund (CEEF) for Holocaust survivors according to the same persecution related criteria as established under the Article II Fund. This fund is administered by the Claims Conference. In 2013 and 2012, respectively, approximately \$77,608,000 (€58,428,000) and \$49,000,000 (€38,110,000) in funds were provided under this program.

Approved payments to individuals from the CEEF were approximately \$77,246,000 and \$47,251,000 (€58,155,600 and €36,740,000) during 2013 and 2012, respectively.

**(d) *Net assets of the German Government Funds***

The German Government Funds have a deficit in unrestricted net assets at December 31, 2013 and 2012 of approximately \$14.6 million and \$10.7 million, respectively due to excess of administrative costs over administrative reimbursements. This balance is expected to be submitted for reimbursement to the Federal Republic of Germany in 2014. Such reimbursements are recognized as revenue when the claim is approved and funding is received. Temporarily restricted net assets of \$48 million at December 31, 2013 represent funding received in 2013 that was subsequently used for individual compensation payments in January 2014.

**(7) *Other Program Funds***

The column headed “Other Program Funds” in the accompanying financial statements consist primarily of the following programs:

- (a) Beginning in 1991, the Austrian government agreed to provide funds to the Committee for Jewish Claims on Austria for institutional projects benefiting aged Jewish victims of the Nazi persecution from Austria. In 2011, the Austrian government entered into a new agreement for the same purposes. Under this new conditional agreement, the Austrian government agreed to provide an additional amount up to €4,860,000 through 2013. During 2012, the Claims Conference received and allocated funds of approximately \$2,722,000 (€2,060,000). As of 2012, all funds under this program were received and allocated.
- (b) In July 2010, The Harry and Jeanette Weinberg Foundation (Weinberg Fund) agreed to make a \$10,000,000 conditional grant, payable over a five-year period, to the Claims Conference to provide emergency assistance to Jewish victims of Nazism in North America. During 2013 and 2012, under this agreement, the Claims Conference received and allocated such funds totaling approximately \$1,500,000 and \$2,500,000, respectively. In October 2013, the Weinberg Fund provided the Claims Conference with an additional \$500,000 for 2014, which was received and allocated during 2013.
- (c) On January 23, 1999, a settlement agreement was signed by a number of Swiss banks relating to acts of the banks and other Swiss entities connected with the Nazi era. The settlement agreement was under the jurisdiction of a U.S. Federal court (the Court). The Looted Assets class of the above referenced settlement agreement, provided humanitarian aid over a 10 year program which under the terms of the Plan of Allocation and Distribution of Settlement Proceeds (“Distribution Plan”) ended in July 2011. The Claims Conference was responsible for implementing this program on behalf of

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the Court to benefit emergency assistance programs for elderly Jewish victims of Nazi persecution, excluding those residing in the former Soviet Union. During 2013, the Court allocated \$11,250,000 of residual funds remaining in the settlement fund to the Claims Conference to be used over a 5 year period which was recognized as revenue in 2013. The Claims Conference's policy is to allocate such funds when the cash is received. During 2013, funds of \$1,102,500 were received and allocated under this program.

- (d) The Claims Conference provides services to the Claims Resolution Tribunal, which administers claims regarding Swiss bank accounts under the Swiss Banks Settlement. Under this program, the Claims Conference provides certain supportive services for claims processing. The Claims Conference is not vested with the authority, and has no responsibility to make determinations regarding the disposition of any individual case. During 2013 and 2012, approximately \$937,000 and \$9,700,000, respectively, in awards were approved and funded by a U.S. federal court (the Court). These funds were distributed by the Claims Conference under this technical assistance program. These disbursements are not recorded in the statements of activities of the Claims Conference. The Claims Conference is reimbursed for the actual costs incurred by the Claims Conference in the provision of these services. In 2013 and 2012, under the agreement, the Claims Conference received administrative reimbursement (recorded in grants and other) from the Court of approximately \$440,300 and \$825,000, respectively, for the costs of this program.
- (e) The Claims Conference is responsible for implementing the Victims List program on behalf of the Court to assist in the creation of a database, the purpose of which is to make accessible to the public the names of victims of the Holocaust. During 2013 and 2012, the Court transferred approximately \$4,600,000 and \$151,000, respectively, which included reimbursement for administrative expenses. During 2013, there was approximately \$4,500,000 in new grants made under this program. In 2012, there were no grants made.
- (f) In September 2013, the Caritatea Foundation in Romania granted the Claims Conference \$1 million for a one-year period to support the Claims Conference emergency assistance program in Israel. The grant is to be used primarily to benefit Jewish victims of Nazi persecution of Romanian origin who are financially vulnerable and living in Israel. During 2013, the Claims Conference received and allocated these funds.
- (g) In July 2009, an agreement was entered with the Hungarian Jewish Heritage Endowment. This agreement, in accordance with Hungarian Law and in conformity with the principles set forth in the model of the "Hungarian Gold Train Settlement," provides for social welfare benefits for Holocaust survivors of Hungarian descent, living outside of Hungary. Under this agreement, in 2013, the Claims Conference received and allocated funds totaling approximately \$5,500,000.
- (h) The International Commission on Holocaust Era Insurance Claims (ICHEIC) was formed pursuant to a Memorandum of Understanding (MOU), dated August 26, 1998, to facilitate the payment of unpaid Holocaust era insurance policies to valid claimants. In June 2007, the Claims Conference and ICHEIC entered into an agreement whereby ICHEIC transferred to the Claims Conference its remaining current and future humanitarian funds as detailed in the agreement. The Claims Conference assumed the responsibility for overseeing the distribution of such funds in accordance

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with guidelines as determined by ICHEIC prior to its closure. Under this agreement, in 2013 and 2012, the Claims Conference received \$1,000,000 per year. Temporarily restricted net assets related to ICHEIC of approximately \$5,306,000 are to be used for the educational programs of Yad Vashem and the Jewish Agency for Israel in accordance with the stipulations provided by ICHEIC. Under this program, in 2013, there were no new allocations made under this program. In 2013 and 2012, allocations totaling approximately \$650,000 and \$2,200,000, net of cancellations, were made.

**(8) Contingencies**

The Claims Conference is party to various litigation and other claims in the ordinary course of business. In the opinion of management, the final disposition of these matters will not have a material adverse effect on the Claims Conference's financial position or changes in net assets.

In connection with compensation received for the settlement of a property claim, in March 2007, the Claims Conference provided the other party with an indemnity through 2025 of up to €4,500,000, in respect to possible claims by certain heirs. As of December 31, 2013, no claims have been received from heirs. The contingent liability is not material to the financial statements.

**(9) Commitments**

*(a) Forward Currency Transactions*

The Claims Conference purchases forward currency contracts in order to minimize risk from anticipated changes in currency values. Forward currency contracts represent agreements with counterparties to exchange currencies at an agreed-upon exchange rate at a point in time based upon predetermined notional amounts. These instruments involve credit and market risk, arising from the possible inability of counterparties to meet the terms of their contracts and from movements in currency values. The Claims Conference's notional amounts at December 31, 2013 and 2012 was approximately \$185,599,000 and \$231,631,000, respectively. The fair value of these contracts is not material to the financial statements.

*(b) Leases*

The Claims Conference leases office space in various locations to facilitate the conduct of its own programs, and of programs it carries out under agreements with other parties. The approximate minimum annual rental commitments under these operating leases as of December 31, 2013 are as follows:

2014	\$	2,410,600
2015		1,533,300
2016		673,900
2017		391,900
2018		391,900
Thereafter		<u>718,500</u>
Total	\$	<u><u>6,120,100</u></u>

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**(10) Temporarily Restricted and Unrestricted Activities**

The accompanying statements of activities do not break out unrestricted and temporarily restricted activity but instead such amounts are presented in total by programmatic activity. The following tables provide summarized information for 2013 and 2012 (in thousands):

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total 2013</u>
Revenues	\$ 764,303	48,499	812,802
Net assets released from restrictions	6,261	(6,261)	—
Expenses	(708,872)	—	(708,872)
Change in cumulative foreign currency translation	7,187	—	7,187
	<u>\$ 68,879</u>	<u>42,238</u>	<u>111,117</u>

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total 2012</u>
Revenues	\$ 630,855	6,177	637,032
Net assets released from restrictions	11,711	(11,711)	—
Expenses	(733,620)	—	(733,620)
Change in cumulative foreign currency translation	4,353	—	4,353
	<u>\$ (86,701)</u>	<u>(5,534)</u>	<u>(92,235)</u>

**(11) Subsequent Events**

In connection with the preparation of the financial statements, the Claims Conference evaluated subsequent events after the statement of financial position date of December 31, 2013 through August 6, 2014, which was the date the financial statements were available to be issued, and determined that, except as disclosed in the following paragraphs, there were no additional matters requiring disclosure.

- (a) In January 2014, the Weinberg Fund agreed to make a \$4,000,000 conditional grant, payable over a three year period, to the Claims Conference to provide emergency assistance to Jewish victims of Nazism in North America for which \$500,000 was received in 2013, \$2,000,000 is expected to be received in 2015 and \$1,500,000 is expected to be received in 2016.

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- (b) In March 2014, the Claims Conference negotiated an agreement with the Federal Office for Central Services and Open Asset Questions of the Finance Ministry regarding a bulk settlement for indirect ownership related to certain compensation claims. Under the settlement, the Finance Ministry has agreed to pay the Claims Conference approximately €4,600,000 in 2014.
- (c) In May 2014, the Claims Conference negotiated an agreement with the Austrian government to provide funds to the Committee for Jewish Claims on Austria for institutional projects benefiting aged Jewish victims of the Nazi persecution from Austria. Under this agreement, the Austrian government agreed to provide up to €1,000,000 through September 2014.