



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

Financial Statements

December 31, 2020 and 2019

(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 on Jewish Material Claims Against Germany, Inc., which comprise the statements of financial position as of December 31, 2020 and 2019, 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, 2020 and 2019, 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 23, 2021

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

Statement of Financial Position

December 31, 2020

Assets	Claims Conference as successor organization (note 4)	BMF Fund for In-Home Services (note 5)	German government funds (note 6)	Other program funds (note 7)	Eliminations	Total
Cash and cash equivalents (note 2)	\$ 34,503,635	115,342,663	120,548,623	12,339,126	—	282,734,047
Investments (notes 2 and 3)	414,608,660	37,825,453	—	—	—	452,434,113
Total cash, cash equivalents, and investments	449,112,295	153,168,116	120,548,623	12,339,126	—	735,168,160
Other assets:						
Grants and contractual receivables	—	13,539	—	—	—	13,539
Other receivables	2,816,920	—	—	—	—	2,816,920
Other assets, net (notes 3 and 4)	2,789,164	—	9,466,888	—	—	12,256,052
Interfund receivables	5,386,432	896,953	135,496	278,332	(6,697,213)	—
Total assets	\$ 460,104,811	154,078,608	130,151,007	12,617,458	(6,697,213)	750,254,671
Liabilities and Net Assets						
Liabilities:						
Accrued expenses	\$ 6,809,252	—	8,706,268	405,831	—	15,921,351
Deferred income	20,966	42,141,695	104,302,769	2,452,740	—	148,918,170
Grants payable	32,709,169	74,635,759	5,734,677	1,838,974	—	114,918,579
Goodwill fund	6,775,694	—	—	—	—	6,775,694
Due to cooperating organizations	—	—	331,586	651,887	—	983,473
Interfund payables	705,521	1,396,540	3,460,624	1,134,528	(6,697,213)	—
Total liabilities	47,020,602	118,173,994	122,535,924	6,483,960	(6,697,213)	287,517,267
Contingencies and commitments (notes 8 and 9)						
Net assets:						
Without donor restrictions:						
Designated for programs	144,490,656	—	—	1,173,954	—	145,664,610
Designated for research, education, and documentation	45,127,332	—	—	—	—	45,127,332
Net funding deficit	—	—	(4,024,961)	—	—	(4,024,961)
Designated for future costs	16,583,200	—	—	160,339	—	16,743,539
Designated for goodwill and late applicants fund and other uses	13,035,087	—	—	—	—	13,035,087
Unsold restituted properties	536,974	—	—	—	—	536,974
Designated for longer-term needs	193,310,960	—	—	1,108,562	—	194,419,522
Total net assets without donor restrictions	413,084,209	—	(4,024,961)	2,442,855	—	411,502,103
With donor restrictions:						
For contractual obligations	—	—	11,640,044	—	—	11,640,044
For programs	—	35,904,614	—	3,690,643	—	39,595,257
Total net assets with donor restrictions	—	35,904,614	11,640,044	3,690,643	—	51,235,301
Total net assets	413,084,209	35,904,614	7,615,083	6,133,498	—	462,737,404
Total liabilities and net assets	\$ 460,104,811	154,078,608	130,151,007	12,617,458	(6,697,213)	750,254,671

See accompanying notes to financial statements.

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

Statement of Financial Position

December 31, 2019

Assets	<u>Claims Conference as successor organization (note 4)</u>	<u>BMF Fund for In-Home Services (note 5)</u>	<u>German government funds (note 6)</u>	<u>Other program funds (note 7)</u>	<u>Eliminations</u>	<u>Total</u>
Cash and cash equivalents (note 2)	\$ 34,766,272	71,935,890	12,710,080	10,114,981	—	129,527,223
Investments (notes 2 and 3)	428,706,856	47,824,571	—	1,274,268	—	477,805,695
Total cash, cash equivalents, and investments	463,473,128	119,760,461	12,710,080	11,389,249	—	607,332,918
Other assets:						
Grants and contractual receivables	—	2,926,115	—	646,250	—	3,572,365
Other receivables	2,392,065	—	—	—	—	2,392,065
Other assets, net (notes 3 and 4)	4,286,222	—	7,726,986	—	—	12,013,208
Interfund receivables	13,337,305	946,644	1,035,852	178,011	(15,497,812)	—
Total assets	<u>\$ 483,488,720</u>	<u>123,633,220</u>	<u>21,472,918</u>	<u>12,213,510</u>	<u>(15,497,812)</u>	<u>625,310,556</u>
Liabilities and Net Assets						
Liabilities:						
Accrued expenses	\$ 8,350,199	—	6,987,575	481,712	—	15,819,486
Deferred income	46,254	—	—	—	—	46,254
Grants payable	47,807,174	72,629,132	4,315,353	4,706,652	—	129,458,311
Goodwill fund	8,495,158	—	—	—	—	8,495,158
Due to cooperating organizations	—	—	300,945	547,214	—	848,159
Interfund payables	1,201,341	9,241,478	4,288,829	766,164	(15,497,812)	—
Total liabilities	<u>65,900,126</u>	<u>81,870,610</u>	<u>15,892,702</u>	<u>6,501,742</u>	<u>(15,497,812)</u>	<u>154,667,368</u>
Contingencies and commitments (notes 8 and 9)						
Net assets:						
Without donor restrictions:						
Designated for programs	121,550,442	—	—	928,474	—	122,478,916
Designated for research, education, and documentation	33,465,626	—	—	—	—	33,465,626
Net funding deficit	—	—	(5,193,315)	—	—	(5,193,315)
Designated for future costs	19,318,400	—	—	2,351,896	—	21,670,296
Designated for goodwill and late applicants fund and other uses	11,425,536	—	—	—	—	11,425,536
Unsold restituted properties	1,902,550	—	—	—	—	1,902,550
Designated for longer-term needs	229,926,040	—	—	1,104,549	—	231,030,589
Total net assets without donor restrictions	<u>417,588,594</u>	<u>—</u>	<u>(5,193,315)</u>	<u>4,384,919</u>	<u>—</u>	<u>416,780,198</u>
With donor restrictions:						
For contractual obligations	—	—	10,773,531	—	—	10,773,531
For programs	—	41,762,610	—	1,326,849	—	43,089,459
Total net assets with donor restrictions	<u>—</u>	<u>41,762,610</u>	<u>10,773,531</u>	<u>1,326,849</u>	<u>—</u>	<u>53,862,990</u>
Total net assets	<u>417,588,594</u>	<u>41,762,610</u>	<u>5,580,216</u>	<u>5,711,768</u>	<u>—</u>	<u>470,643,188</u>
Total liabilities and net assets	<u>\$ 483,488,720</u>	<u>123,633,220</u>	<u>21,472,918</u>	<u>12,213,510</u>	<u>(15,497,812)</u>	<u>625,310,556</u>

See accompanying notes to financial statements.

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

Statement of Activities

Year ended December 31, 2020

	Claims Conference as successor organization (note 4)	BMF Fund for In-Home Services (note 5)	German government funds (note 6)	Other program funds (note 7)	Eliminations	Total
Revenue:						
Revenue from operations:						
Contractual programs	\$ —	—	449,189,211	—	—	449,189,211
Administrative reimbursement of expenses	—	—	35,578,744	67,549	—	35,646,293
Revenue from sold and unsold restituted properties	10,177,166	—	—	—	—	10,177,166
Rental income	56,471	—	—	—	—	56,471
Grants and other	2,197,392	602,126,189	—	6,993,286	(2,211,576)	609,105,291
Total revenue from operations	12,431,029	602,126,189	484,767,955	7,060,835	(2,211,576)	1,104,174,432
Investment income (note 2)	3,277,100	514,643	6,618	25,811	—	3,824,172
Total revenue	15,708,129	602,640,832	484,774,573	7,086,646	(2,211,576)	1,107,998,604
Expenses (note 11):						
Grant expenses:						
Grant and contractual expenses	7,933,228	612,684,917	449,322,897	7,074,279	(2,211,576)	1,074,803,745
Goodwill fund	845,363	—	—	—	—	845,363
Grant cancellations	(1,568,183)	(3,583,292)	—	(444,005)	—	(5,595,480)
Total grant expenses	7,210,408	609,101,625	449,322,897	6,630,274	(2,211,576)	1,070,053,628
Property restitution program	1,449,783	—	—	—	—	1,449,783
Grant making and administrative expenses	11,895,897	—	33,606,846	76,071	—	45,578,814
Total expenses	20,556,088	609,101,625	482,929,743	6,706,345	(2,211,576)	1,117,082,225
(Deficiency) excess of revenue (under) over expenses before transaction and translation gains (losses)	(4,847,959)	(6,460,793)	1,844,830	380,301	—	(9,083,621)
Transaction and translation gains (note 1(d))	343,574	602,797	190,037	41,429	—	1,177,837
(Decrease) increase in net assets	(4,504,385)	(5,857,996)	2,034,867	421,730	—	(7,905,784)
Net assets at December 31, 2019	417,588,594	41,762,610	5,580,216	5,711,768	—	470,643,188
Net assets at December 31, 2020	\$ 413,084,209	35,904,614	7,615,083	6,133,498	—	462,737,404
Composition of changes in net assets (note 10):						
(Decrease) increase in net assets without donor restrictions	\$ (4,504,385)	—	1,168,354	(1,942,064)	—	(5,278,095)
(Decrease) increase in net assets with donor restrictions	—	(5,857,996)	866,513	2,363,794	—	(2,627,689)
(Decrease) increase in net assets	\$ (4,504,385)	(5,857,996)	2,034,867	421,730	—	(7,905,784)

See accompanying notes to financial statements.

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

Statement of Activities

Year ended December 31, 2019

	Claims Conference as successor organization (note 4)	BMF Fund for In-Home Services (note 5)	German government funds (note 6)	Other program funds (note 7)	Eliminations	Total
Revenue:						
Revenue from operations:						
Contractual programs	\$ —	—	371,412,143	—	—	371,412,143
Administrative reimbursement of expenses	—	—	28,777,923	89,314	—	28,867,237
Revenue from sold and unsold restituted properties	15,309,484	—	—	—	—	15,309,484
Rental income	433,728	—	—	—	—	433,728
Grants and other	9,495	549,762,944	—	11,277,870	(2,389,765)	558,660,544
Total revenue from operations	15,752,707	549,762,944	400,190,066	11,367,184	(2,389,765)	974,683,136
Investment income (note 2)	9,867,634	2,082,963	68,072	170,986	—	12,189,655
Total revenue	25,620,341	551,845,907	400,258,138	11,538,170	(2,389,765)	986,872,791
Expenses (note 11):						
Grant expenses:						
Grant and contractual expenses	25,373,720	552,002,914	368,513,662	13,449,187	(2,389,765)	956,949,718
Goodwill fund	(3,221,848)	—	—	—	—	(3,221,848)
Grant cancellations	(2,874,970)	(29,434,824)	—	(393,299)	—	(32,703,093)
Total grant expenses	19,276,902	522,568,090	368,513,662	13,055,888	(2,389,765)	921,024,777
Property restitution program	2,600,765	—	—	—	—	2,600,765
Grant making and administrative expenses	12,432,529	16,384	31,262,339	115,553	—	43,826,805
Reversal of property reserve (note 4)	(2,882,204)	—	—	—	—	(2,882,204)
Total expenses	31,427,992	522,584,474	399,776,001	13,171,441	(2,389,765)	964,570,143
(Deficiency) excess of revenue (under) over expenses before transaction and translation (losses) gains	(5,807,651)	29,261,433	482,137	(1,633,271)	—	22,302,648
Transaction and translation (losses) gains (note 1(d))	(54,725)	1,125,284	(63,240)	2,783	—	1,010,102
(Decrease) increase in net assets	(5,862,376)	30,386,717	418,897	(1,630,488)	—	23,312,750
Net assets at December 31, 2018	423,450,970	11,375,893	5,161,319	7,342,256	—	447,330,438
Net assets at December 31, 2019	\$ 417,588,594	41,762,610	5,580,216	5,711,768	—	470,643,188
Composition of changes in net assets (note 10):						
(Decrease) increase in net assets without donor restrictions	\$ (5,862,376)	—	(2,310,112)	(896,386)	—	(9,068,874)
Increase (decrease) in net assets with donor restrictions	—	30,386,717	2,729,009	(734,102)	—	32,381,624
(Decrease) increase in net assets	\$ (5,862,376)	30,386,717	418,897	(1,630,488)	—	23,312,750

See accompanying notes to financial statements.

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

Statements of Cash Flows

Years ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (7,905,784)	23,312,750
Adjustments to reconcile (decrease) increase in net assets to net cash provided by (used in) operating activities:		
Unrealized depreciation of investments	882,473	1,099,374
Realized gain on sales of investments	(3,666,685)	(10,219,182)
Changes in operating assets and liabilities:		
Grants and contractual receivables	3,558,826	2,535,237
Other receivables	(424,855)	2,235,055
Other assets, net	(242,844)	(1,640,621)
Accrued expenses	101,865	(3,712,473)
Deferred income	148,871,916	(163,636)
Grants payable	(14,539,732)	(6,785,635)
Goodwill fund	(1,719,464)	(16,672,047)
Due to cooperating organizations	135,314	(224,805)
Net cash provided by (used in) operating activities	125,051,030	(10,235,983)
Cash flows from investing activities:		
Purchases of investments	(1,173,314,552)	(1,617,023,679)
Proceeds from sale of investments	1,201,470,346	1,618,194,996
Net cash provided by investing activities	28,155,794	1,171,317
Net increase (decrease) in cash and cash equivalents	153,206,824	(9,064,666)
Cash and cash equivalents at beginning of year	129,527,223	138,591,889
Cash and cash equivalents at end of year	\$ 282,734,047	129,527,223

See accompanying notes to financial statements.

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

Notes to Financial Statements

December 31, 2020 and 2019

(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.

Ezra Legacy Inc. (the Corporation) was established in 2017 by the Claims Conference, its sole member, for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986. The Corporation's mission is to foster, facilitate, and promote the provision of relief, support, and assistance for Jewish Holocaust victims and increase public understanding of the impact of the Holocaust.

The activities of the Claims Conference, which include the Corporation, are more fully described in the following notes to the 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 revenue, gains, and losses are classified based on the existence or absence of grantor-imposed restrictions. Accordingly, net assets are classified and reported as follows:

Without donor restrictions – 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 net assets without donor restrictions for various purposes.

With donor restrictions – 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 net assets without donor restrictions.

**CONFERENCE ON JEWISH MATERIAL CLAIMS
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Notes to Financial Statements

December 31, 2020 and 2019

(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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

(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, 2020 and 2019 (1.22637 and 1.12147), respectively, for assets and liabilities, and (ii) an average of the daily prevailing rates of exchange for the years ended December 31, 2020 and 2019 (1.14142 and 1.11938), respectively, for revenue and expenses. Foreign currency transactions have also been translated from New Israeli Shekels (NIS) into U.S. dollars at (i) the prevailing rate of exchange at December 31, 2020 and 2019 (3.20784 and 3.45152), respectively, for assets and liabilities and (ii) an average of the daily prevailing rates of exchange for the years ended December 31, 2020 and 2019 (3.43454 and 3.55874), respectively, for revenue 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 (unadjusted) or published net asset value in active markets that are accessible at the measurement date 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.

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

Notes to Financial Statements

December 31, 2020 and 2019

(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.

(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.

(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 may also invest in Israeli government securities and short-term fixed income European AAA sovereign securities when feasible and prudent. Funds are also invested in U.S. money market accounts that invest in 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 Corporation is a not-for-profit organization exempt from U.S. federal income tax under Section 501(c)(3) of the Internal Revenue Code, and state and local income taxes.

The Claims Conference recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. The Claims Conference and the Corporation have evaluated their tax positions and have determined they do not have any uncertain tax positions or any unrelated income tax liability, which would have a material impact on the financial statements.

(j) Revenue

Grants are recognized as revenue when they are received. A grant is conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the promisor's obligation to transfer assets. Conditional grants are recognized as revenue when the barrier(s) in the agreement are overcome. Purpose restricted grants whose restrictions are met in the same fiscal year are reported in net assets without donor restrictions. All other purpose restricted support is reported as an increase to net assets with donor restrictions, depending on the nature of the restriction.

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

Notes to Financial Statements

December 31, 2020 and 2019

(k) Contractual and Other Obligations and Grants

Contractual and other obligations are recognized in accordance with the terms of contractual agreements for individual compensation programs. The majority of such obligations are scheduled to be paid in the next year.

Grant obligations that are considered unconditional in nature are reported as grants payable in the statement of financial position. Conditional grants are recognized as expenses when the barrier(s) in the agreement are overcome. A grant is conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the promisor's obligation to transfer assets. Effective January 1, 2020, with the adoption of Accounting Standards Update (ASU) No. 2018-08, awards made to organizations that are conditional in nature are not recorded as expense until the conditions of the grant are satisfied.

(l) 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).

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.

(m) Reclassifications

Certain reclassifications of 2019 amounts have been made to conform to the 2020 presentation.

(n) New Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued ASU No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU No. 2018-08 helps an entity evaluate whether it should account for a grant (or similar transaction) as a contribution or as an exchange transaction. The ASU also clarifies and expands the criteria for determining whether a contribution is conditional, which may delay recognition of contribution revenue (recipient) or expense (resource provider). The Claims Conference adopted the contributions received provisions of ASU No. 2018-08 in 2019. As of January 1, 2020, the Claims Conference adopted the contributions made provisions of ASU No. 2018-08. The adoption of this standard did not have a significant impact on the Claims Conference's statement of financial position or statement of activities.

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In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which is intended to improve financial reporting about leasing transactions. ASU No. 2016-02 requires that leased assets be recognized as assets on the statement of financial position and the liabilities for the obligations under the lease also be recognized on the statement of financial position. ASU No. 2016-02 requires disclosures to help investors and other financial statement users better understand the amount, timing and uncertainty of cash flows arising from leases. The required disclosures include qualitative and quantitative requirements. For nonpublic entities, ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021 and interim periods within those fiscal years beginning after December 15, 2022. The Claims Conference is currently evaluating the effect that ASU No. 2016-02 is expected to have on its financial statements.

(o) COVID-19

The spread of COVID-19 has caused significant volatility in U.S. and international markets. There remains considerable uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies. The Claims Conference has taken measures within its operations to mitigate adverse impact due to COVID-19, such as safety and health measures for its employees (such as social distancing and working in a virtual environment). The impact on the business and results has not been significant to date and is expected to remain the case. The Claims Conference will continue to follow the various government policies and advice and, in parallel, will continue operations in the best and safest way possible without jeopardizing the health of its employees.

(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, 2020 and 2019 consist of the following:

	2020			
	United States	Israel	Europe	Total
Cash and cash equivalents	\$ 51,674,049	54,175,354	176,884,644	282,734,047
Investments:				
Government money market funds	\$ 47,208,741	—	—	47,208,741
Government bills	389,949,150	—	—	389,949,150
Government bonds	—	15,048,048	—	15,048,048
Certificates of deposit	228,174	—	—	228,174
Total investments	\$ 437,386,065	15,048,048	—	452,434,113

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	2019			
	United States	Israel	Europe	Total
Cash and cash equivalents	\$ 46,558,363	49,270,980	33,697,880	129,527,223
Investments:				
Government money market funds	\$ 53,612,213	—	—	53,612,213
Government bills	363,380,100	—	—	363,380,100
Government-sponsored enterprise	50,216,010	—	—	50,216,010
Government bonds	—	10,052,310	—	10,052,310
Certificates of deposit	545,062	—	—	545,062
Total investments	\$ 467,753,385	10,052,310	—	477,805,695

Unrealized depreciation of investments recognized in the statements of activities was approximately \$882,000 in 2020 and \$1,099,000 in 2019. Realized gain on sales of investments was approximately \$3,667,000 in 2020 and \$10,219,000 in 2019.

(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, 2020 and 2019:

	2020			
	Total	Level 1	Level 2	Level 3
Investments	\$ 452,434,113	452,434,113	—	—
Estimated value of unsold restituted properties*	726,060	—	—	726,060

	2019			
	Total	Level 1	Level 2	Level 3
Investments	\$ 477,805,695	477,805,695	—	—
Estimated value of unsold restituted properties*	2,068,144	—	—	2,068,144

* Estimated value of unsold restituted properties is included in other assets in the accompanying statements of financial position.

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The following table is a rollforward of the financial instruments classified by the Claims Conference in Level 3 for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Fair value at January 1	\$ 2,068,144	1,143,870
Additions	539,854	791,666
Proceeds from sales of properties	(2,725,159)	(1,781,408)
Realized (losses) gains on sales of properties, net	(169,492)	404,222
Change in unrealized gains, net	963,027	1,532,402
Foreign currency translation adjustment	49,686	(22,608)
Fair value at December 31	<u>\$ 726,060</u>	<u>2,068,144</u>

(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 (SO)). 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 without donor restrictions in the accompanying statements of activities.

Revenue from sold and unsold restituted properties during the years ended December 31, 2020 and 2019 comprises of the following approximated amounts:

<u>Description</u>	<u>2020</u>	<u>2019</u>
Compensation and other	\$ 9,526,900	12,148,000
Restituted properties:		
Property additions	539,900	791,700
Realized (losses) gains on sales	(169,500)	404,200
Translation and valuation adjustments	279,900	1,965,600
Total	<u>\$ 10,177,200</u>	<u>15,309,500</u>

As of December 31, 2020 and 2019, the total estimated fair value of unsold restituted property was approximately \$726,000 and \$2,068,000 (€592,000 and €1,844,000), respectively. As of December 31, 2020 and 2019, respectively, the Claims Conference held 110 and 115 different parcels of property.

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Certain costs relating to the disposal of restituted property, approximately \$1,187,000 and \$1,145,000 at December 31, 2020 and 2019, respectively, have been recorded as deferred costs in other assets. 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. In previous years, the Claims Conference provided a reserve of approximately \$2,882,000 (€2,574,800) for potential litigation related to various properties. In 2019, the matters were positively settled, and accordingly, the reserve was reversed and is reflected on the statement of activities.

(b) Goodwill Fund

Notwithstanding its legal right to retain the full proceeds of the claims it makes as SO, 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.

The deadline for applications to the Goodwill Fund expired in 2011 after various extensions to the deadlines were provided by the Claims Conference. 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 a number of 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 SO funds.

In 2020 and 2019, the Claims Conference paid out approximately \$3,422,000 (€2,791,000) and \$12,940,000 (€11,539,000), respectively, under this program to original owners and heirs. Since inception, the Claims Conference has paid approximately €791,163,000 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, 2020 and 2019, the reserve for the Goodwill Fund was approximately \$6,776,000 (€5,525,000) and \$8,495,000 (€7,575,000), respectively. The Goodwill Fund expense for 2020 and 2019 was approximately \$845,000 (€741,000) and \$(3,222,000) (€(2,878,000)), respectively.

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

As of December 31, 2020 and 2019, the Claims Conference has designated amounts totaling approximately \$13,035,000 (€10,629,000) and \$11,426,000 (€10,188,000), respectively, for Goodwill and Late Applicants Fund and Other Uses. The balance includes the remainder of a €50 million fund created in 2012 for certain applicants who missed the deadline established under the Goodwill Fund of €5.2 million (\$6,400,000) at December 31, 2020. In addition, as of December 31, 2020 and 2019, there is approximately \$6,700,000 (€5,429,000) and \$5,258,000 (€4,688,000), respectively, of funds designated 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. Should these Goodwill Fund applications be approved in the future, the Claims Conference will recognize the obligation

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at that time. On an annual basis, the Claims Conference reviews the adequacies of these reserves and adjustments.

(d) Allocations and Grants

Allocations by the Board of Directors in 2020 were approximately \$19,333,000, of which \$7,933,000 of grant expense was recognized under this program. In 2019, prior to the adoption of ASU No. 2018-08, grant obligations were recognized when the related allocations for institutional programs were approved by the Board of Directors. In 2019, allocations by the Board of Directors (and grant expense recognized) were approximately \$25,373,000.

As of December 31, 2020, there was approximately \$11,400,000 in outstanding conditional promises to give.

(e) Designated for Programs

Effective December 31, 2020 and 2019, the Board of Directors approved approximately \$144,491,000 and \$121,550,000, respectively, for use under SO programs. The Claims Conference anticipates utilizing these funds in future program years.

(f) Designated for Research, Education, and Documentation

Effective December 31, 2020 and 2019, the Board of Directors approved approximately \$45.1 million and \$33.4 million, respectively, designated for research, education, and documentation of the Holocaust.

(g) 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. The amount available in these funds at December 31, 2020 and 2019 was approximately \$193,300,000 and \$229,900,000, respectively.

(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. Subsequent to 2004, additional multi-year agreements were entered into between the Federal Republic of Germany and the Claims Conference that extends the "Fund for In-Home Services" until 2021. The amounts, to be used as a

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“Fund for In-Home Services,” as negotiated with the Ministry of Finance – Bundesministerium der Finanzen (BMF), are as follows:

	Amount per agreement
Program year:	
2016	€ 281,750,000
2017	315,000,000
2018	405,000,000
2019	480,000,000
2020	524,000,000
2021	554,500,000

As of December 31, 2020, there was approximately \$13,574,000 in outstanding conditional promises to give.

At December 31, 2020 and 2019, the Claims Conference had approximately \$35,905,000 and \$41,763,000, respectively, in net assets with donor restrictions related to BMF Fund for In-Home Services that are subject to detailed programmatic restrictions that are anticipated to be met in 2021.

(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 five such programs being administered: the Hardship Fund, the Article II Fund, the Central and Eastern European Fund, the Child Survivor Fund and the Righteous Gentile 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, which aid Jewish victims of Nazi persecution, and provide for administrative costs to be incurred by the Claims Conference. Over the years, the eligibility criteria have been liberalized as a result of negotiations, including elimination of the income limit, expansion to areas of all Jewish victims of Nazi persecution living in areas of the former Soviet Union and to Eastern European countries, as well as those persecuted in Morocco, Algeria, and those who endured the Leningrad Siege, among others.

Approved payments to individuals from the Hardship Fund were approximately \$24,377,000 and \$30,240,000 (€21,357,000 and €27,015,000) for 2020 and 2019, respectively.

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In 2020, the Claims Conference reached an agreement with the BMF to provide a supplemental payment of €2,400 paid over two years to living Hardship Fund recipients. Of the €21 million in payments made under this program in 2020, approximately €13,950,000 was for Hardship Fund supplemental payments to the first 11,600 survivors. Additional eligible Hardship Fund recipients will be paid in 2021.

(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.

Approved payments to individuals from the Article II Fund were approximately \$324,530,000 and \$248,754,000 (€284,322,000 and €222,225,000) during 2020 and 2019, respectively.

Approximately €304,938,000 and €250,643,000 of Hardship and Article II funding was received for the years ended December 31, 2020 and 2019, respectively, and is included in the accompanying financial statements at the translated amounts of approximately \$348,062,000 and \$280,564,000, respectively, excluding administrative reimbursement of expenses.

(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. In 2020 and 2019, respectively, approximately \$82,363,000 (€72,158,000) and \$73,700,000 (€65,840,000) in funds were provided under this program.

Approved payments to individuals from the CEEF were approximately \$81,618,000 and \$73,219,000 (€71,506,000 and €65,410,000) during 2020 and 2019, respectively.

(d) Child Survivor Fund

In 2014, the Child Survivor Fund (CSF) for Jewish Child Survivors of the Holocaust was established and is intended to acknowledge the suffering of Holocaust survivors who endured unimaginable trauma in their childhoods. Eligible recipients receive a special one-time payment of €2,500. In 2020 and 2019, respectively, approximately \$17,441,000 (€15,280,000) and \$17,133,000 (€15,306,000) in funds were provided under this program.

Approved payments to individuals from the CSF were approximately \$17,472,000 and \$16,300,000 (€15,307,000 and €14,562,000) during 2020 and 2019, respectively.

(e) Righteous Gentile Fund

During 2020, the Claims Conference reached an agreement with the German government Foreign Ministry to establish the Righteous Gentile Fund (RGF). The fund is intended to provide financial support to aged and needy non-Jews who rescued Jews during the Holocaust.

In 2020, approximately \$1,370,000 (€1,200,000) in funds were provided under this program. Approved payments to individuals were approximately \$1,325,000 (€1,161,000) during 2020.

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(f) Net Assets of the German Government Funds

The German Government Funds have a deficit in net assets without donor restrictions at December 31, 2020 and 2019 of approximately \$4.0 million and \$5.2 million, respectively, as the Claims Conference submits for reimbursement of administrative expenses as they are incurred, without accrued liability at year end. Such reimbursements are recognized as revenue when the submission is approved and funding is received. In 2020 and 2019, the Claims Conference recognized approximately \$35.6 million and \$28.8 million, respectively, of revenue for administrative reimbursement of expenses.

Net assets with donor restrictions of \$11.6 million and \$10.8 million at December 31, 2020 and 2019, respectively, represent funding received for individual compensation payments to be used in the subsequent year.

(7) Other Program Funds

The column headed "Other program funds" in the accompanying financial statements consists primarily of the following programs:

- (a) In 2019, The Harry and Jeanette Weinberg Foundation (Weinberg Fund) agreed to provide an additional \$1,250,000 to the Claims Conference to provide emergency assistance to Jewish victims of Nazism in North America for the three-year period ending 2021, from the \$1,550,000 that was awarded in total for years 2017, 2018, and 2019. The amount was set at an additional \$250,000 for 2019, \$500,000 for 2020, and \$500,000 for 2021. The Claims Conference received the 2019 and 2020 funding totaling \$750,000 in 2019. In March 2020, the Weinberg Fund provided an additional \$100,000 for emergency assistance to Jewish victims of Nazism in North America and Israel in connection with the COVID-19 public health crisis. During 2020 and 2019, approximately \$100,000 and \$792,000, respectively, of grant expense was recognized under this program.

As of December 31, 2020, there was no outstanding conditional promises to give.

Net assets with donor restrictions related to the grant are approximately \$14,000 and \$13,000 at December 31, 2020 and December 31, 2019, respectively.

- (b) In 2020 and 2019, the Caritatea Foundation in Romania agreed to provide funds 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 2020 and 2019, the Claims Conference recognized funds of approximately \$2,715,000 and \$5,813,000, respectively, under this program. During 2020 and 2019, approximately \$2,600,000 and \$5,691,000, respectively, of grant expense was recognized under this program.

As of December 31, 2020, there was approximately \$100 in outstanding conditional promises to give.

Net assets with donor restrictions related to the grant are approximately \$34,000 at December 31, 2020 and December 31, 2019, respectively.

- (c) The International Commission on Holocaust Era Insurance Claims (ICHEIC) was formed pursuant to a Memorandum of Understanding, 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

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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 with guidelines as determined by ICHEIC prior to its closure. Under this agreement, in 2020 and 2019, no additional funds were received. During 2020 and 2019, approximately \$15,000 and \$1,497,000, respectively, of grant expense was recognized under this program.

As of December 31, 2020, there was no outstanding conditional promises to give.

Net assets with donor restrictions related to ICHEIC of approximately \$820,000 and \$815,000 at December 31, 2020 and 2019, respectively, 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.

- (d) Established in 2017, Ezra Legacy Inc. makes pension payments to survivors who were in Iasi, Romania during the Holocaust. Payments are made in accordance with the same persecution-related criteria as established under the German government Article II and Central and Eastern European Funds. During 2020 and 2019, approximately \$2,322,000 (€2,074,000), respectively, in payments were made to eligible recipients. During 2020 and 2019, the BMF assumed the funding of this program, and the related activity is included in note 6 of the financial statements. Prior to funding by the BMF, such amounts were funded by SO and were included in grants and other in Other Program Funds and then eliminated in combination.
- (e) 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 Nazi persecution from Austria. In 2020 and 2019, the Austrian government entered into new conditional agreements for the same purposes to provide an additional amount up to €1,500,000 per year for the 2020 and 2019 grant years. During 2020 and 2019, approximately \$804,000 and \$1,679,000, respectively, of grant expense was recognized under this program.

As of December 31, 2020, there was approximately \$912,000 in outstanding conditional promises to give.

Net assets with donor restrictions related to the grant are approximately \$1,500,000 and \$373,000 at December 31, 2020 and December 31, 2019, respectively.

- (f) 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 ten-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 the Court to benefit emergency assistance programs for elderly Jewish victims of Nazi persecution, excluding those residing in the former Soviet Union. The Claims Conference's policy is to allocate such funds when the cash is received.

In August 2019, with all programs under the Settlement Fund essentially completed, final distributions from the fund of approximately \$1,000 and \$709,000 were received in 2020 and 2019, respectively.

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During 2020 and 2019, approximately \$329,000 and \$885,000, respectively, of grant expense was recognized under this program.

As of December 31, 2020, there was approximately \$17,000 in outstanding conditional promises to give.

- (g) In 2016, The URO Charitable Trust Limited (URO) and the Claims Conference entered into a grant agreement for £2,000,000 for ongoing social assistance or emergency one-time grants to Jewish victims of Nazi persecution. During 2020 there was no grant expense recognized under this program. During 2019, approximately \$527,000, of grant expense was recognized under this program.

As of December 31, 2020, there was no outstanding conditional promises to give.

Net assets with donor restrictions related to the grant are approximately \$115,000 and \$92,000 at December 31, 2020 and December 31, 2019, respectively.

In December 2020, The URO Charitable Trust Limited (URO) agreed to provide £490,000 for ongoing social assistance or emergency one-time grants to Jewish victims of Nazi persecution in 2021.

In addition, the Claims Conference also has acted as an agent in the processing of grant funds as approved by the URO's Board of Directors. Funds, which are not yet disbursed, are held in due to cooperating organizations on the statement of financial position. As of December 31, 2020 and 2019, this amounted to approximately \$112,000 and \$6,000, respectively.

- (h) In December 2019, The Alfred Landecker Foundation (Landecker Fund) agreed to provide €5,000,000 for emergency assistance to Jewish victims of Nazism worldwide. The amount was set at €2,000,000 for 2020, €2,000,000 for 2021, and €1,000,000 for 2022. In March 2020, the Landecker Fund provided an additional €200,000 for emergency assistance to Jewish victims of Nazism in connection with the COVID-19 public health crisis. During 2020, approximately \$1,300,000 of grant expense was recognized under this program.

As of December 31, 2020, there was approximately \$735,000 in outstanding conditional promises to give.

Net assets with donor restrictions related to the grant are approximately \$1,245,000 December 31, 2020.

(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, 2020, no claims have been received from heirs. The contingent liability is not material to the financial statements.

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(9) Commitments

Leases

The Claims Conference leases office space worldwide 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, 2020 are as follows:

2021		\$	3,407,600
2022			3,160,800
2023			2,938,600
2024			978,000
2025			<u>727,400</u>
		\$	<u>11,212,400</u>

(10) Without Donor Restrictions and With Donor Restrictions Activities

The accompanying statements of activities do not break out net assets without donor restrictions and with donor restrictions activity but instead such amounts are presented in total by programmatic activity. The following tables provide summarized information for 2020 and 2019 (in thousands):

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total 2020</u>
2020:			
Total revenue	\$ 1,058,090	49,909	1,107,999
Net assets released from restrictions	52,536	(52,536)	—
Total expenses	(1,117,082)	—	(1,117,082)
Transaction and translation gains, net	<u>1,178</u>	<u>—</u>	<u>1,178</u>
Decrease in net assets	<u>\$ (5,278)</u>	<u>(2,627)</u>	<u>(7,905)</u>

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	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total 2019</u>
2019:			
Total revenue	\$ 933,844	53,029	986,873
Net assets released from restrictions	20,647	(20,647)	—
Total expenses	(964,570)	—	(964,570)
Transaction and translation gains, net	1,010	—	1,010
(Decrease) increase in net assets	<u>\$ (9,069)</u>	<u>32,382</u>	<u>23,313</u>

(11) Functional Allocation of Expenses

Expenses by functional classification for the years ended December 31, 2020 and 2019 were as follows:

<u>Program service expenses</u>					
	<u>Compensation programs</u>	<u>Institutional allocation program</u>	<u>Property restitution program</u>	<u>Administrative expenses</u>	<u>Total 2020</u>
2020:					
Grant and contractual expenses, net	\$ 449,322,897	619,885,368	—	—	1,069,208,265
Goodwill fund	845,363	—	—	—	845,363
Personnel expenses	14,580,775	10,144,842	1,386,825	6,605,651	32,718,093
Professional fees	1,099,131	573,711	(256,744)	1,930,945	3,347,043
Other	5,969,955	2,726,364	319,702	1,947,440	10,963,461
	<u>\$ 471,818,121</u>	<u>633,330,285</u>	<u>1,449,783</u>	<u>10,484,036</u>	<u>1,117,082,225</u>

<u>Program service expenses</u>					
	<u>Compensation programs</u>	<u>Institutional allocation program</u>	<u>Property restitution program</u>	<u>Administrative expenses</u>	<u>Total 2019</u>
2019:					
Grant and contractual expenses, net	\$ 368,513,662	555,732,963	—	—	924,246,625
Goodwill fund	(3,221,848)	—	—	—	(3,221,848)
Personnel expenses	14,432,551	8,859,818	1,838,022	5,368,627	30,499,018
Professional fees	974,433	785,646	(2,585,565)	1,246,987	421,501
Other	5,793,817	3,423,583	466,104	2,941,343	12,624,847
	<u>\$ 386,492,615</u>	<u>568,802,010</u>	<u>(281,439)</u>	<u>9,556,957</u>	<u>964,570,143</u>

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Expenses directly attributable to a specific program, as detailed above, are reported as expenses of these functional areas. Personnel expenses were allocated predominately based on the direct conduct of the activities.

(12) Liquidity and Availability

The following schedule reflects the Claims Conference's financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general use within one year of the statement of financial position date.

	2020	2019
Cash, cash equivalents, and investments of SO	\$ 449,112,295	463,473,128
Other receivables of SO	2,816,920	2,392,065
Less those unavailable for general expenditures within one year, due to:		
Loans receivable due in greater than one year	—	(59,000)
Board designations:		
Program expenses	(144,490,656)	(121,550,442)
Research, education, and documentation	(45,127,332)	(33,465,626)
Goodwill and late applicant fund and other uses	(13,035,087)	(11,425,536)
Longer-term needs	(193,310,960)	(229,926,040)
Financial assets available to meet cash needs for general expenditures within one year	\$ 55,965,180	69,438,549

The Claims Conference maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. General expenditures include grant making and administrative costs and grants funded by SO, German Government funds, and other program funds are subject to board, donor, and other contractual commitments and, therefore, are not available for general expenditures. Additionally, the Claims Conference has board designated net assets without donor restrictions that, while the Claims Conference does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.

(13) 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, 2020 through August 23, 2021, which was the date the financial statements were available to be issued, and determined that, except as otherwise disclosed, there were no additional matters requiring disclosure.

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

Notes to Financial Statements

December 31, 2020 and 2019

With the drastic decrease in Successor Organization activity, the office in Frankfurt was closed at the end of May 2021, following a settlement reached with the Workers' Council. Notwithstanding the closing of the office in the Spring, some work will remain, including the need to archive documents for business and historical reasons, prepare cases for the restitution authorities and do the necessary follow-up work related to recovered properties. Thus, the Claims Conference entered into individual contracts with and retain a small number of employees, until the end of 2021 to help complete the residual work left after the close of the office.

The Claims Conference negotiated with the Federal Republic of Germany to provide €54,000,000 for projects that further Holocaust education, research, and documentation. The amount was set at €12,000,000 for 2021, €19,500,000 for 2022, and €22,500,000 for 2023. As of December 31, 2020, the details were still being finalized.

In January 2021, an agreement was reached with the State of the Grand Duchy of Luxembourg and the Consistoire Israélite de Luxembourg to provide €1,000,000 for direct aid to survivors of the Shoah living in the Grand Duchy of Luxembourg, the Luxembourg survivors currently living abroad and the survivors who were in the Grand Duchy of Luxembourg at the time of the Shoah, which the Claims Conference will administer.

In March 2021, the Claims Conference reached an agreement with the German-Czech Fund for the Future to provide €60,000 for direct aid to Jewish survivors of Nazi persecution living in Slovakia.