



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

Financial Statements

December 31, 2021 and 2020

(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.:

Opinion

We have audited the financial statements of Conference on Jewish Material Claims Against Germany, Inc. (the Claims Conference), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Claims Conference as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Claims Conference and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Claims Conference's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Claims Conference's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Claims Conference's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

New York, New York
September 12, 2022

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

Statement of Financial Position

December 31, 2021

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)	\$ 25,224,667	91,558,406	118,953,696	11,069,106	—	246,805,875
Investments (notes 2 and 3)	397,690,165	27,249,331	—	—	—	424,939,496
Total cash, cash equivalents, and investments	422,914,832	118,807,737	118,953,696	11,069,106	—	671,745,371
Other assets:						
Grants and contractual receivables	—	13,653	—	—	—	13,653
Other receivables	2,111,984	—	—	—	—	2,111,984
Other assets, net (notes 3 and 4)	2,565,031	—	10,500,985	—	—	13,066,016
Interfund receivables	1,864,866	949,511	630,845	313,528	(3,758,750)	—
Total assets	\$ 429,456,713	119,770,901	130,085,526	11,382,634	(3,758,750)	686,937,024
Liabilities and Net Assets						
Liabilities:						
Accrued expenses	\$ 2,134,840	—	10,877,670	350,821	—	13,363,331
Deferred income	13,777	23,972,361	107,314,097	1,132,400	—	132,432,635
Grants payable	21,527,034	54,722,564	8,320,555	2,222,318	—	86,792,471
Goodwill fund	5,505,729	—	—	—	—	5,505,729
Due to cooperating organizations	—	—	337,886	865,152	—	1,203,038
Interfund payables	907,602	313,403	1,379,881	1,157,864	(3,758,750)	—
Total liabilities	30,088,982	79,008,328	128,230,089	5,728,555	(3,758,750)	239,297,204
Contingencies and commitments (notes 8 and 9)						
Net assets:						
Without donor restrictions:						
Designated for programs	170,947,395	—	—	1,114,701	—	172,062,096
Designated for research, education, and documentation	47,632,402	—	—	—	—	47,632,402
Net funding deficit	—	—	(8,652,137)	—	—	(8,652,137)
Designated for future costs	14,315,200	—	—	196,770	—	14,511,970
Designated for goodwill and late applicants fund and other uses	11,544,818	—	—	—	—	11,544,818
Unsold restituted properties	739,937	—	—	—	—	739,937
Designated for longer-term needs	154,187,979	—	—	1,108,648	—	155,296,627
Total net assets without donor restrictions	399,367,731	—	(8,652,137)	2,420,119	—	393,135,713
With donor restrictions:						
For contractual obligations	—	—	10,507,574	724,736	—	11,232,310
For programs	—	40,762,573	—	2,509,224	—	43,271,797
Total net assets with donor restrictions	—	40,762,573	10,507,574	3,233,960	—	54,504,107
Total net assets	399,367,731	40,762,573	1,855,437	5,654,079	—	447,639,820
Total liabilities and net assets	\$ 429,456,713	119,770,901	130,085,526	11,382,634	(3,758,750)	686,937,024

See accompanying notes to financial statements.

**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 Activities

Year ended December 31, 2021

	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	\$ —	—	869,253,962	1,249,810	—	870,503,772
Administrative reimbursement of expenses	—	—	37,421,954	—	—	37,421,954
Revenue from sold and unsold restituted properties	3,907,570	—	—	—	—	3,907,570
Rental income	64,070	—	—	—	—	64,070
Grants and other	2,169	650,442,309	—	3,674,898	(10,323)	654,109,053
Total revenue from operations	3,973,809	650,442,309	906,675,916	4,924,708	(10,323)	1,566,006,419
Investment income (note 2)	169,268	29,947	(23,133)	(1,407)	—	174,675
Total revenue	4,143,077	650,472,256	906,652,783	4,923,301	(10,323)	1,566,181,094
Expenses (note 11):						
Grant expenses:						
Grant and contractual expenses	6,827,087	648,374,329	869,507,333	5,522,833	(10,323)	1,530,221,259
Goodwill fund	483,151	—	—	—	—	483,151
Grant cancellations	(3,313,120)	(2,474,470)	—	(209,360)	—	(5,996,950)
Total grant expenses	3,997,118	645,899,859	869,507,333	5,313,473	(10,323)	1,524,707,460
Property restitution program	1,557,751	—	—	—	—	1,557,751
Grant making and administrative expenses	9,928,191	—	42,137,463	(41,632)	—	52,024,022
Total expenses	15,483,060	645,899,859	911,644,796	5,271,841	(10,323)	1,578,289,233
(Deficiency) excess of revenue (under) over expenses before transaction and translation (losses) gains	(11,339,983)	4,572,397	(4,992,013)	(348,540)	—	(12,108,139)
Transaction and translation (losses) gains (note 1(d))	(2,376,495)	285,562	(767,633)	(130,879)	—	(2,989,445)
(Decrease) increase in net assets	(13,716,478)	4,857,959	(5,759,646)	(479,419)	—	(15,097,584)
Net assets at December 31, 2020	413,084,209	35,904,614	7,615,083	6,133,498	—	462,737,404
Net assets at December 31, 2021	\$ 399,367,731	40,762,573	1,855,437	5,654,079	—	447,639,820
Composition of changes in net assets (note 10):						
Decrease in net assets without donor restrictions	\$ (13,716,478)	—	(4,627,176)	(22,736)	—	(18,366,390)
Increase (decrease) in net assets with donor restrictions	—	4,857,959	(1,132,470)	(456,683)	—	3,268,806
(Decrease) increase in net assets	\$ (13,716,478)	4,857,959	(5,759,646)	(479,419)	—	(15,097,584)

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.**

Statements of Cash Flows

Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (15,097,584)	(7,905,784)
Adjustments to reconcile decrease in net assets to net cash (used in) provided by operating activities:		
Unrealized depreciation of investments	399,905	882,473
Realized gain on sales of investments	(268,465)	(3,666,685)
Changes in operating assets and liabilities:		
Grants and contractual receivables	(114)	3,558,826
Other receivables	704,936	(424,855)
Other assets, net	(809,964)	(242,844)
Accrued expenses	(2,558,020)	101,865
Deferred income	(16,485,535)	148,871,916
Grants payable	(28,126,108)	(14,539,732)
Goodwill fund	(1,269,965)	(1,719,464)
Due to cooperating organizations	219,565	135,314
Net cash (used in) provided by operating activities	<u>(63,291,349)</u>	<u>125,051,030</u>
Cash flows from investing activities:		
Purchases of investments	(1,075,952,212)	(1,173,314,552)
Proceeds from sale of investments	<u>1,103,315,389</u>	<u>1,201,470,346</u>
Net cash provided by investing activities	<u>27,363,177</u>	<u>28,155,794</u>
Net (decrease) increase in cash and cash equivalents	(35,928,172)	153,206,824
Cash and cash equivalents at beginning of year	<u>282,734,047</u>	<u>129,527,223</u>
Cash and cash equivalents at end of year	<u><u>\$ 246,805,875</u></u>	<u><u>282,734,047</u></u>

See accompanying notes to financial statements.

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

Notes to Financial Statements

December 31, 2021 and 2020

(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.

(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

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

Notes to Financial Statements

December 31, 2021 and 2020

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, 2021 and 2020 (1.13240 and 1.22637), respectively, for assets and liabilities, and (ii) an average of the daily prevailing rates of exchange for the years ended December 31, 2021 and 2020 (1.18295 and 1.14142), 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, 2021 and 2020 (3.10585 and 3.20784), respectively, for assets and liabilities and (ii) an average of the daily prevailing rates of exchange for the years ended December 31, 2021 and 2020 (3.22613 and 3.43454), 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.

(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
AGAINST GERMANY, INC.**

Notes to Financial Statements

December 31, 2021 and 2020

(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 five years. The Claims Conference may also invest in securities guaranteed by the Israeli government and short-term fixed income Foreign AA sovereign securities when feasible and prudent. Funds are also invested in U.S. money market accounts that invest in government and agency securities as well as short-term mutual bond funds. 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.

(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.

(k) Contractual Programs and Grants

Contractual programs are recognized in accordance with the terms of contractual agreements for individual compensation programs.

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 is overcome. A grant is conditional if the agreement includes both a barrier that must be

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

Notes to Financial Statements

December 31, 2021 and 2020

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. 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 2020 amounts have been made to conform to the 2021 presentation.

(n) Upcoming Accounting Pronouncements

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.

(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.

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

Notes to Financial Statements

December 31, 2021 and 2020

Investments and cash and cash equivalents at fair value at December 31, 2021 and 2020 consist of the following:

		2021			
		United States	Israel	Europe	Total
Cash and cash equivalents	\$	46,648,719	35,273,198	164,883,958	246,805,875
Investments:					
Government money market funds	\$	45,110,476	—	—	45,110,476
Mutual funds		44,867,044	—	—	44,867,044
Government bills		314,928,050	—	—	314,928,050
Government bonds		—	20,033,926	—	20,033,926
Total investments	\$	<u>404,905,570</u>	<u>20,033,926</u>	<u>—</u>	<u>424,939,496</u>

		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	\$	<u>437,386,065</u>	<u>15,048,048</u>	<u>—</u>	<u>452,434,113</u>

(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, 2021 and 2020:

		2021			
		Total	Level 1	Level 2	Level 3
Investments	\$	424,939,496	424,939,496	—	—
Estimated value of unsold restituted properties*		881,100	—	—	881,100

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

Notes to Financial Statements

December 31, 2021 and 2020

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

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

The following table is a rollforward of the financial instruments classified by the Claims Conference in Level 3 for the years ended December 31, 2021 and 2020:

	2021	2020
Fair value at January 1	\$ 726,060	2,068,144
Additions	46,927	539,854
Proceeds from sales of properties	(1,562,219)	(2,725,159)
Realized gains (losses) on sales of properties, net	605,586	(169,492)
Change in unrealized gains, net	1,127,730	963,027
Foreign currency translation adjustment	(62,945)	49,686
Fair value at December 31	<u>\$ 881,139</u>	<u>726,060</u>

(4) Claims Conference as Successor Organization

With the 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 a small number of employees to help complete the residual work after the close of the office.

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

Notes to Financial Statements

December 31, 2021 and 2020

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, 2021 and 2020 comprises of the following approximated amounts:

Description	2021	2020
Compensation and other	\$ 3,907,600	9,526,900
Restituted properties:		
Property additions	46,900	539,900
Realized gains (losses) on sales	605,600	(169,500)
Translation and valuation adjustments	(652,500)	279,900
Total	\$ <u>3,907,600</u>	<u>10,177,200</u>

As of December 31, 2021 and 2020, the total estimated fair value of unsold restituted property was approximately \$881,100 and \$726,000 (€778,000 and €592,000), respectively. As of December 31, 2021 and 2020, respectively, the Claims Conference held 104 and 110 different parcels of property.

Certain costs relating to the disposal of restituted property, approximately \$1,105,000 and \$1,187,000 at December 31, 2021 and 2020, 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.

(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 2021 and 2020, the Claims Conference paid out approximately \$1,213,000 (€1,071,000) and \$3,422,000 (€2,791,000), respectively, under this program to original owners and heirs. Since inception, the Claims Conference has paid approximately €792,234,000 under this program. In addition, it has established reserves for Goodwill Fund applications that have been approved for

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

Notes to Financial Statements

December 31, 2021 and 2020

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, 2021 and 2020, the reserve for the Goodwill Fund was approximately \$5,506,000 (€4,863,000) and \$6,776,000 (€5,525,000), respectively. The Goodwill Fund expense for 2021 and 2020 was approximately \$483,000 (€409,000) and \$845,000 (€741,000), respectively.

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

As of December 31, 2021 and 2020, the Claims Conference has designated amounts totaling approximately \$11,545,000 (€10,200,000) and \$13,035,000 (€10,629,000), 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 million (\$5,700,000) at December 31, 2021. In addition, as of December 31, 2021 and 2020, there is approximately \$5,900,000 (€5,200,000) and \$6,700,000 (€5,429,000), 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 at that time. On an annual basis, the Claims Conference reviews the adequacies of these reserves and adjustments.

(d) Allocations and Grants

The Claims Conference supports organizations and institutions around the world that provide essential social services for Jewish victims of Nazi persecution and that best know the priorities in their communities and how to address them. In addition, funds are allocated for research, education, and documentation to ensure that the memory and lessons of the Shoah are preserved for current and future generations. During 2021 and 2020, approximately \$6,827,000 and \$7,933,000, respectively, of grant expense was recognized under this program.

As of December 31, 2021, there was approximately \$19,900,000 in outstanding conditional promises to give.

(e) Designated for Programs

Effective December 31, 2021 and 2020, the Board of Directors approved approximately \$170,947,000 and \$144,491,000, 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, 2021 and 2020, the Board of Directors approved approximately \$47,632,000 and \$45,127,000, 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

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

Notes to Financial Statements

December 31, 2021 and 2020

from current Claims Conference activities declines. The amount available in these funds at December 31, 2021 and 2020 was approximately \$154,200,000 and \$193,300,000, 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 2022. The amounts, to be used as a "Fund for In-Home Services," as negotiated with the Ministry of Finance – Bundesministerium der Finanzen (BMF), are as follows:

	<u>Amount per agreement</u>
Program year:	
2017	€ 315,000,000
2018	405,000,000
2019	480,000,000
2020	524,000,000
2021	554,500,000
2022	622,900,000

During 2021 and 2020, approximately \$648,374,000 and \$612,685,000, respectively, of grant expense was recognized under this program.

As of December 31, 2021, there was approximately \$18,028,000 in outstanding conditional promises to give.

At December 31, 2021 and 2020, the Claims Conference had approximately \$40,763,000 and \$35,905,000, 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 2022.

(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 six such programs being administered: the Hardship Fund, the Article II Fund, the Central and Eastern European Fund, the Child Survivor Fund, the Righteous Gentile Fund, and the Region Specific Pension 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

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

Notes to Financial Statements

December 31, 2021 and 2020

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.

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 €355 million in payments made under this program in 2021, approximately €350 million was for Hardship Fund supplemental payments to approximately 142,000 survivors. Additional eligible Hardship Fund recipients will be paid in 2022.

Approved payments to individuals from the Hardship Fund were approximately \$420,200,000 and \$24,377,000 (€355,216,000 and €21,357,000) for 2021 and 2020, respectively.

(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 \$350,450,000 and \$324,530,000 (€296,251,000 and €284,322,000) during 2021 and 2020, respectively.

Approximately €651,911,000 and €304,938,000 of Hardship and Article II funding was received for the years ended December 31, 2021 and 2020, respectively, and is included in the accompanying financial statements at the translated amounts of approximately \$771,200,000 and \$348,062,000, 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 2021 and 2020, respectively, approximately \$86,900,000 (€73,500,000) and \$82,363,000 (€72,158,000) in funds were provided under this program.

Approved payments to individuals from the CEEF were approximately \$87,500,000 and \$81,618,000 (€74,000,000 and €71,506,000) during 2021 and 2020, 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 2021 and 2020, respectively, approximately \$9,844,000 (€8,321,000) and \$17,441,000 (€15,280,000) in funds were provided under this program.

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

Notes to Financial Statements

December 31, 2021 and 2020

Approved payments to individuals from the CSF were approximately \$10,061,000 and \$17,472,000 (€8,505,000 and €15,307,000) during 2021 and 2020, 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 2021 and 2020, respectively, approximately \$1,512,000 (€1,278,000) and \$1,370,000 (€1,200,000) in funds were provided under this program.

Approved payments to individuals from the RGF were approximately \$1,348,000 (€1,140,000) and \$1,325,000 (€1,161,000) during 2021 and 2020, respectively.

(f) Region Specific Pension Fund

During 2021, the Claims Conference reached an agreement with the German government to establish the Region Specific Pension (RSP) Fund. The fund is intended to provide financial support to Holocaust survivors who survived the Leningrad Siege, survivors who were in hiding in France, and those who survived persecution in Romania, who are not currently receiving Shoah related pensions. Survivors will be entitled to receive a monthly pension of €375 if they (i) are below a defined-income limit, and (ii) have received little or no compensation.

In 2021, approximately \$19,223,000 (€16,250,000) in funds were provided under this program. This amount is included in deferred income in the statement of financial position. There were no payments made under this program in 2021.

(g) Net Assets of the German Government Funds

The German Government Funds have a deficit in net assets without donor restrictions at December 31, 2021 and 2020 of approximately \$8.7 million and \$4.0 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 2021 and 2020, the Claims Conference recognized approximately \$37.4 million and \$35.6 million, respectively, of revenue for administrative reimbursement of expenses.

Net assets with donor restrictions of \$10.5 million and \$11.6 million at December 31, 2021 and 2020, respectively, represent funding received for individual compensation payments to be used in the subsequent year.

(7) Other Program Funds

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

- (a) Beginning in 2010, the Harriet and Jeanette Weinberg Foundation (Weinberg Fund) agreed to provide emergency assistance to Jewish victims of Nazism in North America. In 2019, the Weinberg Fund entered into a new agreement for the three-year period ended 2021, to provide an additional \$1,250,000 as follows: \$250,000 for 2019, \$500,000 for 2020, and \$500,000 for 2021. In March 2020,

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

Notes to Financial Statements

December 31, 2021 and 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 2021 and 2020, approximately \$478,000 and \$100,000, respectively, of grant expense was recognized under this program.

As of December 31, 2021, there was approximately \$29,500 in outstanding conditional promises to give.

Net assets with donor restrictions related to the grant are approximately \$36,000 and \$14,000 at December 31, 2021 and December 31, 2020, respectively.

In February 2022, the Weinberg Fund agreed to provide a total of \$3,000,000 for emergency assistance to Jewish victims of Nazism in North America at \$1,000,000 per year for 2022, 2023, and 2024.

- (b) In 2020, 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, the Claims Conference recognized funds of approximately \$2,715,000 and grant expense of approximately \$2,600,000. During 2021, there was no activity under this program.

As of December 31, 2021, there was approximately \$100 in outstanding conditional promises to give.

Net assets with donor restrictions related to the grant are approximately \$55,000 and \$34,000 at December 31, 2021 and December 31, 2020, 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 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 2021 and 2020, no additional funds were received. During 2021 and 2020, approximately \$320,000 and \$15,000, respectively, of grant expense was recognized under this program.

As of December 31, 2021, there was approximately \$26,200 in outstanding conditional promises to give.

Net assets with donor restrictions related to ICHEIC of approximately \$520,000 and \$820,000 at December 31, 2021 and 2020, 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) 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, the Austrian government entered into new conditional agreement for the same

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

Notes to Financial Statements

December 31, 2021 and 2020

purpose to provide an additional amount up to €1,500,000 for the 2020 grant year. There was no new agreement for the 2021 grant year.

During 2021 and 2020, approximately \$1,100,000 and \$804,000, respectively, of grant expense was recognized under this program.

As of December 31, 2021, there was approximately \$395,000 in outstanding conditional promises to give.

Net assets with donor restrictions related to the grant are approximately \$393,000 and \$1,500,000 at December 31, 2021 and 2020, respectively.

In February 2022, the Claims Conference extended the agreement with the Austrian government to provide €1,500,000 to the Committee for Jewish Claims on Austria for institutional projects benefiting aged Jewish victims of the Nazi persecution from Austria. These funds will be granted to existing partner agencies for expenditures incurred in 2022 as well as any unfunded 2021 expenses.

- (e) 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, a final distribution of approximately \$1,000 was received in 2020. During 2021 and 2020, approximately \$37,000 and \$329,000, respectively, of grant expense was recognized under this program.

As of December 31, 2021, there was approximately \$64,700 in outstanding conditional promises to give.

- (f) Beginning in 2016, The URO Charitable Trust Limited (URO) and the Claims Conference entered into a grant agreement to provide ongoing social assistance or emergency one-time grants to Jewish victims of Nazi persecution. In December 2020, the URO entered into a new agreement for 2021, to provide an additional £490,000 for the same purpose. During 2021, approximately \$470,000 of grant expense was recognized. During 2020, there was no activity under this program

As of December 31, 2021, there was approximately \$186,000 in outstanding conditional promises to give.

Net assets with donor restrictions related to the grant are approximately \$326,000 and \$115,000 at December 31, 2021 and December 31, 2020, respectively.

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

Notes to Financial Statements

December 31, 2021 and 2020

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 accompanying statements of financial position. As of December 31, 2021 and 2020, this amounted to approximately \$328,000 and \$112,000, respectively.

- (g) In December 2019, The Alfred Landecker Foundation (Landecker Fund) agreed to provide €5,000,000 for emergency assistance to Jewish victims of Nazism worldwide as follows: €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 2021 and 2020, approximately \$2,400,000 and \$1,300,000, respectively, of grant expense was recognized under this program.

As of December 31, 2021, there was approximately \$784,000 in outstanding conditional promises to give.

Net assets with donor restrictions related to the grant are approximately \$1,180,000 and \$1,245,000 at December 31, 2021 and December 31, 2020, respectively.

- (h) 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 2021, approximately \$1,183,000 (€1,000,000) in funds were provided under this program. Approved payments to individuals were approximately \$426,000 (€360,000) during 2021.

Net assets with donor restrictions related to the grant are approximately \$725,000 at December 31, 2021.

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

In 2021, approximately \$66,900 (€56,500) in funds were provided under this program. All funds to approved individuals were disbursed during 2021.

(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, 2021, no claims have been received from heirs. The contingent liability is not material to the financial statements.

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

Notes to Financial Statements

December 31, 2021 and 2020

(9) Commitments

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, 2021 are as follows:

2022	\$ 3,618,500
2023	3,021,000
2024	1,013,500
2025	<u>753,900</u>
	<u>\$ 8,406,900</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 2021 and 2020 (in thousands):

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
2021:			
Total revenue	\$ 1,512,629	53,552	1,566,181
Net assets released from restrictions	50,283	(50,283)	—
Total expense	(1,578,289)	—	(1,578,289)
Transaction and translation losses, net	<u>(2,989)</u>	<u>—</u>	<u>(2,989)</u>
	<u>\$ (18,366)</u>	<u>3,269</u>	<u>(15,097)</u>

	<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>

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

Notes to Financial Statements

December 31, 2021 and 2020

(11) Functional Allocation of Expenses

Expenses by functional classification for the years ended December 31, 2021 and 2020 were as follows:

		Program service expenses			Administrative expenses	Total 2021
		Compensation programs	Institutional allocation program	Property restitution program		
2021:						
Grant and contractual expenses, net	\$	870,000,055	654,224,254	—	—	1,524,224,309
Goodwill fund		483,151	—	—	—	483,151
Personnel expenses		19,179,048	9,533,311	800,857	5,813,636	35,326,852
Professional fees		2,055,364	317,013	385,642	1,916,735	4,674,754
Other		8,686,273	2,480,062	371,252	2,042,580	13,580,167
	\$	<u>900,403,891</u>	<u>666,554,640</u>	<u>1,557,751</u>	<u>9,772,951</u>	<u>1,578,289,233</u>

		Program service expenses			Administrative expenses	Total 2020
		Compensation programs	Institutional allocation program	Property restitution program		
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>

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.

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

Notes to Financial Statements

December 31, 2021 and 2020

(12) Liquidity and Availability

The following schedule reflects the Claims Conference's financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general use within one year of the statement of financial position date.

	<u>2021</u>	<u>2020</u>
Cash, cash equivalents, and investments of SO	\$ 422,914,832	449,112,295
Other receivables of SO	2,111,984	2,816,920
Board designations:		
Program expenses	(170,947,395)	(144,490,656)
Research, education, and documentation	(47,632,402)	(45,127,332)
Goodwill and late applicant fund and other uses	(11,544,818)	(13,035,087)
Longer-term needs	<u>(154,187,979)</u>	<u>(193,310,960)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 40,714,222</u>	<u>55,965,180</u>

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, 2021 through September 12, 2022, 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.

In May 2022, after on-going negotiations with the Claims Conference, the Federal Republic of Germany has committed €100,000,000 for projects that further Holocaust research, education, and documentation. The amount was set at €10,000,000 for 2022, €25,000,000 for 2023, €30,000,000 for 2024 and €35,000,000 for 2025.