

Consolidated Financial Statements and
Supplementary Information Together
with Report of Independent Certified
Public Accountants

**Combined Jewish Philanthropies of Greater
Boston, Inc. and Affiliates**

June 30, 2022 and 2021

Contents

	Page
Report of Independent Certified Public Accountants	3
Consolidated Financial Statements	
Consolidated statements of financial position	6
Consolidated statements of activities	7
Consolidated statements of functional expenses	9
Consolidated statements of cash flows	11
Notes to consolidated financial statements	12
Supplemental Consolidating Schedules	
Consolidating schedule of financial position by functional area	33
Consolidating schedule of activities by functional area	34
Notes to supplemental schedules	35

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Combined Jewish Philanthropies of Greater Boston, Inc.

Opinion

We have audited the consolidated financial statements of the Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates (collectively, the “Entity”), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates as of June 30, 2022 and 2021, and the results of their changes in net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Entity 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.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 US 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 consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Entity'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity'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.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position and activities by functional area are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing

standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Boston, Massachusetts
November 16, 2022

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of June 30, 2022 and 2021
(In thousands)

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 6,068	\$ 8,354
Contributions receivable, net (Note 3)	29,647	28,712
Gifts and bequests receivable, net (Note 4)	5,539	5,555
Returned grants receivable, net (Note 5)	1,844	3,289
Agency receivables, net (Note 6)	1,035	1,051
Investments (Notes 7 and 8)	2,387,161	2,424,422
Property and equipment, net (Note 9)	27,618	28,806
Other assets (Note 17)	4,053	3,995
	<hr/>	<hr/>
Total assets	\$ 2,462,965	\$ 2,504,184
	<hr/>	<hr/>
LIABILITIES AND NET ASSETS		
Liabilities		
Grants and Programs payable	\$ 44,865	\$ 44,884
Accounts payable and accrued expenses	3,117	2,186
Obligations for funds managed for others (Note 10)	28,245	29,776
Line of credit payable (Note 11)	-	7,500
Other liabilities	1,844	1,730
	<hr/>	<hr/>
Total liabilities	78,071	86,076
	<hr/>	<hr/>
Minority interest in JCEP (Note 1)	413,981	443,521
	<hr/>	<hr/>
Net assets (Note 12)		
Without restrictions:		
From operations and reserves	104,067	118,595
Donor Advised Funds	1,702,934	1,682,939
With restrictions	163,912	173,053
	<hr/>	<hr/>
Total net assets	1,970,913	1,974,587
	<hr/>	<hr/>
Total liabilities and net assets	\$ 2,462,965	\$ 2,504,184
	<hr/>	<hr/>

The accompanying notes are an integral part of these consolidated financial statements.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

CONSOLIDATED STATEMENTS OF ACTIVITIES

For the year ended June 30, 2022
(With summarized information for the year ended June 30, 2021)
(In thousands)

	2022			2021
	Without Restrictions	With Restrictions	Total	Total
Support and revenue				
Campaign contributions, net	\$ 37,129	\$ 20,741	\$ 57,870	\$ 61,610
Gifts and bequests	265,651	2,914	268,565	161,147
Change in split-interest agreements	673	(90)	583	212
Grants and other allocations	438	-	438	876
Contributions of nonfinancial assets (Note 2)	7	-	7	794
Forgiveness of debt (Note 15)	-	-	-	2,839
Net assets released from restrictions (Note 12)	23,890	(23,890)	-	-
Total support	327,788	(325)	327,463	227,478
Investment (loss) return, net (Note 7)	(142,994)	(9,034)	(152,028)	412,728
Rental income	406	-	406	403
Event revenue	145	-	145	23
Administrative fees	48	-	48	42
Transfer between funds based on donors' intent	(218)	218	-	-
Total revenue	(142,613)	(8,816)	(151,429)	413,196
Total support and revenue	185,175	(9,141)	176,034	640,674
Expenditures				
Program grants and distributions:				
Program grants	43,661	-	43,661	38,151
Programmatic expenditures	12,315	-	12,315	11,827
Donor Advised Fund grants	134,082	-	134,082	101,688
Total program allocations and distributions	190,058	-	190,058	151,666
Management and general	5,442	-	5,442	4,020
Fundraising	12,725	-	12,725	12,252
Total management, general, and fundraising expenditures	18,167	-	18,167	16,272
Total expenditures	208,225	-	208,225	167,938
Net results from operations	(23,050)	(9,141)	(32,191)	472,736
Minority interest in investment losses (earnings) of JCEP (Note 7)	28,517	-	28,517	(100,939)
Net assets contributed through merger with the Jewish Teen Initiative of Greater Boston (Note 1)	-	-	-	61
CHANGE IN NET ASSETS	5,467	(9,141)	(3,674)	371,858
Net assets at beginning of year	1,801,534	173,053	1,974,587	1,602,729
Net assets at end of year	<u>\$ 1,807,001</u>	<u>\$ 163,912</u>	<u>\$ 1,970,913</u>	<u>\$ 1,974,587</u>

The accompanying notes are an integral part of these consolidated financial statements.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended June 30, 2021
(In thousands)

	Without Restrictions	With Restrictions	Total
Support and revenue			
Campaign contributions, net	\$ 42,549	\$ 18,713	\$ 61,262
Gifts and bequests	160,530	965	161,495
Change in split-interest agreements	231	(19)	212
Grants and other allocations	876	-	876
Contributions of nonfinancial assets (Note 2)	794	-	794
Forgiveness of debt (Note 15)	2,839	-	2,839
Net assets released from restrictions (Note 12)	14,368	(14,368)	-
Total support	222,187	5,291	227,478
Investment return, net (Note 7)	383,159	29,569	412,728
Rental income	403	-	403
Event revenue	23	-	23
Administrative fees	42	-	42
Transfer between funds based on donors' intent	(1,022)	1,022	-
Total revenue	382,605	30,591	413,196
Total support and revenue	604,792	35,882	640,674
Expenditures			
Program grants and distributions:			
Program grants	38,151	-	38,151
Programmatic expenditures	11,827	-	11,827
Donor Advised Fund grants	101,688	-	101,688
Total program allocations and distributions	151,666	-	151,666
Management and general	4,020	-	4,020
Fundraising	12,252	-	12,252
Total management, general, and fundraising expenditures	16,272	-	16,272
Total expenditures	167,938	-	167,938
Net results from operations	436,854	35,882	472,736
Minority interest in investment (earnings) losses of JCEP (Note 7)	(100,939)	-	(100,939)
Net assets contributed through merger with the Jewish Teen Initiative of Greater Boston (Note 1)	61	-	61
CHANGE IN NET ASSETS	335,976	35,882	371,858
Net assets at beginning of year	1,465,558	137,171	1,602,729
Net assets at end of year	\$ 1,801,534	\$ 173,053	\$ 1,974,587

The accompanying notes are an integral part of this consolidated financial statement.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended June 30, 2022
(With summarized information for the year ended June 30, 2021)
(In thousands)

	2022				2021
	Program	Management and General	Fundraising	Total	Total
Community support					
Program grants and distributions	\$ 43,661	\$ -	\$ -	\$ 43,661	\$ 38,151
DAF grants	134,082	-	-	134,082	101,688
Total community support	177,743	-	-	177,743	139,839
Salaries and benefits	8,260	2,226	9,950	20,436	19,313
Other expenses					
Professional fees	358	460	356	1,174	1,159
Consulting and temporary help	1,283	588	104	1,975	1,173
Conference, meetings and travel	137	9	65	211	54
Missions expenses	-	-	290	290	1
Event expenses	222	46	321	589	762
Marketing and promotion	271	132	166	569	615
Printing and publications	44	20	108	172	178
Staff expenses	106	188	118	412	359
Supplies	28	5	9	42	49
Equipment and maintenance	201	421	222	844	825
Utilities and building services	278	183	65	526	436
Allocated occupancy	350	526	450	1,326	1,198
Depreciation and amortization	660	606	497	1,763	1,793
Miscellaneous	117	32	4	153	184
Total other expenses	4,055	3,216	2,775	10,046	8,786
Total expenses	<u>\$ 190,058</u>	<u>\$ 5,442</u>	<u>\$ 12,725</u>	<u>\$ 208,225</u>	<u>\$ 167,938</u>

The accompanying notes are an integral part of these consolidated financial statements.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2021

(In thousands)

	Program	Management and General	Fundraising	Total
Community support				
Program grants and distributions	\$ 38,151	\$ -	\$ -	\$ 38,151
DAF grants	101,688	-	-	101,688
Total community support	139,839	-	-	139,839
Salaries and benefits	7,764	1,744	9,805	19,313
Other expenses				
Professional fees	420	376	363	1,159
Consulting and temporary help	868	136	169	1,173
Conference, meetings and travel	27	10	17	54
Missions expenses	-	-	1	1
Event expenses	595	30	137	762
Marketing and promotion	353	79	183	615
Printing and publications	25	14	139	178
Staff expenses	128	136	95	359
Supplies	19	6	24	49
Equipment and maintenance	228	374	223	825
Utilities and building services	248	118	70	436
Allocated occupancy	421	341	436	1,198
Depreciation and amortization	645	558	590	1,793
Miscellaneous	86	98	-	184
Total other expenses	4,063	2,276	2,447	8,786
Total expenses	<u>\$ 151,666</u>	<u>\$ 4,020</u>	<u>\$ 12,252</u>	<u>\$ 167,938</u>

The accompanying notes are an integral part of this consolidated financial statement.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended June 30, 2022 and 2021
(In thousands)

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (3,674)	\$ 371,858
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,763	1,793
Unrealized and realized investment losses (gains), net	157,420	(408,749)
Contributions of securities and other investments	(53,110)	(45,573)
Proceeds from sales of donated securities	53,110	45,573
Contributions restricted for endowment	1,818	1,281
Minority interest in investment (losses) earnings of JCEP	(28,517)	100,939
Provision for uncollectible pledges, notes, loans and other receivables	(724)	95
Changes in certain assets and liabilities:		
Contributions receivable	(211)	2,122
Gifts and bequests receivable	16	565
Agency receivables	16	46
Returned allocations receivable	1,445	1,444
Other assets	(58)	(1,229)
Accounts payable and accrued expenses	931	(446)
Other liabilities	114	(2,047)
Program grants and distributions payable	(19)	(1,114)
 Net cash provided by operating activities	 <u>130,320</u>	 <u>66,558</u>
Cash flows from investing activities:		
Purchase of property and equipment	(575)	(759)
Sale of fixed assets	-	970
Purchases of investments	(411,298)	(372,327)
Proceeds from sales and maturities of investments	<u>288,287</u>	<u>391,787</u>
 Net cash (used in) provided by investing activities	 <u>(123,586)</u>	 <u>19,671</u>
Cash flows from financing activities:		
Contributions restricted for endowment	(1,818)	(1,281)
Line of credit, payable	(7,500)	(12,500)
Payroll Protection Program Loan payable	-	(2,843)
Capital contributions by minority partners in JCEP	24,992	9,172
Capital withdrawals by minority partners in JCEP	(26,005)	(81,241)
Funds received from others for investment	6,735	2,003
Funds distributed to others from managed investments	<u>(5,424)</u>	<u>(1,460)</u>
 Net cash used in financing activities	 <u>(9,020)</u>	 <u>(88,150)</u>
 NET DECREASE IN CASH AND CASH EQUIVALENTS	 <u>(2,286)</u>	 <u>(1,921)</u>
 Cash and cash equivalents at beginning of year	 <u>8,354</u>	 <u>10,275</u>
 Cash and cash equivalents at end of year	 <u><u>\$ 6,068</u></u>	 <u><u>\$ 8,354</u></u>
 Supplemental disclosure:		
Cash paid for interest	\$ 27	\$ 101
Payroll Protection Program Loan forgiveness of debt	\$ -	\$ 2,839

The accompanying notes are an integral part of these consolidated financial statements.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022 and 2021
(In thousands)

NOTE 1 - NATURE OF ORGANIZATION

The mission of Combined Jewish Philanthropies of Greater Boston, Inc. ("CJP") is to inspire and mobilize the Greater Boston Jewish community to engage in building communities of learning and action that strengthen Jewish life and improve the world. Founded in 1895 as the Federation of Jewish Charities, it is one of the largest public charities in Greater Boston. CJP serves as a central convener, planner, funder, and implementer of initiatives to meet urgent needs, enhance Jewish life and learning, and foster strong connections with Israel. CJP also impacts the broader community in collaboration with local and national partners. CJP's support and revenue are derived principally from contributions, gifts and bequests from its donors, and earnings on its investments.

The consolidated financial statements include the results of the activities of the Jewish Community Endowment Pool, LLP ("JCEP") and five supporting organizations. The supporting organizations have substantially the same purpose as CJP. JCEP was created in 1998 by CJP to serve as an endowment investment solution for small to mid-size not-for-profit organizations operating under section 501(c)(3) of the Internal Revenue Code. JCEP provides access to professional investment management, administration, and reporting for its partners. Through their partnership interests in JCEP, all partners share proportionately in the underlying money-management, operational and custody costs, and retain full access to their invested assets as outlined in the terms of JCEP's partnership agreement. As a partnership, JCEP passes all tax liabilities through to the partners and does not record a provision for income taxes.

CJP serves as Majority-in-Interest Partner and Records Partner for JCEP. As of June 30, 2022 and 2021, CJP had a 73.42% and 73.26% ownership interest in JCEP, respectively. The balance of the ownership interest of JCEP at June 30, 2022 and 2021 was held by 62 and 65 other non-profit institutions located primarily in the Greater Boston area. As defined in the JCEP partnership agreement, contributions or withdrawals of partner capital to or from JCEP can be made, subject to the approval of the majority-in-interest partner. Full or substantial withdrawals of partner capital require advance written notice, may be subject to restrictions and are subject to the approval of the majority-in-interest partner, as defined in the partnership agreement.

On November 30, 2020, CJP merged with the Jewish Teen Initiative of Greater Boston ("JTI"), a not-for-profit organization, resulting in the contribution by JTI of all its net assets to CJP. The merger resulted in a contribution of \$61 to CJP.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include the accounts of CJP, JCEP and CJP's supporting organizations. All intercompany accounts and transactions have been eliminated in consolidation. The significant accounting policies of CJP are as follows:

Classification of Net Assets

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed or time-related restrictions. Accordingly, net assets of CJP and changes therein are classified and reported as follows:

Without Restrictions: Assets and contributions that are not subject to donor-imposed or time-related restrictions or for which restrictions have expired. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without restrictions.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021
(In thousands)

Gifts to Donor Advised Funds are classified as support without restrictions. Donor Advised Funds comprised 94.2% and 93.4% of net assets without restrictions at June 30, 2022 and 2021, respectively.

With Restrictions: Represent net assets which are subject to donor-imposed restrictions whose use is restricted by time and/or purpose. A portion of the organization's net assets with donor restrictions are subject to donor-imposed restrictions that require the organization to use or expend the gifts as specified, based on purpose or passage of time. When donor restrictions expire, that is, when a purpose restriction is fulfilled or a time restriction ends, such net assets are reclassified to net assets without restrictions and reported on the consolidated statement of activities as net assets released from restrictions.

Another portion of net assets with donor restrictions stipulates that the corpus of the gifts be maintained in perpetuity, but allow for the expenditure of net investment income and gains earned on the corpus for either specified or unspecified purposes.

CJP reports gifts of securities, as well as land, buildings, and equipment, as support without restrictions unless donor stipulations specify how the donated assets must be used.

Cash and Cash Equivalents

Cash and cash equivalents consistent primarily of cash on deposit, money market accounts or short-term obligations of the U.S. Government or its agencies. Money market funds and other highly liquid debt instruments held as part of CJP's investment strategy are included within investments. Deposits in non-transaction accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At times such cash is significantly in excess of FDIC insured limits. CJP has not experienced any losses as a result of the use of uninsured deposit amounts.

Contributions Receivable, Net

Contributions receivable include CJP's annual and special campaigns and are recorded at the present value of estimated future cash flows. Conditional promises to give are not included as revenue until the conditions are met. Contributions receivable are presented net of an allowance for uncollectible amounts and net present value discount at a rate determined by management.

Gifts and Bequests Receivable

Gifts and bequests receivable are recorded at fair value. Gifts include contributions to CJP's Donor Advised Funds, Endowment, Quasi Endowment, and other gifts not specific to the annual or special campaigns. The receivable balances do not contain net present value discounts as they are expected to be received within 12 months.

Agency Loans Receivable, Net

Agency loans are recorded at the present value of estimated future cash flows. An agency is an organization that receives grant funding and additional support from CJP.

Allowances for Uncollectible Receivables

CJP's allowances for uncollectible receivables represent management's estimate of the amounts required to state receivables at their net realizable value, is based upon management's judgments including such factors as prior collection history and type of receivable. Actual write-offs may vary from this estimate.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021
(In thousands)

Allowances were as follows at June 30 (in thousands):

	2022	2021
Contributions receivable	\$ 524	\$ 1,248
Other receivables	2	3
Agency loans receivable	46	46

Property and Equipment

Property and equipment is comprised principally of real estate and improvements, furniture, computers and equipment and is stated at cost on the date of acquisition, or in the case of gifts, at the fair market or the appraised value on the date of the donation.

Depreciation and amortization are provided in amounts sufficient to allocate costs over the estimated useful lives of the underlying assets. Land is a non-depreciable asset. Property and equipment are depreciated and amortized using the straight-line method as follows:

Buildings and improvements	20-40 years
New England Holocaust Memorial	50 years
Furniture, fixtures, computers and equipment	3-10 years

Investments

CJP's investments are managed by professional investment advisors under the general direction of two senior volunteer committees of CJP's Board of Directors: the Board of Managers and the Investment Committee.

Investments are stated at fair value, as determined by quoted market prices, where available. Increases or decreases in market value are recorded in the accompanying consolidated statements of activities. Where quoted market prices are not available, fair value is determined either by reference to similar investments or to values established by the managers of such investments. Certain investments are not readily marketable (alternative investments) and are recorded at fair value. The fair value of investments is determined by the individual investment manager. CJP estimates that this valuation most fairly presents the amount that would have been realized had the investment been sold to a willing buyer as of the date of the financial statements. Because of the inherent uncertainties in the valuation process, the investment manager's estimate may differ from the values that would have been used had a ready market existed. CJP has implemented policies and procedures to assess the reasonableness of the fair values provided, and it believes that the reported fair values are reasonable.

CJP holds State of Israel bonds which are held to maturity and are reported at the face value of the bonds, \$2,747 and \$3,096 at June 30, 2022 and 2021, respectively. In the opinion of management, the use of face value rather than fair value does not have a material impact on the accompanying consolidated financial statements.

Grants and Programs Payable

Grants and programs payable of \$44,865 and \$44,884 at June 30, 2022 and 2021, respectively, include Grants and programs approved by CJP's Board of Directors for payment primarily between October 1, 2022 and September 30, 2023 and between October 1, 2021 and September 30, 2022, plus prior year Grants and programs principally related to the quarters ended September 30, 2021 and 2020, respectively.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021
(In thousands)

Charitable Gift Annuities and Charitable Remainder Trusts

CJP records assets received under charitable gift annuity ("CGAs") agreements and charitable remainder trusts ("CRTs") at the fair value of the assets when received by CJP. In conjunction with these gifts, CJP has recorded a liability, included in obligations for funds managed for others, equal to the present value of future cash flows expected to be paid to the beneficiaries based upon their actuarial expected lives. For CRTs, the actuarial lives were calculated based on the 2012 IAR mortality table; which takes into account updated mortality data, annuitant gender and projected mortality improvements in future years and projects life expectancies. The discount rate used for obligations for CGAs was 3.03% and 1.61% in the years ended June 30, 2022 and 2021, respectively.

Contribution of Nonfinancial Assets

CJP receives contributed nonfinancial assets on an annual basis. Contributed nonfinancial assets are recognized at fair value as income in the period they are received and recorded as an asset or as part of program or supporting services upon use.

CJP has a significant number of volunteers who contribute meaningful amounts of time in furtherance of CJP's mission. Such contributions do not meet generally accepted accounting criteria for recognition as contributed services and, accordingly, are not recorded in the consolidated statement of activities.

For the years ended June 30, 2022 and 2021, contributed nonfinancial assets recognized within the consolidated statements of activities consisted of the following:

	2022	2021
Real estate	\$ -	\$ 778
Legal services	7	16
	<u>\$ 7</u>	<u>\$ 794</u>

Donor Advised Funds

Individuals may establish Donor Advised Funds, whereby each fund and its related earnings can be distributed to charities recommended by the donor, subject to the approval of CJP's Board of Directors. Donor Advised Funds are included in net assets without restrictions and amounted to \$1,702,934 and \$1,682,939 at June 30, 2022 and 2021, respectively. Donor advised fund revenue reported in gifts and bequests was \$265,390 and \$159,822 in the years ended June 30, 2022 and 2021, respectively. Two donors comprised 73.0% and one donor comprised 70.3% of gifts and bequests for years ended June 30, 2022 and 2021, respectively. DAF revenue is reported net of grants to CJP which amounted to \$15,122 and \$13,730 in the years ended June 30, 2022 and 2021, respectively.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Each functional classification includes all expenses related to the underlying operations by natural classification. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques. Certain costs for occupancy, building services, information technology and human resources are allocated based on headcount. Certain costs for marketing, finance and executive leadership are allocated based on estimates of time and effort.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021
(In thousands)

Income Taxes

CJP and two supporting organizations are not-for-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code, as amended (the "Code"), and are generally exempt from income taxes pursuant to Section 501(a) of the Code. Three supporting organizations have elected 501(c)(2) status, with organizing documents that specify that any surplus in excess of expenses will be used to support CJP or CJP Next Generation Housing Foundation, Inc. CJP is required to assess uncertain tax positions and has determined that there were no such positions that are material to the consolidated financial statements.

Use of Estimates

In preparing consolidated financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to change include the fair value of investments, the allowance for uncollectible pledges, the functional allocation of expenses, and obligations for Grants and programs payable.

Leases

CJP follows the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*, which requires lessees (for capital and operating leases) to apply a modified retrospective transition approach for leases existing at or entered into after the earliest comparative period presented in the consolidated financial statements. It requires that all leases except those with a lease term of less than 12 months be reflected on the statement of financial position. The ASU requires the lessor to record both a Right of Use ("ROU") asset and the associated liability defined as the present value of the stream of lease payments. The ROU asset is adjusted for payments made before lease commencement and initial direct costs. Initial direct costs only include those that would not have been incurred without the lease.

Subsequent Events

Subsequent events have been evaluated through November 16, 2022, the date on which the consolidated financial statements were available to be issued.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. Such reclassifications did not change total assets, liabilities, revenues, expenses or changes in net assets as reflected in the 2021 consolidated financial statements.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021
(In thousands)

NOTE 3 - CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable as of June 30 are expected to be collected in future fiscal years as follows:

	2022	2021
Due within one year	\$ 22,124	\$ 19,884
Due within two to five years	8,848	10,971
Total contributions receivable	30,972	30,855
Less: discount (at rates from 1% to 5.15%)	(801)	(895)
Less: allowance for uncollectible pledges	(524)	(1,248)
Contributions receivable, net	\$ 29,647	\$ 28,712

Two donors comprised 36.1% and two donors comprised 34.7% of the total contributions receivable as of June 30, 2022 and 2021, respectively. There were no conditional promises to give as of June 30, 2022 and June 30, 2021, respectively.

NOTE 4 - GIFTS AND BEQUESTS RECEIVABLE, NET

Gifts and bequests receivable were \$5,539 and \$5,555 as of June 30, 2022 and 2021, respectively, and do not include net present value discounts as the amounts are expected to be received within 12 months. Gifts to Endowment and quasi-Endowment as of June 30, 2022 and 2021 are shown net of allowance of \$1 and \$2, respectively.

NOTE 5 - RETURNED GRANTS RECEIVABLE, NET

In 1999, CJP guaranteed \$5,200 of a \$32,100 bond issue for one beneficiary agency with a bond insurer. CJP recorded a liability and the commensurate expense related to this guarantee as an allocation payable in fiscal 2007. In fiscal 2012, CJP entered into a non-interest-bearing note agreement with the bond insurer to fund the loan guarantee and was granted a \$5,200 subordinated mortgage on the property by the agency.

In August 2018, the agency sold its property, and a reimbursement agreement was concluded between CJP and the agency. Under the terms of the 2018 agreement, CJP released the 2012 mortgage on the property and agreed to receive all proceeds from the buyer on an \$8,000 note payable in quarterly installments. CJP received a total of \$2,800 during fiscal years 2019 and 2020, and immediately forwarded the payments to the agency.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021
(In thousands)

Beginning with the quarterly payments in July 2020, the subsequent thirteen quarterly payments of \$400, totaling \$5,200, are being retained by CJP to reimburse CJP for the amount paid in 2012 under the loan guaranty. CJP recorded this transaction as a returned allocation grant. It appears as a discounted receivable on the consolidated statement of financial position and other revenue on the consolidated statement of activities. During fiscal years 2022 and 2021 CJP received \$1,600 and \$1,600, respectively. The gross returned allocation receivable as of June 30, 2022 is scheduled to be collected in future years is as follows:

2023	\$	1,600
2024		400
Less: discount (at rate of 4%)		<u>(156)</u>
Returned allocations receivable, net	\$	<u><u>1,844</u></u>

NOTE 6 - AGENCY RECEIVABLES, NET

CJP makes loans to some of its major agencies for the purpose of funding benefits under a retirement plan that was frozen in a prior year and has receivables from agencies for other purposes. Agency receivables consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Gross agency receivables	\$ 1,472	\$ 1,536
Less: discount (at rates from 1.25%-5.15%)	(391)	(439)
Less: allowance for uncollectible receivables	<u>(46)</u>	<u>(46)</u>
Agency receivables, net	<u><u>\$ 1,035</u></u>	<u><u>\$ 1,051</u></u>

Gross agency receivables as of June 30, 2022 are scheduled to be collected in future fiscal years as follows:

2023	\$	185
2024		185
2025		185
2026		185
2027		134
Thereafter		<u>598</u>
	\$	<u><u>1,472</u></u>

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021
(In thousands)

NOTE 7 - INVESTMENTS

Investments are comprised of the following as of June 30:

	2022	2021
Non-pooled investments:		
Domestic equity	\$ 248,501	\$ 171,831
International equity	64,031	54,187
Private equity/venture capital	60	56
Hedged equity/credit	4,572	4,796
Illiquid credit	1,690	29
Real assets	-	778
Fixed income	25,879	21,002
Money market funds	481,696	508,812
State of Israel bonds	2,747	3,096
Other investments	597	667
	<u>829,773</u>	<u>765,254</u>
Jewish Community Endowment Pool, LLP:		
Cash	18,000	-
Domestic equity	126,756	169,677
International equity	256,840	322,081
Private equity/venture capital	140,352	91,052
Hedged equity/credit	588,607	634,892
Illiquid credit	62,143	62,629
Real assets	84,995	73,865
Fixed income	230,101	170,941
Money market funds	33,338	119,613
Other assets*	16,256	14,418
	<u>1,557,388</u>	<u>1,659,168</u>
Total investments	<u>\$ 2,387,161</u>	<u>\$ 2,424,422</u>

* Other assets consist of receivables for investments sold.

CJP categorizes its investments as follows:

Domestic Equity

Domestic equity investments are allocated to equity securities of U.S. companies of all sizes. The purpose of the domestic equity allocation is to provide a total return that will generate growth in principal value. Over the long term, the equity allocation is intended to help increase the real value of the underlying assets.

International Equity

International equity investments are allocated to equity securities of companies located in developed, emerging and frontier market countries outside the U.S. In addition to sharing the purpose of the domestic equity allocation, international equity investments allow exposure to countries that may perform differently from U.S. equities, thereby diversifying the portfolio.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021
(In thousands)

Private Equity/Venture Capital

Private equity/venture capital investments are allocated to equity or debt that is not publicly traded, in the equity of start-up companies or in companies embarking on new ventures or restructuring/turnaround plans. Like the other equity investments, the intended purpose is to help increase the real value of assets.

Hedged Equity/Credit

Hedge equity/credit investments include exposure to strategies such as arbitrage, long/short equity or event-driven strategies. These investments may have exposure to both long and short positions in a wide range of underlying investments including public and private equity, fixed income securities, credit instruments, real estate, commodities and precious metals. Hedge equity/credit investments typically seek to provide equity-like returns with lower volatility than equity markets and lower correlations to equity markets than long only equity investments. They further serve to diversify the portfolio, smooth equity volatility and preserve the real value of the portfolio.

Illiquid Credit

Illiquid credit investments include investments in various credit instruments, including bonds, loans, and other debt securities, either through direct purchase of the securities or through derivatives. The investments may also include non-performing loans of companies in financial distress with the goal of increasing the value of these loans through financial restructuring and/or operational improvements. The purpose of illiquid credit investments is to help preserve the real value of assets with less exposure to the risks of equity ownership.

Real Assets

Real assets investments include real estate, natural resources, commodities and securities with rates of return that may perform differently from equities. The purpose of the allocation to real assets is to provide a source of equity-like returns having lower correlations to global equity markets. These investments may also have a greater possibility of providing positive real returns in inflationary environments.

Fixed Income and Money Market Funds

Fixed income investments include vehicles holding cash equivalents, bonds and other income securities. Money market investments may include indirect investments in the highest quality instruments available, such as Treasury bills, U.S. government agency issues, commercial paper and certificates of deposit. The purposes of the fixed income/money market allocation are to provide liquid capital for future investment or other cash needs of the Partnership. During a market dislocation, these investments offer a high degree of protection, and reduce the risk of permanent loss of capital.

Other Investments

Other investments include real estate, fine art and other noncash contributions held for sale. CJP's policy is to sell contributions of securities upon receipt in a manner that maximizes the proceeds from the sale.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2022 and 2021
(In thousands)**

Summary of Investment Results

The following table summarizes realized and unrealized gains (losses) and interest and dividend income for the years ended June 30:

	2022			2021		
	CJP	JCEP Minority Partners	Total	CJP	JCEP Minority Partners	Total
Interest and dividend income earned	\$ 16,139	\$ 2,640	\$ 18,779	\$ 12,031	\$ 3,026	\$ 15,057
Realized investment gains, net	51,812	17,215	69,027	120,757	46,672	167,429
Unrealized investment (losses) gains, net	(182,149)	(44,883)	(227,032)	186,893	54,428	241,321
Total investment return	(114,198)	(25,028)	(139,226)	319,681	104,126	423,807
Less: investment expenses	(9,313)	(3,489)	(12,802)	(7,892)	(3,187)	(11,079)
Total investment return, net	<u>\$ (123,511)</u>	<u>\$ (28,517)</u>	<u>\$ (152,028)</u>	<u>\$ 311,789</u>	<u>\$ 100,939</u>	<u>\$ 412,728</u>

NOTE 8 - FAIR VALUE MEASUREMENTS

U.S. GAAP establishes a single authoritative definition of fair value, sets a framework for measuring fair value and requires additional disclosures about fair value measurements. CJP classifies its investments as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that CJP has the ability to access at the measurement date.
- Level 2 - Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants would use in valuing a portfolio instrument. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3 - Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect CJP's own assumptions about the factors market participants would use in valuing a portfolio instrument, and would be based on the best information available.

CJP's financial instruments are cash and cash equivalents, accounts receivable, accounts payable, notes payable, and debt. The recorded values of cash and cash equivalents and accounts payable approximate their fair values based on their short-term nature. The following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value, as well as the general classification pursuant to the valuation hierarchy.

Alternative Investments

These investments are assets in classes other than stocks, bonds and cash, which are aggregated by category based on their underlying investments. The fair value of such investments is determined using the net asset value ("NAV") per share and are not included in the valuation hierarchy.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021
(In thousands)

Contributions Receivable

Contributions receivable are recorded based on non-recurring fair value measurements. Any multi-year pledges received are recorded at the present value of future cash flows with a discount rate as determined by management, adjusted for any market conditions to arrive at fair value.

Gift Annuities and Charitable Remainder Trusts

Liabilities associated with split interest agreements are recorded based on non-recurring fair value measurements and are recorded at the present value of future cash flows expected to be paid to beneficiaries based upon actuarial lives.

Investments

Investments valued at quoted prices in an active market are classified within Level 1 of the fair value hierarchy.

Money Market Funds

Money market funds are valued based on quoted prices in active markets and are classified within Level 1 of the fair value hierarchy.

Line of Credit

The line of credit is recorded at fair value.

Fair Value Classification Summary

CJP has classified assets and liabilities measured at fair value on a recurring basis at June 30, 2022 and 2021 as follows:

	2022	2021
Non-pooled investments:		
Investments in Level 1 marketable securities		
Domestic equity	\$ 248,499	\$ 171,829
International equity	64,031	54,187
Hedged equity/credit	4,572	4,796
Fixed income	23,477	20,262
Money market funds	481,696	508,812
Other assets	597	667
	<u>822,872</u>	<u>760,553</u>
Investments in alternative investment funds		
Domestic equity	2	2
Private equity/venture capital	60	56
Illiquid credit	1,690	29
Real assets	-	778
Fixed income	2,402	740
	<u>4,154</u>	<u>1,605</u>
Total non-pooled	<u>\$ 827,026</u>	<u>\$ 762,158</u>

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021
(In thousands)

	2022	2021
Jewish Community Endowment Pool:		
Investments in Level 1 marketable securities		
Domestic equity	\$ 39,361	\$ 43,191
Fixed income	230,101	170,941
Money market funds	33,338	119,613
	<hr/>	<hr/>
Total investments in Level 1 marketable securities	302,800	333,745
Investments in alternative investment funds		
Domestic equity	87,395	126,486
International equity	256,840	322,081
Private equity/venture capital	140,352	91,052
Hedged equity/credit	588,607	634,892
Illiquid credit	62,143	62,629
Real assets	84,995	73,865
	<hr/>	<hr/>
Total investments in alternative investment funds	1,220,332	1,311,005
Cash held for investment	18,000	-
Total Jewish Community Endowment Pool, LLP	<hr/>	<hr/>
	1,541,132	1,644,750
Investments at fair value	<hr/>	<hr/>
	\$ 2,368,158	\$ 2,406,908
Investments not measured at fair value:		
Receivables for investments sold	\$ 16,256	\$ 14,418
Israel bonds	2,747	3,096
	<hr/>	<hr/>
Total investments	\$ 2,387,161	\$ 2,424,422

The table below presents additional information regarding investments whose fair value is estimated using the practical expedient of reported NAV as of June 30, 2022. Uncalled commitments in the table below relate to JCEP's contractual obligations with certain investment managers to contribute funds to an investment at future dates.

	Uncalled Commitments	Fair Value		Redemption Periods		
				Less Than 30 Days	30 Days to 1 Year	Greater Than 1 Year
Domestic equity	\$ -	\$ 87,397	(1)	\$ 68,822	\$ 10,427	\$ 8,148
International equity	-	256,840	(2)	236,097	1,416	19,327
Private equity/venture capital	85,619	140,412	(3)	-	-	140,412
Hedged equity/credit	-	590,297	(4)	127,415	188,354	274,528
Illiquid credit	1,322	62,143	(5)	-	-	62,143
Real assets	15,939	84,995	(6)	-	-	84,995
Fixed income	-	2,402	(7)	-	-	2,402
Cash held for investment	-	18,000	(8)	-	-	18,000
	<hr/>	<hr/>		<hr/>	<hr/>	<hr/>
Total	\$ 102,880	\$ 1,242,486		\$ 432,334	\$ 200,197	\$ 609,955

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021
(In thousands)

- (1) Includes investments in limited partnerships that invest in domestic equities, with various withdrawal dates as follows: For amounts less than 30 days: \$68,822 quarterly liquidation periods on the last day of the quarter with proper notice of 60 days. For the amounts greater than 30 days: \$6,215 is locked up until December 31, 2023, and \$4,212 is locked up until March 31, 2023. For amounts greater than a year: \$8,148 is locked up for one to two years.
- (2) Includes multiple investments in funds holding equity securities of companies primarily in developed, emerging and frontier markets outside the U.S. with various tranches/withdrawal dates as follows: \$236,097 may be redeemed within 10 days. \$20,743 is available within a year or more.
- (3) Includes multiple investments in limited partnerships that invest in equity or debt that is not publicly traded, in the equity of start-up companies or in companies embarking on new ventures or restructuring/turnaround plans that are illiquid. These investments in the greater than one-year category are locked up until the fund closes or the general partner distributes funds.
- (4) Includes multiple investments in limited partnerships with absolute return/hedged equity strategies that have various liquidity restrictions. The investments are mostly available quarterly or annually with proper notice ranging from 30 to 120 days.
- (5) Includes multiple credit-related investments via limited partnerships with various withdrawal dates, available with proper notice of 90 days. The investments in the greater than one-year category are locked up until the funds close or the general partner distributes funds.
- (6) Includes multiple real assets investments via limited partnerships with various withdrawal dates. Investments are locked up until the funds close.
- (7) Includes fixed income investments via a limited partnership.
- (8) Includes cash held for investments in Domestic Equity

NOTE 9 - PROPERTY AND EQUIPMENT, NET

The following table summarizes the major categories of property and equipment, net at June 30:

	2022	2021
Land	\$ 2,358	\$ 2,358
Buildings and improvements	33,741	33,492
New England Holocaust Memorial	5,857	5,857
Furniture and fixtures	1,560	1,538
Computers and equipment	784	1,311
Capital leases	222	222
Total	44,522	44,778
Accumulated depreciation and amortization	(16,904)	(15,972)
Property and equipment, net	\$ 27,618	\$ 28,806

Depreciation and amortization expense for the years ended June 30, 2022 and 2021 was \$1,763 and \$1,793, respectively.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021
(In thousands)

NOTE 10 - OBLIGATIONS FOR FUNDS MANAGED FOR OTHERS

CJP allows certain other not-for-profit organizations to pool resources and invest with CJP. CJP also administers charitable gift annuities and trusts benefiting other organizations. The obligations for funds managed for others consisted of the following at June 30:

	2022	2021
Planned/deferred gift liabilities	\$ 3,024	\$ 1,673
The Myra and Robert Kraft Passport to Israel Program	1,373	1,522
Funds held for other organizations	23,848	26,581
	<hr/>	<hr/>
Obligations for funds managed for others	\$ 28,245	\$ 29,776

NOTE 11 - DEBT

Line of Credit

CJP has a demand line of credit agreement with Eastern Bank for credit up to \$20,000 at interest rates of 0.5% above LIBOR. Interest rates on the line were between 1.06% and 0.69%, and total interest paid was \$21 and \$67 for the years ended June 30, 2022 and 2021, respectively. The outstanding balance on the line of credit was \$0 and \$7,500 at June 30, 2022 and 2021, respectively.

In November 2021, Eastern Bank's parent company acquired Century Bank.

NOTE 12 - NET ASSETS WITH AND WITHOUT RESTRICTIONS

At June 30, net assets are comprised of:

<u>As of 2022:</u>	Net Assets Without Restrictions	Net Assets With Restrictions	Total
Net assets - operations and reserves	\$ 104,067	\$ -	\$ 104,067
Donor Advised Funds	1,702,934	5,440	1,708,374
Funds to support subsequent years' activities	-	14,440	14,440
Funds for donor-restricted initiatives	-	14,672	14,672
Unspent appreciation of endowment funds	-	37,920	37,920
Historical gift value of endowment funds	-	91,440	91,440
	<hr/>	<hr/>	<hr/>
	\$ 1,807,001	\$ 163,912	\$ 1,970,913

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2022 and 2021
(In thousands)**

<u>As of 2021:</u>	Net Assets Without Restrictions	Net Assets With Restrictions	Total
Net assets - operations and reserves	\$ 118,595	\$ -	\$ 118,595
Donor Advised Funds	1,682,939	5,440	1,688,379
Funds to support subsequent years' activities	-	15,575	15,575
Funds for donor-restricted initiatives	-	10,565	10,565
Unspent appreciation of endowment funds	-	52,612	52,612
Historical gift value of endowment funds	-	88,861	88,861
	<u>\$ 1,801,534</u>	<u>\$ 173,053</u>	<u>\$ 1,974,587</u>

Portion of above net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes or by occurrence of other events specified by donors or by the passage of time.

Net assets were released as follows during the years ended June 30:

	2022	2021
Releases of net assets due to the passage of time	\$ 6,801	\$ 4,538
Releases of net assets restricted by performance		
Endowment grants and expenses	6,932	5,918
Designated programs	10,157	3,912
	<u>\$ 23,890</u>	<u>\$ 14,368</u>

NOTE 13 - ENDOWMENT FUNDS

CJP's endowment funds consist of 235 individual funds established for a variety of purposes. The endowment funds include both donor-restricted endowment funds and funds designated by the Board of Directors to function as quasi-endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors has determined that absent explicit donor stipulations to the contrary, fiduciary standards require the preservation of the "historic dollar value" of donor-restricted endowment funds. Historic dollar value as to any donor-restricted endowment fund means the aggregate fair value of: (a) the original value of gifts donated to such fund; (b) the original value of subsequent gifts to such fund; and (c) accumulations to such fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Accordingly, CJP classifies the historic dollar value of a donor-restricted endowment fund as net assets with restrictions.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021
(In thousands)

CJP's Board of Directors has adopted an endowment spending policy that is structured in a manner consistent with the Massachusetts' Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). UPMIFA allows for the expenditure of a portion of the historic dollar value of endowment funds after application of the factors set forth below:

- The duration and preservation of the funds
- The purposes of CJP and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of CJP
- The need to make distributions and preserve capital
- The investment policies of CJP

Spending Policy and How the Investment Objectives Relate to Spending Policy

CJP has a policy of appropriating distributions each year based on a percentage of its endowment funds' average fair value over the prior 16 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. This percentage is approved by the Board of Directors each year. CJP does not currently intend to make distributions from endowment funds that do not have appreciation over historic dollar value. However, CJP's Board of Directors will review endowment funds with no appreciation on a case-by-case basis. Any distributions that result in the expenditure of a portion of historic dollar value are subject to the approval of the board and are limited to no more than 10% of historic dollar value on a fund by fund basis and, in aggregate, distributions of this type may not exceed 5% of CJP's unrestricted endowment fund value.

In establishing this policy, CJP considered the long-term expected return on its endowment.

Endowment Investment Policy

CJP has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that CJP must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that over time will average the level of the approved CJP endowment spending rate plus inflation. Actual results in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives CJP relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). CJP employs a strategy designed to achieve a real return equal to or higher than five percent real return (defined as nominal return net of investment management fees and inflation) over rolling seven- to ten-year periods or a full market cycle, whichever is longer with significant diversification to reduce volatility. CJP has adopted this strategy in order to protect the inviolate nature of the original corpus of

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021
(In thousands)

permanently restricted gifts against potential market declines in the future, to protect purchasing power against the effects of inflation, and to provide a predictable flow of funds to support operations.

This is consistent with CJP's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified period as well as to provide additional real growth through new gifts and investment return.

The following table presents changes in endowment net assets for the years ended June 30, 2022 and June 30, 2021:

	Net Assets Without Restrictions	Net Assets With Restrictions	Total
Balance, June 30, 2020	\$ 56,778	\$ 111,663	\$ 168,441
Investment (loss) income, net	(81)	1	(80)
Net realized and unrealized investment gains, net	15,124	29,547	44,671
Total investment return	15,043	29,548	44,591
Appropriations for expenditure	(4,296)	(5,692)	(9,988)
Contributions and other additions	2,306	5,954	8,260
Balance, June 30, 2021	69,831	141,473	211,304
Investment loss, net	(199)	(210)	(409)
Net realized and unrealized investment losses, net	(4,421)	(8,853)	(13,274)
Total investment return	(4,620)	(9,063)	(13,683)
Appropriations for expenditure	(4,596)	(5,987)	(10,583)
Reclassification based on donor intent	197	(197)	-
Contributions and other additions	2,503	3,134	5,637
Balance, June 30, 2022	\$ 63,315	\$ 129,360	\$ 192,675

Endowment net asset composition by type of fund as of June 30, 2022 is as follows:

	Without Restrictions	With Restrictions	Total
Donor-restricted	\$ -	\$ 129,360	\$ 129,360
Board-designated	63,315	-	63,315
Total endowment funds	\$ 63,315	\$ 129,360	\$ 192,675

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021
(In thousands)

Endowment net asset composition by type of fund as of June 30, 2021 is as follows:

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
Donor-restricted	\$ -	\$ 141,473	\$ 141,473
Board-designated	69,831	-	69,831
	<u>\$ 69,831</u>	<u>\$ 141,473</u>	<u>\$ 211,304</u>
Total endowment funds			

NOTE 14 - LIQUIDITY AND AVAILABILITY OF RESOURCES

CJP's financial assets available within one year for general expenditures as of June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Operations and board-restricted endowments		
Cash and cash equivalents	\$ 6,068	\$ 8,354
Contributions receivable, net	15,991	12,914
Agency loans receivable, net	185	124
Investments	33,233	44,270
Other assets	870	1,004
	<u>56,347</u>	<u>66,666</u>
Total operations and board-restricted endowment		
	56,347	66,666
Line of credit		
Line of credit	20,000	20,000
Less: balance owed	<u>-</u>	<u>(7,500)</u>
	<u>20,000</u>	<u>12,500</u>
Total line of credit		
	20,000	12,500
Total available within a year	<u>\$ 76,347</u>	<u>\$ 79,166</u>

CJP's policy for liquidity management is to structure financial assets to be available as program and operating expenditures, liabilities and other obligations come due. In addition, CJP invests cash in excess of daily requirements in short-term investments. To assist managing unanticipated liquidity needs, CJP has a committed line of credit in the amount of \$20,000, which it drew upon. The balance owed on the Line of credit was \$0 and \$7,500 on June 30, 2022 and 2021, respectively.

As described in Note 13 - Endowment Funds, CJP has Board Designated funds that function as quasi-endowments. Although CJP does not intend to spend from its quasi-endowment other than amounts appropriated for expenditure, amounts from quasi-endowment could be made available if necessary.

CJP's donor-restricted endowments and income from these endowments are restricted for specific purposes and are not available for general expenditure.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021
(In thousands)

Included in CJP's net assets without restrictions are Donor Advised Funds ("DAF") amounting to \$1,702,935 and \$1,682,939 as of June 30, 2022 and 2021, respectively. CJP serves as the sponsoring organization, in accordance with IRS regulations, to these separately identified DAF accounts comprised of contributions made by donors and related earnings from investments. Once donors make contributions, CJP has exclusive legal control over the funds. However, the donor, or the donor's representative, retains advisory privileges with respect to the distribution of funds and the investment of assets in the account.

CJP honors donors' grant recommendations for grants to public charities as described section 509(a)(1) or (2) of the Internal Revenue Code, public charities described in section 509(a)(3) of the Internal Revenue Code that are not "disqualified supporting organization(s)" as defined in section 4966(d)(4) of the Internal Revenue Code, or governmental units described in section 170(c)(1) of the Internal Revenue Code exclusively for public purposes that are consistent with CJP's charitable purposes. Grantees must be in good standing with the IRS. Grants must be for charitable purposes that are not in conflict with CJP's mission, subject to CJP's review and approval. CJP does not consider DAF assets to be available for general expenditures.

NOTE 15 - PAYROLL PROTECTION PROGRAM LOAN PAYABLE AND FORGIVENESS OF DEBT

During the year ended June 30, 2020, CJP received proceeds from a loan in the amount of \$2,843 from Century Bank as the lender, pursuant to the Small Business Administration Paycheck Protection Program ("PPP") under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. The loan is uncollateralized, has a fixed interest rate of 1%, a term of two years and the first payment is deferred for six months, or when the loan is forgiven, whichever is later. Under the CARES Act, borrowers are eligible for forgiveness of principal and interest on PPP loans to the extent that the proceeds were used to cover eligible payroll costs, rent and utility costs over either an 8- or 24-week period after the loan was made. CJP has applied for forgiveness in October 2020 electing an 8-week covered period. In April 2021, the Small Business Administration forgave \$2,807 of the principal and \$32 of the interest due, which is reflected in the Statement of Activities as forgiveness of debt.

NOTE 16 - COVID-19 PANDEMIC

The COVID-19 pandemic, whose effects first became known in January 2020, continues to have a broad, complex and generally negative impact on commerce and financial markets around the world and on aspects of CJP's operations and finances. During the year ended June 30, 2021, CJP experienced significant drops in expenses related to payroll, travel, events, building services and utilities, all due to pandemic-related changes in operations; an increase in grants made in response to the pandemic; and a decrease in event related revenue. The future impact of COVID-19 on CJP will depend on the future course of the pandemic and public policy responses, and remains uncertain.

NOTE 17 - JEWISH CAMPING NEW ENGLAND FUND, LLC

Jewish Camping New England Fund, LLC is a Maine Limited Liability Corporation and the successor to Camp Kingswood, Inc., a Maine not for profit corporation. Camp Kingswood owned the land and certain improvements and structures at a site used for a Jewish overnight summer camp operated by the Jewish Community Centers of Greater Boston, Inc. ("JCC"). The JCC operated this camp under the terms of a 1996 50-year lease with CJP for \$1 per year. CJP was the sole member of Camp Kingswood, Inc. and appointed its directors. In December 2020, the JCC and Camp Kingswood, Inc. closed a sale of the camp's operations, land, improvements and structures to a for profit organization that now operates a Jewish overnight camp on that site under the name of Camp Kingswood. In January 2021, subsequent to the sale

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2022 and 2021
(In thousands)

of the assets of Camp Kingswood, Inc., and in accordance with the agreement with the buyer, Camp Kingswood, Inc. changed its name to Jewish Camping New England Fund, Inc. In June 2021, Jewish Camping New England Fund, Inc. converted from a Maine not for profit corporation to a Maine LLC, with CJP as the sole member and manager. The assets of Jewish Camping New England Fund, LLC consist of the net cash paid to its predecessors at closing and a note receivable from the buyers of the camp. Jewish Camping New England Fund, LLC's purpose is to support summer camping experiences for Jewish children with significant financial need, with such camping experiences to take place in Maine, to the extent feasible. Jewish Camping New England Fund, LLC was dissolved on June 17, 2022, and its net assets totaling \$235 were transferred to CJP, to be used for the same purpose as Jewish Camping New England Fund, LLC.

Note receivables from the buyers of the camp, as of June 30, are scheduled to be collected in future fiscal years as follows:

2023	\$	91
2024		91
2025		91
2026		91
2027		1,115
		<hr/>
Total	\$	1,479
		<hr/>

SUPPLEMENTAL CONSOLIDATING SCHEDULES

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION BY FUNCTIONAL AREA

June 30, 2022
(In thousands)

	CJP Operations	Endowment and Reserves	Donor Advised Funds	JCEP Partners and Funds Managed for Others	Total
ASSETS					
Cash and cash equivalents	\$ 6,068	\$ -	\$ -	\$ -	\$ 6,068
Contributions receivable, net	29,647	-	-	-	29,647
Gifts and bequests receivable, net	-	99	5,440	-	5,539
Returned allocations receivable, net	1,844	-	-	-	1,844
Agency receivables, net	1,035	-	-	-	1,035
Investments	38,431	202,339	1,702,835	443,556	2,387,161
Property and equipment, net	27,618	-	-	-	27,618
Other assets	2,979	975	99	-	4,053
Total assets	<u>\$ 107,622</u>	<u>\$ 203,413</u>	<u>\$ 1,708,374</u>	<u>\$ 443,556</u>	<u>\$ 2,462,965</u>
LIABILITIES AND NET ASSETS					
Liabilities					
Grants and programs payable	\$ 44,865	\$ -	\$ -	\$ -	\$ 44,865
Accounts payable and accrued expenses	3,117	-	-	-	3,117
Obligations for funds managed for others	-	-	-	28,245	28,245
Line of credit payable	-	-	-	-	-
Other liabilities	1,828	-	-	16	1,844
Total liabilities	<u>49,810</u>	<u>-</u>	<u>-</u>	<u>28,261</u>	<u>78,071</u>
Minority interest in JCEP	-	-	-	413,981	413,981
Net assets					
Without restrictions	29,132	73,952	1,702,934	983	1,807,001
With restrictions	28,680	129,461	5,440	331	163,912
Total net assets	<u>57,812</u>	<u>203,413</u>	<u>1,708,374</u>	<u>1,314</u>	<u>1,970,913</u>
Total liabilities and net assets	<u>\$ 107,622</u>	<u>\$ 203,413</u>	<u>\$ 1,708,374</u>	<u>\$ 443,556</u>	<u>\$ 2,462,965</u>

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF ACTIVITIES BY FUNCTIONAL AREA

For the year ended June 30, 2022
(In thousands)

	CJP Operations	Endowment and Reserves	Donor Advised Funds	JCEP Partners and Funds Managed for Other	Total
Support and revenue					
Campaign pledges, net	\$ 58,446	\$ (576)	\$ -	\$ -	\$ 57,870
Gifts and bequests	14	3,161	265,390	-	268,565
Change in split-interest agreements	-	-	-	583	583
Grants and other allocations	438	-	-	-	438
Contributions of nonfinancial assets	7	-	-	-	7
Total support	58,905	2,585	265,390	583	327,463
Investment return, net	93	(14,165)	(109,439)	(28,517)	(152,028)
Rental income	406	-	-	-	406
Event revenue	145	-	-	-	145
Administrative service fees	1,740	3	(1,695)	-	48
Transfer between funds based on change in donors' intent	7,478	(7,320)	(158)	-	-
Total revenue	9,862	(21,482)	(111,292)	(28,517)	(151,429)
Total support and revenue	68,767	(18,897)	154,098	(27,934)	176,034
Expenditures					
Program grants and distributions:					
Program grants	41,800	1,861	-	-	43,661
Programmatic expenditures	12,294	-	21	-	12,315
Donor Advised Fund grants	-	-	134,082	-	134,082
Total program allocations and distributions	54,094	1,861	134,103	-	190,058
Management and general	5,442	-	-	-	5,442
Fundraising	12,725	-	-	-	12,725
Total management, general, and fundraising expenditures	18,167	-	-	-	18,167
Total expenditures	72,261	1,861	134,103	-	208,225
Minority interest in investment (earnings) losses of JCEP	-	-	-	28,517	28,517
CHANGE IN NET ASSETS	(3,494)	(20,758)	19,995	583	(3,674)
Net assets at beginning of year	61,306	224,171	1,688,379	731	1,974,587
Net assets at end of year	\$ 57,812	\$ 203,413	\$ 1,708,374	\$ 1,314	\$ 1,970,913

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO SUPPLEMENTAL SCHEDULES

June 30, 2022 and 2021
(In thousands)

NOTE 1 - BASIS OF PRESENTATION

Schedules of Financial Position and Activities by Functional Area

The consolidating schedule of financial position and the consolidating schedule of activities by functional area reflect the assets, liabilities, net assets of CJP, and changes in net assets in its component functional areas: CJP operating activities, the activities in the Endowment and Reserves, Donor Advised Funds activities, and Jewish Community Endowment Pool minority partner activities. Functional areas may include assets with restrictions and assets without restrictions.

Functional areas are as follows:

CJP operations: includes all fundraising, grants and programs, as well as investment activities related to cash management. This functional area represents the core annual campaign and fundraising activities as well as grants and programs to partner agencies and other grantees. Campaign contributions and receivables include multi-year gifts for future periods.

Endowment and reserves: includes donor-restricted endowment investment activities and grants. The reserves include board-designated funds that are maintained to fund certain activities as well as maintain stability for CJP. Activity of the supporting organizations is also included within endowment and reserves.

Donor Advised Funds: includes contributions into and grants out of Donor Advised Funds as well as investment activities related to DAF assets.

JCEP partners and funds managed for others: reflects investment activity of the JCEP minority partners and funds managed for others.

The consolidating schedule of activities by functional area shows endowment grants and fees paid by Donor Advised Funds, endowment funds and foundations that support CJP operations or grants and programs. These fees are not reflected in the consolidated financial statements, as they are eliminated in consolidation.