

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, 2024 and 2023

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Report on the financial statements**Opinion**

We have audited the consolidated financial statements of Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates (collectively, the "Entity"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, 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 Entity as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 consolidated 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 such 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of June 30, 2024 and 2023
(In thousands)

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 13,355	\$ 5,696
Contributions receivable, net (Note 3)	25,390	23,273
Gifts and bequests receivable, net (Note 4)	149	97
Notes receivables, net (Note 5)	1,837	470
Investments (Notes 6 and 7)	2,744,617	2,573,542
Property and equipment, net (Note 8)	25,396	26,180
Other assets	2,802	5,240
	<hr/>	<hr/>
Total assets	<u>\$ 2,813,546</u>	<u>\$ 2,634,498</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Grants payable	\$ 2,529	\$ 34,602
Accounts payable and accrued expenses	3,563	3,280
Obligations for funds managed for others (Note 9)	31,436	28,804
Other liabilities	1,354	2,717
	<hr/>	<hr/>
Total liabilities	<u>38,882</u>	<u>69,403</u>
Minority interest in JCEP (Note 1)	487,604	441,138
Net assets (Note 11)		
Without restrictions		
Operations and reserves	140,360	112,869
Donor Advised Funds	1,929,661	1,841,330
With restrictions	217,039	169,758
	<hr/>	<hr/>
Total net assets	<u>2,287,060</u>	<u>2,123,957</u>
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 2,813,546</u>	<u>\$ 2,634,498</u>

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, 2024
(With summarized information for the year ended June 30, 2023)
(In thousands)

	2024			2023
	Without Restrictions	With Restrictions	Total	Total
Support and revenue				
Campaign contributions, net	\$ 36,324	\$ 12,718	\$ 49,042	\$ 51,474
Israel Emergency Fund, net	30,810	25,187	55,997	-
Gifts and bequests	144,330	3,084	147,414	123,416
Change in split-interest agreements	234	20	254	81
Grants and other allocations	97	-	97	30
Other revenue	363	-	363	86
Contributions of nonfinancial assets (Note 2)	32	-	32	379
Net assets released from restrictions (Note 11)	12,024	(12,024)	-	-
Total support	224,214	28,985	253,199	175,466
Investment return (loss), net (Note 6)	288,476	18,538	307,014	226,028
Rental income	428	-	428	427
Event revenue	585	-	585	2,214
Administrative fees	15	-	15	19
Transfer between funds based on donors' intent	242	(242)	-	-
Total revenue	289,746	18,296	308,042	228,688
Total support and revenue	513,960	47,281	561,241	404,154
Expenditures				
Program grants and distributions				
Program grants	36,001	-	36,001	32,761
Programmatic expenditures	14,286	-	14,286	17,474
Donor Advised Fund grants	273,180	-	273,180	141,564
Total program grants and distributions	323,467	-	323,467	191,799
Management and general	5,534	-	5,534	4,625
Fundraising	13,128	-	13,128	14,126
Total management, general, and fundraising expenditures	18,662	-	18,662	18,751
Total expenditures	342,129	-	342,129	210,550
Net results from operations	171,831	47,281	219,112	193,604
Minority interest in investment (earnings) losses of JCEP (Note 6)	(56,009)	-	(56,009)	(40,560)
CHANGE IN NET ASSETS	115,822	47,281	163,103	153,044
Net assets at beginning of year	1,954,199	169,758	2,123,957	1,970,913
Net assets at end of year	\$ 2,070,021	\$ 217,039	\$ 2,287,060	\$ 2,123,957

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, 2023
(In thousands)

	Without Restrictions	With Restrictions	Total
Support and revenue			
Campaign contributions, net	\$ 42,853	\$ 8,621	\$ 51,474
Gifts and bequests	115,266	8,150	123,416
Change in split-interest agreements	122	(41)	81
Grants and other allocations	30	-	30
Other revenue	86	-	86
Contributions of nonfinancial assets (Note 2)	379	-	379
Net assets released from restrictions (Note 11)	24,677	(24,677)	-
Total support	183,413	(7,947)	175,466
Investment return (loss), net (Note 6)	212,476	13,552	226,028
Rental income	427	-	427
Event revenue	2,214	-	2,214
Administrative fees	19	-	19
Transfer between funds based on donors' intent	(241)	241	-
Total revenue	214,895	13,793	228,688
Total support and revenue	398,308	5,846	404,154
Expenditures			
Program grants and distributions			
Program grants	32,761	-	32,761
Programmatic expenditures	17,474	-	17,474
Donor Advised Fund grants	141,564	-	141,564
Total program grants and distributions	191,799	-	191,799
Management and general	4,625	-	4,625
Fundraising	14,126	-	14,126
Total management, general, and fundraising expenditures	18,751	-	18,751
Total expenditures	210,550	-	210,550
Net results from operations	187,758	5,846	193,604
Minority interest in investment (earnings) losses of JCEP (Note 6)	(40,560)	-	(40,560)
CHANGE IN NET ASSETS	147,198	5,846	153,044
Net assets at beginning of year	1,807,001	163,912	1,970,913
Net assets at end of year	\$ 1,954,199	\$ 169,758	\$ 2,123,957

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, 2024
 (With summarized information for the year ended June 30, 2023)
 (In thousands)

	2024			2023	
	Program	Management and General	Fundraising	Total	Total
Community support					
Program grants and distributions	\$ 36,001	\$ -	\$ -	\$ 36,001	\$ 32,761
DAF grants	273,180	-	-	273,180	141,564
Total community support	309,181	-	-	309,181	174,325
Salaries and benefits	8,365	2,346	9,519	20,230	21,368
Other expenses					
Professional fees	326	545	314	1,185	1,600
Consulting and temporary help	1,825	552	655	3,032	2,062
Conference, meetings and travel	796	25	118	939	2,668
Missions expenses	350	-	-	350	323
Event expenses	180	43	480	703	765
Marketing and promotion	311	93	116	520	682
Printing and publications	106	-	231	337	316
Staff expenses	126	208	136	470	573
Supplies	48	4	60	112	96
Equipment and maintenance	238	260	240	738	877
Utilities and building services	655	279	259	1,193	858
Allocated occupancy	268	531	528	1,327	1,521
Depreciation and amortization	644	539	472	1,655	1,701
Miscellaneous	48	109	-	157	815
Total other expenses	5,921	3,188	3,609	12,718	14,857
Total expenses	<u>\$ 323,467</u>	<u>\$ 5,534</u>	<u>\$ 13,128</u>	<u>\$ 342,129</u>	<u>\$ 210,550</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, 2023
(In thousands)**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Community support				
Program grants and distributions	\$ 32,761	\$ -	\$ -	\$ 32,761
DAF grants	141,564	-	-	141,564
	<hr/>	<hr/>	<hr/>	<hr/>
Total community support	174,325	-	-	174,325
Salaries and benefits	9,546	1,499	10,323	21,368
Other expenses				
Professional fees	484	645	471	1,600
Consulting and temporary help	1,245	349	468	2,062
Conference, meetings and travel	2,414	3	251	2,668
Missions expenses	-	-	323	323
Event expenses	381	50	334	765
Marketing and promotion	465	93	124	682
Printing and publications	99	56	161	316
Staff expenses	156	247	170	573
Supplies	53	9	34	96
Equipment and maintenance	229	389	259	877
Utilities and building services	579	67	212	858
Allocated occupancy	427	606	488	1,521
Depreciation and amortization	661	550	490	1,701
Miscellaneous	735	62	18	815
	<hr/>	<hr/>	<hr/>	<hr/>
Total other expenses	7,928	3,126	3,803	14,857
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	\$ 191,799	\$ 4,625	\$ 14,126	\$ 210,550

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, 2024 and 2023
(In thousands)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 163,103	\$ 153,044
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,648	1,694
Unrealized and realized investment gains, net	(272,860)	(198,141)
Contributions of securities and other investments	(77,421)	(39,456)
Proceeds from sales of donated securities	54,966	39,456
Contributions restricted for endowment	3,038	8,338
Minority interest in investment earnings of JCEP	56,009	40,560
Provision for uncollectible pledges, notes, loans and other receivables	740	(342)
Changes in certain assets and liabilities:		
Contributions receivable	(2,857)	6,716
Gifts and bequests receivable	(52)	5,442
Notes receivables	128	565
Returned allocations receivable	-	1,844
Other assets	943	(1,187)
Accounts payable and accrued expenses	283	163
Other liabilities	(1,527)	873
Program grants and distributions payable	(32,073)	(10,263)
	<u>(105,932)</u>	<u>9,306</u>
Net cash (used in) provided by operating activities		
Cash flows from investing activities:		
Purchase of property and equipment	(864)	(256)
Purchases of investments	(102,940)	(157,520)
Proceeds from sales and maturities of investments	230,471	171,712
	<u>126,667</u>	<u>13,936</u>
Net cash provided by investing activities		
Cash flows from financing activities:		
Contributions restricted for endowment	(3,038)	(8,338)
Capital contributions by minority partners in JCEP	21,919	15,695
Capital withdrawals by minority partners in JCEP	(31,461)	(29,097)
Funds received from others for investment	903	1,131
Funds distributed to others from managed investments	(1,399)	(3,005)
	<u>(13,076)</u>	<u>(23,614)</u>
Net cash used in financing activities		
NET DECREASE IN CASH AND CASH EQUIVALENTS	7,659	(372)
Cash and cash equivalents at beginning of year	5,696	6,068
Cash and cash equivalents at end of year	\$ 13,355	\$ 5,696

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, 2024 and 2023
(In thousands)

NOTE 1 - NATURE OF ORGANIZATION

Combined Jewish Philanthropies of Greater Boston, Inc. (CJP) is Greater Boston's Jewish Federation, one of 146 networked organizations across North America, and the oldest federation in the country. Each Federation operates independently and differently - and all share a common purpose: to build vibrant Jewish communities and ignite positive change at home, in Israel, and around the world. As a philanthropic organization driven by Jewish values, learning, and culture, CJP mobilizes communal philanthropy and provides grants, builds partnerships, and brings together CJP's diverse community to:

- Engage, educate, and inspire people, especially our next generation, with compelling, dynamic Jewish life and learning
- Care for the most vulnerable in our community and for Jews around the world
- Strengthen and deepen connections to Israel as the historic Jewish homeland and a modern, Jewish democratic state

CJP's work turns individual acts of kindness into collective action that strengthens Jewish life and makes the world a better place for all.

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, 2024 and 2023, CJP had a 72.11% and 73.26% ownership interest in JCEP, respectively. The balance of the ownership interest of JCEP as of June 30, 2024 and 2023 was held by 59 and 60 other non-profit institutions located primarily in the Greater Boston area, respectively. 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.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023
(In thousands)

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.

Gifts to Donor Advised Funds are classified as support without restrictions. Donor Advised Funds comprised 93.2% and 94.2% of net assets without restrictions at June 30, 2024 and 2023, 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 consist primarily of cash on deposit, money market accounts or short-term obligations of the U.S. Government or its agencies and does not include cash or cash equivalents included within investments. CJP maintains its cash in bank deposit accounts which 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.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023
(In thousands)

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.

Notes Receivable, Net

Notes are recorded at the present value of estimated future cash flows.

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.

Allowances were as follows at June 30:

	<u>2024</u>		<u>2023</u>
Contributions receivable	\$ 922	\$	182
Other receivables	1		-
Notes receivable	21		21

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

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023
(In thousands)

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, \$2,164 and \$2,689 at June 30, 2024 and 2023, 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 Payable

Grants payable represents unconditional promises to other organizations to be paid in future periods that have been approved by the Board of Directors and committed to grantees as of the end of the fiscal year totaling \$2,529 and \$34,602 as of June 30, 2024 and 2023, respectively.

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 4.65% and 3.66% in the years ended June 30, 2024 and 2023, 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, 2024 and 2023, contributed nonfinancial assets recognized within the consolidated statements of activities consisted of the following:

	2024	2023
Artwork	\$ 3	\$ 331
Legal services	5	32
Public relations services	24	16
	<u>\$ 32</u>	<u>\$ 379</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.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023
(In thousands)

Donor Advised Funds are included in net assets without restrictions and amounted to \$1,929,661 and \$1,841,330 at June 30, 2024 and 2023, respectively. Donor advised fund revenue reported in gifts and bequests was \$143,797 and \$114,516 in the years ended June 30, 2024 and 2023, respectively. One donor comprised 43.6% and three donors comprised 63.3% of gifts and bequests for the years ended June 30, 2024 and 2023, respectively. DAF revenue is reported net of grants to CJP which amounted to \$34,933 and \$17,128 in the years ended June 30, 2024 and 2023, 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.

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 in 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.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023
(In thousands)

Reclassifications

Certain reclassifications have been made to the prior year consolidated 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 2023 consolidated financial statements.

Subsequent Events

CJP evaluated subsequent events after the statement of financial position date of June 30, 2024 through November 22, 2024, the date on which the consolidated financial statements were available to be issued and determined there were no events that require recognition in or disclosure to the financial statements.

NOTE 3 - CONTRIBUTIONS RECEIVABLE, NET

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

	<u>2024</u>	<u>2023</u>
Due within one year	\$ 19,427	\$ 19,599
Due within two to five years	<u>7,448</u>	<u>4,475</u>
Total contributions receivable	26,875	24,074
Less: discount (at rates from 1% to 5.15%)	(563)	(619)
Less: allowance for uncollectible pledges	<u>(922)</u>	<u>(182)</u>
Contributions receivable, net	<u>\$ 25,390</u>	<u>\$ 23,273</u>

Two donors comprised 24.6% and 25.9% of the total contributions receivable as of June 30, 2024 and 2023, respectively. There were no conditional promises to give as of June 30, 2024 and 2023.

NOTE 4 - GIFTS AND BEQUESTS RECEIVABLE, NET

Gifts and bequests receivable were \$149 and \$97 as of June 30, 2024 and 2023, 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, 2024 and 2023 are shown net of allowance of \$1 and \$0, respectively.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023
(In thousands)

NOTE 5 - NOTES RECEIVABLES, NET

CJP made loans to some of its major agencies, a local non-profit and a Jewish overnight camp. Notes receivables consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Notes receivables	\$ 1,953	\$ 2,103
Less: discount (at rates from 2.48%-5.15%)	(95)	(117)
Less: allowance for uncollectible receivables	<u>(21)</u>	<u>(21)</u>
Notes receivables, net	<u>\$ 1,837</u>	<u>\$ 1,965</u>

Gross notes receivables as of June 30, 2024 are scheduled to be collected in future fiscal years as follows:

2025	\$ 233
2026	179
2027	219
2028	1,052
2029	28
Thereafter	<u>242</u>
	<u>\$ 1,953</u>

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023
(In thousands)

NOTE 6 - INVESTMENTS

Investments are comprised of the following as of June 30:

	2024	2023
Non-pooled investments:		
Domestic equity	\$ 374,683	\$ 314,036
International and emerging markets equity	97,934	83,143
Private equity/venture capital	22,545	184
Hedged equity/credit	-	4,712
Illiquid credit	868	1,121
Fixed income	40,843	27,345
Money market funds	456,306	489,370
State of Israel bonds	2,164	2,689
Other investments	898	1,014
	<u>996,241</u>	<u>923,614</u>
 Jewish Community Endowment Pool, LLP:		
Domestic equity	169,291	167,039
International and emerging markets equity	347,587	334,064
Private equity/venture capital	177,218	147,385
Hedged equity/credit	688,391	596,131
Illiquid credit	58,786	61,959
Real assets	61,981	61,950
Fixed income	219,486	209,771
Money market funds	11,532	43,530
Other assets*	14,104	28,099
	<u>1,748,376</u>	<u>1,649,928</u>
 Total investments	<u>\$ 2,744,617</u>	<u>\$ 2,573,542</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 increase the real value of the underlying assets.

International and Emerging Markets Equity

International and emerging markets equity investments are allocated to equity securities of companies located in developed, market countries outside the U.S., while Emerging Market equities are allocated to equity securities in non-developed market countries. The purpose of an allocation to international and emerging market equities is to increase the real value of the investment pool, and to provide a level of portfolio diversification.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023
(In thousands)

Private Equity/Venture Capital

Private equity/venture capital investments are primarily equity investments in private companies. These private investments range from early to late stage, high growth companies, to companies in need of restructuring or turnaround. Like other equity investments, the intended purpose is to help increase the real value of the portfolio.

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 public and private equity, fixed income securities, credit instruments, real estate, commodities and precious metals. Hedged equity/credit investments typically seek to provide equity-like returns with lower volatility and lower correlations to equity markets than long only equity investments. Some managers also make illiquid investments, which may be held in side-pockets. Hedged Equity/Credit investments 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 is to provide liquid capital for future investment or to meet 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, 2024 and 2023
(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:

	2024			2023		
	CJP	JCEP Minority Partners	Total	CJP	JCEP Minority Partners	Total
Interest and dividend income earned	\$ 43,443	\$ 3,415	\$ 46,858	\$ 36,206	\$ 3,750	\$ 39,956
Realized and unrealized investment gains (losses), net	216,488	56,118	272,606	158,235	40,219	198,454
Total investment return	259,931	59,533	319,464	194,441	43,969	238,410
Less: investment expenses	(8,926)	(3,524)	(12,450)	(8,973)	(3,409)	(12,382)
Total investment return, net	<u>\$ 251,005</u>	<u>\$ 56,009</u>	<u>\$ 307,014</u>	<u>\$ 185,468</u>	<u>\$ 40,560</u>	<u>\$ 226,028</u>

NOTE 7 - 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 is not included in the valuation hierarchy.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023
(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, 2024 and 2023 as follows:

	2024	2023
Non-pooled investments:		
Investments in Level 1 marketable securities:		
Domestic equity	\$ 374,681	\$ 314,034
International and emerging markets equity	97,934	83,143
Hedged equity/credit	-	4,712
Fixed income	32,935	24,336
Money market funds	456,307	489,370
Other assets	847	683
	<hr/>	<hr/>
	962,704	916,278
	<hr/>	<hr/>
Investments in alternative investment funds:		
Domestic equity	2	2
Private equity/venture capital	22,545	184
Illiquid credit	868	1,121
Fixed income	7,908	3,009
Other assets	50	331
	<hr/>	<hr/>
	31,373	4,647
	<hr/>	<hr/>
Total non-pooled	\$ 994,077	\$ 920,925

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2024 and 2023
(In thousands)**

	2024	2023
Jewish Community Endowment Pool:		
Investments in Level 1 marketable securities:		
Domestic equity	\$ 50,870	\$ 47,086
Fixed income	219,486	209,771
Money market funds	11,532	43,530
Total investments in Level 1 marketable securities	281,888	300,387
Investments in alternative investment funds:		
Domestic equity	118,421	119,953
International and emerging markets equity	347,587	334,064
Private equity/venture capital	177,218	147,385
Hedged equity/credit	688,391	596,131
Illiquid credit	58,786	61,959
Real assets	61,981	61,950
Total investments in alternative investment funds	1,452,384	1,321,442
Total Jewish Community Endowment Pool, LLP	1,734,272	1,621,829
Investments at fair value	\$ 2,728,349	\$ 2,542,754
Investments not measured at fair value		
Receivables for investments sold	\$ 14,104	\$ 28,099
Israel bonds	2,164	2,689
Total investments	\$ 2,744,617	\$ 2,573,542

The table below presents additional information regarding investments whose fair value is estimated using the practical expedient of reported NAV as of June 30, 2024. 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	\$ -	\$ 118,423	(1)	\$ 78,889	\$ 9,733	\$ 29,801
International and emerging markets equity	-	347,587	(2)	335,668	5,959	5,960
Private equity/venture capital	82,013	199,763	(3)	-	-	199,763
Hedged equity/credit	-	688,391	(4)	227,204	230,309	230,878
Illiquid credit	-	59,654	(5)	-	-	59,654
Real assets	6,206	61,981	(6)	-	-	61,981
Fixed income	-	7,908	(7)	-	-	7,908
Other assets	-	50	(8)	-	-	50
Total	\$ 88,219	\$ 1,483,757		\$ 641,761	\$ 246,001	\$ 595,995

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2024 and 2023
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- (1) Includes investments in limited partnerships that invest in domestic equities, with various withdrawal dates as follows: For amounts less than 30 days: \$78,889 quarterly liquidation periods on the last day of the quarter with proper notice of 60 days. For the amounts greater than 30 days: \$9,733 is locked up until December 31, 2023. For amounts greater than a year: \$29,801 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: \$282,383 may be redeemed within 10 days. \$65,204 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 artwork donated and held for the benefit of a Donor Advised Fund.

NOTE 8 - PROPERTY AND EQUIPMENT, NET

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

	2024	2023
Land	\$ 2,358	\$ 2,358
Buildings and improvements	34,181	33,761
New England Holocaust Memorial	5,857	5,857
Furniture and fixtures	1,608	1,631
Computers and equipment	653	892
Capital leases	-	222
Construction in progress	372	53
Total	45,029	44,774
Accumulated depreciation and amortization	(19,633)	(18,594)
Property and equipment, net	\$ 25,396	\$ 26,180

Depreciation and amortization expense for the years ended June 30, 2024 and 2023 was \$1,648 and \$1,694, respectively.

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023
(In thousands)

NOTE 9 - 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:

	<u>2024</u>	<u>2023</u>
Planned/deferred gift liabilities	\$ 2,839	\$ 2,878
The Myra and Robert Kraft Passport to Israel Program	1,383	1,348
Funds held for other organizations	<u>27,214</u>	<u>24,578</u>
Obligations for funds managed for others	<u>\$ 31,436</u>	<u>\$ 28,804</u>

NOTE 10 - DEBT

Line of Credit

CJP has a demand line of credit agreement with a commercial bank for credit up to \$20,000, which expires in February 2025. The agreement provides that any borrowings are due on or before the expiration date of the agreement and bore interest at LIBOR plus 0.60% through November 14, 2022. Beginning November 15, 2022, borrowings bear interest at the SOFR rate plus 0.11%. There were no outstanding borrowings under the agreement at June 30, 2024 and 2023.

NOTE 11 - NET ASSETS WITH AND WITHOUT RESTRICTIONS

At June 30, net assets are comprised of:

<u>As of 2024:</u>	<u>Net Assets Without Restrictions</u>	<u>Net Assets With Restrictions</u>	<u>Total</u>
Operations and reserves	\$ 140,460	\$ -	\$ 140,460
Donor Advised Funds	1,929,561	-	1,929,561
Funds to support subsequent years' activities	-	12,858	12,858
Funds for donor-restricted initiatives	-	30,542	30,542
Unspent appreciation of endowment funds	-	71,469	71,469
Historical gift value of endowment funds	-	102,170	102,170
	<u>\$ 2,070,021</u>	<u>\$ 217,039</u>	<u>\$ 2,287,060</u>

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2024 and 2023
(In thousands)**

<u>As of 2023:</u>	Net Assets Without Restrictions	Net Assets With Restrictions	Total
Operations and reserves	\$ 112,869	\$ -	\$ 112,869
Donor Advised Funds	1,841,330	-	1,841,330
Funds to support subsequent years' activities	-	10,414	10,414
Funds for donor-restricted initiatives	-	14,000	14,000
Unspent appreciation of endowment funds	-	45,976	45,976
Historical gift value of endowment funds	-	99,368	99,368
	<u>\$ 1,954,199</u>	<u>\$ 169,758</u>	<u>\$ 2,123,957</u>

A portion of the 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:

	<u>2024</u>	<u>2023</u>
Releases of net assets due to the passage of time	\$ 5,714	\$ 5,012
Releases of net assets restricted by performance:		
Endowment grants, bequests, and expenses	2,970	11,277
Designated programs	3,340	8,388
	<u>\$ 12,024</u>	<u>\$ 24,677</u>
Net assets released from restrictions	<u>\$ 12,024</u>	<u>\$ 24,677</u>

NOTE 12 - ENDOWMENT FUNDS

CJP's endowment funds consist of 233 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, 2024 and 2023
(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

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023
(In thousands)

corpus of 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, 2024 and 2023:

	Net Assets Without Restrictions	Net Assets With Restrictions	Total
Balance, June 30, 2022	\$ 63,315	\$ 129,360	\$ 192,675
Investment loss, net	(130)	179	49
Net realized and unrealized investment losses, net	4,626	13,327	17,953
Total investment return	4,496	13,506	18,002
Appropriations for expenditure	(5,023)	(6,016)	(11,039)
Contributions and other additions	2,828	8,496	11,324
Balance, June 30, 2023	65,616	145,346	210,962
Investment (loss)/gain, net	(80)	30	(50)
Net realized and unrealized investment gains, net	8,417	18,430	26,757
Total investment return	8,337	18,370	26,707
Appropriations for expenditure	64	(3,502)	(3,438)
Contributions and other additions	651	3,306	3,957
Balance, June 30, 2024	\$ 74,668	\$ 163,520	\$ 238,188

Endowment net asset composition by type of fund as of June 30, 2024 is as follows:

	Without Restrictions	With Restrictions	Total
Donor-restricted	\$ -	\$ 163,520	\$ 163,520
Board-designated	74,668	-	74,668
Total endowment funds	\$ 74,668	\$ 163,520	\$ 238,188

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2024 and 2023
(In thousands)**

Endowment net asset composition by type of fund as of June 30, 2023 is as follows:

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Total</u>
Donor-restricted	\$ -	\$ 145,346	\$ 145,346
Board-designated	65,616	-	65,616
	<u>\$ 65,616</u>	<u>\$ 145,346</u>	<u>\$ 210,962</u>
Total endowment funds			

NOTE 13 - LIQUIDITY AND AVAILABILITY OF RESOURCES

CJP's financial assets available within one year for general expenditures as of June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Operations and board-restricted endowments:		
Cash and cash equivalents	\$ 13,355	\$ 5,696
Contributions receivable	13,039	13,813
Notes receivable	233	223
Investments	31,867	34,285
Other assets	1,793	2,220
	<u>60,287</u>	<u>56,237</u>
Line of credit:		
Line of credit	20,000	20,000
Less: balance owed	<u>-</u>	<u>-</u>
	<u>20,000</u>	<u>20,000</u>
Total available within a year	<u>\$ 80,287</u>	<u>\$ 76,237</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 manage unanticipated liquidity needs, CJP has a committed line of credit in the amount of \$20,000. The balance owed on the Line of credit was \$0 on June 30, 2024 and 2023.

As described in Note 12 - 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, 2024 and 2023
(In thousands)

Included in CJP's net assets without restrictions are Donor Advised Funds ("DAF") amounting to \$1,929,661 and \$1,841,330 as of June 30, 2024 and 2023, 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 in 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 14 - ISRAEL EMERGENCY FUND CAMPAIGN

On October 7, 2023, Israel was attacked by Hamas terrorists from Gaza in one of the deadliest in Israel's history. In alignment with its mission, CJP launched the Israel Emergency Fund fundraising campaign which has raised a significant amount of money. CJP distributed \$30,810 in grants during FY24 and plans to distribute the remainder of the funds in FY25. As the crisis in Israel continues, the potential impact on CJP's other fundraising, grantmaking, and operational activities is not known at this time.

SUPPLEMENTAL CONSOLIDATING SCHEDULES

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION BY FUNCTIONAL AREA

June 30, 2024
(In thousands)

	CJP Operations	Endowment and Reserves	Donor Advised Funds	JCEP Partners and Funds Managed for Others	Total
ASSETS					
Cash and cash equivalents	\$ 13,355	\$ -	\$ -	\$ -	\$ 13,355
Contributions receivable, net	25,390	-	-	-	25,390
Gifts and bequests receivable, net	-	149	-	-	149
Notes receivables, net	1,837	-	-	-	1,837
Investments	46,440	247,927	1,929,561	520,689	2,744,617
Property and equipment, net	25,396	-	-	-	25,396
Other assets	1,793	909	100	-	2,802
	<u>114,211</u>	<u>248,985</u>	<u>1,929,661</u>	<u>520,689</u>	<u>2,813,546</u>
Total assets	<u>\$ 114,211</u>	<u>\$ 248,985</u>	<u>\$ 1,929,661</u>	<u>\$ 520,689</u>	<u>\$ 2,813,546</u>
LIABILITIES AND NET ASSETS					
Liabilities					
Grants payable	\$ 2,529	\$ -	\$ -	\$ -	\$ 2,529
Accounts payable and accrued expenses	3,563	-	-	-	3,563
Obligations for funds managed for others	-	-	-	31,436	31,436
Other liabilities	1,354	-	-	-	1,354
	<u>7,446</u>	<u>-</u>	<u>-</u>	<u>31,436</u>	<u>38,882</u>
Total liabilities	<u>7,446</u>	<u>-</u>	<u>-</u>	<u>31,436</u>	<u>38,882</u>
Minority interest in JCEP	-	-	-	487,604	487,604
Net assets					
Without restrictions	53,063	163,666	-	310	217,039
With restrictions	53,702	85,319	1,929,661	1,339	2,070,021
	<u>106,765</u>	<u>248,985</u>	<u>1,929,661</u>	<u>1,649</u>	<u>2,287,060</u>
Total net assets	<u>106,765</u>	<u>248,985</u>	<u>1,929,661</u>	<u>1,649</u>	<u>2,287,060</u>
Total liabilities and net assets	<u>\$ 114,211</u>	<u>\$ 248,985</u>	<u>\$ 1,929,661</u>	<u>\$ 520,689</u>	<u>\$ 2,813,546</u>

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

CONSOLIDATING SCHEDULE OF ACTIVITIES BY FUNCTIONAL AREA

For the year ended June 30, 2024
(In thousands)

	CJP Operations	Endowment and Reserves	Donor Advised Funds	JCEP Partners and Funds Managed for Other	Total
Support and revenue					
Campaign pledges, net	\$ 49,840	\$ (798)	\$ -	\$ -	\$ 49,042
Israel Emergency Fund, net	55,997	-	-	-	55,997
Gifts and bequests	-	3,617	143,797	-	147,414
Change in split-interest agreements	-	-	-	254	254
Grants and other allocations	97	-	-	-	97
Other revenue	363	-	-	-	363
Contributions of nonfinancial assets	29	-	3	-	32
Total support	106,326	2,819	143,800	254	253,199
Investment return, net	5,764	27,723	217,518	56,009	307,014
Rental income	428	-	-	-	428
Event revenue	585	-	-	-	585
Administrative service fees	1,654	3	(1,642)	-	15
Transfer between funds based on change in donors' intent	(553)	(1,282)	1,835	-	-
Total revenue	7,878	26,444	217,711	56,009	308,042
Total support and revenue	114,204	29,263	361,511	56,263	561,241
Expenditures					
Program grants and distributions					
Program grants	34,152	1,849	-	-	36,001
Programmatic expenditures	14,286	-	-	-	14,286
Donor Advised Fund grants	-	-	273,180	-	273,180
Total program allocations and distributions	48,438	1,849	273,180	-	323,467
Management and general	5,534	-	-	-	5,534
Fundraising	13,128	-	-	-	13,128
Total management, general, and fundraising expenditures	18,662	-	-	-	18,662
Total expenditures	67,100	1,849	273,180	-	342,129
Minority interest in investment (earnings) losses of JCEP	-	-	-	(56,009)	(56,009)
CHANGE IN NET ASSETS	47,104	27,414	88,331	254	163,103
Net assets at beginning of year	59,661	221,571	1,841,330	1,395	2,123,957
Net assets at end of year	\$ 106,765	\$ 248,985	\$ 1,929,661	\$ 1,649	\$ 2,287,060

Combined Jewish Philanthropies of Greater Boston, Inc. and Affiliates

NOTES TO SUPPLEMENTAL SCHEDULES

June 30, 2024 and 2023
(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.