

**THE ASSOCIATED: JEWISH COMMUNITY
FEDERATION OF BALTIMORE, INC.,
ASSOCIATED JEWISH CHARITIES OF BALTIMORE,
JEWISH COMMUNITY INVESTMENT FUND,
AND SUPPORT FOUNDATIONS
(THE ASSOCIATED)**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2021 AND 2020



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INDEPENDENT AUDITORS' REPORT

Board of Governors
The Associated: Jewish Community Federation of Baltimore, Inc.,
Associated Jewish Charities of Baltimore,
Jewish Community Investment Fund, and
Support Foundations
Baltimore, Maryland

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of The Associated: Jewish Community Federation of Baltimore, Inc., Associated Jewish Charities of Baltimore, Jewish Community Investment Fund, and Support Foundations (collectively referred to as The Associated), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Board of Governors
The Associated: Jewish Community Federation of Baltimore, Inc.,
Associated Jewish Charities of Baltimore,
Jewish Community Investment Fund, and
Support Foundations

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Associated as of June 30, 2021 and 2020, and the 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the 2021 and 2020 consolidated financial statements as a whole. The 2021 supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



CliftonLarsonAllen LLP

Baltimore, Maryland
November 12, 2021

**THE ASSOCIATED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
ASSETS				
	<i>(In Thousands)</i>			
Cash and Cash Equivalents	\$ 9,389	\$ 546	\$ 9,935	\$ 819
Promises to Give:				
Annual Campaign, Net	-	15,713	15,713	22,872
Capital Campaign, Net	-	3,319	3,319	4,252
Centennial Campaign, Net	-	12,789	12,789	17,810
Other Campaigns, Net	-	604	604	2,804
Notes and Other Receivables	1,686	423	2,109	2,546
Other Assets	2,906	2,538	5,444	5,226
Due (to) from Other Funds	(17,873)	17,873	-	-
Total	(3,892)	53,805	49,913	56,329
INVESTMENTS				
Investment in Jewish Community Investment Fund	773,217	98,427	871,644	610,342
Funds on Behalf of Others	(354,507)	-	(354,507)	(253,706)
Equity in Jewish Community Investment Fund	418,710	98,427	517,137	356,636
Short-Term Fund	187	-	187	-
Other Investments	141,080	1,601	142,681	117,942
Funds Held in Irrevocable Trusts	-	13,180	13,180	10,820
Total Investments	559,977	113,208	673,185	485,398
PROPERTY AND EQUIPMENT, NET	43,562	-	43,562	47,034
Total Assets	\$ 599,647	\$ 167,013	\$ 766,660	\$ 588,761
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts Payable - Trade	\$ 3,845	\$ -	\$ 3,845	\$ 3,775
Accounts Payable - Agencies	1,336	-	1,336	835
Loans Payable	5,050	-	5,050	7,062
PPP Loan	-	-	-	2,430
Bonds Payable, Net	8,294	-	8,294	9,150
Other Liabilities	3,190	4,849	8,039	6,401
Total Liabilities	21,715	4,849	26,564	29,653
NET ASSETS	577,932	162,164	740,096	559,108
Total Liabilities and Net Assets	\$ 599,647	\$ 167,013	\$ 766,660	\$ 588,761

See accompanying Notes to Consolidated Financial Statements.

**THE ASSOCIATED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	2020 Total
ASSETS			
		<i>(In Thousands)</i>	
Cash and Cash Equivalents	\$ 1,040	\$ (221)	\$ 819
Promises to Give:			
Annual Campaign, Net	-	22,872	22,872
Capital Campaign, Net	-	4,252	4,252
Centennial Campaign, Net	-	17,810	17,810
Other Campaigns, Net	-	2,804	2,804
Notes and Other Receivables	2,313	233	2,546
Other Assets	2,687	2,539	5,226
Due (to) from Other Funds	(14,360)	14,360	-
Total	(8,320)	64,649	56,329
INVESTMENTS			
Investment in Jewish Community Investment Fund	541,619	68,723	610,342
Funds on Behalf of Others	(253,706)	-	(253,706)
Equity in Jewish Community Investment Fund	287,913	68,723	356,636
Other Investments	116,394	1,548	117,942
Funds Held in Irrevocable Trusts	-	10,820	10,820
Total Investments	404,307	81,091	485,398
PROPERTY AND EQUIPMENT, NET			
	47,034	-	47,034
Total Assets	\$ 443,021	\$ 145,740	\$ 588,761
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts Payable - Trade	\$ 3,775	\$ -	\$ 3,775
Accounts Payable - Agencies	835	-	835
Loans Payable	7,062	-	7,062
PPP Loan	2,430	-	2,430
Bonds Payable, Net	9,150	-	9,150
Other Liabilities	1,954	4,447	6,401
Total Liabilities	25,206	4,447	29,653
NET ASSETS			
	417,815	141,293	559,108
Total Liabilities and Net Assets	\$ 443,021	\$ 145,740	\$ 588,761

See accompanying Notes to Consolidated Financial Statements.

**THE ASSOCIATED
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
SUPPORT AND REVENUE	<i>(In Thousands)</i>			
Campaign Promises to Give	\$ -	\$ 12,152	\$ 12,152	\$ 21,735
Supplemental Operating Gifts	2,132	1,611	3,743	4,582
Legacies and Gifts	64,591	4,551	69,142	53,417
Funds and Foundations Revenue	1,018	-	1,018	357
Investment Administration Fees	255	-	255	840
Agency Infrastructure Cost Share	2,967	-	2,967	3,502
Rent Infrastructure Income	1,898	-	1,898	1,851
Program and Other	513	108	621	1,874
Net Assets Released from Restrictions	24,733	(24,733)	-	-
Total Support and Revenue	<u>98,107</u>	<u>(6,311)</u>	<u>91,796</u>	<u>88,158</u>
EXPENSES AND LOSSES				
Program Services	78,750	-	78,750	83,340
General and Administrative	1,562	-	1,562	1,819
Fundraising	5,498	-	5,498	6,915
Total Expenses and Losses	<u>85,810</u>	<u>-</u>	<u>85,810</u>	<u>92,074</u>
CHANGE IN NET ASSETS FROM OPERATIONS	12,297	(6,311)	5,986	(3,916)
NONOPERATING INCOME (EXPENSE)				
Net Appreciation in Fair Value of Investments	140,665	26,934	167,599	6,273
Loss on Interest Rate Swap Contracts	-	-	-	(275)
Interest Expense	(130)	-	(130)	(613)
Gain on Sale of Property	6,394	-	6,394	1,598
Other Nonoperating Revenue	(1,537)	246	(1,291)	(239)
PPP Loan Forgiveness	2,430	-	2,430	-
Transfers	(2)	2	-	-
Total Nonoperating Income (Expense), Net	<u>147,820</u>	<u>27,182</u>	<u>175,002</u>	<u>6,744</u>
CHANGE IN NET ASSETS	160,117	20,871	180,988	2,828
Net Assets - Beginning of Year	<u>417,815</u>	<u>141,293</u>	<u>559,108</u>	<u>556,280</u>
NET ASSETS - END OF YEAR	<u>\$ 577,932</u>	<u>\$ 162,164</u>	<u>\$ 740,096</u>	<u>\$ 559,108</u>

See accompanying Notes to Consolidated Financial Statements.

**THE ASSOCIATED
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	2020 Total
SUPPORT AND REVENUE		<i>(In Thousands)</i>	
Campaign Promises to Give	\$ -	\$ 21,735	\$ 21,735
Supplemental Operating Gifts	2,402	2,180	4,582
Legacies and Gifts	37,837	15,580	53,417
Funds and Foundations Revenue	357	-	357
Investment Administration Fees	840	-	840
Agency Infrastructure Cost Share	3,502	-	3,502
Rent Infrastructure Income	1,851	-	1,851
Program and Other	851	1,023	1,874
Net Assets Released from Restrictions	34,792	(34,792)	-
Total Support and Revenue	<u>82,432</u>	<u>5,726</u>	<u>88,158</u>
EXPENSES AND LOSSES			
Program Services	83,340	-	83,340
General and Administrative	1,819	-	1,819
Fundraising	6,915	-	6,915
Total Expenses and Losses	<u>92,074</u>	<u>-</u>	<u>92,074</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(9,642)	5,726	(3,916)
NONOPERATING INCOME (EXPENSE)			
Net Appreciation in Fair Value of Investments	9,157	(2,884)	6,273
Loss on Interest Rate Swap Contracts	(275)	-	(275)
Interest Expense	(613)	-	(613)
Gain on Sale of Property	1,598	-	1,598
Other Nonoperating Revenue	(264)	25	(239)
Transfers	(961)	961	-
Total Nonoperating Income (Expense), Net	<u>8,642</u>	<u>(1,898)</u>	<u>6,744</u>
CHANGE IN NET ASSETS	(1,000)	3,828	2,828
Net Assets - Beginning of Year, As Previously Reported	218,175	141,764	359,939
Prior Period Adjustment	<u>200,640</u>	<u>(4,299)</u>	<u>196,341</u>
Net Assets - Beginning of Year, As Restated	<u>418,815</u>	<u>137,465</u>	<u>556,280</u>
NET ASSETS - END OF YEAR	<u>\$ 417,815</u>	<u>\$ 141,293</u>	<u>\$ 559,108</u>

See accompanying Notes to Consolidated Financial Statements.

**THE ASSOCIATED
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021**

	Program Services	General and Administrative	Fundraising	2021 Total
OPERATING EXPENSES	<i>(In Thousands)</i>			
Grants and Distributions	\$ 61,281	\$ -	\$ -	\$ 61,281
Compensation	9,267	897	2,728	12,892
Staff Related	421	41	124	586
Professional Fees	19	380	98	497
Advertising and Marketing	340	-	146	486
Missions and Campaign Events	-	-	177	177
Program Events	1,227	-	-	1,227
Building and Other Operations	1,940	188	571	2,699
Depreciation	2,703	-	-	2,703
Security	536	52	158	746
Operating Interest Expense	39	4	11	54
Bad Debt	-	-	1,485	1,485
Investment Consulting Fees	977	-	-	977
	<u>\$ 78,750</u>	<u>\$ 1,562</u>	<u>\$ 5,498</u>	<u>\$ 85,810</u>
Total Operating Expenses	<u>\$ 78,750</u>	<u>\$ 1,562</u>	<u>\$ 5,498</u>	<u>\$ 85,810</u>

See accompanying Notes to Consolidated Financial Statements.

**THE ASSOCIATED
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020**

	Program Services	General and Administrative	Fundraising	2020 Total
OPERATING EXPENSES	<i>(In Thousands)</i>			
Grants and Distributions	\$ 65,518	\$ -	\$ -	\$ 65,518
Compensation	9,931	970	2,954	13,855
Staff Related	618	50	152	820
Professional Fees	155	342	21	518
Advertising and Marketing	409	-	176	585
Missions and Campaign Events	-	-	1,022	1,022
Program Events	1,459	-	-	1,459
Building and Other Operations	1,053	389	1,182	2,624
Depreciation	2,931	-	-	2,931
Security	553	55	167	775
Operating Interest Expense	128	13	38	179
Bad Debt	-	-	1,203	1,203
Investment Consulting Fees	585	-	-	585
	<u>\$ 83,340</u>	<u>\$ 1,819</u>	<u>\$ 6,915</u>	<u>\$ 92,074</u>
Total Operating Expenses	<u>\$ 83,340</u>	<u>\$ 1,819</u>	<u>\$ 6,915</u>	<u>\$ 92,074</u>

See accompanying Notes to Consolidated Financial Statements.

**THE ASSOCIATED
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
	<i>(In Thousands)</i>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 180,988	\$ 2,828
Adjustments to Reconcile Change in Net assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	2,703	2,931
Realized/unrealized Gain on Operating Investments	(167,599)	(6,273)
Gain on Sale of Property and Equipment	(6,394)	(1,599)
Gain on Interest Rate Swap Agreement	-	275
(Gain) Loss on Debt Forgiveness	(2,430)	-
Change in Beneficial Interests in Assets Held by Others	(2,360)	1,398
(Increase) Decrease in Assets:		
Accounts Receivable, net	437	358
Promises to Give, net	15,315	(2,624)
Prepaid Expenses and Other Assets	(215)	1,236
Increase (Decrease) in Liabilities:		
Accounts Payable	572	888
Other Liabilities	1,581	(1,051)
Net Cash (Provided) Used by Operating Activities	22,598	(1,633)
CASH FLOWS FROM INVESTING ACTIVITIES		
Distributions from Jewish Community Investment Fund	110,626	33,193
Additions to Jewish Community Investment Fund	(103,528)	(26,947)
Additions to Short-Term Fund	(187)	-
Change in Other investments	(24,745)	573
Purchases of Property and Equipment	(609)	(996)
Proceeds from Sale of Real Estate	7,772	-
Net Cash Provided (Used) by Investing Activities	(10,671)	5,823
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Interest Rate Swap Agreements	-	(1,577)
Payments to Beneficiaries of Split-Interest Agreements	(537)	(463)
Proceeds from Establishment of Split-Interest Agreements	594	-
Net Borrowings (Repayments) Under Line of Credit	(2,012)	(3,748)
Proceeds from Issuance of Bonds and Notes	-	2,430
Principal Payments on Bonds Payable	(856)	(821)
Net Cash Used by Financing Activities	(2,811)	(4,179)
NET CHANGE IN CASH AND CASH EQUIVALENTS	9,116	11
Cash and Cash Equivalents- Beginning of Year	819	808
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 9,935	\$ 819
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ 184	\$ 791

See accompanying Notes to Consolidated Financial Statements.

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Associated: Jewish Community Federation of Baltimore, Inc. (Federation), Associated Jewish Charities of Baltimore (AJCB), Jewish Community Investment Fund (JCIF), and Supporting Foundations (collectively referred to as The Associated) care for the members of the Jewish community in Baltimore, Israel and around the world. The Associated operates in Baltimore, Maryland.

JCIF, formed as a business trust, is organized and is operated exclusively for the commingled investment and reinvestment of assets of the general endowment or other funds of one or more charitable organizations, each of which is exempt from taxation under Section 501(a) of the Internal Revenue Code of 1986.

Supporting Foundations of The Associated are separate legal entities controlled by The Associated and formed to support The Associated. Distributions from these funds are determined by the board of directors of the respective foundation.

Basis of Accounting

The accompanying consolidated financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred. All amounts hereinafter are in thousands.

Principles of Consolidation

The consolidated financial statements include the accounts of The Associated, but do not include the accounts of the constituent agencies of The Associated or of other unrelated organizations investing in the JCIF. Significant intercompany amounts have been eliminated in consolidation.

Operating Measure

All income and expense items related to the ongoing activities of The Associated in carrying out its mission are netted and shown as change in net assets from operations. Nonoperating income and expense items relates to investment and capital financing activities that are subject to external factors and/or items that are infrequent and unusual in nature.

Net Asset Classification

The consolidated financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) regarding financial statements of nonprofit organizations. Under these requirements, The Associated is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classification (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The components of net assets by entity are as follows at June 30:

<u>June 30, 2021</u>	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
		<i>(In Thousands)</i>	
Net Assets (Deficit):			
The Associated: Jewish Community Federation of Baltimore, Inc.	\$ (12,052)	\$ 41,608	\$ 29,556
Associated Jewish Charities of Baltimore	62,276	22,129	84,405
Jewish Community Investment Fund	273,966	98,427	372,393
Support Foundations	253,742	-	253,742
Total Net Assets	<u>\$ 577,932</u>	<u>\$ 162,164</u>	<u>\$ 740,096</u>
 <u>June 30, 2020</u>			
Net Assets (Deficit):			
The Associated: Jewish Community Federation of Baltimore, Inc.	\$ (14,000)	\$ 49,714	\$ 35,714
Associated Jewish Charities of Baltimore	59,822	22,856	82,678
Jewish Community Investment Fund	174,307	68,723	243,030
Support Foundations	197,686	-	197,686
Total Net Assets	<u>\$ 417,815</u>	<u>\$ 141,293</u>	<u>\$ 559,108</u>

Cash and Cash Equivalents

The Associated considers certain investments with an original maturity of three months or less to be cash equivalents. Unrestricted cash includes an unemployment escrow account for which the minimum balance is regulated by the State of Maryland Department of Labor, Licensing, and Regulation. The balance in this account at June 30, 2021 and 2020 was \$430 and \$459, respectively.

Credit Risk

The Associated has depository operations with various brokers. In the event this counterparty does not fulfill its obligations, The Associated may be exposed to risk. This risk of default depends on the creditworthiness of the counterparty. The Associated attempts to minimize this credit risk by monitoring the creditworthiness of the clearing broker.

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

The Associated records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in revenue in the consolidated statements of activities.

The Associated uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific receivables.

Other Assets

Other assets represent various prepaid expenses and life insurance policies.

Investments

Investments are reflected at fair value. To adjust the carrying value of these investments, the change in fair value is reflected on the consolidated statements of activities.

Equity in Jewish Community Investment Fund

The Associated and its constituent agencies have commingled their investments in a fund known as the JCIF which is managed by the AJCB. Investments of the JCIF, other than limited partnership interests, are under custodial agreements with a financial institution. Gains and losses on sales of investments and income earned on investments are allocated monthly to each agency or entity based on the individual agency's or entity's share of fair value to the fair value of the total JCIF.

Assets held in the JCIF from nonprofit organizations like constituent agencies, Jewish day schools, synagogues and other organizations are liabilities to the JCIF and are reflected as contra-assets on the consolidated statements of financial position. Total assets held in the JCIF were \$851,644 and \$610,342, respectively, as of June 30, 2021 and 2020. The liabilities associated with these funds held on behalf of others were \$354,507 and \$253,706 as of June 30, 2021 and 2020, respectively.

The JCIF held interests in 47 and 46 limited partnerships at June 30, 2021 and 2020, respectively. The majority of the limited partnerships are audited at December 31 of each year, with others audited at June 30 of each year. For the limited partnerships audited at December 31, interim valuations are prepared at June 30 of each year. The partnerships invest in a wide array of investment vehicles including common stock, restricted investments, bonds, futures contracts, foreign currency contracts, reverse repurchase agreements, written options and other investment derivatives. Certain of these investment vehicles include an inherently higher degree of risk than others. The Investment Management Committees of AJCB regularly review the progress and valuation of these interests.

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity in Jewish Community Investment Fund (Continued)

Note 3 contains information on the composition and fair value measurements of the JCIF investments.

Investment Risk

The Associated invests in a professionally managed portfolio that contains common shares and bonds of publicly traded and privately-owned companies, U.S. Government obligations, mutual funds, private equity funds, hedge funds, limited partnerships and money market funds. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the schedules.

Market risk arises primarily from changes in market value of financial instruments. Theoretically, The Associated's exposure is equal to the value of the investments purchased. Exposure to market risk is influenced by a number of factors, including the relationship between financial instruments, and the volatility and liquidity in the markets in which the financial instruments are traded. The Associated attempts to control its exposure to market risk through various analytically monitoring techniques.

Charitable Gift Annuities

Under charitable gift annuity contracts, The Associated receives immediate and unrestricted title to contributed assets and agree to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the annuity liability is recorded as a contribution without donor restrictions. In subsequent years, the liability for future payments to the donor is reduced by payments made to the donor and is adjusted to reflect changes in the fair value of the liability at the end of the year. Upon termination of the annuity contract, the remaining liability is removed and recognized as income. The Associated records the present value of the remainder interest discounted at a rate of 1.2 % and 2.8% for 2021 and 2020, respectively.

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Charitable Trusts

The Associated acts as trustee for various irrevocable trusts. These trusts are governed by the respective trust agreements, which generally provide for either an income stream or a future distribution of cash or other assets to us, in whole or in part, for a specified period or upon the occurrence of a specific event, respectively. The trust assets are recorded at fair value, and a related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the trust liability is recorded as a contribution with donor restrictions until such amount is received via trust distribution or is expended in satisfaction of the donor-restricted purpose stipulated by the trust agreement, or both, if any. At that time, net assets with donor-imposed time or purpose restrictions are released to net assets without restrictions, and net assets with donor restrictions that are perpetual in nature are transferred to the endowment. In subsequent years, the liability for future trust payments to the donor is reduced by payments made to the donor and is adjusted to reflect changes in the fair value of the liability at the end of the year. Upon termination of the trust, the remaining liability is removed and recognized as income.

Property and Equipment

Property and equipment additions over \$10,000 at cost, or if donated, at fair value on the date of donation are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. For buildings and improvements, the estimated useful life is 5 to 50 years, and for equipment and furniture, the estimated useful life is 3 to 20 years. When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any resulting gain or loss is included in the consolidated statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Valuation of Long-Lived Assets

The Associated reviews the valuation of long-lived assets and certain identifiable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Use of Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

The Federation, AJCB, and Supporting Foundations are generally exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, the Federation, AJCB and the Supporting Foundations qualify for charitable contributions deductions under Section 170(b)(1)(A) and have been classified as organizations that are not private foundations under Section 509(a)(1). Income, which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes.

JCIF taxable income or loss is reported by the beneficiaries of JCIF individually and, accordingly, no income taxes have been provided for in the consolidated financial statements. JCIF files tax returns, separate from AJCB, as prescribed by the tax laws of the jurisdictions in which it operates.

The Associated follows the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under this guidance, The Associated may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. Management has evaluated The Associated's tax positions and has concluded that The Associated has taken no uncertain tax positions that require disclosure. Generally, The Associated is no longer subject to income tax examinations by the U.S. federal, state or local authorities for years before 2018.

Revenue and Revenue Recognition

Revenue is recognized when earned. Investment administrative fees, infrastructure income and program and other income received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Appropriations

The Associated budgets annual appropriations to most constituent agencies, supported programs and the Jewish Federation of North America. Appropriations were \$28,561 and \$30,293 for the years ended June 30, 2021 and 2020, respectively, and are included in grants and distributions expense on the consolidated statements of functional expenses. Appropriations payable were \$1,336 and \$835 at June 30, 2021 and 2020, respectively, and are included in accounts payable – agencies on the consolidated statements of financial position.

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 activities. Supporting expenses include those expenses that are not directly identifiable with any specific function, but which provide for the overall support and direction of The Associated. The costs of providing various program and supporting activities have been presented on a detailed functional basis in the statements of functional expenses. The statements of functional expenses presents expenses on a full allocation basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, certain costs have been allocated among program and supporting services benefited. All other costs are charged directly to the appropriate program. Expenses that are attributed to more than one program or supporting function are allocated consistently based on the following:

Compensation, staff-related, building and other operations and operating interest expense were allocated based on management's calculation of full-time employee equivalents and management's estimate of time and effort for employees within each department.

Change in Accounting Principle

In August 2018, FASB issued Accounting Standards Update (ASU) 2018-03, *Fair Value Measurement (Topic 810) Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. The FASB board is issuing the amendments in this ASU as part of the disclosure framework project. The disclosure framework project's objective and primary focus are to improve the effectiveness of disclosures in the notes to financial statements by facilitating clear communication of the information required by generally accepted accounting principles (GAAP) that is most important to users of each entity's financial statements. The Associated has implemented ASU 2018-03 and has adjusted the presentation of their consolidated financial statements accordingly. The ASU has been applied use the retrospective approach.

Subsequent Events

The Associated evaluated subsequent events for potential required disclosures through November 12, 2021, which is the date the consolidated financial statements were issued.

Reclassification

Certain 2020 amounts were reclassified to conform to 2021 presentation. This reclassification had no effect on previously stated net assets or change in net assets.

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 LIQUIDITY AND AVAILABILITY

The Associated is supported primarily by donor contributions through their various fundraising campaigns and through investment and endowment generated income. Additionally, The Associated has a line of credit, in which approximately \$16,000 and \$14,025 was still available to be drawn for general use as of June 30, 2021 and 2020, respectively.

The Associated endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The Associated board-designated endowment of \$63,465 and \$44,761 for 2021 and 2020, respectively is subject to an annual spending rate of 5% as described in Note 4. Although The Associated does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of our Board's annual budget approval and appropriation), these amounts could be made available if necessary.

Financial assets available to meet cash needs for general expenditures within one year as of June 30 are as follows:

	2021	2020
	<i>(In Thousands)</i>	
Cash and Cash Equivalents	\$ 9,389	\$ 1,040
Notes and Other Receivables	1,686	2,313
Investment in Jewish Community Investment Fund	773,217	541,619
Other Investments	141,080	116,394
Total Financial Assets	<u>925,372</u>	<u>661,366</u>
Less:		
Board-Designated Endowments	(64,183)	(45,656)
Investments Restricted to Liquidation	(21,353)	(20,276)
Funds Held on Behalf of Others	(354,507)	(253,706)
Donor-Advised Funds	(209,783)	(128,651)
Supporting Foundation Funds	(253,773)	(197,722)
Notes and Other Receivables Payable in More than One Year	(565)	(669)
Add:		
Approved Donor Restricted Endowment Draw	3,442	3,769
Annual Campaign Contributions Receivable for Expenditure	18,069	24,630
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 42,719</u>	<u>\$ 43,085</u>

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 FAIR VALUE MEASUREMENTS

The Associated follows the Financial Accounting Standards Board (FASB) authoritative guidance regarding accounting for fair value measurements. The guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined under the guidance as assumptions that market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy under the guidance are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Listed equities and holdings in mutual funds are the types of investments included in Level 1. Investments in securities traded on a national securities exchange, or reported on the NASDAQ national market, are stated at the last reported sales price on the day of valuation.

Level 2 – Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate loans, less liquid, restricted equity securities and certain real estate, corporate bonds, government obligations and over-the-counter derivatives. A significant adjustment to Level 2 input could result in a reclassification to a Level 3 measurement.

Level 3 – Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation as described below.

In some cases, the inputs used to measure the fair value might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Certain investments previously included within level 3 were reclassified. These reclassifications included funds held in irrevocable trusts that are primarily included as Level 1 investments. The irrevocable trusts were invested in various portfolios and include investments in cash and cash equivalents, equities, and fixed income securities. In addition, real estate investments managed by Regional management, Inc. included equities in privately held corporations which do not have readily determinable fair values and investments in real estate. The equities in privately held corporations were valued at net asset value (NAV) per share as a practical expedient and are not classified in the fair value hierarchy. The real estate investments are valued using a valuation methodology whose significant inputs are observable and have been included as Level 2 investments. For the years ended June 30, 2021 and 2020, there were \$-0- and \$32,379 of transfers out of Level 3 investments and into other levels, respectively. There were \$-0- transfers in of Level 3 investments for the years ended June 30, 2021 and 2020.

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents The Associated's fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30:

<u>June 30, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<i>(In Thousands)</i>			
State of Israel Bonds (Value at Maturity)	\$ -	\$ 7,106	\$ -	\$ 7,106
Domestic Equities	67,873	-	-	67,873
Fixed Income	9,749	-	-	9,749
Other Investments	659	-	3,985	4,644
Real Estate Assets	-	12,962	-	12,962
Other Investments at Fair Value	<u>78,281</u>	<u>20,068</u>	<u>3,985</u>	<u>102,334</u>
Cash and Cash Equivalents				4,646
Alternative Investments Measured at NAV (or Equivalent) (a)				<u>35,888</u>
Total Other Investments				<u>142,868</u>
Funds Held in Irrevocable Trusts				
Equities	9,281	-	-	9,281
Fixed Income	<u>3,190</u>	<u>-</u>	<u>-</u>	<u>3,190</u>
Funds Held in Irrevocable Trusts at Fair Value	12,471	-	-	12,471
Cash and Cash Equivalents				<u>709</u>
Total Funds Held in Irrevocable Trusts				13,180
JCIF at Fair Value:				
Money Market Funds	45,639	-	-	45,639
Mutual Funds:				
Fixed Income	43,967	-	-	43,967
Domestic Growth	56,554	-	-	56,554
Equities:				
Consumer Discretionary	3,492	-	-	3,492
Financial Services	6,251	-	-	6,251
Health Care	1,512	-	-	1,512
Industrials	1,408	-	-	1,408
Information Technology	1,912	-	-	1,912
Communication Services	8,580	-	-	8,580
Fixed Income:				
Corporate	-	21,095	-	21,095
JCIF at Fair Value	<u>169,315</u>	<u>21,095</u>	<u>-</u>	<u>190,410</u>
Alternative Investments Measured at NAV (or Equivalent) (a)				681,234
Less: Fund Held on the Behalf of Others				<u>(354,507)</u>
Total Investment in the JCIF				<u>517,137</u>
Total Investments	<u>\$ 260,067</u>	<u>\$ 41,163</u>	<u>\$ 3,985</u>	<u>\$ 673,185</u>

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

<u>June 30, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<i>(In Thousands)</i>			
State of Israel Bonds (Value at Maturity)	\$ -	\$ 8,193	\$ -	\$ 8,193
Domestic Equities	54,194	-	-	54,194
Fixed Income - Treasury Bonds	6,946	-	-	6,946
Other Investments	1,246	-	901	2,147
Real Estate Assets	-	12,282	-	12,282
Other Investments at Fair Value	<u>62,386</u>	<u>20,475</u>	<u>901</u>	<u>83,762</u>
Cash and Cash Equivalents				5,742
Alternative Investments Measured at NAV (or Equivalent) (a)				<u>28,438</u>
Total Other Investments				<u>117,942</u>
Funds Held in Irrevocable Trusts:				
Equities	9,582	-	-	9,582
Fixed Income	<u>1,092</u>	<u>-</u>	<u>-</u>	<u>1,092</u>
Funds Held in Irrevocable Trusts at Fair Value	10,674	-	-	10,674
Cash and Cash Equivalents				<u>146</u>
Total Funds Held in Irrevocable Trusts				10,820
JCIF at Fair Value:				
Money Market Funds	5,371	-	-	5,371
Mutual Funds:				
Fixed Income	43,769	-	-	43,769
Domestic Growth	40,473	-	-	40,473
Equities:				
Consumer Discretionary	2,637	-	-	2,637
Financial Services	3,770	-	-	3,770
Health Care	868	-	-	868
Industrials	960	-	-	960
Information Technology	1,748	-	-	1,748
Communication Services	5,181	-	-	5,181
Fixed Income:				
Corporate	-	18,623	-	18,623
JCIF at Fair Value	<u>104,777</u>	<u>18,623</u>	<u>-</u>	<u>123,400</u>
Alternative Investments Measured at NAV (or Equivalent) (a)				486,942
Less: Fund Held on the Behalf of Others				<u>(253,706)</u>
Total Investment in the JCIF				<u>356,636</u>
 Total Investments	 <u>\$ 177,837</u>	 <u>\$ 39,098</u>	 <u>\$ 901</u>	 <u>\$ 485,398</u>

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

- (a) The Associated used net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of investments, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statement of financial position.

Investments in certain entities that are measured at fair value using NAV per share as a practical expedient are as follows as of June 30:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<i>(In Thousands)</i>				
<u>June 30, 2021</u>				
Multi-Strategy Hedge Funds (a)	\$ 129,909	\$ -	Monthly - Quarterly	30 - 90 Days
Equity Long/Short Funds (b)	166,196	-	Monthly - Quarterly	30 - 60 Days
Global Opportunity Funds (c)	235,731	-	Monthly - Quarterly	6 - 45 Days
Private Equity and Venture				
Capital Funds (d)	176,074	36,975	None	N/A
Equity in Private Companies (e)	9,212	-	None	N/A
Total	<u>\$ 717,122</u>	<u>\$ 36,975</u>		
<i>(In Thousands)</i>				
<u>June 30, 2020</u>				
Multi-Strategy Hedge Funds (a)	\$ 116,156	\$ -	Monthly - Quarterly	30 - 90 Days
Equity Long/Short Funds (b)	114,742	-	Monthly - Quarterly	30 - 60 Days
Global Opportunity Funds (c)	183,711	-	Monthly - Quarterly	6 - 45 Days
Private Equity and Venture				
Capital Funds (d)	92,167	36,300	None	N/A
Equity in Private Companies (e)	8,604	-	None	N/A
Total	<u>\$ 515,380</u>	<u>\$ 36,300</u>		

- (a) This category includes funds that employ hedging strategies to diversify risk and reduce volatility and may invest in various equity and bond securities to profit from economic, political and government-driven events. The investment objective is to invest in a diversified portfolio in order to achieve above-average returns while seeking to minimize risk.
- (b) This category includes an investment in a fund that invests both long and short in various domestic and international common stocks and commodities futures contracts. Management of the fund has the ability to shift from value to growth strategies, from small to large capitalization stocks, and from a net short position to a net long position. The investment objective is to invest in a diversified portfolio in order to achieve above-average returns while seeking to minimize risk.
- (c) This category includes investments in managers that hold the majority of the funds' investments in global common stocks, debt instruments and diversified currencies. The investment objective is to invest in a diversified global portfolio in order to achieve above-average returns while seeking to minimize risk.

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

- (d) This category includes private equity and venture capital funds. These investments can never be redeemed from the underlying funds. Instead, the nature of the investments in this category is that distributions are received through the liquidation of the underlying assets of the fund. The investment objective is to invest in a diversified portfolio in order to achieve above-average returns in an asset class that is uncorrelated to the equity markets. As of June 30, 2020, it is probable that the investments in this category will be liquidated at an amount different from the NAV of The Associated's ownership interest in partners' capital. The Associated uses the NAV of the underlying partnership investments as reported by the respective partnership investment managers. It is estimated that the majority of the underlying assets of the funds would be liquidated over five to eight years.
- (e) This category includes equity in private companies that are invested in rental real estate properties.

NOTE 4 ENDOWMENTS

The endowment consists of individual funds established by donors to provide annual funding for specific activities and general operations. The endowment also includes certain net assets without donor restrictions that have been designated for endowment by the Board of Governors.

Interpretation of Relevant Law

The Board of Governors of The Associated has interpreted the state of Maryland's enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, The Associated classifies as endowment net assets: (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions, until those amounts are appropriated for expenditure by The Associated in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, The Associated considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of The Associated and the donor-restricted endowment fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of The Associated
- The investment policies of The Associated

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 4 ENDOWMENTS (CONTINUED)

Return Objective and Risk Parameters

The long-term goal of the endowment fund is to achieve appreciation of assets without exposure to undue risk, as defined herein. The portfolio is expected to support desired spending, provide additional growth to cover operating expenses and preserve the purchasing power of the endowment assets over time, net of all fees.

Spending Policy

The current spending policy is calculated upon a 12-quarter trailing average of market value. Unless otherwise directed by a donor, distributions are made in the amount of 5% of the endowment funds.

Endowment Net Asset Composition by Type of Fund

	Without Donor Restriction	With Donor Restrictions	Total
<u>June 30, 2021</u>		<i>(In Thousands)</i>	
Donor-Restricted Endowment Funds	\$ -	\$ 98,427	\$ 98,427
Board-Designated Endowment Funds	64,183	-	64,183
Total	<u>\$ 64,183</u>	<u>\$ 98,427</u>	<u>\$ 162,610</u>
<u>June 30, 2020</u>			
Donor-Restricted Endowment Funds	\$ -	\$ 68,723	\$ 68,723
Board-Designated Endowment Funds	45,656	-	45,656
Total	<u>\$ 45,656</u>	<u>\$ 68,723</u>	<u>\$ 114,379</u>

Changes in Endowment Net Assets

	Without Donor Restriction	With Donor Restrictions	Total
		<i>(In Thousands)</i>	
Endowment Net Assets as of June 30, 2019	\$ 45,496	\$ 66,709	\$ 112,205
Net Investment Income	1,224	1,824	3,048
Contributions	7,895	2,868	10,763
Transfers	(912)	912	-
Appropriation of Endowment Assets for Expenditure	<u>(8,047)</u>	<u>(3,590)</u>	<u>(11,637)</u>
Endowment Net Assets as of June 30, 2020	45,656	68,723	114,379
Net Investment Income	15,707	25,236	40,943
Contributions	11,405	8,365	19,770
Transfers	228	(228)	-
Appropriation of Endowment Assets for Expenditure	<u>(8,813)</u>	<u>(3,669)</u>	<u>(12,482)</u>
Endowment Net Assets as of June 30, 2021	<u>\$ 64,183</u>	<u>\$ 98,427</u>	<u>\$ 162,610</u>

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 4 ENDOWMENTS (CONTINUED)

Changes in Endowment Net Assets (Continued)

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Associated has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2021 and 2020, there were no underwater endowments.

Summary of Funds

A summary of funds in the JCIF are as follows:

	<u>2021</u>	<u>2020</u>
	<i>(In Thousands)</i>	
Without Restriction (a)	\$ 34,334	\$ 20,987
Annual Campaign Endowment Funds (b)	31,795	24,490
Designated Services for Constituent Agencies and Programs (c)	<u>96,481</u>	<u>68,902</u>
Subtotal	162,610	114,379
Donor-Advised Fund (d)	209,783	128,651
Supporting Foundations (e)	<u>144,744</u>	<u>113,606</u>
Total	<u>\$ 517,137</u>	<u>\$ 356,636</u>

- (a) Without restriction, funds are endowment funds gifted to The Associated which are not restricted for use or time by the donor. Distributions from these funds are limited by the Board of Governors to 5% of the average fund balance of the prior 12 quarters as determined each December 31 for the subsequent fiscal year.
- (b) Annual Campaign Endowment (ACE) funds are endowment funds gifted to The Associated which are earmarked for the Annual Campaign. Distributions from these funds are limited to 5% of the average fund balance of the prior 12 quarters as determined each June 30 for the subsequent fiscal year.
- (c) The Designated services for constituent agencies and programs are endowment funds gifted to The Associated which are designated for a field of interest (i.e., to help the elderly), an agency or program. Distributions from these funds are limited to 5% of the average fund balance of the prior 12 quarters as determined each December 31 for the subsequent fiscal year.
- (d) The Associated's Donor-Advised Fund (DAF) program. The assets in the program are owned by The Associated but donors retain the privilege to recommend charitable distributions from the fund to The Associated or other public charities for charitable purposes.
- (e) Supporting Foundations of The Associated are separate legal entities controlled by The Associated and formed to support The Associated. Distributions from these funds are determined by the board of directors of the respective foundation.

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 5 PROMISES TO GIVE

As of June 30, 2021 and 2020, contributors have made unconditional promises to give totaling \$35,771 and \$51,148, respectively, on which management has established an allowance for uncollectible promises to give of \$2,656 and \$2,390, respectively, and a discount on promises to give of \$690 and \$1,018, respectively. Promises to give are classified in the consolidated financial statements on a net basis as follows:

	2021	2020
	<i>(In Thousands)</i>	
Net Assets with Donor Restrictions:		
Annual Campaign	\$ 15,713	\$ 22,872
Capital Campaign	3,319	4,252
Centennial Campaign	12,789	17,810
Other Campaigns	604	2,804
Total	\$ 32,425	\$ 47,738

Unconditional promises to give are estimated to be collected as follows as of June 30:

	Annual and Other Campaigns	Capital Campaign	Centennial Campaign	2021 Total	2020
	<i>(In Thousands)</i>				
Within One Year	\$ 18,069	\$ 843	\$ 3,757	\$ 22,669	\$ 30,912
In One to Five Years	438	2,056	9,183	11,677	19,151
Over Five Years	-	1,025	400	1,425	1,085
Total	\$ 18,507	\$ 3,924	\$ 13,340	\$ 35,771	\$ 51,148

NOTE 6 NOTES AND OTHER RECEIVABLE

The Associated has community loan pools, which lend funds to its constituent agencies and other community organizations in need of financing. These loans are given on a as needed basis, bear interest from 0% to 3% and have various repayment terms. As of June 30, 2021, the balance on these notes was \$681, before reserves of \$95. As of June 30, 2020, the balance on these notes was \$975, before reserves of \$95.

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2021</u>	<u>2020</u>
	<i>(In Thousands)</i>	
Land, Buildings, and Improvements	\$ 89,641	\$ 91,204
Construction in Progress	131	432
Equipment and Furniture	3,119	3,119
Assets Held for Sale	-	1,012
Total	<u>92,891</u>	<u>95,767</u>
Less: Accumulated Depreciation	<u>(49,329)</u>	<u>(48,733)</u>
Property and Equipment, Net	<u>\$ 43,562</u>	<u>\$ 47,034</u>

Substantially all of the property and equipment is leased to constituent agencies of The Associated on an annual basis.

NOTE 8 LOANS AND BONDS PAYABLE

Loans and bonds payable June 30 as of are as follows:

<u>Description</u>	<u>2021</u>	<u>2020</u>
	<i>(In Thousands)</i>	
Colorado Education and Cultural Facilities Authority Revenue Bonds (tax-exempt), interest payable at 67% of the 30-day London Interbank Offered Rate (LIBOR) plus 0.99% (1.06% at June 30, 2021); due 2031; subject to certain financial covenants; secured by a negative pledge on revenue, on all assets and a parity agreement for any new assets pledged.	\$ 8,350	\$ 9,220
Less: Unamortized Debt Issuance Costs	<u>(56)</u>	<u>(70)</u>
Total Bonds Payable	8,294	9,150
\$100 interest free loan payable semi-annual, due December 31, 2023	50	87
Line of credit \$16,000 available; interest payable monthly at one-month LIBOR plus 0.55% (0.62% at June 30, 2021) per annum; due May 24, 2024	-	6,975
Line of credit \$5,000 available; interest payable monthly at one-month LIBOR plus 0.65% (0.72% at June 30, 2021) per annum; due January 1, 2022	<u>5,000</u>	<u>-</u>
Total Loans Payable	<u>5,050</u>	<u>7,062</u>
Total	<u>\$ 13,344</u>	<u>\$ 16,212</u>

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 8 LOANS AND BONDS PAYABLE (CONTINUED)

Subsequent to year-end, the \$5,000 line of credit was extended to January 1, 2022.

Debt principal maturities relating to the above obligations at June 30, are due in future years as follows:

<u>Year Ending June 30,</u>	<u>Amount</u> <i>(In Thousands)</i>
2022	\$ 5,025
2023	930
2024	940
2025	980
2026	1,015
Thereafter	4,510
Total	<u>13,400</u>
Less: Unamortized Debt Issuance Costs	<u>(56)</u>
Total Obligations	<u><u>\$ 13,344</u></u>

Interest expense totaled \$184 and \$792 for the years ended June 30, 2021 and 2020, respectively.

NOTE 9 PPP LOAN

On April 16, 2020, The Associated received a loan from Truist Bank in the amount of \$2,430 to fund payroll, rent, and utilities, through the Paycheck Protection Program (the PPP Loan) and is reported on the June 30, 2020 consolidated statement of financial position. The PPP Loan was forgiven in full on June 10, 2021 and the forgiveness was recorded as nonoperating income on the consolidated statement of activities for the year ended June 30, 2021. The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Associated's financial position.

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2021</u>	<u>2020</u>
	<i>(In Thousands)</i>	
Subject to Expenditure for a Specified Time Period and/or Purpose Restrictions:		
Annual Campaign (Time)	\$ 15,713	\$ 22,872
Capital Campaign (Purpose)	6,362	6,898
Centennial Campaign (Time and Purpose)	12,789	17,810
Annuity Trust Agreements (Time)	8,205	6,382
Supplemental and Other Campaigns (Time and Purpose)	23,676	18,608
Endowments subject to The Associated's Spending Policy and Appropriation	<u>98,427</u>	<u>68,723</u>
Total Net Assets with Donor Restrictions	<u>\$ 165,172</u>	<u>\$ 141,293</u>

Grants – Annual campaign represent revenue which will be released from restriction in the subsequent year.

For the years ended June 30, net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose of by occurrence of other events specified by donors, as follows:

	<u>2021</u>	<u>2020</u>
	<i>(In Thousands)</i>	
Expiration of Time Restrictions	\$ 17,985	\$ 30,599
Satisfaction of Purpose Restrictions:		
General Programs	<u>6,748</u>	<u>4,193</u>
Total Net Assets Released from Donor Restrictions	<u>\$ 24,733</u>	<u>\$ 34,792</u>

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 11 RETIREMENT PLAN

The Associated contributes to a 401(k) thrift plan (the Plan). Employees normally scheduled to work 18.75 hours or more per week are automatically enrolled in the Plan at a 2% pre-tax deferral rate each month following completion of the eligibility requirement of three months of service. Each year, eligible participants may contribute between 1% and 100% of their annual compensation as defined in the Plan subject to annual limitations in the IRC. Participants may designate some or all of their own contributions as Roth 401(k) contributions. Such contributions, and any activity related to these amounts, will be accounted for separate from the participant's pre-tax contributions. In addition, employees may rollover distributions received from other plans. Participants direct the investment of contributions into various investment options offered by the Plan on a daily basis. The Plan currently offers mutual funds and a common collective trust as investment options for participants. The Plan was frozen effective July 1, 2020, in response to the COVID-19 pandemic, and employer payments to the plan stopped as of this date. Employer contributions to the Plan were reinstated effective October 1, 2021.

The Associated may also make a discretionary contribution. Pension expense was \$-0- and \$577 for the years ended June 30, 2021 and 2020, respectively.

NOTE 12 SELF-INSURED MEDICAL PLAN

The Associated maintains a self-insured medical plan for the benefit of its employees and those of its constituent agencies. A stop loss policy is in effect, under which The Associated and its constituent agencies loss per individual employee is limited to \$125 and in aggregate to \$5,000 for the years ended June 30, 2021 and 2020. The medical plan is administered through a contractual relationship with an unrelated company. The Associated's expense under the self-insured medical plan amounted to \$951 and \$1,000 for the years ended June 30, 2021 and 2020, respectively.

**THE ASSOCIATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 13 INTEREST RATE SWAP CONTRACTS

The Associated had outstanding three interest rate swap contracts with a commercial bank. The Associated pays a fixed rate of interest of 3.48% and receives variable rates of interest at the floating rate index of 67% of the 30-day USD London Interbank Offered Rate (LIBOR) on notional amounts of indebtedness. During the year ended June 30, 2018, The Associated paid \$2,211 to retire the first interest rate swap contract. During the year ended June 30, 2019, The Associated paid \$918 to retire the second interest rate swap contract. During the year ended June 30, 2020 The Associated paid \$1,577 to retire the final interest rate swap contract.

Activity for the years ended June 30 for the interest rate swap agreements was as follows:

	2021	2020
	<i>(In Thousands)</i>	
Fair Value of Interest Rate Swaps - Beginning of Year	\$ -	\$ (1,302)
Loss on Interest Rate Swaps	-	(275)
Principal Payments on Interest Rate Swap Contracts	-	1,577
Fair Value of Interest Rate Swaps - End of Year	\$ -	\$ -

NOTE 14 COMMITMENTS

The Associated has executed a memorandum of understanding (MOU), effective July 1, 2016, with various constituent entities outlining the services provided by The Associated to the constituent agencies. The MOUs outline the type of services provided including real estate, finance/payroll, human resources, information technology, marketing, property management and repairs, investment management and security as well as the agreed upon value to these services. The MOUs create no contractual obligations and automatically renew annually, unless terminated under terms of the agreements.

The Associated has a multi-year employment agreement with its president which provides for salary and benefits.

**THE ASSOCIATED
CONSOLIDATING STATEMENT OF FINANCIAL POSITION BY INTERNAL FUND
JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	Operating	Capital	Trusts	Endowment	DAF	Support Foundations	2021 Total
ASSETS							
	<i>(In Thousands)</i>						
Cash and Cash Equivalents	\$ 9,239	\$ 554	\$ -	\$ 50	\$ 2	\$ 90	\$ 9,935
Promises to Give:							
Annual Campaign, Net	15,713	-	-	-	-	-	15,713
Capital Campaign, Net	-	3,319	-	-	-	-	3,319
Centennial Campaign, Net	3,128	-	-	9,661	-	-	12,789
Other Campaigns, Net	604	-	-	-	-	-	604
Notes and Other Receivables	2,059	44	-	-	-	6	2,109
Other Assets	2,158	2,455	-	-	-	831	5,444
Due (to) from Other Funds	167	(167)	-	-	-	-	-
Total	<u>33,068</u>	<u>6,205</u>	<u>-</u>	<u>9,711</u>	<u>2</u>	<u>927</u>	<u>49,913</u>
INVESTMENTS							
Investment in Jewish Community							
Investment Fund	-	-	-	162,610	209,783	144,744	517,137
Short-Term Fund	-	-	-	-	187	-	187
Other Investments	9,666	1,111	-	1,519	22,283	108,102	142,681
Funds Held in Irrevocable Trusts	-	-	13,180	-	-	-	13,180
Total Investments	<u>9,666</u>	<u>1,111</u>	<u>13,180</u>	<u>164,129</u>	<u>232,253</u>	<u>252,846</u>	<u>673,185</u>
PROPERTY AND EQUIPMENT, NET							
	<u>-</u>	<u>43,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,562</u>
Total Assets	<u>\$ 42,734</u>	<u>\$ 50,878</u>	<u>\$ 13,180</u>	<u>\$ 173,840</u>	<u>\$ 232,255</u>	<u>\$ 253,773</u>	<u>\$ 766,660</u>
LIABILITIES AND NET ASSETS							
LIABILITIES							
Accounts Payable - Trade	\$ 3,787	\$ 27	\$ -	\$ -	\$ -	\$ 31	\$ 3,845
Accounts Payable - Agencies	1,336	-	-	-	-	-	1,336
Loans Payable	5,000	50	-	-	-	-	5,050
PPP Loan	-	-	-	-	-	-	-
Bonds Payable, Net	-	8,294	-	-	-	-	8,294
Other Liabilities	3,055	-	4,975	9	-	-	8,039
Total Liabilities	<u>13,178</u>	<u>8,371</u>	<u>4,975</u>	<u>9</u>	<u>-</u>	<u>31</u>	<u>26,564</u>
NET ASSETS							
	<u>29,556</u>	<u>42,507</u>	<u>8,205</u>	<u>173,831</u>	<u>232,255</u>	<u>253,742</u>	<u>740,096</u>
Total Liabilities and Net Assets	<u>\$ 42,734</u>	<u>\$ 50,878</u>	<u>\$ 13,180</u>	<u>\$ 173,840</u>	<u>\$ 232,255</u>	<u>\$ 253,773</u>	<u>\$ 766,660</u>

**THE ASSOCIATED
CONSOLIDATING STATEMENT OF ACTIVITIES BY INTERNAL FUND
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	Operating	Capital	Trusts	Endowment	DAF	Support Foundations	Eliminations	2021 Total
SUPPORT AND REVENUE								
	<i>(In Thousands)</i>							
Campaign Promises to Give	\$ 22,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,702)	\$ 12,152
Legacies and Gifts	536	961	591	10,471	52,807	9,329	(5,553)	69,142
Supplemental Operating Gifts	6,259	-	-	-	-	-	(2,516)	3,743
Endowment Income	4,229	-	-	-	-	-	(4,229)	-
Funds and Foundation Revenue	3,572	-	-	-	-	-	(2,554)	1,018
Investment Administration Fees	254	1	-	-	-	-	-	255
Agency Infrastructure Cost Share	2,967	-	-	-	-	-	-	2,967
Rent Infrastructure Income	1,898	-	-	-	-	-	-	1,898
Program and Other	615	6	-	-	-	-	-	621
Total Support and Revenue	<u>43,184</u>	<u>968</u>	<u>591</u>	<u>10,471</u>	<u>52,807</u>	<u>9,329</u>	<u>(25,554)</u>	<u>91,796</u>
EXPENSES								
Grants and Distributions	31,440	-	-	7,226	23,776	21,839	(23,000)	61,281
Compensation	12,423	182	-	-	-	287	-	12,892
Staff Related	374	-	-	18	-	194	-	586
Professional Fees	430	12	-	-	-	55	-	497
Advertising and Marketing	485	-	-	-	-	1	-	486
Missions and Campaign Events	175	2	-	-	-	-	-	177
Program Events	1,039	-	-	-	-	188	-	1,227
Building and Other Operations	2,403	296	-	-	-	-	-	2,699
Depreciation	-	2,703	-	-	-	-	-	2,703
Security	746	-	-	-	-	-	-	746
Operating Interest Expense	54	-	-	-	-	-	-	54
Bad Debt	1,165	114	-	206	-	-	-	1,485
Investment Consulting Fees	-	-	72	1,081	1,000	1,378	(2,554)	977
Total Expenses	<u>50,734</u>	<u>3,309</u>	<u>72</u>	<u>8,531</u>	<u>24,776</u>	<u>23,942</u>	<u>(25,554)</u>	<u>85,810</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(7,550)	(2,341)	519	1,940	28,031	(14,613)	-	5,986
NONOPERATING INCOME (EXPENSE)								
Net Appreciation in Fair Value of Investments	66	597	1,304	42,193	52,770	70,669	-	167,599
Interest Expense	(1)	(129)	-	-	-	-	-	(130)
Gain on Sale of Property	-	6,394	-	-	-	-	-	6,394
Other Nonoperating Expense	(808)	(483)	-	-	-	-	-	(1,291)
PPP Loan Forgiveness	2,430	-	-	-	-	-	-	2,430
Transfers	(295)	(2,359)	-	2,127	527	-	-	-
Total Nonoperating Income (Expense), Net	<u>1,392</u>	<u>4,020</u>	<u>1,304</u>	<u>44,320</u>	<u>53,297</u>	<u>70,669</u>	<u>-</u>	<u>175,002</u>
CHANGE IN NET ASSETS	(6,158)	1,679	1,823	46,260	81,328	56,056	-	180,988
Net Assets - Beginning of Year	<u>35,714</u>	<u>40,828</u>	<u>6,382</u>	<u>127,571</u>	<u>150,927</u>	<u>197,686</u>	<u>-</u>	<u>559,108</u>
NET ASSETS - END OF YEAR	<u>\$ 29,556</u>	<u>\$ 42,507</u>	<u>\$ 8,205</u>	<u>\$ 173,831</u>	<u>\$ 232,255</u>	<u>\$ 253,742</u>	<u>\$ -</u>	<u>\$ 740,096</u>

**THE ASSOCIATED
CONSOLIDATING STATEMENT OF FINANCIAL POSITION –
WITHOUT DONOR RESTRICTIONS (BY INTERNAL FUND)
JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

ASSETS	<u>Operating</u>	<u>Capital</u>	<u>Endowment</u>	<u>DAF</u>	<u>Support Foundations</u>	<u>2021 Total</u>
	<i>(In Thousands)</i>					
Cash and Cash Equivalents	\$ 9,035	\$ 212	\$ 50	\$ 2	\$ 90	\$ 9,389
Notes and Other Receivables	1,636	44	-	-	6	1,686
Other Assets	1,244	831	-	-	831	2,906
Due (to) from Other Funds	<u>(20,320)</u>	<u>2,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,873)</u>
Total	(8,405)	3,534	50	2	927	(3,892)
INVESTMENTS						
Equity in Jewish Community						
Investment Fund	-	-	64,183	209,783	144,744	418,710
Short-Term Fund	-	-	-	187	-	187
Other Investments	<u>9,666</u>	<u>34</u>	<u>923</u>	<u>22,355</u>	<u>108,102</u>	<u>141,080</u>
Total Investments	9,666	34	65,106	232,325	252,846	559,977
PROPERTY AND EQUIPMENT, NET	<u>-</u>	<u>43,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,562</u>
Total Assets	<u>\$ 1,261</u>	<u>\$ 47,130</u>	<u>\$ 65,156</u>	<u>\$ 232,327</u>	<u>\$ 253,773</u>	<u>\$ 599,647</u>
LIABILITIES AND NET ASSETS						
LIABILITIES						
Accounts Payable - Trade	\$ 3,787	\$ 27	\$ -	\$ -	\$ 31	\$ 3,845
Accounts Payable - Agencies	1,336	-	-	-	-	1,336
Loans Payable	5,000	50	-	-	-	5,050
PPP Loan	-	-	-	-	-	-
Bonds Payable, Net	-	8,294	-	-	-	8,294
Other Liabilities	<u>3,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,190</u>
Total Liabilities	13,313	8,371	-	-	31	21,715
NET ASSETS	<u>(12,052)</u>	<u>38,759</u>	<u>65,156</u>	<u>232,327</u>	<u>253,742</u>	<u>577,932</u>
Total Liabilities and Net Assets	<u>\$ 1,261</u>	<u>\$ 47,130</u>	<u>\$ 65,156</u>	<u>\$ 232,327</u>	<u>\$ 253,773</u>	<u>\$ 599,647</u>

**THE ASSOCIATED
CONSOLIDATING STATEMENT OF FINANCIAL POSITION –
WITH DONOR RESTRICTIONS (BY INTERNAL FUND)
JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

ASSETS	<u>Operating</u>	<u>Capital</u>	<u>Trusts</u>	<u>Endowment</u>	<u>DAF</u>	<u>Support Foundations</u>	<u>2021 Total</u>
				<i>(In Thousands)</i>			
Cash and Cash Equivalents	\$ 204	\$ 342	\$ -	\$ -	\$ -	\$ -	\$ 546
Promises to Give:							
Annual Campaign, Net	15,713	-	-	-	-	-	15,713
Capital Campaign, Net	-	3,319	-	-	-	-	3,319
Centennial Campaign, Net	3,128	-	-	9,661	-	-	12,789
Other Campaigns, Net	604	-	-	-	-	-	604
Notes and Other Receivables	423	-	-	-	-	-	423
Other Assets	914	1,624	-	-	-	-	2,538
Due (to) from Other Funds	20,487	(2,614)	-	-	-	-	17,873
Total	<u>41,473</u>	<u>2,671</u>	<u>-</u>	<u>9,661</u>	<u>-</u>	<u>-</u>	<u>53,805</u>
INVESTMENTS							
Equity in Jewish Community							
Investment Fund	-	-	-	98,427	-	-	98,427
Other Investments	-	1,077	-	596	(72)	-	1,601
Funds Held in Irrevocable Trusts	-	-	13,180	-	-	-	13,180
Total Investments	<u>-</u>	<u>1,077</u>	<u>13,180</u>	<u>99,023</u>	<u>(72)</u>	<u>-</u>	<u>113,208</u>
Total Assets	<u>\$ 41,473</u>	<u>\$ 3,748</u>	<u>\$ 13,180</u>	<u>\$ 108,684</u>	<u>\$ (72)</u>	<u>\$ -</u>	<u>\$ 167,013</u>
LIABILITIES AND NET ASSETS							
LIABILITIES							
Accounts Payable - Trade	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable - Agencies	-	-	-	-	-	-	-
Other Liabilities	(135)	-	4,975	9	-	-	4,849
Total Liabilities	<u>(135)</u>	<u>-</u>	<u>4,975</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>4,849</u>
NET ASSETS	<u>41,608</u>	<u>3,748</u>	<u>8,205</u>	<u>108,675</u>	<u>(72)</u>	<u>-</u>	<u>162,164</u>
Total Liabilities and Net Assets	<u>\$ 41,473</u>	<u>\$ 3,748</u>	<u>\$ 13,180</u>	<u>\$ 108,684</u>	<u>\$ (72)</u>	<u>\$ -</u>	<u>\$ 167,013</u>

**THE ASSOCIATED
CONSOLIDATING STATEMENT OF ACTIVITIES –
WITHOUT DONOR RESTRICTIONS (BY INTERNAL FUND)
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	Operating	Capital	Trusts	Endowment	DAF	Support Foundations	Eliminations	2021 Total
SUPPORT AND REVENUE								
	<i>(In Thousands)</i>							
Supplemental Operating Gifts	\$ 2,132	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,132
Legacies and Gifts	273	961	-	4,468	52,807	9,329	(3,247)	64,591
Endowment Income	4,229	-	-	-	-	-	(4,229)	-
Funds and Foundations Revenue	3,572	-	-	-	-	-	(2,554)	1,018
Agency Infrastructure Cost Share	2,967	-	-	-	-	-	-	2,967
Rent Infrastructure Income	1,898	-	-	-	-	-	-	1,898
Investment Administration Fees	254	1	-	-	-	-	-	255
Program and Other	507	6	-	-	-	-	-	513
Net Assets Released from Restrictions	35,704	36	72	4,445	-	-	(15,524)	24,733
Total Support and Revenue	51,536	1,004	72	8,913	52,807	9,329	(25,554)	98,107
EXPENSES								
Grants and Distributions	31,440	-	-	7,226	23,776	21,839	(23,000)	61,281
Compensation	12,423	182	-	-	-	287	-	12,892
Staff Related	374	-	-	18	-	194	-	586
Professional Fees	430	12	-	-	-	55	-	497
Advertising and Marketing	485	-	-	-	-	1	-	486
Missions and Campaign Events	175	2	-	-	-	-	-	177
Program Events	1,039	-	-	-	-	188	-	1,227
Building and Other Operations	2,403	296	-	-	-	-	-	2,699
Depreciation	-	2,703	-	-	-	-	-	2,703
Security	746	-	-	-	-	-	-	746
Operating Interest Expense	54	-	-	-	-	-	-	54
Bad Debt	1,165	114	-	206	-	-	-	1,485
Investment Consulting Fees	-	-	72	1,081	1,000	1,378	(2,554)	977
Total Expenses	50,734	3,309	72	8,531	24,776	23,942	(25,554)	85,810
CHANGE IN NET ASSETS FROM OPERATIONS	802	(2,305)	-	382	28,031	(14,613)	-	12,297
NONOPERATING INCOME (EXPENSE)								
Net Appreciation (Depreciation) in Fair Value of Investments	66	597	-	16,563	52,770	70,669	-	140,665
Loss on Interest Rate Swap Contracts	-	-	-	-	-	-	-	-
Interest Expense	(1)	(129)	-	-	-	-	-	(130)
Gain on Sale of Property	-	6,394	-	-	-	-	-	6,394
Other Nonoperating (Expense) Revenue	(1,054)	(483)	-	-	-	-	-	(1,537)
PPP Loan Forgiveness	2,430	-	-	-	-	-	-	2,430
Transfers	(295)	(2,359)	-	2,125	527	-	-	(2)
Total Nonoperating Income (Expense), Net	1,146	4,020	-	18,688	53,297	70,669	-	147,820
CHANGE IN NET ASSETS	1,948	1,715	-	19,070	81,328	56,056	-	160,117
Net Assets - Beginning of Year	(14,000)	37,044	-	46,086	150,999	197,686	-	417,815
NET ASSETS - END OF YEAR	\$ (12,052)	\$ 38,759	\$ -	\$ 65,156	\$ 232,327	\$ 253,742	\$ -	\$ 577,932

**THE ASSOCIATED
CONSOLIDATING STATEMENT OF ACTIVITIES –
WITH DONOR RESTRICTIONS (BY INTERNAL FUND)
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	Operating	Capital	Trusts	Endowment	DAF	Support Foundations	Eliminations	2021 Total
SUPPORT AND REVENUE								
	<i>(In Thousands)</i>							
Campaign Promises to Give	\$ 22,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,702)	\$ 12,152
Supplemental Operating Gifts	4,127	-	-	-	-	-	(2,516)	1,611
Legacies and Gifts	263	-	591	6,003	-	-	(2,306)	4,551
Program and Other	108	-	-	-	-	-	-	108
Net Assets Released from Restrictions	<u>(35,704)</u>	<u>(36)</u>	<u>(72)</u>	<u>(4,445)</u>	<u>-</u>	<u>-</u>	<u>15,524</u>	<u>(24,733)</u>
Total Support and Revenue	<u>(8,352)</u>	<u>(36)</u>	<u>519</u>	<u>1,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,311)</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(8,352)	(36)	519	1,558	-	-	-	(6,311)
NONOPERATING INCOME (EXPENSE)								
Net Appreciation in Fair Value of Investments	-	-	1,304	25,630	-	-	-	26,934
Other Nonoperating Revenue	246	-	-	-	-	-	-	246
Transfers	-	-	-	2	-	-	-	2
Total Nonoperating Income (Expense), Net	<u>246</u>	<u>-</u>	<u>1,304</u>	<u>25,632</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,182</u>
CHANGE IN NET ASSETS	(8,106)	(36)	1,823	27,190	-	-	-	20,871
Net Assets - Beginning of Year	<u>49,714</u>	<u>3,784</u>	<u>6,382</u>	<u>81,485</u>	<u>(72)</u>	<u>-</u>	<u>-</u>	<u>141,293</u>
NET ASSETS - END OF YEAR	<u>\$ 41,608</u>	<u>\$ 3,748</u>	<u>\$ 8,205</u>	<u>\$ 108,675</u>	<u>\$ (72)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,164</u>