



**UNITED JEWISH APPEAL-FEDERATION OF JEWISH  
PHILANTHROPIES OF NEW YORK, INC. AND RELATED ENTITIES**

Consolidated Financial Statements and Schedules

June 30, 2021 and 2020

(With Independent Auditors' Report Thereon)



KPMG LLP  
345 Park Avenue  
New York, NY 10154-0102

## Independent Auditors' Report

The Board of Directors  
United Jewish Appeal-Federation of  
Jewish Philanthropies of New York, Inc.:

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. and its related entities, which comprise the consolidated balance sheets 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 Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 organization'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 organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

#### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. and its related entities as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



**Other Matter**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2021 consolidating information included on the consolidated balance sheets and statements of activities and supplementary information included in schedules 1, 2 and 3 as of and for the years ended June 30, 2021 and 2020 are presented for purposes of additional analysis and are 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.

*KPMG LLP*

December 10, 2021

**UNITED JEWISH APPEAL-FEDERATION OF JEWISH  
PHILANTHROPIES OF NEW YORK, INC. AND RELATED ENTITIES**

Consolidated Balance Sheets

June 30, 2021 and 2020  
(with consolidating information for 2021)

(Dollars in thousands)

Assets	2021						2020	
	Consolidating information (note 1)						Consolidated Total	Consolidated Total
	UJA-Federation	Jewish Communal Fund	Gross Funds	Supporting Organizations	Other Entities	Consolidation and Elimination Items		
Cash	\$ 29,602	—	573	717	438	—	31,330	30,871
Contributions receivable, net (note 4)	101,346	—	—	—	179	—	101,525	110,756
Other assets and receivables (notes 5, 8 and 13)	102,761	5,522	2,204	—	94,005	(511)	203,981	168,195
Intercompany receivables (payables)	(1,681)	—	—	(420)	2,101	—	—	—
Amounts held on behalf of other agencies	65,461	—	—	—	—	(8,839)	56,622	50,529
Investments (notes 5 and 6)	1,350,801	2,408,494	56,649	55,804	4,428	(60,385)	3,815,791	3,042,239
Unexpended bond proceeds (notes 5 and 9)	13,788	—	—	—	—	—	13,788	27,461
Right-of-use assets - operating leases (note 11)	3,772	3,117	—	—	—	—	6,889	—
Assets held under charitable trust agreements (notes 3 and 5)	28,979	—	—	—	—	—	28,979	26,341
Fixed assets, net (note 8)	51,551	129	—	—	16,522	—	68,202	71,518
Total assets	\$ 1,746,380	2,417,262	59,426	56,101	117,673	(69,735)	4,327,107	3,527,910
<b>Liabilities and Net Assets</b>								
Liabilities:								
Accounts payable, accrued expenses, and other liabilities (notes 5, 9 and 13)	\$ 28,200	1,283	447	—	50,818	(511)	80,237	64,350
Grants payable	26,927	—	3,411	44	430	—	30,812	23,547
Amounts held on behalf of other agencies	65,461	—	—	—	—	(8,839)	56,622	50,529
Lease liabilities (note 11)	4,236	3,139	—	—	—	—	7,375	—
Liabilities under charitable trust and annuity agreements (note 3)	35,675	—	—	—	—	—	35,675	36,612
Long-term debt, net (note 9)	75,570	—	—	—	—	—	75,570	74,737
Accrued postretirement benefits (note 12)	3,894	—	—	—	—	—	3,894	4,259
Total liabilities	239,963	4,422	3,858	44	51,248	(9,350)	290,185	254,034
Commitments and contingencies (notes 6 and 13)								
Net assets:								
Without donor restrictions:								
Undesignated	151,081	2,388,727	13,883	56,057	66,425	(10,631)	2,665,542	2,187,566
Board designated (notes 7 and 14)	455,593	24,113	—	—	—	—	479,706	370,822
Total without donor restrictions	606,674	2,412,840	13,883	56,057	66,425	(10,631)	3,145,248	2,558,388
With donor restrictions (notes 7 and 15)								
	899,743	—	41,685	—	—	(49,754)	891,674	715,488
Total net assets	1,506,417	2,412,840	55,568	56,057	66,425	(60,385)	4,036,922	3,273,876
Total liabilities and net assets	\$ 1,746,380	2,417,262	59,426	56,101	117,673	(69,735)	4,327,107	3,527,910

See accompanying notes to consolidated financial statements.

**UNITED JEWISH APPEAL-FEDERATION OF JEWISH  
PHILANTHROPIES OF NEW YORK, INC. AND RELATED ENTITIES**

Consolidated Statements of Activities

Years ended June 30, 2021 and 2020  
(with consolidating information for 2021)

(Dollars in thousands)

	2021						2020	
	Consolidating information (note 1)						Consolidated Total	Consolidated Total
UJA-Federation	Jewish Communal Fund	Gross Funds	Supporting Organizations	Other Entities	Consolidation and Elimination Items			
Changes in net assets without donor restrictions:								
Revenue and gains (losses):								
Annual/special giving (note 3):								
Annual giving contributions, including special event and mission revenue of \$3,033 in 2020	\$ 113,575	—	—	—	—	—	113,575	119,466
Less event and mission costs	—	—	—	—	—	—	—	(5,745)
Less provision for uncollectible contributions, net of prior years' recoveries	(3,770)	—	—	—	—	—	(3,770)	(3,912)
Net annual/special giving contributions, including special events and missions	109,805	—	—	—	—	—	109,805	109,809
Legacies and bequests	32,136	—	—	—	—	—	32,136	12,710
Split-interest agreements (note 3)	274	—	—	—	—	—	274	562
Change in value of split-interest agreements (note 3)	(2,622)	—	—	—	—	—	(2,622)	(948)
Donated goods and services	150	—	—	—	—	—	150	300
Amounts raised on behalf of others (note 3)	17,774	—	—	—	—	—	17,774	24,786
Net contribution revenue, including amounts raised on behalf of others and before contributions from related organizations under common control	157,517	—	—	—	—	—	157,517	147,219
Contributions from related organizations under common control	20,522	—	—	—	—	(20,522)	—	—
Net contribution revenue, including amounts raised on behalf of others and contributions from related organizations under common control	178,039	—	—	—	—	(20,522)	157,517	147,219
Less amounts raised on behalf of others	(17,774)	—	—	—	—	—	(17,774)	(24,786)
Net contribution revenue, including contributions from related organizations under common control and excluding amounts raised on behalf of others	160,265	—	—	—	—	(20,522)	139,743	122,433
Contributions – consolidated entities	—	582,498	671	1,707	930	—	585,806	533,528
Net contribution revenue without donor restrictions, including consolidated entities	160,265	582,498	671	1,707	930	(20,522)	725,549	655,961
Net investment income (loss) (note 6)	12,644	10,775	565	47	(1,374)	(9,125)	13,532	26,139
Net appreciation (depreciation) in fair value of investments	98,502	388,058	6,384	13,560	710	—	507,214	(42,248)
Rental income (notes 10 and 13)	26,501	—	—	—	3,984	—	30,485	30,310
Other income	1,023	—	119	—	24,090	—	25,232	13,980
Net assets released from restrictions (note 15)	65,722	—	1,431	—	—	—	67,153	47,652
Total revenue and gains (losses) without donor restrictions	364,657	981,331	9,170	15,314	28,340	(29,647)	1,369,165	731,794
Grants and expenses:								
Grants and other program services:								
Grants (note 10)	180,971	497,069	7,437	1,623	388	—	687,488	682,533
Other program services	18,698	1,183	691	—	14,325	—	34,897	37,537
Total grants and other program services	199,669	498,252	8,128	1,623	14,713	—	722,385	720,070
Fundraising	31,925	1,852	—	—	275	—	34,052	38,361
Management and general	18,061	3,968	1,024	29	3,057	—	26,139	29,379
Total expenses before grants and other expenses to related entities	249,655	504,072	9,152	1,652	18,045	—	782,576	787,810
Grants and other expenses to related entities under common control (note 10)	—	23,701	—	1,375	20	(25,096)	—	—
Total expenses after grants and other expenses to related entities	249,655	527,773	9,152	3,027	18,065	(25,096)	782,576	787,810
Increase (decrease) in net assets without donor restrictions before change in tax classification of supporting organization and postretirement plan adjustments	115,002	453,558	18	12,287	10,275	(4,551)	586,589	(56,016)
Change in control of supporting organization	—	—	—	—	—	—	—	(8,115)
Postretirement benefit changes not included in net periodic benefit cost	271	—	—	—	—	—	271	(513)
Increase (decrease) in net assets without donor restrictions	115,273	453,558	18	12,287	10,275	(4,551)	586,860	(64,644)

**UNITED JEWISH APPEAL-FEDERATION OF JEWISH  
PHILANTHROPIES OF NEW YORK, INC. AND RELATED ENTITIES**

Consolidated Statements of Activities

Years ended June 30, 2021 and 2020  
(with consolidating information for 2021)

(Dollars in thousands)

	2021						2020	
	Consolidating information (note 1)						Consolidated Total	Consolidated Total
	UJA-Federation	Jewish Communal Fund	Grass Funds	Supporting Organizations	Other Entities	Consolidation and Elimination Items		
Changes in net assets with donor restrictions:								
Annual giving contributions (note 3)	\$ 13,611	—	—	—	—	—	13,611	10,783
Special giving contributions (note 3)	32,544	—	—	—	—	—	32,544	11,540
Less provision for uncollectible contributions, net of prior years' recoveries	(867)	—	—	—	—	—	(867)	(824)
Net contributions – annual/special giving	45,288	—	—	—	—	—	45,288	21,499
Endowment contributions (note 7)	1,799	—	—	—	—	—	1,799	10,210
Legacies and bequests	8,070	—	—	—	—	—	8,070	1,403
Split-interest agreements (note 3)	(36)	—	—	—	—	—	(36)	5
Change in value of split-interest agreements (note 3)	5,136	—	—	—	—	—	5,136	529
Net campaign revenue before contributions from related organizations under common control	60,257	—	—	—	—	—	60,257	33,646
Contributions from related organizations under common control	4,574	—	—	—	—	(4,574)	—	—
Net campaign revenue including contributions from related organizations under common control	64,831	—	—	—	—	(4,574)	60,257	33,646
Net investment income (loss)	(1,014)	—	—	—	—	—	(1,014)	340
Net appreciation (depreciation) in fair value of investments	184,131	—	—	—	—	—	184,131	(2,981)
Changes of donor's designation	(35)	—	—	—	—	—	(35)	(44)
Net assets released from restrictions (note 15)	(65,722)	—	(1,431)	—	—	—	(67,153)	(47,652)
Increase (decrease) in net assets with donor restrictions	182,191	—	(1,431)	—	—	(4,574)	176,186	(16,691)
Increase (decrease) in net assets	297,464	453,558	(1,413)	12,287	10,275	(9,125)	763,046	(81,335)
Net assets at beginning of year	1,208,953	1,959,282	56,981	43,770	56,150	(51,260)	3,273,876	3,355,211
Net assets at end of year	\$ 1,506,417	2,412,840	55,568	56,057	66,425	(60,385)	4,036,922	3,273,876

See accompanying notes to consolidated financial statements.

**UNITED JEWISH APPEAL-FEDERATION OF JEWISH  
PHILANTHROPIES OF NEW YORK, INC. AND RELATED ENTITIES**

Consolidated Statements of Functional Expenses

For the years ended June 30, 2021 and 2020

(Dollars in thousands)

	2021						
	Grants and Other Program Services	Supporting Services			Total Expenses	Consolidation and Elimination Items	Consolidated Total
		Fundraising	Management and General	Total Supporting Services			
Grants	\$ 687,488	—	—	—	687,488	—	687,488
Salaries and related benefits	12,338	24,366	15,502	39,868	52,206	—	52,206
Consultant fees and expenses	1,884	837	2,148	2,985	4,869	—	4,869
Captive insurance related	13,565	—	—	—	13,565	—	13,565
Depreciation and amortization	1,220	1,642	1,708	3,350	4,570	—	4,570
Occupancy	869	1,761	2,066	3,827	4,696	—	4,696
Printing, postage and office	565	1,124	324	1,448	2,013	—	2,013
Interest	832	(35)	453	418	1,250	—	1,250
Tuition and stipends	1,573	3	2	5	1,578	—	1,578
Data processing related	109	594	1,383	1,977	2,086	—	2,086
Travel and other staff expenses	217	101	79	180	397	—	397
Advertising and communications	292	2,544	206	2,750	3,042	—	3,042
Other	1,433	1,115	2,268	3,383	4,816	—	4,816
Sub-total before grants and other expenses to related entities	722,385	34,052	26,139	60,191	782,576	—	782,576
Grants and other expenses to related entities under common control	25,053	—	43	43	25,096	(25,096)	—
Total expenses	\$ 747,438	34,052	26,182	60,234	807,672	(25,096)	782,576

  

	2020						
	Grants and Other Program Services	Supporting Services			Total Expenses	Consolidation and Elimination Items	Consolidated Total
		Fund-raising	Management and General	Total Supporting Services			
Grants	\$ 682,533	—	—	—	682,533	—	682,533
Salaries and related benefits	16,462	28,805	17,810	46,615	63,077	—	63,077
Consultant fees and expenses	2,044	636	3,421	4,057	6,101	—	6,101
Captive insurance related	10,705	—	—	—	10,705	—	10,705
Depreciation and amortization	1,171	1,734	1,813	3,547	4,718	—	4,718
Occupancy	1,009	1,997	2,342	4,339	5,348	—	5,348
Printing, postage and office	810	1,554	191	1,745	2,555	—	2,555
Interest	1,245	687	465	1,152	2,397	—	2,397
Tuition and stipends	1,614	9	24	33	1,647	—	1,647
Data processing related	120	508	1,235	1,743	1,863	—	1,863
Travel and other staff expenses	333	268	165	433	766	—	766
Advertising and communications	129	1,288	202	1,490	1,619	—	1,619
Other	1,895	875	1,711	2,586	4,481	—	4,481
Sub-total before grants and other expenses to related entities	720,070	38,361	29,379	67,740	787,810	—	787,810
Grants and other expenses to related entities under common control	34,253	—	41	41	34,294	(34,294)	—
Total expenses	\$ 754,323	38,361	29,420	67,781	822,104	(34,294)	787,810
Special event and mission fees							5,745
Total expenses and special event and mission fees							793,555

See accompanying notes to consolidated financial statements.

UNITED JEWISH APPEAL-FEDERATION OF JEWISH  
PHILANTHROPIES OF NEW YORK, INC. AND RELATED ENTITIES

Consolidated Statements of Cash Flows  
Years ended June 30, 2021 and 2020  
(dollars in thousands)

	2021	2020
<b>Cash flows from operating activities:</b>		
Increase (decrease) in net assets	\$ 763,046	(81,335)
<b>Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:</b>		
Postretirement benefit changes not included in net periodic benefit cost	(271)	513
Depreciation and amortization	4,570	4,718
Net (appreciation) depreciation in fair value of investments	(691,345)	45,229
Contributions restricted for long-term investment and capital projects	(9,444)	(10,320)
Provision for uncollectible contributions and other receivables	8,368	8,981
Contributions and change in value of charitable trust agreements	(4,677)	(587)
Noncash transactions	(3,722)	(3,662)
Contributions of securities, including private equity securities	(48,544)	(448)
Change in control of supporting organization	-	8,115
<b>Changes in assets and liabilities:</b>		
Increase in contributions receivable	(1,837)	(5,303)
Increase in other assets and receivables	(5,129)	(7,102)
Increase in accounts payable, accrued expenses, and other liabilities	3,166	1,365
Increase (decrease) in grants payable	8,498	(1,204)
Decrease in accrued postretirement benefits	(94)	(145)
Lease liability	(974)	-
<b>Net cash provided by (used in) operating activities</b>	<b>21,611</b>	<b>(41,185)</b>
<b>Cash flows from investing activities:</b>		
Purchases of investments	(8,019,106)	(8,228,253)
Proceeds from sales of investments	8,016,675	8,291,150
Increase in other loans receivable, included in other assets and receivables	(2,857)	(358)
Increase in accounts payable relating to acquisition of other assets for investing activities	2,038	-
Acquisition of fixed and other assets, net	(18,691)	(10,226)
<b>Net cash (used in) provided by investing activities</b>	<b>(21,941)</b>	<b>52,313</b>
<b>Cash flows from financing activities:</b>		
Proceeds from Paycheck Protection Program	143	8,725
Repayment of Paycheck Protection Program	-	(8,725)
Net proceeds from issuance of long-term debt	28,509	-
Repayment of long-term debt	(25,865)	(3,215)
Contributions restricted for long-term investment and capital projects	12,144	14,991
Expiration of charitable trust agreements, net of payments	1,503	1,827
Decrease in liability under annuity agreements, net of payments to annuitants	(114)	(1,198)
<b>Net cash provided by financing activities</b>	<b>16,320</b>	<b>12,405</b>
<b>Net increase in cash</b>	<b>15,990</b>	<b>23,533</b>
<b>Cash, cash held as collateral and restricted cash:</b>		
Beginning of year	53,630	30,097
End of year	<b>\$ 69,620</b>	<b>53,630</b>
<b>Reconciliation of cash, cash held as collateral and restricted cash reported within the consolidated balance sheets that sum to total of the same such amounts shown above:</b>		
Cash	\$ 18,764	18,290
Cash held as collateral	12,566	12,581
Restricted cash included in investments	38,290	22,759
<b>Total cash, cash held as collateral and restricted cash</b>	<b>\$ 69,620</b>	<b>53,630</b>
<b>Supplemental data:</b>		
<b>Noncash operating activities:</b>		
<b>Contribution(s) of:</b>		
Art/property (in other assets)	\$ -	420
State of Israel Bonds	1,887	1,751
<b>Amortization and other</b>	1,835	1,491
<b>Total noncash operating activities</b>	<b>\$ 3,722</b>	<b>3,662</b>
<b>Real estate taxes paid</b>	<b>\$ 988</b>	<b>1,085</b>
<b>Interest paid</b>	<b>\$ 3,475</b>	<b>2,787</b>

See accompanying notes to consolidated financial statements.



**UNITED JEWISH APPEAL-FEDERATION OF JEWISH  
PHILANTHROPIES OF NEW YORK, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(Dollars in thousands)

**(1) Organization**

United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. (UJA-Federation) cares for Jews everywhere and New Yorkers of all backgrounds, responds to crises close to home and far away, and shapes the Jewish future.

UJA-Federation pursues its mission by providing financial support and capacity-building services to hundreds of nonprofit organizations, both local and global, including major health and human service agencies, community centers and camps, and agencies that support Jewish life and education.

To support these activities, UJA-Federation conducts an annual campaign that raises both funds without donor restrictions and funds for specific targeted purposes. UJA-Federation also raises funds from legacies, bequests, and other planned gifts. From time to time, UJA-Federation also conducts special campaigns to respond to particular situations such as terrorism and war in Israel, and major natural disasters, and to raise capital and other funds for its own needs and for the benefit of its affiliated agencies and Jewish day schools.

UJA-Federation also serves an important communal planning function by identifying new issues facing the Jewish community and mobilizing institutions and resources to address those issues. Responding to the needs of both vulnerable populations and Jewish institutions affected by the COVID-19 pandemic has been a major focus for UJA-Federation since March 2020.

UJA-Federation is a publicly supported not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code (the Code); accordingly, it is exempt from federal income taxation.

The following is a description of the related entities included with UJA-Federation in the accompanying consolidated financial statements (collectively, the Organization):

Jewish Communal Fund – The Jewish Communal Fund (JCF) was established to advance the philanthropic objectives of the Jewish community through the establishment of donor-advised philanthropic funds. JCF extends to donors or their successors the privilege of recommending grants from their philanthropic funds to the qualified charities of their choice and is committed to facilitating its donors' philanthropic goals. JCF is a publicly supported organization exempt from income taxes under Section 501(c)(3) of the Code.

UJA-Federation is the sole member of JCF and three limited liability companies ("LLCs") established to hold certain real property. In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Subtopic 958-810, *Not-for-Profit Entities – Consolidation*, sole corporate membership of one not-for-profit organization in another shall be considered a controlling financial interest. Accordingly, JCF and the LLCs are consolidated with UJA-Federation.

**UNITED JEWISH APPEAL-FEDERATION OF JEWISH  
PHILANTHROPIES OF NEW YORK, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

(Dollars in thousands)

Gruss Funds – The Caroline and Joseph S. Gruss Life Monument Funds, Inc. (Gruss) is a tax-exempt organization under Section 501(c)(3) of the Code and is a supporting organization of UJA-Federation under Section 509(a)(3) of the Code. Gruss provides a wide range of education-related scholarships, grants, and awards for the benefit of students and teachers, and support for a variety of other Jewish community activities. Gruss is included in UJA-Federation's consolidated financial statements because a majority of Gruss' board of directors is required by its charter to be individuals who participate in the control or management of UJA-Federation by virtue of being a trustee, officer, executive employee, or holder of another important office in UJA-Federation, and the net assets of Gruss would revert to UJA-Federation in the event of dissolution of Gruss. Amounts presented for Gruss are as of and for the year ended December 31, 2020.

Supporting Organizations – UJA-Federation receives support from 26 other supporting organizations. These supporting organizations are organized to carry out the exempt purposes of UJA-Federation under Section 509(a)(3) of the Code. These organizations are included in the accompanying consolidated financial statements because UJA-Federation appoints a majority of the members of their boards of directors and the net assets of each organization would revert to UJA-Federation upon dissolution. During fiscal 2020, one supporting organization changed its tax classification to a private foundation. As a result, net assets of \$8,115 are no longer included in the consolidated financial statements as it was no longer controlled by UJA-Federation.

The assets and revenue of JCF, Gruss, and the supporting organizations are not available to meet the liabilities or obligations of UJA-Federation or any other entity included in the consolidated financial statements, except for each of these entities' own liabilities and obligations.

Other Entities – Other entities, primarily owned by UJA-Federation, include two title holding companies, organized under Section 501(c)(2) of the Code. One of these entities holds a condominium unit in the building in New York City utilized by UJA-Federation as its headquarters. The other 501(c)(2) organization holds interests in real property gifted to UJA-Federation. UJA-Federation continues to operate these properties until eventual sale. In addition, other entities include a 501(c)(3) organization established for specialized charitable purposes and a captive insurance company established to serve UJA-Federation and affiliated agencies that, pursuant to a novation, assumed the policy obligations of a former captive insurance company; the former captive insurance company is also included in other entities.

**(2) Summary of Significant Accounting Policies and Related Matters**

The significant accounting policies followed by the Organization are described below to enhance the usefulness of the consolidated financial statements to the reader.

**(a) Consolidated Financial Statement Presentation**

The accompanying consolidated financial statements are prepared on the accrual basis of accounting. All significant interorganizational balances have been eliminated in consolidation.

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

Without donor restrictions – Net assets that are not subject to donor-imposed restrictions but may be designated by the Board. Contributions that permit the Organization to vary the terms of the gift are classified as net assets without donor restrictions.

With donor restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time or that stipulate that the principal be maintained permanently by the Organization but permit the Organization to expend part or all of the income derived therefrom.

Revenue and gains and losses on investments and other assets, with the exception of that described in the next sentence, are reported as changes in net assets without donor restrictions unless use of the related assets is limited by explicit donor-imposed restrictions or by law. Investment return on net assets with donor restrictions is classified as net assets with donor restrictions until appropriated for expenditure. Expenses are reported as decreases in net assets without donor restrictions. Expiration of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) is reported as net assets released from restrictions.

**(b) Accounting Estimates**

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies 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. Estimates and assumptions include allowances for uncollectible receivables, the present value of multiyear contributions receivable, the valuation of alternative investments, actuarial assumptions on accrued postretirement benefit obligations, estimated rental value of property owned and leased to grantees, the allocation of expenses to functional classifications, and assumption of discount rate in calculating the right of use assets – operating leases.

**(c) Adoption of Accounting Pronouncements**

In fiscal 2021, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, designed to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the consolidated balance sheet and disclosing key information about leasing arrangements. The Organization adopted this ASU using the modified retrospective transition approach and the effective date method which allowed the Organization to apply the new leases standard at the adoption date of July 1, 2020. At July 1, 2020, the Organization recognized a lease liability of \$8,348 which represented the present value of remaining lease payments of \$9,395 and a right-of-use asset of \$8,348 using a weighted average discount rate of 2.91%. The Organization is not required to adjust comparative periods or provide comparative period disclosures. The

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Organization also elected to use the transition package of practical expedients and short-term lease exemption.

**(d) Contributions**

Contributions, including unconditional promises to give, are reported initially at fair value as revenue in the period received. A contribution is conditional when it is subject to a donor-imposed condition that includes a right of return (either a return of assets transferred or a right of release from a promise to transfer assets) and a barrier that must be overcome before the recipient is entitled to the assets transferred or promised. Conditional contributions to give are not recognized until they become unconditional, that is, when the barriers on which they depend are met. The Organization did not have any conditional contributions at June 30, 2021 and 2020.

Contributions receivable are reported at their net present value less an allowance for estimated uncollectible amounts. The allowance is determined by reviewing historical collectibility trends and analyses of specific receivable balances and taking account of current economic conditions. Contributions to be received after one year are discounted. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions.

Contributions of publicly traded securities are recorded at their fair value at the time of donation, except for State of Israel Bonds, which are recorded at their face value at the time of receipt. It is UJA-Federation's policy generally to convert contributions of readily marketable securities to cash upon receipt of the security, except for State of Israel Bonds. Other noncash contributions are converted to cash as soon as practicable and prudent, and are recorded at their estimated fair value at the time of donation.

**(e) Investments and Fair Value**

The Organization follows the provisions of ASC Topic 820, *Fair Value Measurement* (ASC 820). The objective of a fair value measurement is to determine 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. ASC 820 establishes a fair value hierarchy that prioritizes and ranks the level of market price observability used in measuring fair value. Valuation methods based upon inputs with readily available quoted or published prices in active markets for identical assets or liabilities (Level 1 measurements) will have a higher degree of market price observability and a lesser degree of judgment used in determining fair value than the lowest priority measurements involving significant unobservable inputs (Level 3 measurements).

Investments that do not have readily determinable fair values, including private equity investments, hedge funds, real estate funds, and other funds are measured using the net asset value (NAV) per share or its equivalent practical expedient, as reported by the investment managers and reviewed by management for reasonableness.

Cost approximates fair value for short-term and money market instruments. Investments in marketable equity and debt securities/funds are presented at fair value based on quoted or published market

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prices. State of Israel Bonds are carried at face value. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Purchases and sales are recorded on the trade date.

The methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain instruments could result in a different fair value measurement at the reporting date.

**(f) Risks and Uncertainties**

The Organization may invest in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated financial statements.

**(g) Depreciation**

Fixed assets for UJA-Federation and other entities are depreciated using the straight-line method over the estimated useful lives of the asset as follows:

Buildings and building improvements	10 to 40 years
Furniture and equipment	3 to 5 years

**(h) Grant Expense and Commitments**

Grant expense and liability are recognized in the year the award is approved by the board of directors and the grant recipient is notified. Conditional grants are not recorded until barriers for which they were awarded are met. There were no conditional grants at June 30, 2021 and 2020.

**(i) Functional Allocation of Expenses**

The costs of providing the Organization's various grant and supporting services have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses presents expenses by functional classification as well as natural classification. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation methods. Personnel costs and most non-personnel costs are allocated based on estimates of time and effort. Costs other than personnel not allocated based upon estimates of time and effort are specifically allocated. Occupancy costs have been allocated based on headcount.

**(j) Income Taxes**

The Organization follows the provisions of ASC Subtopic 740-10, *Income Taxes – Overall* (ASC 740-10), relating to uncertainty in income taxes. For the Organization, ASC 740-10 is primarily applicable to the incurrence of unrelated business income tax attributable to certain of its investments.

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ASC 740-10 establishes a minimum threshold for financial statement recognition of the benefits of positions taken, or expected to be taken, in filing tax returns. It requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Organization's income tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the "more-likely-than-not" threshold are recorded as tax expense. There are no tax positions not deemed to meet the "more-likely-than-not" threshold for the years ended June 30, 2021 and 2020.

**(k) COVID-19**

The spread of coronavirus (COVID-19) around the world has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Organization is unable to determine if it will have a material impact to its operations.

**(l) Subsequent Events**

The Organization evaluated events subsequent to June 30, 2021 and through December 10, 2021, the date on which the consolidated financial statements were issued.

**(m) Reclassifications**

Certain reclassifications of 2020 amounts have been made to conform to the 2021 presentation.

**(3) Campaigns**

A description of the various campaigns of UJA-Federation and other income sources is as follows:

**(a) Annual Campaign**

The Annual Campaign is a 12-month campaign that coincides with UJA-Federation's fiscal year. This campaign is the main source of funding for grants and UJA-Federation's operating budget. UJA-Federation also receives contributions without purpose restrictions for use domestically, overseas, or in Israel. While the Annual Campaign principally raises funds without donor restrictions, it also raises funds for needs of particular groups or program activities such as Holocaust survivors, the elderly, the poor, Jewish education, and camping.

**(b) Capital and Special Initiatives Campaign**

UJA-Federation conducts a Capital and Special Initiatives Campaign to fund capital improvements and programmatic endowments, including in cooperation with its domestic affiliated agencies, Jewish day schools, and certain overseas organizations. Most of these contributions are directed to other agencies. Capital and Special Initiatives Campaign contributions intended for the benefit of UJA-Federation and recorded as special giving revenue for the years ended June 30, 2021 and 2020 were \$33,169 and \$4,923, respectively. Capital and Special Initiatives Campaign contributions intended for the benefit of others for the years ended June 30, 2021 and 2020 amounted to \$7,029 and \$12,364, respectively, and are a component of amounts raised on behalf of others in the accompanying consolidated statements of activities.

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**(c) Planned Giving and Endowments**

UJA-Federation enters into agreements with donors to accept and administer charitable gift annuities and charitable remainder trusts, the beneficiaries of which include UJA-Federation and/or affiliated agencies, synagogues and Jewish day schools. Generally, UJA-Federation manages and invests these assets on behalf of these beneficiaries until the agreement expires and the assets are distributed.

During fiscal years 2021 and 2020, UJA-Federation entered into split-interest agreements consisting of charitable gift annuities of \$1,008 and \$1,404, respectively. Such split-interest agreements provide for payments, to the donors or their beneficiaries, based upon either the income earned on related investments or specified annuity amounts. Assets held under charitable gift annuities are included in investments, and assets held under charitable remainder trusts are invested in marketable securities and are reflected separately in the accompanying consolidated balance sheets. Contribution revenue is recognized at the date the trust or annuity contract is established after recording liabilities for the present value of the estimated future payments expected to be made to the donors and/or other beneficiaries. The liabilities are adjusted annually for changes in the life expectancy of the income beneficiary, amortization of the discount, and other changes in the estimates of future payments. Such adjustments are reported as change in value of split-interest agreements in the accompanying consolidated statements of activities.

**(4) Contributions Receivable**

Contributions receivable consist of the following at June 30, 2021 and 2020:

	<b>2021</b>	<b>2020</b>
Amounts expected to be collected within:		
One year	\$ 86,041	103,094
One to ten years	10,333	10,236
Thereafter	34,103	24,488
	130,477	137,818
Less discount to present value (ranging from 2.3% to 6.25%)	(14,002)	(11,209)
Less allowance for estimated uncollectible amounts	(14,950)	(15,853)
	\$ 101,525	110,756

Contributions receivable include legacies receivable of \$3,792 and \$5,373 at June 30, 2021 and 2020, respectively. At June 30, 2021 and 2020, the top five donors comprised 31% and 27% of gross receivables, respectively.

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**(5) Fair Value**

The fair value hierarchy under the fair value measurement provisions of ASC 820, prioritizes the inputs to valuation techniques used to measure fair value, are as follows:

Level 1: Valuations are based on observable inputs that reflect quoted market or published prices in active markets for identical assets and liabilities at the reporting date.

Level 2: Valuations are based on either (1) quoted prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in markets that are not active, or (3) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.

Level 3: Fair value is determined based on pricing inputs that are unobservable and includes situations where there is little, if any, market activity for the asset or liability.

Alternative investments consist of shares or units in investment funds as opposed to direct interests in the funds' underlying holdings, which may be marketable. The NAV reported by each fund is used as a practical expedient to estimate the fair value of the Organization's interest therein. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.



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The following tables summarize the fair value of the Organization's assets at June 30, 2021 and 2020, in accordance with the ASC 820 fair value hierarchy levels:

	2021			Total
	Level 1	Level 2	Level 3	
Assets:				
Investments:				
Short-term and money market instruments	\$ 194,193	10,702	—	204,895
U.S. government and agency obligations/ municipal bonds	412,419	181,416	—	593,835
State of Israel Bonds	—	—	21,774	21,774
Alternative investments:				
Long/short equities	18,749	—	—	18,749
Private equity	—	—	50,564	50,564
Real estate	—	—	375	375
Not readily marketable securities/other	—	—	149,148	149,148
Total alternative investments	18,749	—	200,087	218,836
Equity securities/funds	1,114,005	936	—	1,114,941
Debt securities/funds	388,297	62,367	—	450,664
	<u>2,127,663</u>	<u>255,421</u>	<u>221,861</u>	<u>2,604,945</u>
Investments measured at NAV (or its equivalent):				
Equity funds				229,266
Multi-strategy hedge funds				287,368
Long/short equities				337,311
Private equity				330,686
Real estate				7,489
Other				18,726
Total investments measured at NAV (or its equivalent)				<u>1,210,846</u>
Total investments	2,127,663	255,421	221,861	3,815,791
Other assets, including unexpended bond proceeds (note 9)	88,457	—	—	88,457
Assets held under charitable trust agreements	28,979	—	—	28,979
Total assets	<u>\$ 2,245,099</u>	<u>255,421</u>	<u>221,861</u>	<u>3,933,227</u>

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	2020			Total
	Level 1	Level 2	Level 3	
Assets:				
Investments:				
Short-term and money market instruments	\$ 225,431	10,656	—	236,087
U.S. government and agency obligations/ municipal bonds	428,020	89,368	—	517,388
State of Israel Bonds	—	—	25,462	25,462
Alternative investments:				
Long/short equities	16,102	—	—	16,102
Private equity	—	—	4,032	4,032
Real estate	—	—	300	300
Not readily marketable securities/other	—	—	131,780	131,780
Total alternative investments	16,102	—	136,112	152,214
Equity securities/funds	824,042	852	—	824,894
Debt securities/funds	249,686	140,422	925	391,033
	<u>1,743,281</u>	<u>241,298</u>	<u>162,499</u>	<u>2,147,078</u>
Investments measured at NAV (or its equivalent):				
Equity funds				176,286
Multi-strategy hedge funds				259,037
Long/short equities				241,410
Private equity				200,317
Real estate				7,117
Other				<u>10,994</u>
Total investments measured at NAV (or its equivalent)				895,161
Total investments	1,743,281	241,298	162,499	3,042,239
Other assets, including unexpended bond proceeds (note 9)				
	88,880	—	—	88,880
Assets held under charitable trust agreements	26,341	—	—	26,341
Total assets	<u>\$ 1,858,502</u>	<u>241,298</u>	<u>162,499</u>	<u>3,157,460</u>

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The following tables summarize the fair value of only UJA-Federation's assets at June 30, 2021 and 2020, in accordance with the ASC 820 fair value hierarchy levels:

	2021			Total
	Level 1	Level 2	Level 3	
Assets:				
Investments:				
Short-term and money market instruments	\$ 103,382	—	—	103,382
U.S. government and agency obligations/ municipal bonds	16,404	—	—	16,404
State of Israel Bonds	—	—	10,152	10,152
Alternative investments:				
Real estate	—	—	375	375
Other	—	—	5,136	5,136
Total alternative investments	—	—	5,511	5,511
Equity securities/funds	255,843	—	21,843 (a)	277,686
Debt securities/funds	154,496	—	—	154,496
	<u>530,125</u>	<u>—</u>	<u>37,506</u>	<u>567,631</u>
Investments measured at NAV (or its equivalent):				
Equity funds				258,637 (b)
Multi-strategy hedge funds				255,309
Long/short equities				53,743
Private equity				190,179
Real estate				7,325
Other				<u>17,977</u>
Total investments measured at NAV (or its equivalent)				783,170
Total investments	530,125	—	37,506	1,350,801
Unexpended bond proceeds	13,788	—	—	13,788
Assets held under charitable trust agreements	28,979	—	—	28,979
Total assets	<u>\$ 572,892</u>	<u>—</u>	<u>37,506</u>	<u>1,393,568</u>

(a) Represents an investment in a title holding company that holds a condominium unit in the building utilized by UJA-Federation as its headquarters (see "Other Entities" in note 1) and eliminated in consolidation.

(b) Includes an investment of \$38,542 by UJA-Federation in a current (\$18,198) and former (\$20,344) captive insurance company (see "Other Entities" in note 1) eliminated in consolidation.

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	2020			Total
	Level 1	Level 2	Level 3	
Assets:				
Investments:				
Short-term and money market instruments	\$ 103,500	—	—	103,500
U.S. government and agency obligations/ municipal bonds	16,776	—	—	16,776
State of Israel Bonds	—	—	13,451	13,451
Alternative investments:				
Real estate	—	—	300	300
Other	—	—	1,776	1,776
Total alternative investments	—	—	2,076	2,076
Equity securities/funds	170,775	—	21,843 (a)	192,618
Debt securities/funds	77,136	—	—	77,136
	<u>368,187</u>	<u>—</u>	<u>37,370</u>	<u>405,557</u>
Investments measured at NAV (or its equivalent):				
Equity funds				198,444 (b)
Multi-strategy hedge funds				221,550
Long/short equities				65,311
Private equity				122,969
Real estate				6,946
Other				<u>10,542</u>
Total investments measured at NAV (or its equivalent)				<u>625,762</u>
Total investments	368,187	—	37,370	1,031,319
Unexpended bond proceeds	27,461	—	—	27,461
Assets held under charitable trust agreements	26,341	—	—	26,341
Total assets	<u>\$ 421,989</u>	<u>—</u>	<u>37,370</u>	<u>1,085,121</u>

(a) Represents an investment in a title holding company that holds a condominium unit in the building utilized by UJA-Federation as its headquarters (see "Other Entities" in note 1) and eliminated in consolidation.

(b) Includes an investment of \$29,417 by UJA-Federation in a current (\$11,933) and former (\$17,484) captive insurance company (see "Other Entities" in note 1) eliminated in consolidation.

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The following tables summarize the changes in the Organization's activity for the fiscal years ended June 30, 2021 and 2020 for fair value measurements using significant unobservable inputs (Level 3):

	<b>2021</b>					
	<b>Fair Value July 1, 2020</b>	<b>Purchases/ Donations</b>	<b>Sales</b>	<b>Net Realized Gains</b>	<b>Change in Unrealized Gains (Losses)</b>	<b>Fair Value June 30, 2021</b>
State of Israel Bonds	\$ 25,462	12,014	(15,702)	—	—	21,774
Alternative investments:						
Private equity	4,032	70,147	(21,211)	—	(2,404)	50,564
Real estate	300	—	—	—	75	375
Not readily marketable securities/other	131,780	1,639	—	—	15,729	149,148
Total alternative investments	136,112	71,786	(21,211)	—	13,400	200,087
Debt securities/funds	925	—	(925)	—	—	—
Total investments	<u>\$ 162,499</u>	<u>83,800</u>	<u>(37,838)</u>	<u>—</u>	<u>13,400</u>	<u>221,861</u>

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	<b>2020</b>					
	<b>Fair Value July 1, 2019</b>	<b>Purchases/ Donations</b>	<b>Sales</b>	<b>Net Realized Gains</b>	<b>Change in Unrealized Gains (Losses)</b>	<b>Fair Value June 30, 2020</b>
State of Israel Bonds	\$ 24,119	9,412	(8,069)	—	—	25,462
Alternative investments:						
Private equity	823	5,696	(2,921)	—	434	4,032
Real estate	300	—	—	—	—	300
Not readily marketable securities/other	200,849	1,035	—	—	(70,104)	131,780
Total alternative investments	201,972	6,731	(2,921)	—	(69,670)	136,112
Debt securities/funds	925	—	—	—	—	925
Total investments	\$ 227,016	16,143	(10,990)	—	(69,670)	162,499

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**(6) Investments**

The fair value of the Organization's investments at June 30, 2021 and 2020 consists of the following:

	2021					
	UJA- Federation	JCF	Gross Funds	Supporting Organizations and Other Entities	Consolidation and Elimination Items	Total
Short-term and money market instruments	\$ 103,382	90,772	6,054	4,687	—	204,895
U.S. government and agency obligations/municipal bonds	16,404	576,639	—	792	—	593,835
State of Israel Bonds	10,152	11,366	—	256	—	21,774
Alternative investments:						
Multi-strategy hedge funds	255,309	20,991	427	10,641	—	287,368
Long/short equities	53,743	281,330	18,749	2,238	—	356,060
Private equity	190,179	177,671	5,476	7,924	—	381,250
Real estate	7,700	—	—	164	—	7,864
Not readily marketable securities/other	23,113	143,798	—	963	—	167,874
Total alternative investments	530,044	623,790	24,652	21,930	—	1,200,416
Equity securities/funds	536,323	823,480	17,344	27,445	(60,385)	1,344,207
Debt securities/funds	154,496	282,447	8,599	5,122	—	450,664
Total investments	\$ <u>1,350,801</u>	<u>2,408,494</u>	<u>56,649</u>	<u>60,232</u>	<u>(60,385)</u>	<u>3,815,791</u>

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	<b>2020</b>					
	<b>UJA- Federation</b>	<b>JCF</b>	<b>Gross Funds</b>	<b>Supporting Organizations and Other Entities</b>	<b>Consolidation and Elimination Items</b>	<b>Total</b>
Short-term and money market instruments	\$ 103,500	126,349	2,862	3,376	—	236,087
U.S. government and agency obligations/municipal bonds	16,776	499,472	—	1,140	—	517,388
State of Israel Bonds	13,451	11,613	—	398	—	25,462
Alternative investments:						
Multi-strategy hedge funds	221,550	17,563	10,322	9,602	—	259,037
Long/short equities	65,311	173,294	16,102	2,805	—	257,512
Private equity	122,969	71,110	4,991	5,279	—	204,349
Real estate	7,246	—	—	171	—	7,417
Not readily marketable securities/other	12,318	129,927	—	529	—	142,774
Total alternative investments	429,394	391,894	31,415	18,386	—	871,089
Equity securities/funds	391,062	621,319	19,939	20,120	(51,260)	1,001,180
Debt securities/funds	77,136	305,539	4,089	4,269	—	391,033
Total investments	\$ 1,031,319	1,956,186	58,305	47,689	(51,260)	3,042,239



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The Organization's alternative investments are diversified across five basic investment strategies, as follows:

Multi-strategy hedge funds – Represent investments in hedge funds that vary exposure to markets and strategies based on opportunities due to temporary dislocations or structural inefficiencies. Strategies include event-driven and long/short equity and credit, distressed securities, and merger and other arbitrage.

Long/short equities – Represent investments in hedge funds that primarily invest long and short in global, liquid equities, attempting to realize gains through the identification of mispriced securities.

Private equity – Represents investments in buyout and venture capital funds. Private equity buyout funds purchase significant equity stakes in established companies with the goal of increasing value through financial, operational, and strategic changes. Venture capital funds provide capital and professional expertise to early-stage businesses in exchange for equity ownership with the potential for significant growth and value creation.

Real estate – Represents investments in funds that focus on the purchase and development, improvement, and management of residential, commercial, and industrial real estate with potential value realization through both rental income and gains from property sales.

Not readily marketable securities/other – Represents investments in funds that do not fall into the aforementioned categories. Strategies include investments in funds that invest in real assets (other than real estate), investment in funds that invest in private credit and investment in private companies. This category also includes a not readily marketable investment in a financial service company of \$143,798 and \$129,927 for fiscal years ended June 30, 2021 and 2020, respectively, that was appraised using the market approach at June 30, 2021 and 2020, respectively.

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Multi-strategy hedge funds and long/short equity investments contain various monthly, quarterly, semiannual, and annual redemption restrictions with required written notice ranging from 1 to 180 days. In addition, certain of these investments are restricted by initial lock-up periods and may contain private investments that are not redeemable within the next year or are presently in liquidation, awaiting final redemption proceeds. As of June 30, 2021, the following table summarizes the composition of \$643,428 at fair value of such investments by the various redemption provisions and lock-up/liquidation periods:

<u>Redemption period</u>	<u>UJA- Federation</u>	<u>JCF</u>	<u>Gross Funds</u>	<u>Supporting organizations and other entities</u>	<u>Total</u>
Weekly	\$ —	—	18,749	—	18,749
Monthly	—	22,125	—	—	22,125
Quarterly	140,644	264,531	427	5,862	411,464
Semiannual	107,863	13,374	—	4,495	125,732
Annual	—	1,710	—	—	1,710
Lockup/liquidation (a)	60,545	581	—	2,522	63,648
Total	<u>\$ 309,052</u>	<u>302,321</u>	<u>19,176</u>	<u>12,879</u>	<u>643,428</u>

(a) The amount subject to redemption lock-up or in liquidation is set to expire or expected to be received as follows:

<u>Redemption period</u>	<u>UJA- Federation</u>	<u>JCF</u>	<u>Gross Funds</u>	<u>Supporting organizations and other entities</u>	<u>Total</u>
2022	\$ 26,711	581	—	1,113	28,405
2024 and thereafter	33,834	—	—	1,409	35,243
Total	<u>\$ 60,545</u>	<u>581</u>	<u>—</u>	<u>2,522</u>	<u>63,648</u>

The Organization's private equity and real estate limited partnership and limited liability company interests and other drawdown funds are generally for five to fifteen-year terms, with extensions of up to four one-year terms with the exception of one related entity which holds certain investments for the duration of the funds. These investments also contain minimum subscription or capital commitments. The Organization's unfunded capital commitments approximated \$163,000 and \$165,000 at June 30, 2021 and 2020, respectively. The Organization maintains sufficient liquidity in its investment portfolio to cover such capital commitments.

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UJA-Federation's investments in equity securities/funds at June 30, 2021 and 2020 comprise the following:

	<u>2021</u>	<u>2020</u>
Domestic (publicly traded):		
Large-cap	\$ 150,618	78,954
Mid-cap	24,517	33,514
Small-cap	3,711	10,888
Total domestic	<u>178,846</u>	<u>123,356</u>
Global equities	29,004	24,175
International equities	47,993	23,244
Total equity securities/funds	<u>255,843</u>	<u>170,775</u>
Equity funds (underlying publicly traded) measured at NAV (or its equivalent):		
Domestic funds	89,728	43,067
Emerging markets	61,074	42,337
Global funds	69,293	25,437
International funds	—	58,186
Total equity funds measured at NAV (or its equivalent)	<u>220,095</u>	<u>169,027</u>
Investment in consolidated entities	60,385	51,260
Total	<u>\$ 536,323</u>	<u>391,062</u>

JCF's investments in equity securities/funds and debt securities/funds at June 30, 2021 and 2020 comprise the following:

	<u>2021</u>		<u>2020</u>	
	<u>Equities</u>	<u>Debt</u>	<u>Equities</u>	<u>Debt</u>
Domestic/international common stock	\$ 135,437	—	92,376	—
Equity mutual funds	688,043	—	528,943	—
Domestic/international corporate bonds	—	33,905	—	94,666
Fixed-income mutual funds	—	220,080	—	164,191
Asset-backed securities	—	2,767	—	11,387
Commercial mortgage-backed securities	—	25,695	—	34,370
Private corporate bonds	—	—	—	925
	<u>\$ 823,480</u>	<u>282,447</u>	<u>621,319</u>	<u>305,539</u>

UJA-Federation's investment in charitable gift annuity funds includes a segregated investment account, which is maintained in compliance with New York State Insurance Law. The balance of this account was \$34,358 and \$30,035 at June 30, 2021 and 2020, respectively.

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Investment income is reported net of related expenses, such as custodial fees and investment management costs.

**(7) Endowment Funds**

The endowment for UJA-Federation, totaling \$1,171,282 at June 30, 2021, consists of 510 individual funds representing net assets with (note 15) and without (note 14) donor restrictions subject to its spending policy.

UJA-Federation follows the provisions of the New York Prudent Management of Institutional Funds Act (NYPMIFA). Among other things, NYPMIFA provides a standard of organizational conduct for managing and delegating authority with respect to “institutional funds” and rules for appropriations from these funds. An endowment fund is defined as a type of institutional fund that, under the terms of the gift instrument, is not entirely expendable by an institution on a current basis. However, unlike prior law in which an institution could appropriate for expenditure only a prudent portion of any appreciation in the endowment fund over the original dollar value, NYPMIFA allows an institution to appropriate or accumulate so much of the donor-restricted endowment fund as is prudent for the uses, benefits, purposes, and duration for which the fund is established, subject to the intent of the donor as expressed in the gift instrument, absent explicit donor stipulations to the contrary. In compliance with NYPMIFA, the board of directors of UJA-Federation considers the following factors in managing and investing its endowment funds (the Funds):

- 1) The duration and preservation of the Funds
- 2) The purposes of UJA-Federation and the donor-restricted endowment Funds
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of UJA-Federation
- 7) Alternatives to expenditure of the Funds, giving due consideration to the effect such alternatives may have on UJA-Federation
- 8) The investment policy of UJA-Federation.

NYPMIFA eliminated the concept of “historic dollar value” for spending from endowment funds unless a living donor of a fund existing at the time NYPMIFA was adopted declined to approve such change (in which case UJA-Federation does not appropriate for expenditure any amount that would cause the value of the fund to be reduced below historic dollar value). Accounting guidance associated with the enactment of NYPMIFA as set forth in ASC Topic 958, Section 205-45, *Classification of Donor-Restricted Endowment Funds Subject To UPMIFA* (Uniform Prudent Management of Institutional Funds Act), requires that all endowment funds subject to NYPMIFA be classified as net assets with donor restrictions until appropriated for expenditure in a manner consistent with the standards of prudence required by NYPMIFA.

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UJA-Federation further classifies such funds as with or without donor-imposed purpose restrictions (board-designated).

The provisions of NYPMIFA contain a “rebuttable presumption of imprudence” if expenditures in any given year from a fund are greater than 7.0% of its fair market value, determined at least quarterly and averaged over a period of not less than five years immediately preceding the year of appropriation. UJA-Federation utilizes a Total Return Spending Rate Policy (the Spending Rate). A spending rate is applied to a rolling 12-quarter average of endowment net assets and an additional amount is spent from legacies and bequests received during a fiscal year. A separate test is performed to confirm that the proposed spending is within NYPMIFA’s rebuttable presumption. UJA-Federation’s policy is that legacies and bequests without donor restrictions received during a fiscal year in excess of the budgeted approved amount are added to board-designated funds in the endowment. If legacies and bequests without donor restrictions received in a fiscal year are less than the amount, the shortfall is borrowed from board-designated funds in the endowment and repaid in subsequent years. The overall endowment-spending amount is reviewed by management and approved by the board of directors to ensure compliance with NYPMIFA. Effective July 1, 2017, the board of directors approved a reduction in the spending rate from 5.0% to 4.5% ratably over a five-year period. For fiscal years ended June 30, 2021 and 2020, the spending rate was 4.6% and 4.7% and the budgeted legacies and bequests spending amount was \$20 million for each year.

UJA-Federation’s approved *Investment Policy Statement* defines the endowment’s investment objectives, return and risk parameters, asset allocation targets and ranges, benchmark performance measurement and evaluation, and procedures for compliance with NYPMIFA. The long-term investment objective is to target superior risk-adjusted capital appreciation with a net return that at least equals the Consumer Price Index plus the Spending Rate in order to preserve and enhance the endowment’s real value. Strategic asset allocation targets and ranges are reviewed periodically with the intention of setting them at a level that will allow for the achievement of the long-term objective while taking an appropriate level of risk through diversification.

*JCF*

JCF has a board-designated endowment fund totaling \$24,113 at June 30, 2021, where grants are recommended by the board of trustees. JCF has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs that meet the needs of the Jewish community, at home and abroad, while seeking to maintain the purchasing power of the endowment assets. JCF has a policy of appropriating for distribution a percentage of its endowment fund’s average fair value over the prior 12 quarters through the calendar year-end that precedes the fiscal year in which the distribution is planned. The spending rate was 5% for fiscal years ended June 30, 2021 and 2020. The JCF board voted to do a special appropriation from the endowment in the amount of \$1 million in response to COVID-19 in fiscal 2020. JCF expects its endowment funds, over time, to provide an average rate of return that exceeds the S&P 500 Index. To satisfy this long-term investment objective, JCF relies on a total-return strategy in which investment returns are achieved through both capital appreciation and current income. JCF targets a diversified asset allocation with prudent risk constraints.

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The composition of UJA-Federation's and JCF's endowment, by net asset class, at June 30, 2021 and 2020 is as follows:

	<b>2021</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
UJA-Federation:			
Endowment – in perpetuity	\$ —	298,038	298,038
Endowment – income subject to purpose restrictions	—	171,549	171,549
Endowment – income not subject to purpose restrictions	—	93,737	93,737
Purpose restricted funds subject to spending policy	—	198,936	198,936
Board designated	409,540	—	409,540
Underwater endowments	—	(518)	(518)
Total	<u>\$ 409,540</u>	<u>761,742</u>	<u>1,171,282</u>
JCF:			
Board designated	\$ 24,113	—	24,113

	<b>2020</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
UJA-Federation:			
Endowment – in perpetuity	\$ —	284,599	284,599
Endowment – income subject to purpose restrictions	—	106,548	106,548
Endowment – income not subject to purpose restrictions	—	52,732	52,732
Purpose restricted funds subject to spending policy	—	162,359	162,359
Board designated	316,245	—	316,245
Underwater endowments	—	(465)	(465)
Total	<u>\$ 316,245</u>	<u>605,773</u>	<u>922,018</u>
JCF:			
Board designated	\$ 17,133	—	17,133

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A donor-restricted endowment fund is considered underwater if the fair value of the fund is less than either the original gift amount or the amount required to be maintained by the donor or by law. At times, the Organization may have individual donor-restricted endowment funds that are underwater. The Organization permits spending from underwater funds unless specifically prohibited by the donor. At June 30, 2021 and 2020, the amount by which funds were underwater was calculated as follows:

	<b>2021</b>	<b>2020</b>
Aggregate original gift	\$ 21,258	15,497
Aggregate fair value	20,740	15,032
Aggregate deficiency	\$ (518)	(465)

Changes in UJA-Federation's and JCF's endowment net assets for the fiscal years ended June 30, 2021 and 2020 were as follows:

	<b>2021</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
UJA-Federation:			
Net assets – July 1, 2020	\$ 316,245	605,773	922,018
Investment return, net	89,331	176,718	266,049
Contributions	32,226	9,433	41,659
Change in value of split-interest agreements	—	4,012	4,012
Distributions (a)	(28,825)	(32,432)	(61,257)
Transfers in (out)	563	(1,762)	(1,199)
Net assets – June 30, 2021	\$ 409,540	761,742	1,171,282
JCF:			
Net assets – July 1, 2020	\$ 17,133	—	17,133
Investment return, net	5,778	—	5,778
Contributions	2,116	—	2,116
Distributions	(914)	—	(914)
Net assets – June 30, 2021	\$ 24,113	—	24,113

(a) Includes \$20,000 distributed under UJA-Federation's separate legacies and bequests policy.

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	<b>2020</b>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
UJA-Federation:			
Net assets – July 1, 2019	\$ 343,677	619,709	963,386
Investment return, net	(96)	(2,834)	(2,930)
Contributions	18,148	13,099	31,247
Change in value of split-interest agreements	—	674	674
Distributions (a)	(37,029)	(23,112)	(60,141)
Transfers out	(8,455)	(1,763)	(10,218)
Net assets – June 30, 2020	<u>\$ 316,245</u>	<u>605,773</u>	<u>922,018</u>
JCF:			
Net assets – July 1, 2019	\$ 18,267	—	18,267
Investment return, net	123	—	123
Distributions	(1,257)	—	(1,257)
Net assets – June 30, 2020	<u>\$ 17,133</u>	<u>—</u>	<u>17,133</u>

(a) Includes \$20,000 distributed under UJA-Federation's separate legacies and bequests policy.

**(8) Fixed Assets**

Fixed assets, at cost, consist of the following at June 30, 2021 and 2020:

	<b>2021</b>			<b>2020</b>
	<u>UJA- Federation</u>	<u>Related entities</u>	<u>Total</u>	<u>Total</u>
Land	\$ 1,118	600	1,718	1,718
Buildings and building improvements	74,563	23,935	98,498	99,354
Furniture and equipment	7,516	596	8,112	8,826
Total cost	83,197	25,131	108,328	109,898
Accumulated depreciation	(31,646)	(8,480)	(40,126)	(38,380)
Net fixed assets	<u>\$ 51,551</u>	<u>16,651</u>	<u>68,202</u>	<u>71,518</u>



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In 2021 and 2020, UJA-Federation wrote off \$1,486 and \$3,034, respectively, of fully depreciated fixed assets.

Assets leased to beneficiary agencies at below market rents are included in other assets and receivables on the consolidated balance sheets.

**(9) Long-Term Debt, Net**

In June 2004, the New York City Industrial Development Agency issued \$41,830 of Series 2004A and \$25,000 of Series 2004B Civic Facility Revenue Bonds (collectively, Series 2004 Bonds) for the benefit of UJA-Federation, in the amount of \$66,830 at par. The Series 2004 Bonds were issued in order to finance part of the costs of the renovation, equipping, and furnishing of the portion of a building owned by UJA-Federation and occupied as its headquarters (the Facility).

During fiscal 2015, the Build NYC Resource Corporation issued at par \$27,335 of revenue bonds (Series 2014 Bonds) for the benefit of UJA-Federation for the purpose of refunding the outstanding principal amount of the Series 2004A Bonds. The Series 2014 Bonds were issued at a premium of \$3,923, which is being amortized over the life of the bonds. The Series 2014 Bonds are fixed rate serial bonds with annual maturity dates through July 1, 2025 and interest rates ranging from 2.00% to 5.00%. The Series 2014 Bonds are subject to optional redemption on or after July 1, 2024, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest to the date of redemption. The Series 2014 Bonds are also subject to mandatory and extraordinary redemption, as defined.

During fiscal 2021, UJA-Federation issued at par \$28,840 of taxable bonds (Series 2020). The proceeds of issuance were used to advance refund and defease the Series 2004B Bonds (\$24,246) and to pay costs of issuance (\$331); the remaining proceeds (\$4,263) will be used for general corporate purposes. The Series 2020 Bonds comprise fixed-rate serial bonds with maturity dates commencing February 1, 2023 and continuing annually thereafter until February 1, 2035, except that no bonds mature in 2029, 2032 and 2033. The bonds bear interest at rates ranging from 0.699% to 2.545% payable on each February 1 and August 1, commencing February 1, 2021. As a result, unamortized premium of \$1,731 and debt issuance costs of \$237 on the 2004B bonds were written-off.

In April 2017, the Colorado Educational and Cultural Facilities Authority issued Revenue Bonds (Series 2017B Bonds) for the benefit of UJA-Federation, in the amount of \$35,000 at par. The Series 2017B Bonds were issued in order to construct, renovate, improve, and equip various capital projects at camp facilities, owned by UJA-Federation and leased to and operated by Henry Kaufmann Campgrounds, Inc., and to pay certain issuance expenses. UJA-Federation is obligated to and guarantees to make required payments of principal, sinking fund installments, and interest on the Series 2017B Bonds.

The Series 2017B Bonds are comprised of \$6,510 of fixed-rate serial bonds with maturity dates commencing February 1, 2019 and annually thereafter until February 1, 2032 and \$28,490 of fixed-rate

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term bonds with mandatory sinking fund requirements commencing February 1, 2026 and annually thereafter until final maturity on February 1, 2047.

The fixed-rate serial bonds bear interest at rates ranging from 1.77% to 3.99%. The fixed-rate term bonds bear interest at rates ranging from 3.54% to 4.42%. The bonds maturing after February 1, 2027 are subject to optional redemption by UJA-Federation prior to maturity, in whole or in part, on or after February 1, 2027 at par plus accrued interest through the date of redemption. The Series 2017B Term Bonds maturing on or after February 1, 2029 are subject to mandatory sinking fund redemptions at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date.

In connection with issuance of the Series 2017B Bonds, UJA-Federation incurred bond issuance costs of \$372. This amount has been deferred and is being amortized over the life of the bonds.

At June 30, 2021 and 2020, the investment in bond proceeds were \$13,251 and \$27,461, respectively, comprised of unexpended Project Fund proceeds, excluding \$537 of Series 2020 proceeds to be applied towards final interest due on the Series 2004B Bonds on January 1, 2022. The funds are invested in short-term government fixed income securities and money market funds.

Unamortized debt issuance costs of \$842 and \$834 at June 30, 2021 and 2020, respectively, are reflected as a direct reduction of long-term debt. Amortization of debt issuance costs for fiscal years ended June 30, 2021 and 2020 was \$323 (including the write-off of \$237 of 2004B issuance costs) and \$81, respectively.

At June 30, 2021 and 2020, \$14,585 and \$17,419 and \$32,460 and \$33,203, net was outstanding under the Series 2014 Bonds and the Series 2017B Bonds, respectively. At June 30, 2021, \$28,525 net was outstanding under the Series 2020 Bonds.

The minimum annual payments for principal and interest relating to long-term debt, net at June 30, 2021 are as follows:

Year ending June 30:	Principal				Interest				Total debt service
	Series 2014A Bonds	Series 2017B Bonds	Series 2020 Bonds	Total	Series 2014A Bonds	Series 2017B Bonds	Series 2020 Bonds	Total	
2022	\$ 2,625	770	—	3,395	573	1,336	503	2,412	5,807
2023	2,755	790	2,710	6,255	438	1,316	503	2,257	8,512
2024	2,890	815	2,730	6,435	312	1,293	484	2,089	8,524
2025	3,010	840	1,370	5,220	179	1,269	459	1,907	7,127
2026	3,305	865	1,385	5,555	52	1,242	444	1,738	7,293
Thereafter	—	28,380	20,330	48,710	—	15,550	2,113	17,663	66,373
	<u>\$ 14,585</u>	<u>32,460</u>	<u>28,525</u>	<u>75,570</u>	<u>1,554</u>	<u>22,006</u>	<u>4,506</u>	<u>28,066</u>	<u>103,636</u>

Interest expense for the years ended June 30, 2021 and 2020 was \$1,250 and \$2,397, respectively.

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**(10) Grants**

The following is a list, by program area, of grants awarded by UJA-Federation and related entities during the years ended June 30, 2021 and 2020:

	<b>2021</b>	<b>2020</b>
UJA-Federation:		
Jewish Communal Network:		
Overseas agencies; The Jewish Federations of North America (a)	\$ 29,870	32,965
Operating support grants to domestic network agencies	32,424	31,818
Other program grants	3,636	4,530
Total Jewish Communal Network	65,930	69,313
Jewish Life:		
Jewish education and experiences	16,974	16,282
Global communities	3,691	4,809
Grassroots and community organizing	3,371	2,691
Combatting anti-semitism	3,126	—
Scholarships	3,092	730
Social cohesion in Israel	1,996	2,272
Other program grants	503	1,157
Total Jewish Life	32,753	27,941
Caring:		
Poverty	12,386	10,990
Aging	5,564	5,809
Social mobility in Israel	3,372	2,120
Special needs	2,058	3,797
Crisis response	495	2,000
Other program grants	7,585	3,844
Total Caring	31,460	28,560
Emergency COVID-19 relief	24,433	11,407
Lease of properties to grantee organizations (b)	26,395	26,224
Total UJA-Federation	\$ 180,971	163,445

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	<b>2021</b>	<b>2020</b>
JCF:		
Cultural and educational	\$ 211,706	207,244
Community organizations	63,884	57,275
Health, human services, and environment	75,761	90,241
International	87,176	103,345
Religious	56,707	49,405
UJA-Federation	25,536	28,588
Total JCF	520,770	536,098
Grass Funds:		
Educational and other philanthropic programs	7,437	7,965
Supporting organizations and other entities	3,363	9,278
Less consolidation and elimination items	(25,053)	(34,253)
Total	\$ 687,488	682,533

- (a) The Jewish Federations of North America (JFNA) is the umbrella organization for the Jewish federations in North America and is the principal vehicle through which UJA-Federation distributes funds for overseas program activities. Distributions by JFNA go primarily to the Jewish Agency for Israel and the American Jewish Joint Distribution Committee, Inc. Organizations receiving funds from JFNA utilize such funds for activities and programs that support UJA-Federation's charitable purposes.
- (b) UJA-Federation recognizes the estimated rental value of property owned by it and leased to various grantee organizations at rates significantly below market. The estimates were based upon independent appraisals of the properties, utilizing cap rates ranging from 5.0% to 7.0% to impute rental income and the corresponding grant to the lessees. The consolidated statements of activities reflect \$26,395 and \$26,224 of imputed rental income and grant expense related to these lease agreements for the years ended June 30, 2021 and 2020, respectively.

In June 2021, the board of directors of UJA-Federation approved \$135,257 for fiscal year 2022 grants and related program activities recommended by the planning departments responsible for the allocation of funds to affiliated agencies of UJA-Federation and to others. In July 2021, the planning departments awarded approximately \$86,353 of grants for programs to be conducted during fiscal year 2022 and notified the grant recipients. These grants and the remaining unallocated budget of \$48,904 will be recorded by UJA-Federation in fiscal year 2022 when the grants are awarded and the recipients notified.

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(Dollars in thousands)

**(11) Leases**

UJA-Federation leases office space under the terms of various leases expiring through fiscal year 2030. JCF leases office space under the terms of an operating lease expiring in March 2028.

The leases generally provide for annual base rentals plus real estate and operating expense escalations. Operating leases with lease terms greater than one year are reported as right-of-use assets – operating leases and lease liabilities in the consolidated balance sheet.

Information relating to the “lease costs”, which includes all costs during the period associated with an operating lease as well as the costs related to variable lease components:

	<u>UJA-Federation</u>	<u>JCF</u>	<u>Total</u>
Operating lease costs	\$ 654	566	1,220
Variable costs	3	17	20
Total	<u>\$ 657</u>	<u>583</u>	<u>1,240</u>

The table below presents a maturity analysis of lease liabilities and a reconciliation of the total amount of such liabilities recognized in the consolidated balance sheet at June 30, 2021:

	<u>UJA-Federation</u>	<u>JCF</u>	<u>Total</u>
Year ending June 30:			
2022	\$ 665	560	1,225
2023	682	560	1,242
2024	698	560	1,258
2025	715	565	1,280
2026	359	581	940
Thereafter	<u>1,229</u>	<u>1,017</u>	<u>2,246</u>
Total	\$ 4,348	3,843	8,191
Less: Amount representing interest	<u>(112)</u>	<u>(704)</u>	<u>(816)</u>
Amount reported on consolidated statement of financial position	<u>4,236</u>	<u>3,139</u>	<u>7,375</u>

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The table below presents additional information relating to UJA-Federation and JCF's leases for fiscal year ended June 30, 2021:

	<u>UJA-Federation</u>	<u>JCF</u>
Weighted average remaining lease term - operating leases	6 years	8 years
Discount rate - incremental borrowing rate	N/A	5.43%
Discount rate - risk-free rate	0.69%	N/A

Rent expense for the years ended June 30, 2021 and 2020 was \$1,269 and \$1,287, respectively.

In addition, Gruss occupies office space in New York City under a lease arrangement that expires on June 30, 2022. Gruss also entered into a month-to-month sublease agreement. The annual rent is subject to real estate tax escalations. Future lease payments are as follows:

	<u>Amount</u>
Year ending December 31:	
2021	333
2022	199
Total	\$ 532

Rent expense, net of sublease rental income for the years ended December 31, 2020 and 2019, was \$191 and \$186, respectively.

**(12) Retirement Benefits**

*Multiemployer Plan*

UJA-Federation and JCF participate in a multiemployer defined-benefit pension plan (the Plan) covering eligible union and nonunion employees of these organizations as well as eligible employees of participating affiliated agencies of UJA-Federation. The Plan, *Retirement Plan for Employees of United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. and Affiliated Agencies and Institutions*, is filed under the Employer Identification Number 51-0172429 and the three-digit Pension Plan Number 333. The Organization is not required to file an annual zone certification under the Pension Protection Act of 2006 (PPA) and disclosures concerning a financial improvement plan or a rehabilitation plan are not applicable. The Plan is at least 85% funded using the most recent financial information as of October 1, 2020, the beginning of the Plan year.

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UJA-Federation and JCF contributions to the Plan for the years ended June 30, 2021 and 2020 were \$1,657 and \$3,280, respectively. These contributions represented 11.0% and 10.8% of the total contributions to the Plan for those years ended, respectively. The expiration date of the collective-bargaining agreement requiring contributions to the Plan for those union employees who elect to participate is January 31, 2022. The Plan is noncontributory for nonunion employees.

All Plan participants accrue benefits under a cash balance formula. The cash balance formula provides for Plan participants to be credited with an annual pay credit as well as an annual interest credit at a rate based on the yield on 30-year United States Treasury bonds.

*Other Retirement Benefits*

UJA-Federation has also entered into arrangements with executives and certain employees related to supplemental retirement benefits. Costs associated with such arrangements have been accrued and are included in the accompanying consolidated financial statements.

In addition, UJA-Federation provides certain postretirement healthcare benefits to eligible retired employees. Some of UJA-Federation's employees will become eligible for those benefits if they reach normal retirement age while working for UJA-Federation. UJA-Federation follows the provisions of ASC Topic 715, *Compensation – Retirement Benefits*. The unfunded postretirement benefit obligation at June 30, 2021 and 2020, recognized by UJA-Federation in the consolidated balance sheets, was \$3,894 and \$4,259, respectively. For the years ended June 30, 2021 and 2020, UJA-Federation's net periodic postretirement benefit cost was \$70 and \$36, respectively.

**(13) Commitments and Contingencies**

**(a) Rental Income**

A consolidated real estate title holding company of UJA-Federation owns a condominium unit and leases office space to tenants in the building in New York City also used by UJA-Federation as its headquarters. The leases contain operating expense and real estate tax escalation clauses. For the years ended June 30, 2021 and 2020, rental income amounted to \$3,984 and \$4,020, respectively.

Future minimum rental income under these leases, excluding escalations, is as follows:

	<b>Amount</b>
Year ending June 30:	
2022	3,877
2023	3,952
2024	3,981
2025	3,743
2026	3,132
Thereafter	18,824
Total	\$ 37,509

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Notes to Consolidated Financial Statements

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(Dollars in thousands)

**(b) Contingencies**

The Organization is party to various litigation and other claims in the ordinary course of business. In the opinion of management, the ultimate resolution of these matters will not have a significant effect on the Organization's consolidated financial position.

UJA-Federation is a guarantor to Healthcare Risk Advisors, Inc. (HRA), an entity that provides risk management and insurance procurement services for UJA-Federation and many network agencies, of all insurance premiums due from network agencies to HRA for policies written for participating network agencies until such time as UJA-Federation determines to cease guaranteeing future policies payments. UJA-Federation has the right to terminate an agency's participation in the insurance program in the event of such agency's nonpayment of its monthly premium in order to reduce the liability under the guaranty. The total balance of unpaid insurance premiums for policies that continued in force at June 30, 2021 was \$16,151. At June 30, 2021, no network agencies were in arrears.

**(14) Net Assets Without Donor Restrictions**

Net assets without donor restrictions were designated by the UJA-Federation board of directors at June 30, 2021 and 2020 as follows:

	<u>2021</u>	<u>2020</u>
Board designated endowment - spending policy (note 7)	\$ 409,540	316,245
Headquarters facility	21,843	21,843
Properties used by agencies	7,729	7,724
Revolving and special loans	3,000	3,000
Other board designated purposes	<u>13,481</u>	<u>10,530</u>
Total	<u>\$ 455,593</u>	<u>359,342</u>

JCF's funds functioning as endowment are those where the Board of Trustees and the Special Gifts Committee have grantmaking responsibility. These totaled \$24,113 and \$17,133 at June 30, 2021 and 2020, respectively.



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**(15) Net Assets With Donor Restrictions**

Net assets with donor restrictions consisted of the following at June 30:

	<b>2021</b>	<b>2020</b>
UJA-Federation:		
Donor-restricted purpose funds for (a):		
Education and scholarships	\$ 183,714	144,835
Multipurpose and other programs	150,109	101,163
Caring for the vulnerable	80,811	55,373
Camps and community centers	31,286	25,935
Programs for the aged	26,028	17,086
Capital projects	6,533	10,586
Jewish education and continuity	7,516	4,159
	<u>485,997</u>	<u>359,137</u>
Donor-restricted funds - time (b)	116,226	74,281
Historical gift value of endowment funds to be held in perpetuity for:		
General purposes	132,555	121,427
Multipurpose and other programs	50,548	49,709
Education and scholarships	38,783	38,251
Caring for the vulnerable	31,431	31,431
Programs for the aged	18,651	17,767
Camps and community centers	11,741	11,741
Jewish education and continuity	9,731	9,728
Rescue and resettlement	4,080	4,080
	<u>297,520</u>	<u>284,134</u>
Total UJA-Federation	<u>899,743</u>	<u>717,552</u>
Gross Funds:		
Donor-restricted purpose funds for:		
Educational and other philanthropic programs	41,685	43,116
Less consolidation and elimination items	(49,754)	(45,180)
Total net assets with donor restrictions	<u>\$ 891,674</u>	<u>715,488</u>

(a) Includes \$171,549 and \$106,548 of unappropriated endowment appreciation as of June 30, 2021 and 2020, respectively.

(b) Includes \$93,737 and \$52,732 of unappropriated endowment appreciation as of June 30, 2021 and 2020, respectively.

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June 30, 2021 and 2020

(Dollars in thousands)

A portion of the above net assets were released from donor restriction by satisfying the restricted purpose or by the passage of time. Net assets were released as follows during the years ended June 30:

	<b>2021</b>	<b>2020</b>
Release of net assets due to the passage of time	\$ 5,865	3,942
Release of net assets due to:		
Endowment grants and expenses	34,159	24,831
Satisfaction of program restrictions	27,129	18,879
Net assets released from restrictions	\$ 67,153	47,652

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(Dollars in thousands)

**(16) Liquidity and Availability of Resources**

The Organization's financial assets available within one year of the consolidated statements of financial position date for operating expenditures and grant payments at June 30, 2021 and 2020 were as follows:

	2021				Total
	UJA- Federation	JCF	Gross Funds	Supporting organizations and other entities	
Financial assets at June 30, 2021:					
Cash	\$ 29,602	—	573	1,155	31,330
Contributions receivable, net	101,346	—	—	179	101,525
Other receivables	55,788	574	—	—	56,362
Intercompany receivables (payable)	(1,681)	—	—	1,681	—
Investments, after intercompany eliminations	1,290,416	2,408,494	56,649	60,232	3,815,791
Total financial assets at June 30, 2021	1,475,471	2,409,068	57,222	63,247	4,005,008
Less amounts not available to meet general expenditures within one year:					
Cash held as collateral	(12,566)	—	—	—	(12,566)
Contributions receivable not expected to be collected within one year or donor restricted	(49,994)	—	—	(179)	(50,173)
Investments not available for operations	(53,738)	(104,387)	—	(16,628)	(174,753)
Board-designated endowment, net of spending policy	(369,107)	(24,113)	—	—	(393,220)
Donor-restricted funds, net of spending policy	(431,064)	—	(41,685)	—	(472,749)
Donor-restricted funds to be held in perpetuity	(270,603)	—	—	—	(270,603)
Amounts held for special purposes/time restrictions	(89,588)	(19,941)	—	—	(109,529)
Financial assets available within one year	198,811	2,260,627	15,537	46,440	2,521,415
Other resources available					
Line of credit (a)	50,000	—	—	—	50,000
Total financial assets and other resources available within one year	\$ 248,811	2,260,627	15,537	46,440	2,571,415

(a) In November 2020, UJA-Federation entered into a secured line of credit which provides for cash borrowings up to \$50 million. Borrowing under the line bears interest at a rate of LIBOR + 1.10% and is secured by cash and securities accounts. No amounts are currently outstanding under the line of credit.

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June 30, 2021 and 2020

(Dollars in thousands)

	2020				
	UJA- Federation	JCF	Gross Funds	Supporting organizations and other entities	Total
Financial assets at June 30, 2020:					
Cash	\$ 29,199	—	343	1,329	30,871
Contributions receivable, net	110,581	—	—	175	110,756
Other receivables	54,461	1,179	—	—	55,640
Intercompany receivables (payable)	559	—	—	(559)	—
Investments, after intercompany eliminations	980,059	1,956,186	58,305	47,689	3,042,239
Total financial assets at June 30, 2020	1,174,859	1,957,365	58,648	48,634	3,239,506
Less amounts not available to meet general expenditures within one year:					
Cash held as collateral	(12,581)	—	—	—	(12,581)
Contributions receivable not expected to be collected within one year or donor restricted	(53,262)	—	—	(175)	(53,437)
Investments not available for operations	(38,356)	(55,071)	—	(14,949)	(108,376)
Board-designated endowment, net of spending policy	(279,373)	(17,133)	—	—	(296,506)
Donor-restricted funds, net of spending policy	(273,666)	—	(43,116)	—	(316,782)
Donor-restricted funds to be held in perpetuity	(269,096)	—	—	—	(269,096)
Amounts held for special purposes/time restrictions	(61,461)	(10,489)	—	—	(71,950)
Total financial assets available within one year	\$ 187,064	1,874,672	15,532	33,510	2,110,778

UJA-Federation regularly monitors liquidity required to meet its operating needs and other contractual commitments as they become due, while also striving to maximize the investment of its available funds. Cash in excess of daily operating requirements is invested in short-term investments. Short-term investments also are maintained in UJA-Federation's pooled investment account to meet capital calls, provide funds for opportunistic investments, and serve as a back-up source for operating needs. A portion of UJA-Federation's endowment consists of board-designated funds; although UJA-Federation's policy is to expend from these funds only the amount computed pursuant to UJA-Federation's endowment spending policy, additional funds can be released with the approval of the Board of Directors. UJA-Federation's donor-restricted endowments and income from these endowments (some of which is also restricted for specific purposes) are not available for general expenditure except pursuant to the spending policy.

In addition to financial assets available to meet general expenditures over the next 12 months, UJA-Federation expects to receive gifts without donor restrictions through its principal fundraising activity, the annual campaign. Based on prior experience, as a majority of these gifts will be collected during the 12-month period and will be available for expenditure, they are included as sources of funds under UJA-Federation's budget process. UJA-Federation also receives legacy and bequest gifts which support the legacy spending policy. Purpose-restricted gifts received as part of the annual campaign generally are not budgeted for expenditure until collected.

**UNITED JEWISH APPEAL-FEDERATION OF JEWISH  
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Schedule of Balance Sheet Information for UJA-Federation

June 30, 2021  
(with comparative totals for 2020)

(Dollars in thousands)

	<b>2021</b>			<b>2020</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total All Funds</b>	<b>Total All Funds</b>
<b>Assets</b>				
Cash	\$ 15,916	13,686	29,602	29,199
Contributions receivable, net	47,281	54,065	101,346	110,581
Other assets and receivables	60,554	42,207	102,761	83,669
Intercompany receivables (payables)	34,073	(35,754)	(1,681)	559
Amounts held on behalf of other agencies	65,461	—	65,461	57,206
Investments	527,737	823,064	1,350,801	1,031,319
Unexpended bond proceeds	13,788	—	13,788	27,461
Right-of-use asset - operating leases	3,772	—	3,772	—
Assets held under charitable trust agreements	—	28,979	28,979	26,341
Fixed assets, net	51,551	—	51,551	54,137
Total assets	<u>\$ 820,133</u>	<u>926,247</u>	<u>1,746,380</u>	<u>1,420,472</u>
<b>Liabilities and Net Assets</b>				
<b>Liabilities:</b>				
Accounts payable, accrued expenses, and other liabilities	\$ 24,962	3,238	28,200	19,430
Grants payable	16,633	10,294	26,927	19,275
Amounts held on behalf of other agencies	65,461	—	65,461	57,206
Lease liabilities	4,236	—	4,236	—
Liabilities under charitable trust and annuity agreements	22,703	12,972	35,675	36,612
Long-term debt, net	75,570	—	75,570	74,737
Accrued postretirement benefits	3,894	—	3,894	4,259
Total liabilities	<u>213,459</u>	<u>26,504</u>	<u>239,963</u>	<u>211,519</u>
<b>Net assets:</b>				
Without donor restrictions:				
Undesignated	151,081	—	151,081	132,059
Board designated	455,593	—	455,593	359,342
Total without donor restrictions	<u>606,674</u>	<u>—</u>	<u>606,674</u>	<u>491,401</u>
With donor restrictions	<u>—</u>	<u>899,743</u>	<u>899,743</u>	<u>717,552</u>
Total net assets	<u>606,674</u>	<u>899,743</u>	<u>1,506,417</u>	<u>1,208,953</u>
Total liabilities and net assets	<u>820,133</u>	<u>926,247</u>	<u>1,746,380</u>	<u>1,420,472</u>

See accompanying independent auditors' report.

**UNITED JEWISH APPEAL-FEDERATION OF JEWISH  
PHILANTHROPIES OF NEW YORK, INC. AND RELATED ENTITIES**

Schedule of Activities for UJA-Federation

Year ended June 30, 2021  
(with comparative totals for 2020)

(Dollars in thousands)

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Total All Funds	Total All Funds
Revenue and gains (losses):				
Annual/special giving:				
Annual giving contributions, including special event and mission revenue of \$3,033 in 2020	\$ 113,575	13,611	127,186	130,249
Less event and mission costs	—	—	—	(5,745)
Special giving contributions	—	32,544	32,544	11,540
Less provision for uncollectible contributions, net of prior years' recoveries	(3,770)	(867)	(4,637)	(4,736)
Net contributions – annual/special giving	109,805	45,288	155,093	131,308
Endowment contributions	—	1,799	1,799	10,210
Legacies and bequests	32,136	8,070	40,206	14,113
Split-interest agreements	274	(36)	238	567
Change in value of split-interest agreements	(2,622)	5,136	2,514	(419)
Donated goods and services	150	—	150	300
Amounts raised on behalf of others	17,774	—	17,774	24,786
Net contribution revenue, including amounts raised on behalf of others and before contributions from related organizations under common control	157,517	60,257	217,774	180,865
Contributions from related organizations under common control	20,522	4,574	25,096	34,294
Net contribution revenue, including amounts raised on behalf of others and contributions from related organizations under common control	178,039	64,831	242,870	215,159
Less amounts raised on behalf of others	(17,774)	—	(17,774)	(24,786)
Net contribution revenue, including contributions from related organizations under common control and excluding amounts raised on behalf of others	160,265	64,831	225,096	190,373
Net investment income (loss)	12,644	(1,014)	11,630	4,195
Net appreciation (depreciation) in fair value of investments	98,502	184,131	282,633	(2,955)
Rental income	26,501	—	26,501	26,290
Other income	1,023	—	1,023	3,098
Changes of donor's designation	—	(35)	(35)	(44)
	298,935	247,913	546,848	220,957
Net assets released from restrictions	65,722	(65,722)	—	—
Total revenue and gains (losses)	364,657	182,191	546,848	220,957
Grants and expenses:				
Grants and other program services:				
Grants	180,971	—	180,971	163,445
Other program services	18,698	—	18,698	24,085
Total grants and other program services	199,669	—	199,669	187,530
Fundraising	31,925	—	31,925	36,255
Management and general	18,061	—	18,061	21,234
Total expenses	249,655	—	249,655	245,019
Increase (decrease) in net assets before postretirement plan adjustments	115,002	182,191	297,193	(24,062)
Postretirement benefit changes not included in net periodic benefit cost	271	—	271	(513)
Increase (decrease) in net assets	115,273	182,191	297,464	(24,575)
Net assets at beginning of year	491,401	717,552	1,208,953	1,233,528
Net assets at end of year	\$ 606,674	899,743	1,506,417	1,208,953

See accompanying independent auditors' report.

**UNITED JEWISH APPEAL-FEDERATION OF JEWISH  
PHILANTHROPIES OF NEW YORK, INC. AND RELATED ENTITIES**

Schedule of Functional Expenses for UJA-Federation  
For the years ended June 30, 2021 and 2020  
(Dollars in thousands)

	<b>2021</b>				
	<b>Grants and Other Program Services</b>	<b>Supporting Services</b>			<b>Total Expenses</b>
		<b>Fundraising</b>	<b>Management and General</b>	<b>Total Supporting Services</b>	
Grants	\$ 180,971	—	—	—	180,971
Salaries and related benefits	10,382	23,025	12,788	35,813	46,195
Consultant fees and expenses	1,641	775	991	1,766	3,407
Depreciation and amortization	1,191	1,614	979	2,593	3,784
Occupancy	594	1,596	691	2,287	2,881
Printing, postage and office	517	1,082	268	1,350	1,867
Interest	832	(34)	453	419	1,251
Tuition and stipends	1,573	3	2	5	1,578
Data processing related	109	594	853	1,447	1,556
Travel and other staff expenses	203	89	66	155	358
Advertising and communications	281	2,126	202	2,328	2,609
Other	1,375	1,055	768	1,823	3,198
Total expenses	\$ 199,669	31,925	18,061	49,986	249,655

	<b>2020</b>				
	<b>Grants and Other Program Services</b>	<b>Supporting Services</b>			<b>Total Expenses</b>
		<b>Fundraising</b>	<b>Management and General</b>	<b>Total Supporting Services</b>	
Grants	\$ 163,445	—	—	—	163,445
Salaries and related benefits	14,368	27,519	15,080	42,599	56,967
Consultant fees and expenses	1,988	623	2,270	2,893	4,881
Depreciation and amortization	1,139	1,709	1,045	2,754	3,893
Occupancy	711	1,855	894	2,749	3,460
Printing, postage and office	754	1,515	129	1,644	2,398
Interest	1,245	687	465	1,152	2,397
Tuition and stipends	1,614	9	24	33	1,647
Data processing related	120	508	703	1,211	1,331
Travel and other staff expenses	244	202	133	335	579
Advertising and communications	74	810	184	994	1,068
Other	1,828	818	307	1,125	2,953
Total expenses	\$ 187,530	36,255	21,234	57,489	245,019
Special event and mission fees					5,745
Total expenses and special event and mission fees					250,764

See accompanying independent auditors' report.