



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

Consolidated Financial Statements and Schedules

June 30, 2022 and 2021

(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.:

Opinion

We have audited the consolidated financial statements of United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. and its related entities (the Organization), which comprise the consolidated balance sheets as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, 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.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2022 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, 2022 and 2021 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

New York, New York
December 9, 2022

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

Consolidated Balance Sheets

June 30, 2022 and 2021
(with consolidating information for 2022)

(Dollars in thousands)

	2022						2021	
	Consolidating information (note 1)						Consolidated Total	Consolidated Total
	UJA-Federation	Jewish Communal Fund	Grass Funds	Supporting Organizations	Other Entities	Consolidation and Elimination Items		
Assets								
Cash	\$ 34,564	—	1,327	655	703	—	37,249	31,330
Contributions receivable, net (note 4)	98,985	—	—	—	223	—	99,208	101,525
Other assets and receivables (notes 5, 8 and 13)	107,768	6,431	440	—	88,911	(737)	202,813	203,981
Intercompany receivables (payables)	750	—	—	(744)	(6)	—	—	—
Amounts held on behalf of other agencies	52,269	—	—	—	—	—	52,269	56,622
Investments (notes 5 and 6)	1,236,916	2,473,585	58,550	47,451	3,313	(46,645)	3,773,170	3,815,791
Unexpended bond proceeds (notes 5 and 9)	—	—	—	—	—	—	—	13,788
Right-of-use assets - operating leases (note 11)	3,679	2,722	—	—	—	—	6,401	6,889
Assets held under charitable trust agreements (notes 3 and 5)	23,738	—	—	—	—	—	23,738	28,979
Fixed assets, net (note 8)	49,262	58	—	—	15,947	—	65,267	68,202
Total assets	<u>\$ 1,607,931</u>	<u>2,482,796</u>	<u>60,317</u>	<u>47,362</u>	<u>109,091</u>	<u>(47,382)</u>	<u>4,260,115</u>	<u>4,327,107</u>
Liabilities and Net Assets								
Liabilities:								
Accounts payable, accrued expenses, and other liabilities (notes 5, 9 and 13)	\$ 26,674	2,425	687	—	55,522	(737)	84,571	80,237
Grants payable	25,440	—	4,575	5	440	—	30,460	30,812
Amounts held on behalf of other agencies	52,269	—	—	—	—	—	52,269	56,622
Lease liabilities (note 11)	4,109	2,749	—	—	—	—	6,858	7,375
Liabilities under charitable trust and annuity agreements (note 3)	31,631	—	—	—	—	—	31,631	35,675
Long-term debt, net (note 9)	71,902	—	—	—	—	—	71,902	75,570
Accrued postretirement benefits (note 12)	3,116	—	—	—	—	—	3,116	3,894
Total liabilities	<u>215,141</u>	<u>5,174</u>	<u>5,262</u>	<u>5</u>	<u>55,962</u>	<u>(737)</u>	<u>280,807</u>	<u>290,185</u>
Commitments and contingencies (notes 6 and 13)								
Net assets:								
Without donor restrictions:								
Undesignated	153,293	2,458,190	14,696	47,357	53,129	13,293	2,739,958	2,665,542
Board designated (notes 7 and 14)	428,241	19,432	—	—	—	3,913	451,586	479,706
Total without donor restrictions	<u>581,534</u>	<u>2,477,622</u>	<u>14,696</u>	<u>47,357</u>	<u>53,129</u>	<u>17,206</u>	<u>3,191,544</u>	<u>3,145,248</u>
With donor restrictions (notes 7 and 15)								
	<u>811,256</u>	<u>—</u>	<u>40,359</u>	<u>—</u>	<u>—</u>	<u>(63,851)</u>	<u>787,764</u>	<u>891,674</u>
Total net assets	<u>1,392,790</u>	<u>2,477,622</u>	<u>55,055</u>	<u>47,357</u>	<u>53,129</u>	<u>(46,645)</u>	<u>3,979,308</u>	<u>4,036,922</u>
Total liabilities and net assets	<u>\$ 1,607,931</u>	<u>2,482,796</u>	<u>60,317</u>	<u>47,362</u>	<u>109,091</u>	<u>(47,382)</u>	<u>4,260,115</u>	<u>4,327,107</u>

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, 2022 and 2021
(with consolidating information for 2022)
(Dollars in thousands)

	2022						2021	
	Consolidating information (note 1)						Consolidated Total	Consolidated Total
	UJA-Federation	Jewish Communal Fund	Gruss 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 event and mission revenue of \$2,249 in 2022	\$ 114,927	—	—	—	—	—	114,927	113,575
Less event and mission costs	(6,497)	—	—	—	—	—	(6,497)	—
Less provision for uncollectible contributions, net of prior years' recoveries	(5,796)	—	—	—	—	—	(5,796)	(3,770)
Net annual/special giving contributions, including special events and missions	102,634	—	—	—	—	—	102,634	109,805
Legacies and bequests	40,291	—	—	—	—	—	40,291	32,136
Split-interest agreements (note 3)	208	—	—	—	—	—	208	274
Change in value of split-interest agreements (note 3)	(554)	—	—	—	—	—	(554)	(2,622)
Donated goods and services	150	—	—	—	—	—	150	150
Amounts raised on behalf of others (note 3)	18,784	—	—	—	—	—	18,784	17,774
Net contribution revenue, including amounts raised on behalf of others and before contributions from related organizations under common control	161,513	—	—	—	—	—	161,513	157,517
Contributions from related organizations under common control	21,672	—	—	—	—	(21,672)	—	—
Net contribution revenue, including amounts raised on behalf of others and contributions from related organizations under common control	183,185	—	—	—	—	(21,672)	161,513	157,517
Less amounts raised on behalf of others	(18,784)	—	—	—	—	—	(18,784)	(17,774)
Net contribution revenue, including contributions from related organizations under common control and excluding amounts raised on behalf of others	164,401	—	—	—	—	(21,672)	142,729	139,743
Contributions – consolidated entities	—	862,536	672	1,649	1,319	—	866,176	585,806
Net contribution revenue without donor restrictions, including consolidated entities	164,401	862,536	672	1,649	1,319	(21,672)	1,008,905	725,549
Net investment income (loss) (note 6)	(3,038)	16,987	228	160	(2,272)	9,827	21,892	13,532
Net (depreciation) appreciation in fair value of investments	(45,908)	(212,653)	9,207	(5,538)	(493)	—	(255,385)	507,214
Rental income (notes 10 and 13)	26,579	—	—	—	3,980	—	30,559	30,485
Other income	1,079	—	174	—	4,828	—	6,081	25,232
Net assets released from restrictions (note 15)	83,436	—	1,326	—	—	—	84,762	67,153
Total revenue and gains (losses) without donor restrictions	226,549	666,870	11,607	(3,729)	7,362	(11,845)	896,814	1,369,165
Grants and expenses:								
Grants and other program services:								
Grants (note 10)	176,393	558,698	9,001	2,222	440	—	746,754	687,488
Other program services	21,929	1,542	598	—	13,157	—	37,226	34,897
Total grants and other program services	198,322	560,240	9,599	2,222	13,597	—	783,980	722,385
Fundraising	34,199	2,096	—	—	181	—	36,476	34,052
Management and general	19,873	5,401	1,195	54	2,967	—	29,490	26,139
Total expenses before grants and other expenses to related entities	252,394	567,737	10,794	2,276	16,745	—	849,946	782,576
Grants and other expenses to related entities under common control (note 10)	—	34,351	—	1,418	—	(35,769)	—	—
Total expenses after grants and other expenses to related entities	252,394	602,088	10,794	3,694	16,745	(35,769)	849,946	782,576
(Decrease) increase in net assets without donor restrictions before change in tax classification of supporting organization and postretirement plan adjustments	(25,845)	64,782	813	(7,423)	(9,383)	23,924	46,868	586,589
Change in control of supporting organization (note 1)	—	—	—	(1,277)	—	—	(1,277)	—
Postretirement benefit changes not included in net periodic benefit cost	705	—	—	—	—	—	705	271
(Decrease) increase in net assets without donor restrictions	(25,140)	64,782	813	(8,700)	(9,383)	23,924	46,296	586,860

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

Consolidated Statements of Activities

Years ended June 30, 2022 and 2021
(with consolidating information for 2022)

(Dollars in thousands)

	2022						2021	
	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 with donor restrictions:								
Annual giving contributions (note 3)	\$ 18,527	—	—	—	—	—	18,527	13,611
Special giving contributions (note 3)	31,945	—	—	—	—	—	31,945	32,544
Less provision for uncollectible contributions, net of prior years' recoveries	(297)	—	—	—	—	—	(297)	(867)
Net contributions – annual/special giving	50,175	—	—	—	—	—	50,175	45,288
Endowment contributions (note 7)	1,562	—	—	—	—	—	1,562	1,799
Legacies and bequests	3,239	—	—	—	—	—	3,239	8,070
Split-interest agreements (note 3)	(18)	—	—	—	—	—	(18)	(36)
Change in value of split-interest agreements (note 3)	(3,026)	—	—	—	—	—	(3,026)	5,136
Net campaign revenue before contributions from related organizations under common control	51,932	—	—	—	—	—	51,932	60,257
Contributions from related organizations under common control	14,097	—	—	—	—	(14,097)	—	—
Net campaign revenue including contributions from related organizations under common control	66,029	—	—	—	—	(14,097)	51,932	60,257
Net investment income (loss)	660	—	—	—	—	—	660	(1,014)
Net (depreciation) appreciation in fair value of investments	(71,712)	—	—	—	—	—	(71,712)	184,131
Changes of donor's designation	(28)	—	—	—	—	—	(28)	(35)
Net assets released from restrictions (note 15)	(83,436)	—	(1,326)	—	—	—	(84,762)	(67,153)
(Decrease) increase in net assets with donor restrictions	(88,487)	—	(1,326)	—	—	(14,097)	(103,910)	176,186
(Decrease) increase in net assets	(113,627)	64,782	(513)	(8,700)	(9,383)	9,827	(57,614)	763,046
Net assets at beginning of year	1,506,417	2,412,840	55,568	56,057	66,425	(60,385)	4,036,922	3,273,876
Contributions to (return of) capital	—	—	—	—	(3,913)	3,913	—	—
Net assets at end of year	\$ 1,392,790	2,477,622	55,055	47,357	53,129	(46,645)	3,979,308	4,036,922

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, 2022 and 2021

(Dollars in thousands)

	2022						
	Grants and Other Program Services	Supporting Services			Total Expenses	Consolidation and Elimination Items	Consolidated Total
		Fundraising	Management and General	Total Supporting Services			
Grants	\$ 746,754	—	—	—	746,754	—	746,754
Salaries and related benefits	14,014	26,606	17,316	43,922	57,936	—	57,936
Consultant fees and expenses	2,503	673	3,441	4,114	6,617	—	6,617
Captive insurance related	12,354	—	—	—	12,354	—	12,354
Depreciation and amortization	2,209	1,517	1,616	3,133	5,342	—	5,342
Occupancy	950	1,965	2,390	4,355	5,305	—	5,305
Printing, postage and office	506	1,298	385	1,683	2,189	—	2,189
Interest	1,505	600	526	1,126	2,631	—	2,631
Tuition and stipends	1,489	7	16	23	1,512	—	1,512
Data processing related	135	638	1,588	2,226	2,361	—	2,361
Travel and other staff expenses	744	279	254	533	1,277	—	1,277
Advertising and communications	509	1,734	262	1,996	2,505	—	2,505
Other	308	1,159	1,696	2,855	3,163	—	3,163
Sub-total before grants and other expenses to related entities	783,980	36,476	29,490	65,966	849,946	—	849,946
Grants and other expenses to related entities under common control	35,769	—	—	—	35,769	(35,769)	—
Total expenses	\$ 819,749	36,476	29,490	65,966	885,715	(35,769)	849,946
Event and mission costs							6,584
Total expenses and event and mission costs							<u>856,530</u>

	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

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, 2022 and 2021

(dollars in thousands)

	2022	2021
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (57,614)	763,046
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Postretirement benefit changes not included in net periodic benefit cost	(705)	(271)
Depreciation and amortization	5,342	4,570
Net depreciation (appreciation) in fair value of investments	327,097	(691,345)
Contributions restricted for long-term investment and capital projects	(2,724)	(9,444)
Provision for uncollectible contributions and other receivables	11,249	8,368
Contributions and change in value of charitable trust agreements	2,865	(4,677)
Noncash transactions	(1,019)	(3,722)
Contributions of securities, including private equity securities	(797)	(48,544)
Change in control of supporting organization	1,277	—
Changes in assets and liabilities:		
Increase in contributions receivable	(11,110)	(1,837)
Decrease (increase) in other assets and receivables	4,962	(5,129)
Increase in accounts payable, accrued expenses, and other liabilities	7,090	3,166
Increase in grants payable	74	8,498
Decrease in accrued postretirement benefits	(73)	(94)
Net decrease in lease liabilities and right-of-use assets	(1,015)	(974)
Net cash provided by operating activities	284,899	21,611
Cash flows from investing activities:		
Purchases of investments	(11,960,210)	(8,019,106)
Proceeds from sales of investments	11,689,744	8,016,675
Decrease (increase) in other loans receivable, included in other assets and receivables	9,794	(2,857)
(Decrease) increase in accounts payable relating to acquisition of other assets for investing activities	(2,298)	2,038
Acquisition of fixed and other assets, net	(17,208)	(18,691)
Net cash used in investing activities	(280,178)	(21,941)
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program	—	143
Net proceeds from issuance of long-term debt	—	28,509
Repayment of long-term debt	(3,395)	(25,865)
Contributions restricted for long-term investment and capital projects	4,902	12,144
Expiration of charitable trust agreements, net of payments	223	1,503
Decrease in liability under annuity agreements, net of payments to annuitants	(1,853)	(114)
Net cash (used in) provided by financing activities	(123)	16,320
Net increase in cash	4,598	15,990
Cash, cash held as collateral and restricted cash:		
Beginning of year	69,620	53,630
End of year	\$ 74,218	69,620
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:		
Cash	\$ 23,953	18,764
Cash held as collateral	13,296	12,566
Restricted cash included in investments	36,969	38,290
Total cash, cash held as collateral and restricted cash	\$ 74,218	69,620
Supplemental data:		
Noncash operating activities:		
Contribution(s) of:		
State of Israel Bonds	2,048	1,887
Paycheck Protection Program loan forgiveness	143	—
Amortization and other	(1,172)	1,835
Total noncash operating activities	\$ 1,019	3,722
Real estate taxes paid	\$ 830	988
Interest paid	\$ 2,979	3,475

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, 2022 and 2021

(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 receives 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 economic dislocations, wars and 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. In the year ended June 30, 2022, UJA raised approximately \$25.2 million to address needs of people affected by the war in Ukraine including those still in Ukraine and refugees in Europe, Israel, and New York.

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 six 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

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(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, 2021. See subsequent events note 2(k).

Supporting Organizations – UJA-Federation receives support from 25 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 2022, one supporting organization changed its tax classification to a private foundation. As a result, net assets of \$1,277 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) 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, 2022 and 2021.

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

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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.

(d) 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 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.

(e) 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

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values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated financial statements.

(f) 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

(g) 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, 2022 and 2021.

(h) 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.

(i) 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. 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, 2022 and 2021.

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(j) Other Uncertainty

The impact of coronavirus (COVID-19) and other worldwide events and conflicts have caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to these events, 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.

(k) Subsequent Events

The Organization evaluated events subsequent to June 30, 2022 and through December 9, 2022, the date on which the consolidated financial statements were issued.

On July 1, 2022, UJA-Federation transferred approximately \$1.0 billion of its investment assets to the New York Jewish Institutions Investment Fund, LLC (JIIF) in exchange for a 92% interest in JIIF. JIIF is a charitable pooled investment fund sponsored and managed by UJA-Federation. In addition to managing most of UJA-Federation's endowment assets and similar long-duration assets of supporting organizations, UJA-Federation grantees and synagogues, Jewish day schools, and other Jewish institutions with which UJA-Federation maintains relationships may invest similar kinds of assets in JIIF. JIIF is a limited liability company that is exempt from registration under the Investment Company Act of 1940 by virtue of being a charitable pooled investment vehicle.

Effective December 1, 2022, the boards of directors of UJA-Federation and Gruss approved a framework under which Gruss plans to dissolve, effective June 30, 2023, subject to receiving necessary governmental approvals. Upon dissolution, \$16.8 million of Gruss's remaining net assets will be transferred to UJA-Federation for restricted purposes and the balance will be transferred to another organization exempt from taxation under Section 501(c)(3) of the Code.

(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, 2022 and 2021

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were \$16,244 and \$33,169, respectively. Capital and Special Initiatives Campaign contributions intended for the benefit of others for the years ended June 30, 2022 and 2021 amounted to \$3,773 and \$7,029, respectively, and are a component of amounts raised on behalf of others in the accompanying consolidated statements of activities.

(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 2022 and 2021, UJA-Federation entered into split-interest agreements consisting of charitable gift annuities of \$443 and \$1,008, 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, 2022 and 2021:

	2022	2021
Amounts expected to be collected within:		
One year	\$ 84,930	86,041
One to ten years	11,554	10,333
Thereafter	34,217	34,103
	130,701	130,477
Less discount to present value (ranging from 2.3% to 6.25%)	(13,413)	(14,002)
Less allowance for estimated uncollectible amounts	(18,080)	(14,950)
	\$ 99,208	101,525

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Contributions receivable include legacies receivable of \$3,696 and \$3,792 at June 30, 2022 and 2021, respectively. At June 30, 2022 and 2021, the top five donors comprised 30% and 31% of gross receivables, respectively.

(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, 2022 and 2021, in accordance with the ASC 820 fair value hierarchy levels:

	2022			Total
	Level 1	Level 2	Level 3	
Assets:				
Investments:				
Short-term and money market instruments	\$ 114,260	6,106	—	120,366
U.S. government and agency obligations/ municipal bonds	690,340	171,494	—	861,834
State of Israel Bonds	—	—	22,203	22,203
Alternative investments:				
Long/short equities	22,976	—	—	22,976
Private equity	—	—	2,363	2,363
Real estate	—	—	475	475
Not readily marketable securities/other	—	—	113,524	113,524
Total alternative investments	22,976	—	116,362	139,338
Equity securities/funds	913,636	1,079	—	914,715
Debt securities/funds	337,526	83,233	—	420,759
	<u>2,078,738</u>	<u>261,912</u>	<u>138,565</u>	<u>2,479,215</u>
Investments measured at NAV (or its equivalent):				
Equity funds				145,757
Multi-strategy hedge funds				338,365
Long/short equities				388,069
Private equity				374,352
Real estate				8,787
Other				<u>38,625</u>
Total investments measured at NAV (or its equivalent)				<u>1,293,955</u>
Total investments	2,078,738	261,912	138,565	3,773,170
Other assets	66,401	—	—	66,401
Assets held under charitable trust agreements	23,738	—	—	23,738
Total assets	<u>\$ 2,168,877</u>	<u>261,912</u>	<u>138,565</u>	<u>3,863,309</u>

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	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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The following tables summarize the fair value of only UJA-Federation's assets at June 30, 2022 and 2021, in accordance with the ASC 820 fair value hierarchy levels:

	2022			Total
	Level 1	Level 2	Level 3	
Assets:				
Investments:				
Short-term and money market instruments	\$ 96,181	—	—	96,181
U.S. government and agency obligations/ municipal bonds	12,175	—	—	12,175
State of Israel Bonds	—	—	8,784	8,784
Alternative investments:				
Real estate	—	—	475	475
Other	—	—	7,119	7,119
Total alternative investments	—	—	7,594	7,594
Equity securities/funds	209,218	—	17,930 (a)	227,148
Debt securities/funds	100,874	—	—	100,874
	<u>418,448</u>	<u>—</u>	<u>34,308</u>	<u>452,756</u>
Investments measured at NAV (or its equivalent):				
Equity funds				168,860 (b)
Multi-strategy hedge funds				316,597
Long/short equities				32,334
Private equity				220,667
Real estate				8,563
Other				<u>37,139</u>
Total investments measured at NAV (or its equivalent)				<u>784,160</u>
Total investments	418,448	—	34,308	1,236,916
Assets held under charitable trust agreements	23,738	—	—	23,738
Total assets	<u>\$ 442,186</u>	<u>—</u>	<u>34,308</u>	<u>1,260,654</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 \$28,715 by UJA-Federation in a current (\$12,282) and former (\$16,433) captive insurance company (see "Other Entities" in note 1) eliminated in consolidation.

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	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)				<u>783,170</u>
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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The following tables summarize the changes in the Organization's activity for the fiscal years ended June 30, 2022 and 2021 for fair value measurements using significant unobservable inputs (Level 3):

	<u>2022</u>					
	<u>Fair Value July 1, 2021</u>	<u>Purchases/ Donations</u>	<u>Sales</u>	<u>Net Realized Losses</u>	<u>Change in Unrealized Gains (Losses)</u>	<u>Fair Value June 30, 2022</u>
State of Israel Bonds	\$ 21,774	7,127	(6,698)	—	—	22,203
Alternative investments:						
Private equity	50,564	203,796	(240,713)	—	(11,284)	2,363
Real estate	375	—	—	—	100	475
Not readily marketable securities/other	149,148	1,738	(34,382)	(18,811)	15,831	113,524
Total alternative investments	<u>200,087</u>	<u>205,534</u>	<u>(275,095)</u>	<u>(18,811)</u>	<u>4,647</u>	<u>116,362</u>
Total investments	<u>\$ 221,861</u>	<u>212,661</u>	<u>(281,793)</u>	<u>(18,811)</u>	<u>4,647</u>	<u>138,565</u>

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	2021					
	<u>Fair Value July 1, 2020</u>	<u>Purchases/ Donations</u>	<u>Sales</u>	<u>Net Realized Gains</u>	<u>Change in Unrealized Gains (Losses)</u>	<u>Fair Value June 30, 2021</u>
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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(6) Investments

The fair value of the Organization's investments at June 30, 2022 and 2021 consists of the following:

	2022					
	UJA- Federation	JCF	Gross Funds	Supporting Organizations and Other Entities	Consolidation and Elimination Items	Total
Short-term and money market instruments	\$ 96,181	21,293	394	2,498	—	120,366
U.S. government and agency obligations/municipal bonds	12,175	849,031	—	628	—	861,834
State of Israel Bonds	8,784	13,235	—	184	—	22,203
Alternative investments:						
Multi-strategy hedge funds	316,597	8,763	328	12,677	—	338,365
Long/short equities	32,334	354,441	22,976	1,294	—	411,045
Private equity	220,667	147,154	58	8,836	—	376,715
Real estate	9,038	—	—	224	—	9,262
Not readily marketable securities/other	44,258	106,119	—	1,772	—	152,149
Total alternative investments	622,894	616,477	23,362	24,803	—	1,287,536
Equity securities/funds	396,008	663,552	27,700	19,857	(46,645)	1,060,472
Debt securities/funds	100,874	309,997	7,094	2,794	—	420,759
Total investments	\$ 1,236,916	2,473,585	58,550	50,764	(46,645)	3,773,170

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	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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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 \$106,119 and \$143,798 for fiscal years ended June 30, 2022 and 2021, respectively, that was appraised using the market approach at June 30, 2022 and 2021, respectively.

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, 2022, the following table summarizes the composition of \$749,410 at fair value of such investments by the various redemption provisions and lock-up/liquidation periods:

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<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	\$ —	—	22,976	—	22,976
Monthly	—	12,412	—	—	12,412
Quarterly	167,625	330,005	328	6,712	504,670
Semiannual	96,458	15,036	—	3,862	115,356
Annual	—	749	—	—	749
Lockup/liquidation (a)	84,848	5,002	—	3,397	93,247
Total	<u>\$ 348,931</u>	<u>363,204</u>	<u>23,304</u>	<u>13,971</u>	<u>749,410</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>
2023	\$ 18,646	—	—	747	19,393
2024	36,628	5,002	—	1,467	43,097
2025 and thereafter	29,574	—	—	1,183	30,757
Total	<u>\$ 84,848</u>	<u>5,002</u>	<u>—</u>	<u>3,397</u>	<u>93,247</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 \$137,000 and \$163,000 at June 30, 2022 and 2021, 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, 2022 and 2021 comprise the following:

	<u>2022</u>	<u>2021</u>
Domestic (publicly traded):		
Large-cap	\$ 114,072	150,618
Mid-cap	22,147	24,517
Small-cap	7,497	3,711
Total domestic	<u>143,716</u>	<u>178,846</u>
Global equities	24,388	29,004
International equities	41,114	47,993
Total equity securities/funds	<u>209,218</u>	<u>255,843</u>
Equity funds (underlying publicly traded) measured at NAV (or its equivalent):		
Domestic funds	64,541	89,728
Emerging markets	44,719	61,074
Global funds	30,885	69,293
Total equity funds measured at NAV (or its equivalent)	<u>140,145</u>	<u>220,095</u>
Investment in consolidated entities	46,645	60,385
Total	<u>\$ 396,008</u>	<u>536,323</u>

JCF's investments in equity securities/funds and debt securities/funds at June 30, 2022 and 2021 comprise the following:

	<u>2022</u>		<u>2021</u>	
	<u>Equities</u>	<u>Debt</u>	<u>Equities</u>	<u>Debt</u>
Domestic/international common stock	\$ 114,362	—	135,437	—
Equity mutual funds	549,190	—	688,043	—
Domestic/international corporate bonds	—	51,503	—	33,905
Fixed-income mutual funds	—	226,764	—	220,080
Asset-backed securities	—	4,894	—	2,767
Commercial mortgage-backed securities	—	26,836	—	25,695
	<u>\$ 663,552</u>	<u>309,997</u>	<u>823,480</u>	<u>282,447</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 \$27,299 and \$34,358 at June 30, 2022 and 2021, 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 \$1,049,635 at June 30, 2022, consists of 514 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. UJA-Federation further classifies such funds as with or without donor-imposed purpose restrictions (board-designated).

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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, 2022 and 2021, the spending rate was 4.5% and 4.6%, 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 \$19,432 at June 30, 2022, 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, 2022 and 2021. The JCF board voted to do a special appropriation from the endowment in the amount of \$500 for Ukraine relief in fiscal 2022. 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, 2022 and 2021 is as follows:

	<u>2022</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
UJA-Federation:			
Endowment – in perpetuity	\$ —	297,564	297,564
Endowment – income subject to purpose restrictions	—	126,957	126,957
Endowment – income not subject to purpose restrictions	—	64,026	64,026
Purpose restricted funds subject to spending policy	—	175,031	175,031
Board designated	386,205	—	386,205
Underwater endowments	—	(148)	(148)
Total	<u>\$ 386,205</u>	<u>663,430</u>	<u>1,049,635</u>
JCF:			
Board designated	<u>\$ 19,432</u>	<u>—</u>	<u>19,432</u>
	<u>2021</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
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	<u>\$ 24,113</u>	<u>—</u>	<u>24,113</u>

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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, 2022 and 2021, the amount by which funds were underwater was calculated as follows:

	2022	2021
Aggregate original gift	\$ 2,185	21,258
Aggregate fair value	2,037	20,740
Aggregate deficiency	\$ (148)	(518)

Changes in UJA-Federation's and JCF's endowment net assets for the fiscal years ended June 30, 2022 and 2021 were as follows:

	2022		
	Without donor restrictions	With donor restrictions	Total
UJA-Federation:			
Net assets – July 1, 2021	\$ 409,540	761,742	1,171,282
Investment return, net	(38,259)	(68,386)	(106,645)
Contributions, net	(2,065)	5,886	3,821
Change in value of split-interest agreements	—	(2,442)	(2,442)
Distributions	(6,791)	(32,262)	(39,053)
Transfers in (out) (a)	23,780	(1,108)	22,672
Net assets – June 30, 2022	\$ 386,205	663,430	1,049,635
JCF:			
Net assets – July 1, 2021	\$ 24,113	—	24,113
Investment return, net	(3,294)	—	(3,294)
Contributions, net	—	—	—
Distributions	(1,387)	—	(1,387)
Net assets – June 30, 2022	\$ 19,432	—	19,432

- (a) Includes \$19,355 of funds in excess of UJA-Federation's separate legacies and bequests policy transferred to the endowment.

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	2021		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
UJA-Federation:			
Net assets – July 1, 2020	\$ 316,245	605,773	922,018
Investment return, net	89,331	176,718	266,049
Contributions, net	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	<u>\$ 409,540</u>	<u>761,742</u>	<u>1,171,282</u>
JCF:			
Net assets – July 1, 2020	\$ 17,133	—	17,133
Investment return, net	5,778	—	5,778
Contributions, net	2,116	—	2,116
Distributions	(914)	—	(914)
Net assets – June 30, 2021	<u>\$ 24,113</u>	<u>—</u>	<u>24,113</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, 2022 and 2021:

	2022			2021
	<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	74,675	23,930	98,605	98,498
Furniture and equipment	7,843	356	8,199	8,112
Total cost	83,636	24,886	108,522	108,328
Accumulated depreciation	(34,374)	(8,881)	(43,255)	(40,126)
Net fixed assets	<u>\$ 49,262</u>	<u>16,005</u>	<u>65,267</u>	<u>68,202</u>

In 2022 and 2021, UJA-Federation wrote off \$467 and \$1,486, 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.

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(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 Bonds). 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 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.

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At June 30, 2022 and 2021, the investment in bond proceeds were \$0 and \$13,251, 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.

Unamortized debt issuance costs of \$755 and \$842 at June 30, 2022 and 2021, respectively, are reflected as a direct reduction of long-term debt. Amortization of debt issuance costs for fiscal years ended June 30, 2022 and 2021 was \$87 and \$323 (including the write-off of \$237 of 2004B issuance costs in fiscal 2021), respectively.

The minimum annual payments for principal and interest relating to long-term debt, net at June 30, 2022 are as follows:

Year ending June 30:	Principal				Interest				Total debt service
	Series 2014 Bonds	Series 2017B Bonds	Series 2020 Bonds	Total	Series 2014 Bonds	Series 2017B Bonds	Series 2020 Bonds	Total	
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	2,996	865	1,385	5,246	52	1,242	444	1,738	6,984
2027	—	895	4,290	5,185	—	1,211	424	1,635	6,820
Thereafter	—	27,498	16,063	43,561	—	14,339	1,689	16,028	59,589
	<u>\$ 11,651</u>	<u>31,703</u>	<u>28,548</u>	<u>71,902</u>	<u>981</u>	<u>20,670</u>	<u>4,003</u>	<u>25,654</u>	<u>97,556</u>

Interest expense for the years ended June 30, 2022 and 2021 was \$2,631 and \$1,251, 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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
UJA-Federation:		
Jewish Communal Network:		
Overseas agencies; The Jewish Federations of North America (a)	\$ 28,748	29,870
Operating support grants to domestic network agencies	33,879	32,424
Other program grants	<u>3,178</u>	<u>3,636</u>
Total Jewish Communal Network	<u>65,805</u>	<u>65,930</u>
Jewish Life:		
Jewish education and experiences	17,960	16,974
Global communities	2,651	3,691
Grassroots and community organizing	5,005	3,371
Combatting anti-semitism	4,166	3,126
Scholarships	3,388	3,092
Social cohesion in Israel	2,860	1,996
Other program grants	<u>479</u>	<u>503</u>
Total Jewish Life	<u>36,509</u>	<u>32,753</u>
Caring:		
Poverty	12,649	12,386
Aging	6,751	5,564
Social mobility in Israel	3,993	3,372
Special needs	1,740	2,058
Crisis response	770	495
Other program grants	<u>6,492</u>	<u>7,585</u>
Total Caring	<u>32,395</u>	<u>31,460</u>
Global Crisis Response:		
Crisis Response - Ukraine	12,261	—
Crisis Response - COVID-19	<u>2,971</u>	<u>24,433</u>
Total Global Crisis Response	<u>15,232</u>	<u>24,433</u>
Lease of properties to grantee organizations (b)	<u>26,452</u>	<u>26,395</u>
Total UJA-Federation	<u>\$ 176,393</u>	<u>180,971</u>

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	2022	2021
JCF:		
Cultural and educational	\$ 209,181	211,706
Community organizations	73,286	63,884
Health, human services, and environment	82,573	75,761
International	102,589	87,176
Religious	89,203	56,707
UJA-Federation	36,217	25,536
Total JCF	593,049	520,770
Grass Funds:		
Educational and other philanthropic programs	9,001	7,437
Supporting organizations and other entities	4,080	3,363
Less consolidation and elimination items	(35,769)	(25,053)
Total	\$ 746,754	687,488

- (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 \$26,452 and \$26,395 of imputed rental income and grant expense related to these lease agreements for the years ended June 30, 2022 and 2021, respectively.

In June 2022, the board of directors of UJA-Federation approved \$155,529 for fiscal year 2023 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 2022, the planning departments awarded approximately \$87,478 of grants for programs to be conducted during fiscal year 2023 and notified the grant recipients. These grants and the remaining unallocated budget of \$68,051 will be recorded by UJA-Federation in fiscal year 2023 when the grants are awarded and the recipients notified.

(11) Leases

UJA-Federation leases office space under the terms of various leases expiring through fiscal year 2033. JCF leases office space under the terms of an operating lease expiring in March 2028.

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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	\$ 636	566	1,202
Variable costs	5	48	53
Total	<u>\$ 641</u>	<u>614</u>	<u>1,255</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, 2022:

	<u>UJA-Federation</u>	<u>JCF</u>	<u>Total</u>
Year ending June 30:			
2023	\$ 735	560	1,295
2024	757	560	1,317
2025	776	565	1,341
2026	417	581	998
2027	391	581	972
Thereafter	<u>1,213</u>	<u>436</u>	<u>1,649</u>
Total	<u>\$ 4,289</u>	<u>3,283</u>	<u>7,572</u>
Less: Amount representing interest	<u>(180)</u>	<u>(534)</u>	<u>(714)</u>
Amount reported on consolidated statement of financial position	<u>4,109</u>	<u>2,749</u>	<u>6,858</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, 2022:

	<u>UJA-Federation</u>	<u>JCF</u>
Weighted average remaining lease term - operating leases	7 years	7 years
Discount rate - incremental borrowing rate	N/A	5.43%
Discount rate - risk-free rate	1.00%	N/A

Rent expense for the years ended June 30, 2022 and 2021 was \$1,255 and \$1,269, 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:	
2022	199
2023	198
Total	<u>\$ 397</u>

Rent expense, net of sublease rental income for the years ended December 31, 2021 and 2020, was \$191 and \$191, 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, 2021, the beginning of the Plan year.

UJA-Federation and JCF contributions to the Plan for the years ended June 30, 2022 and 2021 were \$2,446 and \$1,657, respectively. These contributions represented 10.8% and 11.0% of the total contributions to the Plan for those years ended, respectively. The expiration date of the collective-bargaining agreement

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requiring contributions to the Plan for those union employees who elect to participate is January 31, 2025. 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, 2022 and 2021, recognized by UJA-Federation in the consolidated balance sheets, was \$3,116 and \$3,894, respectively. For the years ended June 30, 2022 and 2021, UJA-Federation's net periodic postretirement benefit cost was \$64 and \$70, 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, 2022 and 2021, rental income amounted to \$3,980 and \$3,984, respectively.

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

	Amount
Year ending June 30:	
2023	4,095
2024	4,139
2025	3,902
2026	3,307
2027	3,124
Thereafter	16,336
Total	\$ 34,903

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(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, 2022 was \$15,942. At June 30, 2022, 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, 2022 and 2021 as follows:

	<u>2022</u>	<u>2021</u>
Board designated endowment - spending policy (note 7)	\$ 386,205	409,540
Headquarters facility	17,930	21,843
Properties used by agencies	7,729	7,729
Revolving and special loans	3,000	3,000
Other board designated purposes	<u>13,377</u>	<u>13,481</u>
Total	<u>\$ 428,241</u>	<u>455,593</u>

JCF's funds functioning as endowment are those where the Board of Trustees and the Special Gifts Committee have grantmaking responsibility. These totaled \$19,432 and \$24,113 at June 30, 2022 and 2021, respectively.

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(15) Net Assets With Donor Restrictions

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

	2022	2021
UJA-Federation:		
Donor-restricted purpose funds for (a):		
Education and scholarships	\$ 159,599	183,714
Multipurpose and other programs	123,732	150,109
Caring for the vulnerable	89,749	80,811
Camps and community centers	21,698	31,286
Programs for the aged	20,003	26,028
Jewish education and continuity	5,177	7,516
Capital projects	3,290	6,533
	423,248	485,997
Donor-restricted funds - time (b)	90,592	116,226
Historical gift value of endowment funds to be held in perpetuity for:		
General purposes	130,895	132,555
Multipurpose and other programs	50,842	50,548
Education and scholarships	39,907	38,783
Caring for the vulnerable	31,434	31,431
Programs for the aged	18,783	18,651
Camps and community centers	11,741	11,741
Jewish education and continuity	9,734	9,731
Rescue and resettlement	4,080	4,080
	297,416	297,520
Total UJA-Federation	811,256	899,743
Gross Funds:		
Donor-restricted purpose funds for:		
Educational and other philanthropic programs	40,359	41,685
Less consolidation and elimination items	(63,851)	(49,754)
Total net assets with donor restrictions	\$ 787,764	891,674

(a) Includes \$126,957 and \$171,549 of unappropriated endowment appreciation as of June 30, 2022 and 2021, respectively.

(b) Includes \$64,026 and \$93,737 of unappropriated endowment appreciation as of June 30, 2022 and 2021, respectively.

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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:

	2022	2021
Release of net assets due to the passage of time	\$ 6,770	5,865
Release of net assets due to:		
Endowment grants and expenses	33,549	34,159
Satisfaction of program restrictions	44,443	27,129
Net assets released from restrictions	\$ 84,762	67,153

(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, 2022 and 2021 were as follows:

	2022				
	UJA- Federation	JCF	Gross Funds	Supporting organizations and other entities	Total
Financial assets at June 30, 2022:					
Cash	\$ 34,564	—	1,327	1,358	37,249
Contributions receivable, net	98,985	—	—	223	99,208
Other receivables	46,352	376	—	—	46,728
Intercompany receivables (payable)	750	—	—	(750)	—
Investments, after intercompany eliminations	1,190,271	2,473,585	58,550	50,764	3,773,170
Total financial assets at June 30, 2022	1,370,922	2,473,961	59,877	51,595	3,956,355
Less amounts not available to meet general expenditures within one year:					
Cash held as collateral	(13,296)	—	—	—	(13,296)
Contributions receivable not expected to be collected within one year or donor restricted	(44,761)	—	—	(174)	(44,935)
Investments not available for operations	(45,354)	(58,024)	—	(17,593)	(120,971)
Board-designated endowment, net of spending policy	(369,024)	(19,432)	—	—	(388,456)
Donor-restricted funds, net of spending policy	(325,646)	—	(40,369)	—	(366,015)
Donor-restricted funds to be held in perpetuity	(272,565)	—	—	—	(272,565)
Amounts held for special purposes/time restrictions	(82,432)	(17,225)	—	—	(99,657)
Total financial assets and other resources available within one year	217,844	2,379,280	19,508	33,828	2,650,460

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Notes to Consolidated Financial Statements

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(Dollars in thousands)

	2021				
	UJA- Federation	JCF	Gross Funds	Supporting organizations and other entities	Total
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)	—	(420)	2,101	—
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	56,802	63,667	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	15,117	46,860	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	15,117	46,860	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. This line of credit expired in August 2022.

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.

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(Dollars in thousands)

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, 2022
(with comparative totals for 2021)

(Dollars in thousands)

Assets	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total All Funds	Total All Funds
Cash	\$ 21,047	13,517	34,564	29,602
Contributions receivable, net	40,356	58,629	98,985	101,346
Other assets and receivables	91,578	16,190	107,768	102,761
Intercompany receivables (payables)	17,709	(16,959)	750	(1,681)
Amounts held on behalf of other agencies	52,269	—	52,269	65,461
Investments	502,747	734,169	1,236,916	1,350,801
Unexpended bond proceeds	—	—	—	13,788
Right-of-use asset - operating leases	3,679	—	3,679	3,772
Assets held under charitable trust agreements	—	23,738	23,738	28,979
Fixed assets, net	49,262	—	49,262	51,551
Total assets	\$ 778,647	829,284	1,607,931	1,746,380
Liabilities and Net Assets				
Liabilities:				
Accounts payable, accrued expenses, and other liabilities	\$ 25,664	1,010	26,674	28,200
Grants payable	19,160	6,280	25,440	26,927
Amounts held on behalf of other agencies	52,269	—	52,269	65,461
Lease liabilities	4,109	—	4,109	4,236
Liabilities under charitable trust and annuity agreements	20,893	10,738	31,631	35,675
Long-term debt, net	71,902	—	71,902	75,570
Accrued postretirement benefits	3,116	—	3,116	3,894
Total liabilities	197,113	18,028	215,141	239,963
Net assets:				
Without donor restrictions:				
Undesignated	153,293	—	153,293	151,081
Board designated	428,241	—	428,241	455,593
Total without donor restrictions	581,534	—	581,534	606,674
With donor restrictions	—	811,256	811,256	899,743
Total net assets	581,534	811,256	1,392,790	1,506,417
Total liabilities and net assets	\$ 778,647	829,284	1,607,931	1,746,380

See accompanying independent auditors' report.

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Schedule of Statement of Activities Information for UJA-Federation

Year ended June 30, 2022
(with comparative totals for 2021)

(Dollars in thousands)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total All Funds	Total All Funds
Revenue and gains (losses):				
Annual/special giving:				
Annual giving contributions, including event and mission revenue of \$2,249 in 2022	\$ 114,927	18,527	133,454	127,186
Less event and mission costs	(6,497)	—	(6,497)	—
Special giving contributions	—	31,945	31,945	32,544
Less provision for uncollectible contributions, net of prior years' recoveries	(5,796)	(297)	(6,093)	(4,637)
Net contributions – annual/special giving	102,634	50,175	152,809	155,093
Endowment contributions	—	1,562	1,562	1,799
Legacies and bequests	40,291	3,239	43,530	40,206
Split-interest agreements	208	(18)	190	238
Change in value of split-interest agreements	(554)	(3,026)	(3,580)	2,514
Donated goods and services	150	—	150	150
Amounts raised on behalf of others	18,784	—	18,784	17,774
Net contribution revenue, including amounts raised on behalf of others and before contributions from related organizations under common control	161,513	51,932	213,445	217,774
Contributions from related organizations under common control	21,672	14,097	35,769	25,096
Net contribution revenue, including amounts raised on behalf of others and contributions from related organizations under common control	183,185	66,029	249,214	242,870
Less amounts raised on behalf of others	(18,784)	—	(18,784)	(17,774)
Net contribution revenue, including contributions from related organizations under common control and excluding amounts raised on behalf of others	164,401	66,029	230,430	225,096
Net investment (loss) income	(3,038)	660	(2,378)	11,630
Net (depreciation) appreciation in fair value of investments	(45,908)	(71,712)	(117,620)	282,633
Rental income	26,579	—	26,579	26,501
Other income	1,079	—	1,079	1,023
Changes of donor's designation	—	(28)	(28)	(35)
	143,113	(5,051)	138,062	546,848
Net assets released from restrictions	83,436	(83,436)	—	—
Total revenue and gains (losses)	226,549	(88,487)	138,062	546,848
Grants and expenses:				
Grants and other program services:				
Grants	176,393	—	176,393	180,971
Other program services	21,929	—	21,929	18,698
Total grants and other program services	198,322	—	198,322	199,669
Fundraising	34,199	—	34,199	31,925
Management and general	19,873	—	19,873	18,061
Total grants and expenses	252,394	—	252,394	249,655
(Decrease) increase in net assets before postretirement plan adjustments	(25,845)	(88,487)	(114,332)	297,193
Postretirement benefit changes not included in net periodic benefit cost	705	—	705	271
(Decrease) increase in net assets	(25,140)	(88,487)	(113,627)	297,464
Net assets at beginning of year	606,674	899,743	1,506,417	1,208,953
Net assets at end of year	\$ 581,534	811,256	1,392,790	1,506,417

See accompanying independent auditors' report.

**UNITED JEWISH APPEAL-FEDERATION OF JEWISH
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Schedule of Statement of Functional Expenses Information for UJA-Federation

For the years ended June 30, 2022 and 2021

(Dollars in thousands)

	2022				
	Grants and Other Program Services	Supporting Services			Total Expenses
		Fundraising	Management and General	Total Supporting Services	
Grants	\$ 176,393	—	—	—	176,393
Salaries and related benefits	11,959	25,166	13,828	38,994	50,953
Consultant fees and expenses	2,182	619	1,717	2,336	4,518
Depreciation and amortization	2,187	1,500	941	2,441	4,628
Occupancy	661	1,815	864	2,679	3,340
Printing, postage and office	335	1,259	144	1,403	1,738
Interest	1,505	600	526	1,126	2,631
Tuition and stipends	1,489	7	16	23	1,512
Data processing related	135	635	816	1,451	1,586
Travel and other staff expenses	716	179	215	394	1,110
Advertising and communications	407	1,319	212	1,531	1,938
Other	353	1,100	594	1,694	2,047
Total expenses	\$ 198,322	34,199	19,873	54,072	252,394
Event and mission costs					6,497
Total expenses and event and mission costs					258,891
	2021				
	Grants and Other Program Services	Supporting Services			Total Expenses
		Fundraising	Management and General	Total Supporting Services	
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

See accompanying independent auditors' report.