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

Consolidated Financial Statements and Schedules

June 30, 2014 and 2013

(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.:

We have audited the accompanying consolidated financial statements of United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. (UJA-Federation) and related entities, which comprise the consolidated balance sheets as of June 30, 2014 and 2013, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. and related entities as of June 30, 2014 and 2013, and the changes in their net assets and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in schedules 1 and 2 as of and for the years ended June 30, 2014 and 2013 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

November 20, 2014

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

Consolidated Balance Sheets

June 30, 2014 and 2013
(with consolidating information for 2014)
(dollars in thousands)

	2014							2013
		Related Entities (Note 1)						
Assets	UJA-Federation	Jewish Communal Fund	Gruss Funds	Supporting Organizations	Other Entities	Consolidation and Elimination Items	Consolidated Total	Consolidated Total
Cash	$ 24,056	–	503	510	2,233	–	27,302	23,360
Contributions receivable, net (Note 4)	56,556	–	–	434	980	–	57,970	55,889
Other assets and receivables (Notes 9 and 14)	49,150	65,277	1,179	438	58,438	(154)	174,328	103,297
Intercompany receivables (payables)	7,935	–	–	(684)	(7,251)	–	–	–
Mortgage and school loans receivable, net (Notes 5 and 16)	–	–	6,176	–	–	–	6,176	9,441
Amounts held on behalf of other agencies	54,654	–	–	–	–	–	54,654	45,770
Investments (Notes 3, 5, and 6)	1,081,934	1,230,651	90,661	54,052	4,534	(44,711)	2,417,121	2,264,944
Assets held under charitable trust agreements (Notes 3 and 5)	44,822	–	–	–	–	–	44,822	44,317
Fixed assets, net (Note 8)	63,531	–	29	–	23,715	–	87,275	89,343
Total assets	$ 1,382,638	1,295,928	98,548	54,750	82,649	(44,865)	2,869,648	2,636,361
Liabilities and Net Assets								
Liabilities:								
Accounts payable, accrued expenses, and other liabilities (Notes 5, 9 and 14)	$ 14,912	17,674	721	–	33,622	(154)	66,775	49,855
Grants payable	14,693	–	7,100	523	681	–	22,997	31,688
Amounts held on behalf of other agencies	54,654	–	–	–	–	–	54,654	45,770
Liabilities under charitable trust and annuity agreements (Note 3)	49,696	–	–	–	–	–	49,696	54,952
Long-term debt (Note 9)	57,793	–	–	–	–	–	57,793	59,506
Accrued postretirement benefits (Note 11)	4,580	–	–	–	–	–	4,580	4,594
Total liabilities	196,328	17,674	7,821	523	34,303	(154)	256,495	246,365
Commitments and contingencies (Note 12)								
Net assets:								
Unrestricted:								
Undesignated	115,286	1,213,453	30,152	54,227	48,346	(26,682)	1,434,782	1,351,322
Board-designated (Notes 7 and 13)	453,533	17,632	–	–	–	–	471,165	438,414
Total unrestricted net assets	568,819	1,231,085	30,152	54,227	48,346	(26,682)	1,905,947	1,789,736
Temporarily restricted (Notes 7 and 14)	372,672	47,169	60,575	–	–	(16,278)	464,138	364,969
Permanently restricted (Notes 7 and 15):								
Endowment – income restricted	137,956	–	–	–	–	(1,199)	136,757	134,876
Endowment – income unrestricted	106,863	–	–	–	–	(552)	106,311	100,415
Total permanently restricted net assets	244,819	–	–	–	–	(1,751)	243,068	235,291
Total net assets	1,186,310	1,278,254	90,727	54,227	48,346	(44,711)	2,613,153	2,389,996
Total liabilities and net assets	$ 1,382,638	1,295,928	98,548	54,750	82,649	(44,865)	2,869,648	2,636,361

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, 2014 and 2013
(with consolidating information for 2014)
(dollars in thousands)

	2014							2013
		Related Entities (Note 1)						
	UJA-Federation	Jewish Communal Fund	Gruss Funds	Supporting Organizations	Other Entities	Consolidation and Elimination Items	Consolidated Total	Consolidated Total
Changes in unrestricted net assets:								
Revenues and gains (losses):								
Annual/special giving (Note 3):								
Annual giving contributions, including special event and mission fees of $4,727 in 2014 and $5,689 in 2013	$ 136,086	–	–	–	–	(16,069)	120,017	115,763
Less: event and mission costs	(7,271)	–	–	–	–	–	(7,271)	(7,626)
Special giving contributions	129	–	–	–	–	–	129	131
Less: provision for uncollectible contributions, net of prior years' recoveries	(3,948)	–	–	–	–	–	(3,948)	(5,937)
Net annual/special giving contributions, including special events and missions	124,996	–	–	–	–	(16,069)	108,927	102,331
Legacies and bequests	11,885	–	–	–	–	–	11,885	18,370
Split-interest agreements (Note 3)	1,813	–	–	–	–	–	1,813	1,795
Change in value of split-interest agreements (Note 3)	1,359	–	–	–	–	–	1,359	(1,931)
Donated services	150	–	–	–	–	–	150	200
Amounts raised on behalf of others (Note 3)	10,460	–	–	–	–	–	10,460	21,288
Net unrestricted campaign revenues, including amounts raised on behalf of others	150,663	–	–	–	–	(16,069)	134,594	142,053
Less: amounts raised on behalf of others	(10,460)	–	–	–	–	–	(10,460)	(21,288)
Net unrestricted campaign revenues, excluding amounts raised on behalf of others	140,203	–	–	–	–	(16,069)	124,134	120,765
Contributions – consolidated entities	–	272,702	65	1,762	1,567	(39)	276,057	363,517
Net unrestricted contribution revenues, including consolidated entities	140,203	272,702	65	1,762	1,567	(16,108)	400,191	484,282
Net investment income (Note 6)	10,079	14,125	101	97	61	(8,229)	16,234	16,486
Net appreciation in fair value of investments	62,792	100,607	11,746	7,280	455	–	182,880	131,640
Rental income (Notes 10 and 12)	15,869	–	–	–	3,798	–	19,667	16,605
Service income	773	–	–	–	–	(132)	641	695
Other (losses) income	(56)	–	61	–	11,253	–	11,258	9,721
Net assets released from restrictions	31,861	1,342	5,272	–	–	–	38,475	47,921
Total net unrestricted revenues and gains	261,521	388,776	17,245	9,139	17,134	(24,469)	669,346	707,350
Grants and expenses:								
Grants and other program services:								
Grants (Note 10)	149,234	329,484	7,581	3,154	451	(17,956)	471,948	422,105
Other program services	17,446	640	522	–	3,121	–	21,729	22,838
Total grants and other program services	166,680	330,124	8,103	3,154	3,572	(17,956)	493,677	444,943
Fund-raising	28,385	1,079	–	–	239	–	29,703	29,447
Management and general	19,240	5,565	1,198	61	3,627	(167)	29,524	27,453
Total expenses	214,305	336,768	9,301	3,215	7,438	(18,123)	552,904	501,843
Increase (decrease) in net assets before postretirement plan adjustments	47,216	52,008	7,944	5,924	9,696	(6,346)	116,442	205,507
Postretirement benefit changes not included in net periodic benefit cost	(231)	–	–	–	–	–	(231)	278
Increase (decrease) in unrestricted net assets	46,985	52,008	7,944	5,924	9,696	(6,346)	116,211	205,785

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

Consolidated Statements of Activities, Continued

Years ended June 30, 2014 and 2013
(with consolidating information for 2014)
(dollars in thousands)

	2014							2013
		Related Entities (Note 1)						
	UJA-Federation	Jewish Communal Fund	Gruss Funds	Supporting Organizations	Other Entities	Consolidation and Elimination Items	Consolidated Total	Consolidated Total
Changes in temporarily restricted net assets:								
Annual/special giving (Note 3):								
Annual giving contributions	$ 8,970	–	–	–	–	(1,233)	7,737	12,980
Special giving contributions	6,012	48,230	–	–	–	(448)	53,794	6,898
Less: provision for uncollectible contributions, net of prior years' recoveries	(40)	–	–	–	–	–	(40)	(9)
Net contributions – annual/special giving	14,942	48,230	–	–	-	(1,681)	61,491	19,869
Legacies and bequests	710	–	–	–	–	–	710	513
Split-interest agreements (Note 3)	7	–	–	–	–	–	7	5
Change in value of split-interest agreements (Note 3)	132	–	–	–	–	–	132	78
Net investment income	1,010	–	–	–	–	–	1,010	784
Net appreciation in fair value of investments	74,318	–	–	–	–	–	74,318	57,275
Other income	–	–	7	–	–	–	7	11
Other	(31)	–	–	–	–	–	(31)	(389)
Net assets released from restrictions	(31,861)	(1,342)	(5,272)	–	–	–	(38,475)	(47,921)
Increase (decrease) in temporarily restricted net assets	59,227	46,888	(5,265)	–	–	(1,681)	99,169	30,225
Changes in permanently restricted net assets:								
Endowment contributions (Note 7)	3,639	–	–	–	–	(202)	3,437	1,404
Legacies and bequests (Note 7)	2,354	–	–	–	–	–	2,354	5,984
Split-interest agreements (Note 3)	36	–	–	–	–	–	36	-
Change in value of split-interest agreements (Notes 3 and 7)	2,851	–	–	–	–	–	2,851	1,304
Other	(901)	–	–	–	–	–	(901)	(1,629)
Increase (decrease) in permanently restricted net assets	7,979	–	–	–	–	(202)	7,777	7,063
Increase (decrease) in net assets	114,191	98,896	2,679	5,924	9,696	(8,229)	223,157	243,073
Net assets at beginning of year	1,072,119	1,179,358	88,048	48,303	38,650	(36,482)	2,389,996	2,146,923
Net assets at end of year	$ 1,186,310	1,278,254	90,727	54,227	48,346	(44,711)	2,613,153	2,389,996

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, 2014 and 2013
(dollars in thousands)

	2014	2013
Cash flows from operating activities:		
Increase in net assets	$ 223,157	243,073
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Postretirement benefit changes not included in net periodic benefit cost	231	(278)
Depreciation, depletion, and amortization	4,487	4,236
Net appreciation in fair value of investments	(257,198)	(188,915)
Contributions restricted for long-term investment	(5,791)	(7,388)
Provision for uncollectible contributions and other receivables	9,025	9,609
Contributions and change in value of charitable trust agreements	(4,540)	(2,804)
Noncash transactions	(66,613)	(5,036)
Changes in assets and liabilities:		
(Increase) decrease in contributions receivable	(9,831)	30,942
Increase in other assets and receivables	(9,933)	(408)
Increase in accounts payable, accrued expenses, and other liabilities	17,870	3,786
(Decrease) increase in grants payable	(9,618)	1,967
Decrease in accrued postretirement benefits	(245)	(148)
Net cash (used in) provided by operating activities	(108,999)	88,636
Cash flows from investing activities:		
Purchases of investments	(2,141,825)	(1,994,388)
Proceeds from sales of investments	2,253,296	1,882,461
Decrease in mortgage and school loans receivable, net	3,274	1,702
(Increase) decrease in other loans receivable, included in other assets and receivables	(1,271)	904
Acquisition of fixed and other assets, net	(1,919)	(2,309)
Net cash provided by (used in) investing activities	111,555	(111,630)
Cash flows from financing activities:		
Repayment of long-term debt	(1,535)	(1,460)
Contributions restricted for long-term investment	4,507	7,654
Expiration of charitable trust agreements	1,387	472
Decrease in liability under annuity agreements, net of payments to annuitants	(2,973)	(1,154)
Net cash provided by financing activities	1,386	5,512
Net increase (decrease) in cash	3,942	(17,482)
Cash at beginning of year	23,360	40,842
Cash at end of year	$ 27,302	23,360
Supplemental data:		
Noncash operating activities:		
Contribution(s) of:		
Property subject to life interest	$ 63,500	–
State of Israel Bonds	1,753	1,615
Other income and expense	1,360	3,421
Total noncash operating activities	$ 66,613	5,036
Real estate taxes paid	$ 891	911
Interest paid	$ 3,868	3,476

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, 2014 and 2013
(dollars in thousands)

(1) Organization

United Jewish Appeal-Federation of Jewish Philanthropies of New York, Inc. (UJA-Federation), cares for people in need, inspires a passion for Jewish life and learning and strengthens Jewish communities in New York, in Israel, and around the world.

UJA-Federation pursues its mission by providing grants, capacity-building support, and advocacy services to close to 100 network agencies – major health and human service agencies; community centers and camps; agencies that support Jewish education; and a dozen national and international agencies – as well as numerous other not-for-profit institutions in New York and Israel. 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. Many of UJA-Federation's network institutions provide services to the wider general community as well as to the Jewish community.

To support these activities, UJA-Federation conducts an annual campaign that raises both unrestricted funds and funds for specific targeted purposes. UJA-Federation also raises funds from legacies, bequests, and other planned gifts. From time to time, UJA-Federation also conducts special campaigns to respond to particular situations such as terrorism and war in Israel, major natural disasters, and to raise capital funds for its affiliated agencies and for its own needs.

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 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. In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-810, *Consolidation*, sole corporate membership of one not-for-profit organization in another shall be considered a controlling financial interest. Accordingly, JCF is consolidated with UJA-Federation.

(1), Continued

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 the UJA-Federation 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, 2013.

Supporting Organizations - UJA-Federation receives support from 35 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 foundation would revert to UJA-Federation upon dissolution.

The assets and revenues 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 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 benefit UJA-Federation and affiliated agencies.

(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.

Consolidated Financial Statement Presentation

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

Net assets, revenues, 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 (also refer to note 7):

> Unrestricted Net Assets - Net assets that are not subject to donor-imposed restrictions. Contributions that permit the Organization to vary the terms of the gift are classified as unrestricted net assets.
>
> Temporarily Restricted Net Assets - Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time.
>
> Permanently Restricted Net Assets - Net assets subject to donor-imposed restrictions 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.

Revenues and gains and losses on investments and other assets, with the exception of that described in the next sentence, are reported as changes in unrestricted net assets unless use of the related assets is limited by explicit donor-imposed restrictions or by law. Gains on investments of temporarily restricted net assets increase temporarily restricted net assets and any losses decrease temporarily restricted net assets, if available. Otherwise, losses on temporarily restricted net assets decrease unrestricted net assets. Investment return on permanently restricted net assets is classified as temporarily restricted. Expenses are reported as decreases in unrestricted net assets. Expiration of temporary 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.

(2), Continued

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 revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates and assumptions include allowances for uncollectible receivables, the present value of multiyear contributions receivable, the valuation of alternative investments, actuarial assumptions, estimated rental value of property owned and leased to grantees, and the allocation of expenses to functional classifications.

Contributions

Contributions, including unconditional promises to give, are reported initially at fair value as revenues in the period received.

Contributions receivable are reported at their net present value less an allowance for estimated uncollectible amounts. The allowance is determined by reviewing historical collectibility trends and analyses of specific receivable balances. Contributions to be received after one year are discounted at a risk-adjusted rate. 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 marketable securities to cash upon receipt of the security, except for State of Israel Bonds. Other non cash contributions are converted to cash as soon as practicable and prudent, and are recorded at their estimated fair value at the time of donation.

(2), Continued

Investments and Fair Value

The Organization follows the provisions of ASC 820, *Fair Value Measurement*. 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, which prioritizes and ranks the level of market price observability used in measuring fair value. Valuation methods based upon inputs with readily available quoted 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).

The Organization follows the provisions of FASB Accounting Standards Update No. 2009-12 (Update No. 2009-12), *Fair Value Measurements and Disclosures (Topic 820): Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, pertaining to certain alternative investments in funds that do not have readily determinable fair values, including private equity investments, hedge funds, real estate funds, and other funds. This guidance allows, as a practical expedient, for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent, 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 are presented at fair value based on quoted market prices. State of Israel Bonds are carried at face value. As more fully described in note 5, the fair value of alternative investments that meet the criteria is reported at net asset value, as a “practical expedient,” in conformity with the provisions of Update No. 2009-12. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed. The fair value of alternative investments that do not meet the criteria in Update No. 2009-12 is determined based upon ASC 820. 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.

(2), Continued

Risks and Uncertainties

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

Depreciation

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

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

Equipment relating to the investment in oil and gas properties is depreciated using the 200% declining-balance method over an estimated useful life of five years.

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.

Derivative Instruments

UJA-Federation reports all derivative financial instruments at fair value. Changes in the fair value of derivative instruments are recognized as a change in net assets in the period of change. UJA-Federation utilized an interest rate-related derivative instrument to manage its exposure on adjustable rate long-term debt, as more fully discussed in note 9 to the consolidated financial statements. The fair value of the derivative instrument held is based upon a value provided by an investment banking institution.

(2), Continued

Income Taxes

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

Subsequent Events

The Organization evaluated events subsequent to June 30, 2014 and through November 20, 2014, the date on which the consolidated financial statements were issued, and determined that no additional disclosures were required. Also refer to note 9 regarding the subsequent refunding of long-term debt.

Reclassifications

Certain reclassifications of 2013 amounts have been made to conform to the 2014 presentation.

Other Significant Accounting Policies

Other significant accounting policies are set forth in the accompanying consolidated financial statements and the following notes.

(3) Campaigns

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

Unrestricted Annual Campaign

The Unrestricted Annual Campaign is a 12-month campaign that coincides with UJA-Federation's fiscal year. This campaign is the main source of funding for unrestricted grants and UJA-Federation's operating budget. UJA-Federation also receives unrestricted contributions for use domestically, overseas, or in Israel.

Targeted Campaigns (Temporarily Restricted Annual/Special Giving)

Targeted Campaigns are those that have been established from time to time to raise funds to address particular needs. These have included special initiatives to assist those suffering economic dislocation due to the recession, support Jewish residential hospice care in the New York area, expand Jewish camping, promote senior aid, enable home care, and a community initiative for Holocaust survivor services that helps provide frail, elderly survivors of Nazi persecution with home care, counseling, cash assistance, and contact with a caring community.

Capital and Special Initiatives Campaign

In cooperation with its domestic affiliated agencies and certain overseas organizations, UJA-Federation conducts a Capital and Special Initiatives Campaign to fund capital improvements and programmatic endowments. 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 revenue for the years ended June 30, 2014 and 2013 were $3,432 and $567, respectively. Capital and Special Initiatives Campaign contributions intended for the benefit of others for the years ended June 30, 2014 and 2013 amounted to $3,615 and $15,966, respectively, and are a component of amounts raised on behalf of others in the accompanying consolidated statements of activities.

(dollars in thousands)

(3), Continued

Planned Giving and Endowments (PG&E)

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. 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 2014 and 2013, UJA-Federation entered into split-interest agreements consisting of charitable gift annuities and charitable remainder trusts of $3,547 and $2,733, 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 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, 2014 and 2013:

	2014	2013
Amounts expected to be collected within:		
One year	$ 72,638	$ 71,415
One to ten years	2,021	2,093
Thereafter	6,245	6,017
	80,904	79,525
Less: discount to present value (ranging from 3.5% to 6.25%)	(3,665)	(3,687)
Less: allowance for estimated uncollectible amounts	(19,269)	(19,949)
	$ 57,970	$ 55,889

Contributions receivable include legacies receivable (net) of $2,686 and $4,023 at June 30, 2014 and 2013, respectively.

(5) Fair Value

At June 30, 2014, the carrying values of the Organization's contributions receivable, other assets and receivables, accounts payable, accrued expenses, and other liabilities, grants payable, liabilities under charitable trust and annuity agreements, and long-term debt approximated their fair values. The estimated fair value, however, involves unobservable inputs considered to be Level 3 in the fair value hierarchy. The fair value of property held subject to a life interest, included in JCF's other assets and receivables and other liabilities, is considered to be a Level 3 input and is based upon an independent appraisal, discounted to present value. The fair value of mortgage and school loans receivable held by Gruss was $5,874 and $8,791 at December 31, 2013 and 2012, respectively, and was based on the present value of the receivables.

The three levels of the fair value hierarchy under the fair value measurement provisions of ASC 820, which 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 prices in active markets for identical assets and liabilities at the reporting date. The types of investments and other assets included in Level 1 consist of exchange-traded equity securities and debt, short-term money market funds, and actively traded obligations issued by the U.S. government and government agencies.

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 2 assets include alternative investments that are redeemable at or near the balance sheet date (generally within 90 days).

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 and alternative investments that are not redeemable at or near the balance sheet date.

Most investments classified in Levels 2 and 3 consist of shares or units in investment funds as opposed to direct interests in the funds' underlying holdings, which may be marketable. Because the net asset value reported by each fund is used as a practical expedient to estimate the fair value of the Organization's interest therein, its classification in Level 2 or 3 is based on the Organization's ability to redeem its interest at or near June 30, 2014. If the interest can be redeemed in the near term, the investment is classified as Level 2. 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.

(dollars in thousands)

(5), Continued

The following tables summarize the fair value of the Organization's assets and liabilities at June 30, 2014 and 2013, in accordance with the ASC 820 fair value hierarchy levels:

	2014			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Short-term and money market instruments	$ 357,047	–	–	357,047
United States government and agency obligations/municipal bonds	60,080	123,226	–	183,306
State of Israel Bonds	–	–	12,877	12,877
Alternative investments:				
Multi strategy hedge funds	–	124,827	156,902	281,729
Long/short equities	–	242,760	144,808	387,568
Private equity	–	–	96,433	96,433
Real estate	–	–	36,101	36,101
Other	–	–	129	129
Total alternative investments	–	367,587	434,373	801,960
Equity securities/funds	642,211	143,393	34,477	820,081
Debt securities/funds	104,139	136,020	1,691	241,850
Total investments	1,163,477	770,226	483,418	2,417,121
Other assets, including property held subject to life interest (note 14)	–	49,794	63,500	113,294
Assets held under charitable trust agreements	44,795	–	27	44,822
Total assets	$ 1,208,272	820,020	546,945	2,575,237

(dollars in thousands)

(5), Continued

	2013			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Short-term and money market instruments	$ 431,180	108	–	431,288
United States government and agency obligations/municipal bonds	45,146	161,190	–	206,336
State of Israel Bonds	–	–	14,012	14,012
Alternative investments:				
Multi strategy hedge funds	–	142,507	159,079	301,586
Long/short equities	–	230,944	102,354	333,298
Private equity	–	–	86,301	86,301
Real estate	–	–	35,679	35,679
Other	–	–	197	197
Total alternative investments	–	373,451	383,610	757,061
Equity securities/funds	500,283	117,977	27,561	645,821
Debt securities/funds	97,525	111,593	1,308	210,426
Total investments	1,074,134	764,319	426,491	2,264,944
Other assets	–	41,065	–	41,065
Assets held under charitable trust agreements	44,289	–	28	44,317
Total assets	$ 1,118,423	805,384	426,519	2,350,326
Liabilities:				
Interest rate swap agreement	$ –	(1,026)	–	(1,026)
Total liabilities	$ –	(1,026)	–	(1,026)

(dollars in thousands)

(5), Continued

The following tables summarize the fair value of only UJA-Federation's assets and liabilities at June 30, 2014 and 2013, in accordance with the ASC 820 fair value hierarchy levels:

	2014			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Short-term and money market instruments	$ 38,503	–	–	38,503
United States government and agency obligations/municipal bonds	57,006	–	–	57,006
State of Israel Bonds	–	–	12,551	12,551
Alternative investments:				
Multi strategy hedge funds	–	71,676	133,598	205,274
Long/short equities	–	51,902	112,654	164,556
Private equity	–	–	84,283	84,283
Real estate	–	–	34,681	34,681
Other	–	–	129	129
Total alternative investments	–	123,578	365,345	488,923
Equity securities/funds	244,088	136,340	77,203	457,631
Debt securities/funds	27,320	–	–	27,320
Total investments	366,917	259,918	455,099	1,081,934
Assets held under charitable trust agreements	44,795	–	27	44,822
Total assets	$ 411,712	259,918	455,126	1,126,756

(dollars in thousands)

(5), Continued

	2013			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Short-term and money market instruments	$ 72,294	–	–	72,294
United States government and agency obligations/municipal bonds	43,529	–	–	43,529
State of Israel Bonds	–	–	13,691	13,691
Alternative investments:				
Multi strategy hedge funds	–	87,799	132,315	220,114
Long/short equities	–	50,168	74,073	124,241
Private equity	–	–	77,868	77,868
Real estate	–	–	34,294	34,294
Other	–	–	197	197
Total alternative investments	–	137,967	318,747	456,714
Equity securities/funds	197,068	112,231	62,364	371,663
Debt securities/funds	30,992	–	–	30,992
Total investments	343,883	250,198	394,802	988,883
Assets held under charitable trust agreements	44,289	–	28	44,317
Total assets	$ 388,172	$ 250,198	$ 394,830	$ 1,033,200
Liabilities:				
Interest rate swap agreement	$ –	(1,026)	–	(1,026)
Total liabilities	$ –	(1,026)	–	(1,026)

(dollars in thousands)

(5), Continued

The following tables summarize the Organization's changes in activity for the fiscal years ended June 30, 2014 and 2013 for fair value measurements using significant unobservable inputs (Level 3):

	2014						
	Fair Value July 1, 2013	Net Realized Gains	Change in Unrealized Gains (Losses)	Purchases	Sales	Transfers In (Out)	Fair Value June 30, 2014
Assets:							
Investments:							
State of Israel Bonds	$ 14,012	–	–	1,733	(2,868)	–	12,877
Alternative investments:							
Multi strategy hedge funds	159,079	10,089	7,721	501	(20,488)	–	156,902
Long/short equities	102,354	4,302	7,950	68,198	(32,926)	(5,070)	144,808
Private equity	86,301	13,948	468	17,585	(21,869)	–	96,433
Real estate	35,679	3,107	2,863	65	(5,613)	–	36,101
Other	197	–	–	(68)	–	–	129
Total alternative investments	383,610	31,446	19,002	86,281	(80,896)	(5,070)	434,373
Equity securities/funds	27,561	–	6,916	–	–	–	34,477
Debt securities/funds	1,308	–	–	523	(140)	–	1,691
Total investments	426,491	31,446	25,918	88,537	(83,904)	(5,070)	483,418
Assets held under charitable trust agreements	28	–	(1)	–	–	–	27
Total assets	$ 426,519	31,446	25,917	88,537	(83,904)	(5,070)	483,445

The transfer from level 3 to level 2 in fiscal 2014 was due to a change in redemption provisions.

After the change in unrealized gains of $25,917, unrealized gains of $157,293 remain for Level 3 assets still held at June 30, 2014.

(dollars in thousands)

(5), Continued

	2013						
	Fair Value July 1, 2012	Net Realized Gains	Change in Unrealized Gains (Losses)	Purchases	Sales	Transfers In (Out)	Fair Value June 30, 2013
Assets:							
Investments:							
State of Israel Bonds	$ 12,609	–	–	8,295	(6,892)	–	14,012
Alternative investments:							
Multi strategy hedge funds	171,573	6,763	12,243	14	(27,419)	(4,095)	159,079
Long/short equities	134,619	869	8,350	1,594	(3,229)	(39,849)	102,354
Private equity	92,550	12,055	(1,817)	7,088	(23,575)	–	86,301
Real estate	37,375	1,229	52	1,124	(4,101)	–	35,679
Other	381	–	–	(184)	–	–	197
Total alternative investments	436,498	20,916	18,828	9,636	(58,324)	(43,944)	383,610
Equity securities/funds	23,040	–	3,942	–	–	579	27,561
Debt securities/funds	1,065	–	–	243	–	–	1,308
Total investments	473,212	20,916	22,770	18,174	(65,216)	(43,365)	426,491
Assets held under charitable trust agreements	44	–	(16)	–	–	–	28
Total assets	$ 473,256	20,916	22,754	18,174	(65,216)	(43,365)	426,519

Transfers from Level 3 to Level 2 during fiscal 2013, pertaining entirely to the JCF, approximated $43,944 and were primarily due to the expiration of lock-up provisions.

After the change in unrealized gains of $22,754, unrealized gains of $133,972 remain for Level 3 assets still held at June 30, 2013.

(dollars in thousands)

(6) Investments

The fair value of the Organization's investments at June 30, 2014 and 2013 consists of the following:

	2014					
	UJA-Federation	Jewish Communal Fund	Gruss Funds	Supporting Organizations and Other Entities	Consolidation and Elimination Items	Total
Short-term and money market instruments	$ 38,503	310,508	5,849	2,187	–	357,047
United States government and agency obligations/municipal bonds	57,006	123,226	–	3,074	–	183,306
State of Israel Bonds	12,551	–	–	326	–	12,877
Alternative investments:						
Multi strategy hedge funds	205,274	22,662	40,382	13,411	–	281,729
Long/short equities	164,556	182,424	33,468	7,120	–	387,568
Private equity	84,283	6,195	2,308	3,647	–	96,433
Real estate	34,681	–	–	1,420	–	36,101
Other	129	–	–	–	–	129
Total alternative investments	488,923	211,281	76,158	25,598	–	801,960
Equity securities/funds	457,631	373,734	8,654	24,773	(44,711)	820,081
Debt securities/funds	27,320	211,902	–	2,628	–	241,850
Total investments	$ 1,081,934	1,230,651	90,661	58,586	(44,711)	2,417,121

(dollars in thousands)

(6), Continued

	2013					
	UJA-Federation	Jewish Communal Fund	Gruss Funds	Supporting Organizations and Other Entities	Consolidation and Elimination Items	Total
Short-term and money market instruments	$ 72,294	354,237	1,361	3,396	–	431,288
United States government and agency obligations/municipal bonds	43,529	161,190	–	1,617	–	206,336
State of Israel Bonds	13,691	–	–	321	–	14,012
Alternative investments:						
Multi strategy hedge funds	220,114	25,595	42,145	13,732	–	301,586
Long/short equities	124,241	170,835	32,937	5,285	–	333,298
Private equity	77,868	5,121	–	3,312	–	86,301
Real estate	34,294	–	–	1,385	–	35,679
Other	197	–	–	–	–	197
Total alternative investments	456,714	201,551	75,082	23,714	–	757,061
Equity securities/funds	371,663	279,747	10,148	20,745	(36,482)	645,821
Debt securities/funds	30,992	176,407	–	3,027	–	210,426
Total investments	$ 988,883	1,173,132	86,591	52,820	(36,482)	2,264,944

(dollars in thousands)

(6), Continued

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

Multi strategy hedge funds - represent investments in a broad range of investment strategies that seek to exploit opportunities as they occur in the markets due to temporary dislocations or structural inefficiencies and include event-driven strategies, distressed debt, merger and other arbitrage, and value investing.

Long/short equities - primarily investments in funds that, in turn, invest in liquid, marketable securities, and attempting to realize gains through the identification of mispriced securities.

Private equity - consists of buyout and venture capital limited partnership and limited liability company investments. Private equity buyout typically involves the purchase of significant equity stakes in established companies with the goal of increasing value through financial, operational, and strategic changes. Venture capital typically involves providing capital and professional expertise to early stage businesses in exchange for equity ownership with the potential for significant growth and value creation.

Real estate - comprises limited partnership and limited liability company interests that focus on the purchase and development, improvement, and management of residential, commercial, and industrial real estate with value attempted to be realized through both rental income and gains from eventual property sales.

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, 2014, the following table summarizes the composition of $669,297 at fair value of such investments by the various redemption provisions and lock-up/liquidation periods:

Redemption Period	UJA-Federation	Jewish Communal Fund	Gruss Funds	Supporting Organizations and Other Entities	Total
Monthly	$ 26,447	69,188	13,299	1,144	110,078
Quarterly	97,131	104,077	55,766	8,705	265,679
Semiannual	–	10,919	4,785	–	15,704
Annual	169,718	–	–	7,344	177,062
Lock-up/ liquidation (a)	76,534	20,902	–	3,338	100,774
Total	$ 369,830	205,086	73,850	20,531	669,297

(dollars in thousands)

(6), Continued

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

Redemption Period	UJA-Federation	Jewish Communal Fund	Gruss Funds	Supporting Organizations and Other Entities	Total
2015	$ 60,515	3,458	–	2,618	66,591
2016	–	–	–	–	–
2017 and thereafter	16,019	17,444	–	720	34,183
Total	$ 76,534	20,902	–	3,338	100,774

The Organization's private equity and real estate limited partnership and limited liability company interests are generally for ten-year terms, with extensions of one to two years. As of June 30, 2014, the weighted average remaining life of these strategies approximated six years. These investments also contain minimum subscription or capital commitments. UJA-Federation's unfunded capital commitments approximated $55,000 and $60,400 at June 30, 2014 and 2013, respectively. UJA-Federation maintains sufficient liquidity in its investment portfolio to cover such capital commitments.

UJA-Federation's investments in equity securities/funds at June 30, 2014 and 2013 comprise the following:

	2014	2013
Domestic (publicly traded):		
Large-cap	$ 64,347	$ 60,942
Mid-cap	70,877	56,080
Small-cap	23,292	30,487
Total Domestic	158,516	147,509
Emerging markets	52,469	21,684
Global publicly traded	66,160	55,914
International funds (underlying - publicly traded)	135,775	110,074
Investment in consolidated entities	44,711	36,482
	$ 457,631	$ 371,663

(dollars in thousands)

(6), Continued

JCF's investments in equity securities/funds and debt securities/funds at June 30, 2014 and 2013 comprise the following:

	2014		2013	
	Equities	Debt	Equities	Debt
Domestic/international common stock	$ 98,409	–	$ 82,448	–
Equity mutual funds	275,325	–	197,299	–
Domestic corporate bonds	–	42,276	–	48,472
International corporate bonds	–	15,395	–	9,064
Fixed income mutual funds	–	74,211	–	63,776
Asset backed securities	–	39,015	–	28,299
Commercial mortgage-backed securities	–	40,080	–	25,871
Private corporate bonds	–	925	–	925
	$ 373,734	211,902	$ 279,747	176,407

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 $32,811 and $33,524 at June 30, 2014 and 2013, respectively.

Investment income is reported net of related expenses, such as custodial fees and investment management costs. For the years ended June 30, 2014 and 2013, the Organization's investment expenses were $8,271 and $6,878, respectively.

(7) Endowment Funds

The endowment for UJA-Federation, totaling $984,050 at June 30, 2014, consists of 448 individual funds representing all permanently restricted net assets (notes 2 and 15) and those temporarily restricted (notes 2 and 14) and board-designated net assets (note 13) subject to its spending policy.

The Organization 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 the Organization considers the following factors in managing and investing its endowment funds (the “Funds”):

1) The duration and preservation of the Fund;
2) The purposes of the Organization and the donor-restricted endowment Fund;
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 the Organization;
7) Alternatives to expenditure of the Fund, giving due consideration to the effect such alternatives may have on the Organization; and
8) The investment policy of the Organization.

Although NYPMIFA changed the concept of “historic dollar value” for spending from endowment funds in certain circumstances, UJA-Federation continues to classify the corpus of donor- restricted endowment funds as permanently restricted net assets. Accounting guidance associated with the enactment of NYPMIFA as set forth in ASC 958, Section 205-45, *Classification of Donor–Restricted Endowment Funds Subject To UPMIFA* (Uniform Prudent Management of Institutional Funds Act), requires the portion of donor restricted endowment funds that is not classified as permanently restricted to be classified as temporarily restricted net assets until appropriated for expenditure in a manner consistent with the standards of prudence required by NYPMIFA. Investment return on such permanently restricted net assets is classified as temporarily restricted.

(7), Continued

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 of 5.0% is applied to a rolling 12-quarter average of endowment net assets and an additional $20 million is spent from legacies and bequests received during a fiscal year. Any legacies and bequests received during the year in excess of $20 million would be added to the endowment. The overall endowment spending amount is reviewed by management and approved by the Board of Directors to ensure compliance with NYPMIFA.

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.

Jewish Communal Fund

JCF has a board-designated endowment fund (Special Gifts Fund), totaling $17,632 at June 30, 2014, 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 each fiscal year 7.0% of its endowment fund's average fair value over the prior 12 calendar quarters. 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.

(dollars in thousands)

(7), Continued

The composition of UJA-Federation's and JCF's endowment, by net asset class, at June 30, 2014 and 2013 is as follows:

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
UJA-Federation:				
Endowment – income restricted	$ –	251,178	137,956	389,134
Endowment – income unrestricted	–	70,889	106,863	177,752
Board-designated	417,164	–	–	417,164
Total	$ 417,164	322,067	244,819	984,050
JCF:				
Board-designated	$ 17,632	–	–	17,632

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
UJA-Federation:				
Endowment – income restricted	$ –	214,872	135,873	350,745
Endowment – income unrestricted	–	54,500	100,967	155,467
Board-designated	386,484	–	–	386,484
Total	386,484	269,372	236,840	892,696
JCF:				
Board-designated	$ 15,842	–	–	15,842

(dollars in thousands)

(7), Continued

Changes in UJA-Federation's and JCF's endowment net assets for the fiscal years ended June 30, 2014 and 2013 were as follows:

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
UJA-Federation:				
Net assets – July 1, 2013	$ 386,484	269,372	236,840	892,696
Investment income	560	1,013	–	1,573
Net appreciation in fair value of investments	56,710	72,157	–	128,867
Contributions	12,004	249	6,029	18,282
Change in value of split-interest agreements	–	–	2,851	2,851
Distributions (a)	(37,699)	(20,724)	–	(58,423)
Transfers in (out)	(895)	–	(901)	(1,796)
Net assets – June 30, 2014	$ 417,164	322,067	244,819	984,050
JCF:				
Net assets – July 1, 2013	$ 15,842	–	–	15,842
Net appreciation in fair value of investments	2,620	–	–	2,620
Contributions	253	–	–	253
Distributions	(1,083)	–	–	(1,083)
Net assets – June 30, 2014	$ 17,632	–	–	17,632

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

(dollars in thousands)

(7), Continued

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
UJA-Federation:				
Net assets – July 1, 2012	$ 357,211	233,711	229,623	820,545
Investment income	553	762	–	1,315
Net appreciation in fair value of investments	43,676	55,575	–	99,251
Contributions	18,489	362	7,542	26,393
Change in value of split-interest agreements	–	–	1,304	1,304
Distributions (a)	(36,111)	(20,603)	–	(56,714)
Transfers in (out)	2,666	(435)	(1,629)	602
Net assets – June 30, 2013	$ 386,484	269,372	236,840	892,696
JCF:				
Net assets – July 1, 2012	$ 14,404	–	–	14,404
Net appreciation in fair value of investments	2,298	–	–	2,298
Contributions	194	–	–	194
Distributions	(1,054)	–	–	(1,054)
Net assets – June 30, 2013	$ 15,842	–	–	15,842

(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, 2014 and 2013:

	2014			2013
	UJA-Federation	Related Entities	Total	Total
Land	$ 1,118	600	1,718	$ 1,718
Buildings and building improvements	74,007	30,801	104,808	104,345
Furniture and equipment	5,011	243	5,254	4,466
Total cost	80,136	31,644	111,780	110,529
Accumulated depreciation	(16,605)	(7,900)	(24,505)	(21,186)
Net fixed assets	$ 63,531	23,744	87,275	$ 89,343

In 2014 and 2013, UJA-Federation wrote off $678 and $1,040, respectively, of fully depreciated fixed assets.

(9) Long-Term Debt and Derivative Instruments

In June 2004, the New York City Industrial Development Agency (the Agency) issued Civic Facility Revenue Bonds (Series 2004 Bonds), for the benefit of UJA-Federation, in the amount of $66,830 at par. At June 30, 2014 and 2013, $57,793 and $59,506, respectively, was outstanding under the Series 2004 Bonds. 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 17-story building, located in New York City, owned by UJA-Federation and occupied as its headquarters (the Facility). Pursuant to various agreements, including an "Indenture of Trust" (the Indenture), UJA-Federation is obligated to and guarantees to make required payments of principal, sinking fund installments, and interest on the Series 2004 Bonds.

The Series 2004 Bonds were issued in two series: Series 2004A Bonds in the aggregate principal amount of $41,830 and Series 2004B Bonds, originally issued in the aggregate principal amount of $25,000. The Series 2004A Bonds sold at a premium of $1,168. Such premium is being amortized over the life of the bonds.

The Series 2004A Bonds comprise, at par, $32,940 of fixed rate serial bonds with maturity dates commencing July 1, 2007 and annually thereafter until July 1, 2024 and $8,890 of fixed rate term bonds with mandatory sinking fund requirements commencing July 1, 2025 and annually thereafter until final maturity on July 1, 2027. The fixed rate serial bonds bear interest at rates ranging from 2.50% to 5.25%, payable each January 1 and July 1, commencing January 1, 2005. The fixed rate term bonds bear interest at 5.00%, payable each January 1 and July 1, beginning January 1, 2005. The serial bonds maturing on or after July 1, 2015, and the term bonds, are subject to optional redemption on or after July 1, 2014, in whole or in part, at par plus accrued interest to the date of redemption. Series 2004A Bonds are also subject to "Extraordinary Optional Redemption," as defined in the Indenture, based upon the occurrence of certain events.

The Series 2004B Bonds were issued initially as variable rate bonds, due July 1, 2034, bearing interest in auction mode. The bonds could be converted as a whole at the direction of UJA-Federation, subject to certain restrictions, to bonds that bear interest at a daily, weekly, monthly, quarterly, adjustable, or fixed rate. On May 30, 2012 (the "Conversion Date"), the Series 2004B Bonds were remarketed and converted to a fixed rate obligation in the principal amount of $22,585. The bonds were issued at a premium on the Conversion Date and the premium was utilized to retire $2,415 of the original $25,000 principal amount. The bonds bear interest at 5.00%, payable each January 1 and July 1, commencing July 1, 2012. The bonds are subject to optional redemption, in whole or in part, on or after January 1, 2022 at a redemption price equal to 100% of the principal amount plus accrued interest to the date of redemption. The bonds are also subject to mandatory and extraordinary redemption, as defined.

In connection with the Series 2004 Bonds, bond issuance costs of $1,439 have been deferred and are being amortized over the life of the bonds.

(dollars in thousands)

(9), Continued

Effective June 2006, UJA-Federation executed an interest rate swap agreement (the Agreement) as a hedge on the original $25,000 Series 2004B Bonds. The Agreement, commencing on January 1, 2007, expired on January 1, 2014. The Agreement called for UJA-Federation to pay the counterparty, each January 1 and July 1 during its term, a fixed rate of 4.196% on the notional amount of $25,000. In return, UJA-Federation received a floating rate, reset weekly, based upon the SIFMA (Securities Industry and Financial Markets Association) Municipal Swap Index.

The fair value of the interest rate swap was $(1,026) at June 30, 2013 and was included in accounts payable, accrued expenses, and other liabilities in the accompanying consolidated balance sheet at such date.

The minimum annual payments for principal and interest relating to long-term debt are as follows:

	Principal	Interest	Total Debt Service
Year ending June 30:			
2015	$ 1,610	2,744	4,354
2016	1,690	2,659	4,349
2017	1,780	2,568	4,348
2018	1,870	2,472	4,342
2019	1,970	2,371	4,341
Thereafter	48,873	23,199	72,072
	$ 57,793	36,013	93,806

Interest expense for the years ended June 30, 2014 and 2013 was $3,122 and $3,694, respectively.

Subsequent Event

On August 14, 2014, 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 and the proceeds from the issuance were used to redeem the outstanding principal ($30,405), to pay accrued interest ($275) on the Series 2004A Bonds at the September 4, 2014 optional redemption date, and to pay for the costs of issuance ($578). The Series 2014 Bonds comprise fixed rate serial bonds with maturity dates commencing July 1, 2015 and annually thereafter until July 1, 2025. These serial bonds bear interest at rates ranging from 2.00% to 5.00%, payable each January 1 and July 1, commencing January 1, 2015. 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.

(dollars in thousands)

(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, 2014 and 2013:

UJA-Federation:	2014	2013
Jewish Communal Network Commission:		
Overseas Agencies; The Jewish Federations of North America (a)	$ 47,521	$ 45,679
Operating Support Grants to Domestic Network Agencies	35,111	35,242
Other Program Grants	949	1,958
Total Jewish Communal Network Commission	83,581	82,879
Caring Commission:		
Addressing Poverty and Promoting Self-Sufficiency	10,004	9,665
Enabling Older Adults to Age in Place	4,051	5,319
Health, Healing, Hospice, and Jewish Spiritual Care	3,086	3,338
Strengthening Children, Youth, and Families	3,182	3,149
Superstorm Sandy Relief	1,701	13,285
Connect to Care Initiative	1,596	2,292
Emergency and Trauma Relief in Israel	494	999
Other Program Grants	1,553	758
Total Caring Commission	25,667	38,805
Commission on Jewish Identity and Renewal:		
Communal Jewish Education	3,967	4,678
Strengthening Jewish Educators	3,475	2,485
Jewish Identity in Israel and the former Soviet Union	1,981	2,320
Scholarships	1,823	1,639
Birthright Israel	1,569	2,119
Jewish Community Development	1,740	1,360
Other Program Grants	178	25
Total Commission on Jewish Identity and Renewal	14,733	14,626
Commission on the Jewish People:		
Strengthening Jewish Peoplehood	6,978	4,414
Integration and Absorption of Israeli Ethiopians	1,756	2,422
Integration and Absorption of Russian Jews in New York	245	575
Emergency Grants	100	–
Other Program Grants	305	67
Total Commission on the Jewish People	9,384	7,478
Lease of properties to grantee organizations (b)	15,869	12,795
Total UJA-Federation	$ 149,234	$ 156,583

(dollars in thousands)

(10), Continued

	2014	2013
Jewish Communal Fund:		
Cultural and Educational	$ 123,629	$ 103,294
Community Organizations	71,925	28,431
Health, Human Services, and Environment	55,363	62,887
International	34,747	29,490
Religious	26,385	30,179
UJA-Federation	17,435	18,474
Total Jewish Communal Fund	$ 329,484	$ 272,755
Gruss Funds:		
Educational and other philanthropic programs	7,581	7,158
Supporting Organizations and Other Entities	3,605	4,798
Less: consolidation and elimination items	(17,956)	(19,189)
Total	$ 471,948	$ 422,105

(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 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% in 2014 to impute rental income and the corresponding grant to the lessees. The consolidated statements of activities for the fiscal years ended June 30, 2014 and 2013 reflect $15,869 and $12,795, respectively, of imputed rental income and grant expense related to these lease agreements.

In June 2014, the Board of Directors of UJA-Federation approved the fiscal year 2015 grant recommendations of the Commissions responsible for the allocation of funds to affiliated agencies of UJA-Federation and to others. In July 2014, the Commissions ratified approximately $135,000 of grants for programs to be conducted during fiscal year 2015 and notified or will notify the grant recipients. Such grants will be recorded by UJA-Federation in fiscal year 2015.

(11) Retirement Benefits

Multiemployer Plan

UJA-Federation and JCF participate in a multiemployer defined benefit pension plan (the Plan) covering eligible union and non-union 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 80% funded using the most recent financial information as of October 1, 2013, the beginning of the Plan year.

UJA-Federation and JCF contributions to the Plan for the years ended June 30, 2014 and 2013 were $2,301 and $2,262, respectively. These contributions represented 10.3% and 9.8% of the total contributions to the Plan for those years ended, respectively. The expiration date of the collective-bargaining agreement requiring contributions to the Plan for those union employees who elect to participate is January 31, 2016. The Plan is non-contributory for non-union employees.

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 715, *Compensation – Retirement Benefits.* The unfunded postretirement benefit obligation at June 30, 2014 and 2013, recognized by UJA-Federation in the consolidated balance sheets, was $4,580 and $4,594, respectively. For the years ended June 30, 2014 and 2013, UJA-Federation's net periodic postretirement benefit cost was $6 and $86, respectively.

(dollars in thousands)

(12) Commitments and Contingencies

Leased Facilities

UJA-Federation and JCF lease office space under the terms of various leases expiring through fiscal year 2026. The leases generally provide for annual base rentals plus real estate and operating expense escalations. Future minimum rentals under noncancellable operating leases are as follows:

Year ending June 30	UJA-Federation	Jewish Communal Fund	Total
2015	$ 446	221	667
2016	588	265	853
2017	675	265	940
2018	678	269	947
2019	623	279	902
Thereafter	2,264	1,345	3,609
Total	$ 5,274	2,644	7,918

Rent expense for the years ended June 30, 2014 and 2013 was $993 and $961, 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:

Year ending December 31	Amount
2014	$ 263
2015	316
2016	323
2017	331
2018	338
Thereafter	1,279
Total	$ 2,850

Rent expense, net of sublease rental income, for the years ended December 31, 2013 and 2012 was $130 and $129, respectively.

(dollars in thousands)

(12), Continued

Rental Income

A consolidated real estate title holding company of UJA-Federation owns a condominium unit in the building in New York City utilized by UJA-Federation as its headquarters (the Facility) and leases office space to tenants. The leases contain operating expense and real estate tax escalation clauses. For the years ended June 30, 2014 and 2013, rental income at the Facility amounted to $3,798 and $3,792, respectively.

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

Year ending June 30	Amount
2015	$ 3,419
2016	2,733
2017	2,326
2018	2,087
2019	1,904
Thereafter	4,149
Total	$ 16,618

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 FOJP Service Corp. (FOJP), 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 FOJP for policies issued on or after January 1, 2006. The guaranty applies to all future policies written for participating network agencies until such time as UJA-Federation determines to cease guaranteeing such 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. At June 30, 2014, no network agencies were in default and the balance of unpaid insurance premiums was $12,437.

(dollars in thousands)

(13) Board-Designated Net Assets

Unrestricted net assets of UJA-Federation at June 30, 2014 and 2013 have been designated by the Board of Directors as follows:

	2014	2013
Headquarters facility renovation	$ 21,843	$ 21,843
Agency facility replacement	5,647	5,647
Revolving and special loans	3,000	3,000
Spending policy/other designated purposes	423,043	392,082
	$ 453,533	$ 422,572

(14) Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2014 and 2013 are available for the following purposes:

	2014	2013
UJA-Federation:		
Purpose Restricted:		
Multi purpose and other programs	$ 110,476	$ 95,439
Education and scholarships	90,391	75,918
Caring for the vulnerable	44,684	37,161
Programs for the aged	25,259	21,494
Camps and community centers	8,026	6,749
Jewish education and continuity	5,803	4,506
Capital projects	929	985
	285,568	242,252
Time Restricted:		
Unappropriated unrestricted endowment appreciation	70,889	54,500
Split-interest agreements	1,144	1,037
Other	15,071	15,656
	87,104	71,193
Total UJA-Federation	372,672	313,445
Jewish Communal Fund:		
Property held subject to life interest – time restricted (a)	46,375	–
Fiscal sponsorships	794	281
Total Jewish Communal Fund	47,169	281
Gruss Funds:		
Educational and other philanthropic programs	60,575	65,840
Less: consolidation and elimination items	(16,278)	(14,597)
Total	$ 464,138	$ 364,969

(dollars in thousands)

(a) In December 2013, JCF received an irrevocable life interest in real estate and personal property. The donor and the donor's spouse retain the right to use the property, and the property may not be sold until their deaths. The donor and the donor's spouse are responsible for continuing to pay the executory costs for the property, which include maintenance costs, capital improvements, property taxes, insurance, and utilities. The fair value of the land was appraised at $45,000 at December 1, 2013 and $18,500 for the building improvements, resulting in a combined value of $63,500. As actuarially determined, the beneficial-use interest of $17,786, recorded as deferred revenue in other liabilities, is being amortized over 15.7 years, which is the calculated joint-life expectancy of the donor and his spouse. In fiscal 2014, the net contribution revenue recorded for the property, including amortization of the beneficial-use interest of $661, was $46,375 and is included in temporarily restricted net assets at June 30, 2014.

(15) Permanently Restricted Net Assets

Investment returns on permanently restricted net assets are available to support the following activities:

	2014	2013
UJA-Federation:		
Purpose Restricted:		
Multi purpose and other programs	$ 46,045	$ 45,546
Education and scholarships	28,561	27,022
Caring for the vulnerable	24,907	24,881
Programs for the aged	15,024	15,011
Camps and community centers	11,741	11,741
Jewish education and continuity	7,598	7,592
Rescue and resettlement	4,080	4,080
Total endowment – income restricted	137,956	135,873
Total endowment – income unrestricted	106,863	100,967
Less: consolidation and elimination items	(1,751)	(1,549)
Total	$ 243,068	$ 235,291

(dollars in thousands)

(16) Mortgage and School Loans Receivable

Mortgage Loans Receivable

Gruss entered into agreements to administer interest-free mortgage programs for Soviet immigrants in Israel. Gruss, an Israeli banking institution and the Government of Israel each provide a share of the funds borrowed. Gruss subsidizes the interest payments on its portion of the loans. The arrangement calls for Gruss to provide a guaranty, up to $1,500, for its share of uncollectible amounts under the program. At December 31, 2013, the total uncollectible amounts to which Gruss' guaranty extended was limited to the outstanding balance of $55. Subsidized payments in each of the years ended December 31, 2013 and 2012 were immaterial.

The composition of the mortgage loans at December 31, 2013 and 2012 was as follows:

	2013	2012
Loans with a 10-year grace period	$ 809	$ 1,192
Loans with a 3-year grace period	313	446
	1,122	1,638
Less: allowance for uncollectible amounts	(8)	(16)
	$ 1,114	$ 1,622

The loans are in New Israel Shekels and are linked to the rate of exchange of the U.S. dollar and bear no interest. These loans are reflected at historical cost, net of the allowance for uncollectible loans.

School Loans Receivable

Gruss has granted interest-free loans to Yeshivas and Jewish day schools for the purpose of funding building expansion and renovations. As of December 31, 2013 and 2012, loans outstanding totaled $5,158 and $7,915**,** respectively, to be repaid as follows:

	2013	2012
2013	$ –	$ 3,117
2014	2,266	2,096
2015	1,370	1,373
2016	977	847
2017	392	295
2018	92	187
Thereafter	61	–
	5,158	7,915
Less: allowance for uncollectible amounts	(96)	(96)
	$ 5,062	$ 7,819

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

Schedule 1

Schedule of Balance Sheet Information for UJA-Federation

June 30, 2014
(with comparative totals for 2013)
(dollars in thousands)

	2014				2013
Assets	Unrestricted	Temporarily Restricted	Permanently Restricted	Total All Funds	Total All Funds
Cash	$ 22,296	1,760	–	24,056	19,223
Contributions receivable, net	45,429	9,501	1,626	56,556	55,069
Other assets and receivables	42,361	3,367	3,422	49,150	46,047
Intercompany receivables (payables)	4,124	3,312	499	7,935	9,991
Amounts held on behalf of other agencies	54,654	–	–	54,654	45,770
Investments	497,015	359,889	225,030	1,081,934	988,883
Assets held under charitable trust agreements	6,110	10,699	28,013	44,822	44,317
Fixed assets, net	63,531	–	–	63,531	64,516
Total assets	$ 735,520	388,528	258,590	1,382,638	1,273,816
Liabilities and Net Assets					
Liabilities:					
Accounts payable, accrued expenses, and other liabilities	$ 14,356	541	15	14,912	15,550
Grants payable	8,960	5,733	–	14,693	21,325
Amounts held on behalf of other agencies	54,654	–	–	54,654	45,770
Liabilities under charitable trust and annuity agreements	26,358	9,582	13,756	49,696	54,952
Long-term debt	57,793	–	–	57,793	59,506
Accrued postretirement benefits	4,580	–	–	4,580	4,594
Total liabilities	166,701	15,856	13,771	196,328	201,697
Net assets:					
Unrestricted:					
Undesignated	115,286	–	–	115,286	99,262
Board-designated	453,533	–	–	453,533	422,572
Total unrestricted net assets	568,819	–	–	568,819	521,834
Temporarily restricted	–	372,672	–	372,672	313,445
Permanently restricted:					
Endowment – income restricted	–	–	137,956	137,956	135,873
Endowment – income unrestricted	–	–	106,863	106,863	100,967
Total permanently restricted net assets	–	–	244,819	244,819	236,840
Total net assets	568,819	372,672	244,819	1,186,310	1,072,119
Total liabilities and net assets	$ 735,520	388,528	258,590	1,382,638	1,273,816

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

Schedule 2

Schedule of Activities for UJA-Federation

Year ended June 30, 2014
(with comparative totals for 2013)
(dollars in thousands)

	2014				2013
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total All Funds	Total All Funds
Revenues and gains (losses):					
Annual/special giving:					
Annual giving contributions, including special event and mission fees of $4,727 in 2014 and $5,689 in 2013	$ 136,086	8,970	–	145,056	144,954
Less: event and mission costs	(7,271)	–	–	(7,271)	(7,626)
Special giving contributions	129	6,012	–	6,141	7,824
Less: provision for uncollectible contributions, net of prior years' recoveries	(3,948)	(40)	–	(3,988)	(5,946)
Net contributions – annual/special giving	124,996	14,942	–	139,938	139,206
Endowment contributions	–	–	3,639	3,639	1,558
Legacies and bequests	11,885	710	2,354	14,949	24,867
Split-interest agreements	1,813	7	36	1,856	1,800
Change in value of split-interest agreements	1,359	132	2,851	4,342	(549)
Donated services	150	–	–	150	200
Amounts raised on behalf of others	10,460	–	–	10,460	21,288
Net campaign revenues, including amounts raised on behalf of others	150,663	15,791	8,880	175,334	188,370
Less: amounts raised on behalf of others	(10,460)	–	–	(10,460)	(21,288)
Net campaign revenues, excluding amounts raised on behalf of others	140,203	15,791	8,880	164,874	167,082
Net investment income	10,079	1,010	–	11,089	8,157
Net appreciation in fair value of investments	62,792	74,318	–	137,110	105,019
Rental income	15,869	–	–	15,869	12,813
Service income	773	–	–	773	822
Other (losses) income	(56)	–	–	(56)	33
Other	–	(31)	(901)	(932)	(2,018)
	229,660	91,088	7,979	328,727	291,908
Net assets released from restrictions	31,861	(31,861)	–	–	–
Total revenues and gains	261,521	59,227	7,979	328,727	291,908
Grants and expenses:					
Grants and other program services:					
Grants	149,234	–	–	149,234	156,583
Other program services	17,446	–	–	17,446	16,402
Total grants and other program services	166,680	–	–	166,680	172,985
Fund-raising	28,385	–	–	28,385	28,330
Management and general	19,240	–	–	19,240	19,886
Total expenses	214,305	–	–	214,305	221,201
Increase in net assets before postretirement plan adjustments	47,216	59,227	7,979	114,422	70,707
Postretirement benefit changes not included in net periodic benefit cost	(231)	–	–	(231)	278
Increase in net assets	46,985	59,227	7,979	114,191	70,985
Net assets at beginning of year	521,834	313,445	236,840	1,072,119	1,001,134
Net assets at end of year	$ 568,819	372,672	244,819	1,186,310	1,072,119