The United Synagogue of Conservative Judaism and Affiliate

Consolidated Financial Statements

June 30, 2023 and 2022

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Directors
The United Synagogue of Conservative Judaism and Affiliate
New York, New York

Opinion

We have audited the accompanying consolidated financial statements of The United Synagogue of Conservative Judaism and Affiliate, which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The United Synagogue of Conservative Judaism and Affiliate as of June 30, 2023 and 2022 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 United Synagogue of Conservative Judaism and Affiliate 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.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, The United Synagogue of Conservative Judaism and Affiliate adopted Financial Accounting Standards Board ("FASB") Topic 842, Leases, using the effective date method with July 1, 2022 as the date of initial adoption. Our opinion is not modified with respect to that matter.

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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The United Synagogue of Conservative Judaism and Affiliate's ability to continue as a going concern within one year after the date that consolidated financial statements are available to be issued.

PKF O'CONNOR DAVIES, LLP
245 Park Avenue, New York, NY 10167 I Tel: 212.867.8000 or 212.286.2600 I Fax: 212.286.4080 I www.pkfod.com

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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 generally accepted auditing standards 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, misrepresentation, 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 generally accepted auditing standards, 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 United Synagogue of Conservative Judaism and Affiliate'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 United Synagogue of Conservative Judaism and Affiliate'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.

PKF O'Connor Davies, LLP

December 7, 2023

The United Synagogue of
Conservative Judaism and Affiliate

Consolidated Statements of Financial Position

	June 30	
	2023	2022
ASSETS		
Cash and cash equivalents	$ 3,569,632	$ 5,432,228
Investments	13,420,146	12,496,603
Dues receivable	69,173	94,836
Accounts and other receivables, net	95,419	79,142
Prepaid expenses	562,943	459,181
Contributions receivable, net	418,227	181,813
Property and equipment, net	9,378,555	9,743,485
Right of use assets - operating lease	211,362	-
Other assets	1,103	1,187
Total Assets	$ 27,726,560	$ 28,488,475
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 632,776	$ 1,029,598
Accrued salaries, vacation and benefits	295,628	316,980
Contingency reserve	2,338,500	3,000,000
Operating lease liabilities	214,241	-
Advance deposits	1,353,963	1,941,927
Total Liabilities	4,835,108	6,288,505
Net Assets		
Without donor restrictions		
Operating	9,016,201	8,849,723
Board-designed	8,287,178	8,012,454
Total Without Donor Restrictions	17,303,379	16,862,177
With donor restrictions	5,588,073	5,337,793
Total Net Assets	22,891,452	22,199,970
Total Liabilities and Net Assets	$ 27,726,560	$ 28,488,475

See notes to consolidated financial statements

The United Synagogue of
Conservative Judaism and Affiliate

Consolidated Statements of Activities

	Year Ended					
	June 30, 2023			June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, LOSSES AND OTHER SUPPORT						
Contributions	$ 1,081,751	$ 824,831	$ 1,906,582	$ 1,457,869	$ 799,427	$ 2,257,296
Membership dues	6,279,880	-	6,279,880	6,306,568	-	6,306,568
Program revenue	3,561,154	-	3,561,154	2,979,608	-	2,979,608
Grant revenue	-	-	-	853,322	-	853,322
Miscellaneous	2,553	-	2,553	8,073	-	8,073
Net assets released from restrictions	595,644	(595,644)	-	872,460	(872,460)	-
Total Revenues, Gains, Losses and Other Support	11,520,982	229,187	11,750,169	12,477,900	(73,033)	12,404,867
EXPENSES						
Program Services						
Youth	6,322,188	-	6,322,188	6,406,815	-	6,406,815
Education	798,538	-	798,538	811,053	-	811,053
Kehilla strengthening and transformation	1,815,398	-	1,815,398	1,843,846	-	1,843,846
Other	96,281	-	96,281	104,112	-	104,112
Total Program Services	9,032,405	-	9,032,405	9,165,826	-	9,165,826
Supporting Services						
Management and general	1,703,115	-	1,703,115	1,771,304	-	1,771,304
Fundraising	1,256,751	-	1,256,751	1,277,398	-	1,277,398
Total Supporting Services	2,959,866	-	2,959,866	3,048,702	-	3,048,702
Total Expenses	11,992,271	-	11,992,271	12,214,528	-	12,214,528
Change in Net Assets Before Nonoperating Activities	(471,289)	229,187	(242,102)	263,372	(73,033)	190,339
NONOPERATING ACTIVITIES						
Foreign currency exchange loss	(57,952)	-	(57,952)	(51,834)	-	(51,834)
Investment return	970,443	21,093	991,536	(1,091,479)	(274,195)	(1,365,674)
Change in Net Assets	441,202	250,280	691,482	(879,941)	(347,228)	(1,227,169)
NET ASSETS						
Beginning of year	16,862,177	5,337,793	22,199,970	17,742,118	5,685,021	23,427,139
End of year	$ 17,303,379	$ 5,588,073	$ 22,891,452	$ 16,862,177	$ 5,337,793	$ 22,199,970

See notes to consolidated financial statements

The United Synagogue of
Conservative Judaism and Affiliate

Consolidated Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services					Supporting Services		
	Youth	Education	Kehilla Strengthening and Transformation	Other	Total	Management and General	Fundraising	Total
Salaries and benefits	$ 2,551,859	$ 361,330	$ 821,448	$ 32,214	$ 3,766,851	$ 1,035,132	$ 566,955	$ 5,368,938
Professional fees	589,228	83,432	189,673	7,438	869,771	239,013	130,912	1,239,696
Advertising and promotion	9,620	1,362	3,097	121	14,200	3,902	2,137	20,239
Meetings and conferences	13,493	1,911	4,343	170	19,917	5,473	2,998	28,388
Dues and subscriptions	-	-	-	25,090	25,090	6,895	3,776	35,761
Insurance	128,881	18,249	41,487	1,627	190,244	52,279	28,634	271,157
Equipment lease	13,594	1,925	4,376	172	20,067	5,514	3,020	28,601
Occupancy	132,989	18,423	41,883	1,642	194,937	52,778	28,908	276,623
Office supplies	12,500	1,770	4,024	158	18,452	5,070	2,777	26,299
Travel	99,923	14,149	32,166	1,261	147,499	40,533	22,201	210,233
Postage and shipping	40,838	5,782	13,146	516	60,282	16,566	9,073	85,921
Printing and publications	124,322	17,603	40,019	1,569	183,513	50,430	27,621	261,564
Program expenses and participant cost	2,276,357	229,305	521,303	20,443	3,047,408	-	359,801	3,407,209
Telephone	41,415	5,864	13,332	523	61,134	16,800	9,201	87,135
Depreciation	196,878	27,877	63,375	2,485	290,615	79,861	43,741	414,217
Bad debt	-	-	-	-	-	65,492	-	65,492
Miscellaneous	90,291	9,556	21,726	852	122,425	27,377	14,996	164,798
Total	$ 6,322,188	$ 798,538	$ 1,815,398	$ 96,281	$ 9,032,405	$ 1,703,115	$ 1,256,751	$ 11,992,271

See notes to consolidated financial statements

The United Synagogue of Conservative Judaism and Affiliate

Consolidated Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services					Supporting Services		
	Youth	Education	Kehilla Strengthening and Transformation	Other	Total	Management and General	Fundraising	Total
Salaries and benefits	$ 2,566,796	$ 363,445	$ 826,257	$ 32,402	$ 3,788,900	$ 1,041,197	$ 570,273	$ 5,400,370
Professional fees	791,139	112,021	254,669	9,987	1,167,816	320,917	175,772	1,664,505
Advertising and promotion	4,805	680	1,547	61	7,093	1,949	1,068	10,110
Meetings and conferences	17,623	2,495	5,673	222	26,013	7,148	3,915	37,076
Dues and subscriptions	-	-	-	31,804	31,804	8,740	4,787	45,331
Insurance	122,240	17,309	39,349	1,543	180,441	49,585	27,159	257,185
Equipment lease	20,740	2,937	6,676	262	30,615	8,413	4,608	43,636
Occupancy	125,129	17,718	40,279	1,580	184,706	50,757	27,801	263,264
Office supplies	11,955	1,693	3,848	151	17,647	4,849	2,656	25,152
Travel	56,998	8,071	18,348	720	84,137	23,121	12,664	119,922
Postage and shipping	46,256	6,550	14,890	584	68,280	18,764	10,277	97,321
Printing and publications	120,919	17,121	38,924	1,526	178,490	49,049	26,865	254,404
Program expenses and participant costs	2,088,412	210,373	478,262	18,755	2,795,802	-	330,095	3,125,897
Biennial convention	76,162	-	-	-	76,162	-	-	76,162
Telephone	46,829	6,631	15,074	591	69,125	18,996	10,404	98,525
Depreciation	198,650	28,128	63,946	2,508	293,232	80,580	44,135	417,947
Bad debt	-	-	-	-	-	41,744	-	41,744
Miscellaneous	112,162	15,881	36,104	1,416	165,563	45,495	24,919	235,977
Total	$ 6,406,815	$ 811,053	$ 1,843,846	$ 104,112	$ 9,165,826	$ 1,771,304	$ 1,277,398	$ 12,214,528

See notes to consolidated financial statements

The United Synagogue of
Conservative Judaism and Affiliate

Consolidated Statements of Cash Flows

	Year Ended June 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 691,482	$ (1,227,169)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	414,217	417,947
Amortization of right-of-use assets	197,925	-
Net realized and unrealized losses on investments	295,901	1,441,905
Foreign currency exchange loss	57,952	51,834
Forgiveness of Paycheck Protection Program loan	-	(855,455)
Change in discount to present value of receivables	(20,144)	8,986
Bad debt expense	65,492	41,744
Changes in operating assets and liabilities		
Dues receivable	25,663	(17,354)
Accounts and other receivables	(16,277)	99,717
Prepaid expenses	(103,762)	(192,638)
Contributions receivable	(281,762)	74,996
Other assets	84	1,090
Accounts payable and accrued expenses	(396,821)	84,067
Accrued salaries, vacation and benefits	(21,352)	(32,167)
Refunds payable	-	(221,727)
Contingency reserve	(661,500)	-
Advance deposits	(587,964)	962,612
Change in lease liabilities	(171,609)	-
Net Cash from Operating Activities	(512,475)	638,388
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(49,289)	(88,626)
Purchases of investments	(8,344,936)	(1,090)
Proceeds from sale of investments	7,044,104	534,537
Net Cash from Investing Activities	(1,350,121)	444,821
Change in Net Cash and Cash Equivalents	(1,862,596)	1,083,209
Cash and Cash Equivalents, Beginning of Year	5,432,228	4,349,019
Cash and Cash Equivalents, End of Year	$ 3,569,632	$ 5,432,228

See notes to consolidated financial statements

1. Organization and Tax Status

The United Synagogue of Conservative Judaism ("The United Synagogue") was formed in 1913. It is a religious association of congregations of the Conservative Movement of Judaism and has 562 affiliated congregations. The United Synagogue's Conservative Jewish program encompasses youth, educational and congregational programming. The United Synagogue is the sole member of the USCJ Supporting Foundation, Inc. (the "Foundation"). The United Synagogue and the Foundation are collectively referred to herein as the "Organization."

The United Synagogue's primary sources of revenues are membership dues, program revenue and contributions. The Foundation's primary source of revenue is investment income.

Tax Status

The United Synagogue and the Foundation are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements are prepared on the accrual basis of accounting.

Basis of Consolidation

The consolidated financial statements include the accounts of The United Synagogue and the Foundation. All material inter-entity transactions have been eliminated in the consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies *(continued)*

Change in Accounting Principle

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset (ROU) and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset.

The Organization adopted FASB Topic 842, Leases, using the effective date method with July 1, 2022 as the date of initial adoption, with certain practical expedients available.

The Organization elected the available practical expedients to account for its existing operating leases as operating leases, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases (now finance) or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, on July 1, 2022 The United Synagogue recognized lease liabilities of $400,777, that represents the present value of the remaining operating lease payments of $412,346 discounted using the risk-free interest rate as determined by treasury bond rates for periods ranging from 2.1 to 2.2 years averaging 2.84%, and right-of use assets (“ROU assets”) of $400,777.

Adoption of the standard had a material impact on the Organization’s consolidated statement of financial position but did not have an impact on its consolidated statements of activities and cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid instruments with maturities, when acquired, of three months or less. The Organization routinely invests its surplus operating funds in money market accounts. The money market accounts invest in highly liquid U.S. Government and agency obligations. Investments in money market accounts are not insured or guaranteed by the U.S. Government.

2. Summary of Significant Accounting Policies *(continued)*

Investments and Investment Return

Investments are carried at fair value. The fair value of alternative investments has been estimated using the net asset value ("NAV") as reported by the management of the respective alternative investment fund. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the consolidated statements of activities as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Organization maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Dues, Accounts and Other Receivables

Receivables are recognized based on established rates for dues and the programs operated. Receivables are recognized during the period in which the performance obligations are completed. Interest income is not accrued or recorded on outstanding receivables.

Allowance for Doubtful Accounts

The Organization determines whether an allowance for doubtful accounts should be provided for its receivables. Such estimates are based on management's assessment of the aged basis of its receivables, current economic conditions, subsequent collections and historical information.

Receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. As of June 30, 2023 and 2022, the Organization recorded an allowance of $135,000 on accounts and other receivables. As of June 30, 2023 and 2022, the Organization recorded an allowance of $162,497 and $278,756, respectively, on contributions receivable. No allowance has been recorded for dues receivable.

2. Summary of Significant Accounting Policies *(continued)*

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Assets under finance lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives. The Organization's policy is to capitalize items with a cost of $1,000 or greater, and a useful life of more than one year.

Long-Lived Asset Impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value less costs to sell.

No asset impairment was recognized during the years ended June 30, 2023 and 2022.

Advance Deposits

Advance deposits are for future programs that have not yet been held. The advance deposits are recorded as liabilities until such time that they will be earned.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions. The net assets of the Organization and the changes therein are classified as follows:

Without donor restrictions – net assets that represent resources that are not subject to donor restrictions. The Organization's board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

With donor restrictions – net assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may require the assets to be maintained in perpetuity.

2. Summary of Significant Accounting Policies *(continued)*

Revenue and Revenue Recognition

Program Revenue

Program revenue includes revenues from providing events, trips and other programming for youth and members of The United Synagogue. Revenue is recognized when a program is conducted and such services are provided as this constitutes when performance obligations have been met.

Membership Dues

Revenue from membership dues are recognized as support over the life of the membership period as the performance obligation is met. The first year of a new membership is recognized pro-rata, while remaining membership periods are based on the Organization's fiscal year.

Contract Balances

There were no contract assets as of June 30, 2023, 2022 and 2021. There were contract liabilities of $1,353,963, $1,941,927 and $979,315 as of June 30, 2023, 2022 and 2021 and are included in advanced deposits on the statement of financial position. Accounts and other receivables were $95,419, $79,142 and $178,859 as of June 30, 2023, 2022 and 2021.

Contributions and Grant Revenue

Contributions and grants, including unconditional promises to give, are provided to the Organization either with or without restrictions placed on the gift by the donor, and are recognized as revenue in the period received.

Contributions or grants for unconditional gifts to be collected in future years are discounted using factors that approximate the risk and expected timing of future contribution payments.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

2. Summary of Significant Accounting Policies *(continued)*

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use assets ("ROU assets") and operating lease liabilities on the accompanying consolidated statement of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The leases do not provide an implicit borrowing rate. The Organization uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset includes any lease payments made and excludes lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization elected not to record leases with an initial term of 12 months or less on the consolidating statements of financial position. Lease expenses on such leases is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization has lease agreements with lease and non-lease components, which are generally accounted for separately. Variable lease components in these leases are common area maintenance, utilities, and real estate taxes and are recognized in operating expenses in the period in which the obligation is incurred.

For the year ended June 30, 2022, rent was charged to expense by the Organization over the lease term as it became payable. If rental payments were not scheduled to be made on a straight-line basis, rental expense nevertheless was recognized on a straight-line basis.

Advertising

Advertising costs are expensed as incurred. Advertising expenses totaled $20,239 and $10,110 for the years ended June 30, 2023 and 2022, respectively.

2. Summary of Significant Accounting Policies *(continued)*

Foreign Currency Transactions

The Organization accounts for foreign transactions in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification ("ASC") 830-20, *Foreign Currency Transactions*. Transaction gain and losses, which are a result of transactions denominated in currencies other than U.S. dollars are included in determining change in net assets for the period in which the transactions occurred. Net transaction adjustment losses for the years ended June 30, 2023 and 2022 was $57,952 and $51,834, respectively.

Functional Allocation of Expenses

The costs of providing services have been summarized on a functional basis. Certain costs such as salaries and professional fees have been allocated among the program, management and general and fundraising categories based on the program and supporting services benefited, based on the actual expenditures and costs allocated based on employee time attributed to the program or service.

Operating Measure

The consolidated statements of activities separately report changes in net assets from operating and non operating activities. Operating activities consist principally of revenues and expenses related to ongoing activities. Non operating activities consist of net investment return and foreign currency exchange activity.

Fair Value Measurements

U.S. GAAP established a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below. Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access. Level 2 inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

2. Summary of Significant Accounting Policies *(continued)*

Fair Value Measurements (continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization follows U.S. GAAP guidance which removed the requirements to categorize within the fair value hierarchy alternative investments where fair value is measured using the NAV per share as a practical expedient.

The following is a description of the type of investments and the valuation methodologies used for assets measured at either fair value or NAV. There have been no changes in the methodologies used at June 30, 2023, as compared to those used at June 30, 2022.

Money Market Funds and Equities: Valued at the closing price reported on the active market on which the individual security is traded.

Fixed Income–Corporate Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities.

Mutual Funds: Valued at the closing price reported on the active market on which the individual security is traded.

Dynamic Assets Allocation Overlays include equity securities, fixed-income instruments of issuers located within and outside the United States, real estate related securities, below-investment grade ("high yield") securities (commonly known as "junk bonds"), currencies and commodities. The portfolio's asset class exposures may be implemented and adjusted either through transactions in individual securities or through derivatives.

Limited Liability Company's underlying investments consist of certain equity funds, hedged credit funds, and private credit funds, real estate asset and real estate funds and are valued at the NAV of shares held at year-end as a practical expedient. The NAV is based on the fair value of the underlying assets held less any liability as determined by the underlying investment managers. The practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

2. Summary of Significant Accounting Policies *(continued)*

Fair Value Measurements (continued)

The goals outlined below imply three primary objectives for managing these investments (the Limited Liability Company's Pooled Endowment Portfolio):

- To obtain a return on investment sufficient to make the desired annual distributions without eroding the inflation-adjusted value of invested assets.
- To invest prudently, in order to preserve the inflation-adjusted value of the endowment and guard against material reductions in its value.
- To maintain liquidity sufficient to support routine withdrawals for distribution purposes as well as any non-routine withdrawals.

Limited Liability Partnership's underlying investments consist of:

- Limited partnerships that invest in domestic equities
- Investments in funds holding equity securities of companies primarily in emerging and frontier markets outside the United States
- Limited partnerships that invest in equity or debt that are not publicly traded, equity of start-up companies, companies embarking on new ventures or restructuring/ turnaround plans that are illiquid
- Limited partnerships with absolute return/hedged equity strategies
- Multiple credit-related investments via limited partnerships
- Multiple real assets investment via limited partnerships

Valued at the NAV per share based on the underlying investments carried at fair value and a 30-day notice of redemption.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure.

3. Investments

The following tables set forth by level and type, within the fair value hierarchy, the assets at fair value as of June 30:

	2023		
	Fair Value Measurements Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Investments Measured at NAV (a)
Investments at fair value			
Money market funds	$ 270,395	$ 270,395	$ -
Mutual Funds			
Fixed income	1,610,013	1,610,013	-
Equities			
Basic materials	5,620	5,620	-
Consumer goods	37,519	37,519	-
Financial	2,405,441	2,405,441	-
Healthcare	4,223	4,223	-
Industrial goods	12,180	12,180	-
Construction	4,320	4,320	-
Energy	14,443	14,443	-
Technology	40,324	40,324	-
Limited liability partnership	4,384,400	-	4,384,400
Limited liability company	4,631,268	-	4,631,268
Total Investments	$ 13,420,146	$ 4,404,478	$ 9,015,668

3. Investments *(continued)*

	2022		
	Fair Value Measurements Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Investments Measured at NAV (a)
Investments at fair value			
Money market funds	$ 185,673	$ 185,673	$ -
Mutual Funds			
Fixed income	1,756,630	1,756,630	-
Equity	326,659	326,659	-
Global real estate	114,932	114,932	-
Exchange traded funds	303,979	303,979	-
Equities			
Basic materials	71,387	71,387	-
Consumer goods	229,093	229,093	-
Financial	194,609	194,609	-
Healthcare	114,908	114,908	-
Industrial goods	52,416	52,416	-
Energy	57,257	57,257	-
Construction	50,651	50,651	-
Technology	479,087	479,087	-
Dynamic Assets Allocation Overlays			
Overlay A - equity-oriented asset allocation	440,030	-	440,030
Overlay B - fixed income - oriented asset allocations	249,884	-	249,884
Limited liability partnership	3,983,298	-	3,983,298
Limited liability company	3,886,110	-	3,886,110
Total Investments	$ 12,496,603	$ 3,937,281	$ 8,559,322

(a) As discussed in Note 2, certain investments that are measured at fair value using NAV value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy.

3. Investments *(continued)*

Alternative Investments

The following table summarizes investments in certain entities measured at fair value based on NAV per share, as a practical expedient as of June 30, 2023 and 2022:

	2023 Fair Value	2022 Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Dynamic asset allocation overlays					
Overlay A - equity-oriented asset allocation	$ -	$ 440,030	$ -	Daily	None
Overlay B - fixed income - oriented asset allocation	-	249,884	-	Daily	None
Limited liability partnership	4,384,400	3,983,298	-	Monthly	30 days
Limited liability company	4,631,268	3,886,110	-	Monthly	15 days
	$ 9,015,668	$ 8,559,322	$ -		

Please refer to note 2 for a description of the above investments.

4. Property and Equipment

Property and equipment consisted of the following as of June 30:

	2023	2022	Estimated Useful Lives
Land in Israel	$ 893,710	$ 893,710	
Land improvement	85,198	85,198	
Building in Israel	14,612,495	14,612,496	40 years
Equipment	299,996	283,215	3-10 years
Cemetery plots	1	1	
Leasehold improvements	292,034	292,034	15 years
	16,183,434	16,166,654	
Accumulated depreciation and amortization	(6,804,879)	(6,423,169)	
	$ 9,378,555	$ 9,743,485	

The Organization owns land in Jerusalem, Israel and constructed a building used as a youth education and dormitory facility. Fully depreciated equipment totaling $32,508 which is no longer being utilized has been removed from property and equipment during the year ended June 30, 2023.

The United Synagogue owns various cemetery plots. The plots were not valued and have been recorded at a nominal value of $1 in these consolidated financial statements.

5. Retirement Plan

The Organization has a defined contribution retirement plan managed by a third party (The Joint Retirement Board). Employer contributions are 3.75 percent when each employee covered electively contributes at least 4 percent of their gross salary. Pension expense for the years ended June 30, 2023 and 2022 was $70,943 and $81,370, respectively.

6. Contributions Receivable

Unconditional contributions receivable has been recorded at present value. Those receivables that are due in more than one year have been discounted to their present value using discount rates of 4 to 6 percent. The receivables as of June 30 are due as follows:

	2023		
	Without Purpose Restrictions	With Purpose Restrictions	Total
Due within one year	$ 177,586	$ 310,000	$ 487,586
Due in one to five years*	43,600	57,500	101,100
	221,186	367,500	588,686
Less allowance for uncollectible amounts	(138,247)	(24,250)	(162,497)
	82,939	343,250	426,189
Less discount to present value	-	(7,962)	(7,962)
	$ 82,939	$ 335,288	$ 418,227

	2022		
	Without Purpose Restrictions	With Purpose Restrictions	Total
Due within one year	$ 325,894	$ 77,276	$ 403,170
Due in one to five years*	80,505	5,000	85,505
	406,399	82,276	488,675
Less allowance for uncollectible amounts	(212,031)	(66,725)	(278,756)
	194,368	15,551	209,919
Less discount to present value	(21,079)	(7,027)	(28,106)
	$ 173,289	$ 8,524	$ 181,813

* Amounts in the “due in one to five years” category above that are in the “without purpose restrictions” column are considered time restricted.

7. Related Organizations in Israel

The Organization is related to three organizations in Israel. The United Synagogue of America (Amutta) is a registered Amutta under Israeli law, whose purpose is to promote conservative Judaism through programs for youth and education. An Amutta is a tax-exempt entity in Israel formed for charitable or religious purposes and is governed by its members. The Organization is related to the Amutta as it owns 0.1 percent of the outstanding shares of the Amutta.

The Organization and the Amutta also own two corporations established for the public good in Israel: United Synagogue Center and Conservative Judaism Educational Company Limited (CJEC). The Amutta owns 99.9 percent of the outstanding shares of both the United Synagogue Center and CJEC. The Organization owns 0.1 percent of the outstanding shares of both the United Synagogue Center and CJEC. These corporations are not consolidated into these financial statements.

The Amutta, the United Synagogue Center and CJEC use a December 31 year-end. Individual financial statements have been issued in Israel using Israeli accounting principles. Those financial statements were denominated in New Israeli Shekel.

The Organization's investment in these Israeli entities is immaterial and is not reflected in these consolidated financial statements.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 are restricted for the following purposes or periods:

	2023	2022
Subject to expenditure for specified purpose		
Kehilot (member congregation) programs and services	$ 978,147	$ 663,637
Youth scholarships	1,305,283	1,183,740
Youth programs	897,333	919,347
Israel educational programs and operating support	279,485	360,253
Tikum olam (social action and disaster relief)	251,926	334,093
Annual fund time-restricted pledges and other	564,053	581,463
	4,276,227	4,042,533
Endowments		
Subject to endowment spending policy and appropriation		
Day schools principals training program	775,372	775,372
Youth program and scholarships	135,191	135,191
Leadership development	50,000	50,000
Unappropriated investment income from endowments	351,283	334,697
	1,311,846	1,295,260
	$ 5,588,073	$ 5,337,793

8. Net Assets With Donor Restrictions *(continued)*

Net assets released from restrictions for the years ended June 30 are as follows:

	2023	2022
Kehilot (member congregation) programs and services	$ 227,981	$ 222,044
Youth scholarships	70,720	157,446
Youth programs	136,869	229,602
Israel educational programs and operating support	11,125	7,064
Tikum olam (social action and disaster relief)	93,323	35,599
Annual fund time-restricted pledges and other	55,626	220,705
	$ 595,644	$ 872,460

Endowments

General

The Organization's endowment consists of 13 donor-restricted endowment funds established for youth scholarships, educational programs and youth programs.

Interpretation of Relevant Law

The General Assembly and the Board of Directors of the Organization have adopted the New York Prudent Management of Institutional Funds Act (NYPMIFA). NYPMIFA moves away from the "historic dollar value" standard and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. The Organization is now governed by the NYPMIFA spending policy, which establishes a standard maximum prudent spending limit of 7 percent of the average of its previous five years' balance. As a result of this interpretation, the Organization classifies as restricted net assets - endowment (a) the original value of gifts donated to the endowment subject to perpetuity, (b) the original value of subsequent gifts to the endowment subject to perpetuity, and (c) accumulations to the endowment subject to perpetuity made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in restricted net assets - endowments is classified as restricted net assets - purpose until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standards of prudence prescribed by NYPMIFA.

Return Objectives, Strategies Employed and Spending Policy

The primary objective of the endowment fund is income consistent with current yield and liquidity in both the equity and fixed-income portfolios. A secondary objective is long-term capital appreciation through investment in the equity portfolio. A total return strategy is emphasized through a balanced investment approach.

8. Net Assets With Donor Restrictions *(continued)*

Endowments (continued)

Funds with Deficiencies

The Organization does not have any funds with deficiencies at June 30, 2023 and 2022.

Changes in Endowment Net Assets

Changes in endowment net assets for the years ended June 30 are as follows:

	2023	2022
	With Donor Restrictions	With Donor Restrictions
Endowment net assets, beginning of year	$ 1,295,260	$ 1,555,977
Additions	-	8,963
Investment return	16,586	(269,680)
Endowment net assets, end of year	$ 1,311,846	$ 1,295,260

9. Board-Designated Net Assets

During 2016, The United Synagogue transferred, through a formal gift agreement, assets to the Foundation in order to establish a board-designated endowment fund (the Fund), which is to become an asset of the Foundation and shall be governed by the Articles of Incorporation and By-Laws of the Foundation and the Gift Agreement. The gift, and any additional gifts to the Foundation, by The United Synagogue or others, which are to be added to the Fund, shall be held, invested and reinvested by the Foundation in accordance with its standard investment policies and procedures. The assets of the Fund may, at the discretion of the Foundation, be pooled with similar assets in order to facilitate a cost-effective management of the assets of the Foundation, so long as the Foundation is able to account separately for the assets of the Fund.

For the purpose of making distributions from the Fund, the Foundation shall make use of a total return-based spending policy (the Spending Policy), meaning that it will fund distributions from net investment income, consisting of net realized capital gains, net increase or decrease in unrealized appreciation of investments, dividends and other distributions, less fees and costs associated with investing.

9. Board-Designated Net Assets *(continued)*

The distribution of Fund assets will be permitted to the extent such distributions do not exceed a level that would erode the Fund's long-term, real purchasing power of assets over time. The Foundation's Investment Committee will seek to reduce the variability of annual Fund distributions by factoring past spending and portfolio asset values into its current spending decisions. The Foundation's Investment Committee will review its spending assumptions annually for the purpose of deciding whether any changes therein necessitate amending the Fund's spending policy, its target allocations, or both.

The Foundation has established a spending policy of 4.5 percent and distributed $417,000 to The United Synagogue on February 1, 2023. Thereafter, The United Synagogue shall request, no later than December 31 of any calendar year, a distribution to be made in accordance with the Foundation's spending policy. As agreed to by the Foundation's Board, during the next fiscal year, a request of approximately $250,000 was made in 2023 to be distributed in 2024. All of these transactions are eliminated in consolidation.

The Foundation shall hold, administer and dispose of the Fund in perpetuity in order to support The United Synagogue.

Changes in board designated endowment net assets for the years ended June 30 were as follows:

	2023	2022
Beginning balance	$ 8,012,454	$ 9,043,859
Investment return	691,724	(658,899)
Withdrawals	(417,000)	(372,506)
	$ 8,287,178	$ 8,012,454

10. Lease Commitments

On August 1, 2019, the Organization moved into its current office located at 3080 Broadway (JTS Campus). In addition to the aforementioned lease, the Organization has various other operating lease arrangements for additional office space at other locations.

Information related to the operating leases is as follows as of June 30, 2023:

Operating lease ROU assets	$ 211,362
Operating lease liabilities	214,241

10. Lease Commitments *(continued)*

The components of lease costs were as follows for the year ended June 30, 2023:

Lease expense		
Operating lease costs	$	205,441

Information associated with the measurement of the Organization's operating lease obligations as of June 30, 2023 is as follows:

Weighted-average remaining lease term in years for operating leases	1.14
Weighted-average discount rate for operating leases	2.84 %

The future minimum lease payments in connections with the leases as of June 30, 2023 are as follow:

2024	$	200,549
2025		16,750
Total undiscounted cash flows		217,299
Less: present value discount		(3,058)
Total lease liabilities	$	214,241

Supplemental cash flow information related to operating leases was as follow for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$	195,046
ROU assets recognized upon adoption of new lease guidance	$	400,777

The lease expenses under FASB ASC 840, Leases, for the year ended June 30, 2022 totaled $233,778.

11. Significant Estimates and Concentrations

Financial instruments which potentially subject the Organization to a concentration of credit risk are cash accounts with major financial institutions in excess of the Federal Deposit Insurance Corporation ("FDIC") and Canada Deposit Insurance Corporation ("CDIC") insurance limits. At June 30, 2023 and 2022, the Organization's cash accounts exceeded the FDIC federally insured limits by approximately $2,486,000 and $3,961,000, respectively. At June 30, 2023 and 2022, the Organization's cash accounts exceeded the CDIC federally insured limits by approximately $829,000 and $1,052,000, respectively.

The Organization's investment are held at financial institutions insured by the Securities Investor Protection Corporation ("SIPC"). The Organization invests in various securities. Investment securities, in general, are exposed to various risks such as interest rate, credit and overall market volatility.

11. Significant Estimates and Concentrations *(continued)*

Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, based on the markets' fluctuations, and that such changes could materially affect the amounts reported in the consolidated financial statements. As of June 30, 2023 and 2022 investments in excess of SIPC insured amounts approximated $12,900,000 and $12,000,000, respectively.

General Litigation

The Organization is subject to several claims and lawsuits in multiple states, that arose from services provided in the ordinary course of the Organization's activities. The Organization plans to engage in a vigorous defense in these actions. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of the Organization above amounts previously recorded. Events could occur that would change this estimate materially in the near term since it is not feasible to predict the ultimate outcome of any litigation. In November 2022 two cases were settled for approximately $1,062,000. In addition, the Organization reached a settlement with a former insurance carrier. The settlement states that the former insurance carrier would reimburse the Organization approximately $400,000 for the aforementioned settled cases. Subsequent to June 30, 2023, The Organization reached a settlement with another former insurance carrier for approximately $420,000 for the reimbursement of expenses.

12. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30 are comprised of the following:

	2023	2022
Financial assets		
Cash and cash equivalents	$ 3,569,632	$ 5,432,228
Investments	13,420,146	12,496,603
Dues receivable	69,173	94,836
Accounts and other receivables, net	95,419	79,142
Contributions receivable, net	418,227	181,813
Total Financial Assets	17,572,597	18,284,622
Internal designation		
Board-designated	(8,287,178)	(8,012,454)
Donor-imposed restrictions		
Restricted funds	(5,588,073)	(5,337,793)
Add next year's release of donor restrictions	404,712	269,508
Net Financial Assets After Donor-Imposed Restrictions Available to Meet General Expenditures Within One Year	$ 4,102,058	$ 5,203,883

12. Liquidity and Availability *(continued)*

The Organization regularly monitors liquidity required to meet its operating needs and other commitments, while striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, investments, and receivables.

For the purposes of analyzing resources available to meet general expenditures over a 12-month period (fiscal year), the Organization considers all expenditures related to its ongoing activities of programing (Teen Engagement and Synagogue Leadership), as well as the conduct of services undertaken to support those activities to be general expenditures. Receivables with donor restrictions are included in the analysis but funds received from these contributions are used solely to fulfill those restrictions and are, therefore, available to meet those current operating needs.

In addition to the financial assets available to meet general expenditures over the next 12 months, the Organization is operating with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. The Organization also has the ability to un-designate net assets if additional funds are needed.

13. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through December 7, 2023 which is the date that the consolidated financial statements were available to be issued.

14. Contingencies

The Organization's activities and financial performance have the potential to be affected by the recent escalation of the Israel-Palestine conflict. As mentioned in Note 4 The United Synagogue owns land and a building in Israel that is used for youth education and dormitory facility. The circumstances and risk exposures arising from the conflict may affect The United Synagogue and there are potential issues such as closure or damage to facilities that would cause a disruption in operations. Therefore, the full extent of any adverse impact on the results of operations, financial position, and cash flows in fiscal 2024 and beyond cannot be reasonably estimated at this time.

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