UNION FOR REFORM JUDAISM
AND CONSOLIDATED ENTITIES

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

UNION FOR REFORM JUDAISM
AND CONSOLIDATED ENTITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Union for Reform Judaism

We have audited the accompanying consolidated financial statements of Union for Reform Judaism and Consolidated Entities, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

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

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

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Union for Reform Judaism and Consolidated Entities as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the consolidated financial statements, Union for Reform Judaism and Consolidated Entities adopted Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, as of January 1, 2020, using the modified retrospective transition method. Our opinion is not modified with respect to this matter.

Citrin Cooperman & Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
June 29, 2021

UNION FOR REFORM JUDAISM
AND CONSOLIDATED ENTITIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019
(In Thousands)

	2020	2019
ASSETS		
Cash and cash equivalents	$ 33,799	$ 12,569
Contributions receivable, net	5,652	8,571
Reform Movement Affiliation Commitment (RMAC) receivable, net	1,780	2,192
Accounts and loans receivable, net	4,350	2,926
Camp fees receivable, net	26,440	16,436
Investments	104,921	103,254
Property and equipment, net	89,336	75,727
Operating lease - right of use asset	664	892
Goodwill	1,202	1,202
Prepaid pension benefit	323	909
Prepaid expenses and other assets	1,066	1,186
TOTAL ASSETS	$ 269,533	$ 225,864
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable, accrued expenses and other liabilities	$ 6,920	$ 6,274
Operating lease liability	1,117	1,345
Notes and mortgage payable	42,882	14,085
Annuities payable	114	129
Deferred revenue	36,923	24,824
Total liabilities	87,956	46,657
Commitments and contingencies (Notes 7, 10, 13, and 14)		
Net assets:		
Without donor restrictions	113,317	109,971
With donor restrictions	68,260	69,236
Total net assets	181,577	179,207
TOTAL LIABILITIES AND NET ASSETS	$ 269,533	$ 225,864

See accompanying notes to consolidated financial statements.

UNION FOR REFORM JUDAISM
AND CONSOLIDATED ENTITIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands)

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities:						
Public support and revenues:						
Contributions and grants	$ 14,322	$ 7,034	$ 21,356	$ 4,602	$ 8,014	$ 12,616
Program fees	3,775	-	3,775	53,387	-	53,387
RMAC	11,692	-	11,692	11,885	30	11,915
Rental and other income	690	112	802	685	25	710
Investment return designated for current operations	4,746	-	4,746	4,177	-	4,177
Total public support and revenues before net assets released for capital activities and net assets released from restrictions	35,225	7,146	42,371	74,736	8,069	82,805
Net assets released for capital activities	4,425	-	4,425	10,048	-	10,048
Net assets released from restrictions	7,617	(7,617)	-	13,926	(13,926)	-
Total public support and revenues	47,267	(471)	46,796	98,710	(5,857)	92,853
Operating expenses:						
Programs	45,573	-	45,573	86,493	-	86,493
Supporting services:						
Management and general	2,548	-	2,548	1,601	-	1,601
Fundraising	5,738	-	5,738	5,715	-	5,715
Total supporting services	8,286	-	8,286	7,316	-	7,316
Total operating expenses	53,859	-	53,859	93,809	-	93,809
Changes in net assets from operations before depreciation and amortization and other activities	(6,592)	(471)	(7,063)	4,901	(5,857)	(956)
Depreciation and amortization	3,743	-	3,743	3,943	-	3,943
Changes in net assets before other activities	(10,335)	(471)	(10,806)	958	(5,857)	(4,899)
Other activities:						
Investment return	10,482	3,431	13,913	14,760	3,912	18,672
Capital contributions	-	3,175	3,175	1	7,641	7,642
Reserves for strategy implementation and restructuring	-	-	-	(130)	-	(130)
Pension-related changes other than periodic costs	(943)	-	(943)	910	-	910
Foreign currency translation gains (losses)	217	-	217	(131)	54	(77)
Gain (loss) on disposal of property and equipment	5,985	-	5,985	(59)	-	(59)
Insurance proceeds received on insurance claim	-	-	-	1,779	-	1,779
Appropriation of investment return for current operations	(2,060)	(2,686)	(4,746)	(1,850)	(2,327)	(4,177)
Net assets released for capital activities	-	(4,425)	(4,425)	-	(10,048)	(10,048)
Changes in net assets	3,346	(976)	2,370	16,238	(6,625)	9,613
Net assets - beginning of year	109,971	69,236	179,207	93,733	75,861	169,594
NET ASSETS - END OF YEAR	$ 113,317	$ 68,260	$ 181,577	$ 109,971	$ 69,236	$ 179,207

See accompanying notes to consolidated financial statements.

UNION FOR REFORM JUDAISM
AND CONSOLIDATED ENTITIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands)

	Program Expenses							Supporting Services			
	Tikkun Olam	Strengthening Congregations	Audacious Hospitality	YOUTH	Biennial Conference and North American Events	Reform Movement	Total Program Expenses	Fundraising	Management and General	Total Supporting Services	Total
Personnel costs	$ 3,224	$ 3,686	$ 773	$ 13,886	$ 355	$ 863	$ 22,787	$ 4,467	$ 3,022	$ 7,489	$ 30,276
Program materials and services	173	27	9	1,442	-	279	1,930	286	75	361	2,291
Conventions and meetings	643	111	1	148	173	8	1,084	5	23	28	1,112
Travel and transportation	121	25	1	1,008	2	12	1,169	2	26	28	1,197
Professional fees	53	85	64	698	20	128	1,048	91	1,407	1,498	2,546
Marketing and communications	232	706	238	213	110	884	2,383	273	340	613	2,996
Office and business expense	84	11	7	795	2	11	910	146	1,266	1,412	2,322
Wide Area Network and telecom	4	4	1	101	-	2	112	1	530	531	643
Occupancy costs	42	-	-	1,394	-	11	1,447	-	838	838	2,285
Expense attributed to uncollectible accounts	21	-	-	1,140	23	4,865	6,049	-	(974)	(974)	5,075
Insurance	-	1	-	1,196	-	1	1,198	-	184	184	1,382
Non-personnel central services allocated to programs	325	364	286	1,617	60	1,200	3,852	437	(4,289)	(3,852)	-
Camp facility repairs and maintenance	33	-	-	941	-	-	974	-	5	5	979
Interest	49	46	-	499	4	32	630	30	95	125	755
Total operating expenses before depreciation and amortization	5,004	5,066	1,380	25,078	749	8,296	45,573	5,738	2,548	8,286	53,859
Depreciation and amortization	-	-	-	3,743	-	-	3,743	-	-	-	3,743
TOTAL EXPENSES	$ 5,004	$ 5,066	$ 1,380	$ 28,821	$ 749	$ 8,296	$ 49,316	$ 5,738	$ 2,548	$ 8,286	$ 57,602

See accompanying notes to consolidated financial statements.

UNION FOR REFORM JUDAISM
AND CONSOLIDATED ENTITIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands)

	Program Expenses							Supporting Services			
	Tikkun Olam	Strengthening Congregations	Audacious Hospitality	YOUTH	Biennial Conference and North American Events	Reform Movement	Total Program Expenses	Fundraising	Management and General	Total Supporting Services	Total
Personnel costs	$ 3,839	$ 4,734	$ 1,102	$ 26,481	$ 565	$ 1,243	$ 37,964	$ 4,241	$ 1,264	$ 5,505	$ 43,469
Program materials and services	320	131	42	13,935	197	237	14,862	517	409	926	15,788
Conventions and meetings	969	426	22	1,618	2,131	25	5,191	34	151	185	5,376
Travel and transportation	223	199	33	5,613	236	71	6,375	47	143	190	6,565
Professional fees	216	330	93	1,529	257	106	2,531	167	1,540	1,707	4,238
Marketing and communications	10	785	270	534	467	405	2,471	241	198	439	2,910
Office and business expense	91	19	9	2,145	105	32	2,401	143	1,265	1,408	3,809
Wide Area Network and telecom	24	23	5	175	5	6	238	1	618	619	857
Occupancy costs	57	-	6	2,716	140	9	2,928	-	1,053	1,053	3,981
Expense attributed to uncollectible accounts	-	-	-	1,059	-	2,112	3,171	-	(856)	(856)	2,315
Insurance	-	1	5	1,578	13	2	1,599	-	160	160	1,759
Non-personnel central services allocated to programs	350	567	407	1,905	141	654	4,024	324	(4,348)	(4,024)	-
Camp facility repairs and maintenance	91	-	-	2,138	-	-	2,229	-	4	4	2,233
Interest	-	-	-	509	-	-	509	-	-	-	509
Total operating expenses before depreciation and amortization	6,190	7,215	1,994	61,935	4,257	4,902	86,493	5,715	1,601	7,316	93,809
Depreciation and amortization	-	-	-	3,610	-	-	3,610	-	333	333	3,943
TOTAL EXPENSES	$ 6,190	$ 7,215	$ 1,994	$ 65,545	$ 4,257	$ 4,902	$ 90,103	$ 5,715	$ 1,934	$ 7,649	$ 97,752

See accompanying notes to consolidated financial statements.

UNION FOR REFORM JUDAISM
AND CONSOLIDATED ENTITIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands)

	2020	2019
Cash flows from operating activities:		
Changes in net assets	$ 2,370	$ 9,613
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation and amortization	3,743	3,943
Donated securities	(611)	(1,777)
Net unrealized depreciation (appreciation) in fair value of investments	6,563	(11,035)
Net realized gain on sale of investments	(18,602)	(5,185)
Expense attributed to uncollectible accounts	5,075	2,316
Gain on insurance proceeds	-	(1,779)
(Gain) loss on disposal of property and equipment	(5,985)	59
Changes in operating assets and liabilities:		
Contributions receivable	2,676	(2,972)
RMAC receivable	(4,421)	(2,186)
Accounts and loans receivable	(847)	(148)
Camp fees receivable	(10,004)	14,376
Prepaid pension/accrued liability	586	(1,316)
Prepaid expenses and other assets	348	29
Accounts payable, accrued expenses and other liabilities	(3,266)	206
Right of use asset, net of lease liability	-	12
Annuities payable	(15)	(6)
Deferred revenue	12,099	(14,381)
Net cash used in operating activities	(10,291)	(10,231)
Cash flows from investing activities:		
Proceeds from sales of investments	65,004	23,296
Purchases of investments	(54,021)	(14,063)
Proceeds from sale of property and equipment	6,400	-
Purchases of property and equipment	(14,660)	(12,429)
Proceeds from insurance claim	-	1,779
Net cash provided by (used in) investing activities	2,723	(1,417)
Cash flows from financing activities:		
Principal payments on notes and mortgage	(1,102)	(2,059)
Proceeds from additional borrowings	22,400	1,000
Proceeds from Paycheck Protection Program - loan payable	7,500	-
Net cash provided by (used in) financing activities	28,798	(1,059)
Net increase (decrease) in cash and cash equivalents	21,230	(12,707)
Cash and cash equivalents - beginning	12,569	25,276
CASH AND CASH EQUIVALENTS - ENDING	$ 33,799	$ 12,569
Supplemental disclosures of cash flow information:		
Interest paid	$ 755	$ 509
Supplemental schedules for non-cash investing activities:		
Property and equipment additions unpaid at end of year	$ 3,288	$ 546

See accompanying notes to consolidated financial statements.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and basis of presentation

The Union for Reform Judaism ("URJ") builds community at every level—from the way the URJ collaborate with congregations, organizations, and individuals to how the URJ make connections across North America to advance contemporary and inclusive Jewish life. Providing vision and voice to transform the way people connect to Judaism, the URJ help congregations stay relevant and innovative, motivate more young Jews to embrace Jewish living, agitate for a more progressive society, and foster meaningful connections to Israel.

The URJ has grown into the largest and most powerful force in North American Jewish life, with nearly 900 member congregations and work that inspires, connects and educates millions of people. Our legacy, reach, leadership, and vision mean that we can unite thousands of years of tradition with a modern, evolving Judaism to strengthen Jewish communities today and for future generations.

Currently the core programs consist of following:

- Tikkun Olam - Tikkun Olam is the Hebrew word for "world repair" which is the principle underlying the URJ's social action efforts and the pursuit of global social, racial, and religious justice.

  Through advocacy campaigns, training leaders, and hands on volunteering opportunities, the URJ galvanizes people throughout North America to ensure religious freedom, pluralism, acceptance, and justice. The Tikkun Olam program strengthens and emboldens Reform congregations and their leadership as they enlist the support of their members to "repair the world".

- Strengthening Congregations - The URJ helps congregations and communities stay adept and agile, which enables them to proactively meet member's needs and expand the ways in which people live Jewishly. The URJ develops congregational leaders to adapt to current challenges and nurture innovation to be responsive to changing needs. The program also connects leaders to each other so they can share and benefit from each other's experiences. The services provided by the URJ help lower the cost of congregational operations.

  Through its work with congregations, the URJ furthers is other priorities of investing in the Jewish future, deepening Jewish learning, Tikkun Olam, Audacious Hospitality, and connecting with Israel.

- Audacious Hospitality (Welcoming All) - Audacious Hospitality is the Reform Jewish Movement's focused effort on racial diversity, equity, and inclusion ("REDI") work. It is a transformative spiritual practice rooted in the belief that the Jewish community proper will be stronger and more vibrant when the diversities of modern Jewish life are fully incorporated, and that this diversity is an essential component to making the Jewish community whole.

  The Reform movement stands for a Judaism that is inclusive and reflective of a wide range of identities and accepts the responsibility of dismantling oppression both inside and outside of our communities.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- YOUTH - Emerging Youth and Families with Young Children - The URJ provides young people with immersive Jewish experiences in North America and around the world, instilling a sense of joy, compassion, and pride in being Jewish while nurturing youth's innate desire to make a difference in the world. The URJ's youth programs – summer camps, Israel programs, Mitzvah Corps social justice travel programs, and NFTY: The Reform Youth Movement – engage more than 20,000 youth, teens, and young adults each year.

  Central to URJ's strategy around youth initiatives is collaboration with Reform congregations, other Jewish organizations, and individuals who are committed to youth engagement. Together with its member congregations, the URJ offers a continuum of influence that starts during childhood, continues through the college years, and sees expression in Jewish engagement and identification during adulthood. The creation of committed, transformational, ongoing relationships ultimately leads to an increase in the number of young Jews choosing to be Jewish, living Jewish lives, and impacting the world in positive ways.

- Biennial Conference and North American Events - The Biennial conference and North American Events bring together thousands of Jews from across the continent and around the world to gather, learn, pray, share ideas, dance and sing, hear from inspiring speakers and the leaders of the Reform movement, reunite with old friends, create new connections, and make decisions about the policies of the Reform movement.

- Reform Movement - URJ other Reform movement initiatives include the activities of the Reform movement in Canada and ARZA (Association of Reform Zionists of America).

  The strategic priorities of the Reform movement (Tikkun Olam, Congregational Services, et al.) are advanced in Canada through the work of the Reform Jewish Community of Canada (formerly Canadian Council for Reform Judaism), and URJ Canada.

  ARZA is the Zionist arm and voice of the Reform movement which acts as a vehicle for the collective participation of American Reform Jews in the Israel engagement agenda with an emphasis on advocacy and Zionist education. ARZA's mission is to make Israel fundamental to the sacred lives and Jewish identity of Reform Jews.

The URJ is an Ohio corporation that was founded in Cincinnati, Ohio, in 1873 as the Union of American Hebrew Congregations ("UAHC"). In November 2003, the UAHC's name was changed to the Union for Reform Judaism.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The consolidated financial statements consist of the following entities:

- Union for Reform Judaism
- Canadian Council for Reform Judaism
- URJ Canada/Union Juive Liberale au Canada
- Union for Reform Judaism Camp George
- Maple Lake Centre

The URJ and its consolidated affiliates are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state and local taxes under comparable laws when applicable. Activities of the URJ in Canada are carried out through related corporations that are either Canadian registered charities or otherwise exempt from income tax in Canada.

Basis of accounting and principles of consolidation
The consolidated financial statements of the URJ have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to not-for-profit organizations. All significant intercompany accounts and transactions are eliminated in consolidation.

Revenue recognition
The URJ derives revenue and support primarily from contributions and grants, program fees, Reform Movement Affiliate Commitment ("RMAC") and investments.

Year ended December 31, 2020
The URJ adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("Topic 606"), on January 1, 2020. With the adoption of Topic 606, revenue is measured based on the consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. Under Topic 606, the URJ recognizes revenue when it satisfies a performance obligation by transferring control over a service to a customer. The majority of the URJ's services represent a bundle of services that are not capable of being distinct and as such, are treated as a single performance obligation that is satisfied as the services are rendered. The URJ determines the transaction price based on contractually agreed upon rates, adjusted for any variable consideration, if any.

Programs and congregational services are offered by the URJ throughout the course of the year. Revenues from these services are recognized at the point at which control over the services are rendered. Event revenue is recognized over the period the event takes place.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or stipulated time period has elapsed) are reported as net assets released from donor restrictions.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Year ended December 31, 2020 (continued)
The URJ records a contract asset when it has a right to payment from a customer that is conditional on events other than the passage of time. The URJ also records a contract liability when a customer prepays but the URJ has not fulfilled its performance obligation. The URJ did not have any material contract assets as of December 31, 2020 and 2019. Contract liabilities are presented as deferred revenue on the accompanying consolidated statements of financial position. Revenues from camp activities and events are recognized in the period in which the program is conducted. The portion applicable to subsequent periods is reported as deferred revenue until earned. At December 31, 2020 and 2019, deferred revenue was $36,923 and $24,824, respectively.

Year ended December 31, 2019
For the year ended December 31, 2019, the URJ recognized revenue when (1) the service was performed and the URJ had no significant obligations remaining to be performed; (2) a final understanding as to specific nature and terms of the agreed upon transaction had occurred; (3) price is fixed and determinable; and (4) collection was assured. Services generally met these criteria; and revenue was recognized, when services were rendered.

Contributions and pledges
Contributions are recorded as revenue upon the receipt of cash or unconditional pledges. Contributions are considered to be revenue without donor restrictions and available for use, unless specifically restricted by the donor. Conditional contributions are recorded when the specified conditions have been met. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as contributions without donor restriction.

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any.

The URJ reports contributions received with donor stipulations or time considerations as to their use, as revenue with donor restrictions. When a donor's restriction is met, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statements of activities as "Net assets released from restrictions."

The URJ is either the beneficiary or trustee of several irrevocable split-interest agreements. Contribution revenue from split-interest agreements is recognized at the date the agreement is established, net of the liability recorded for the present value of the estimated future payments to be made to the respective donors and/or beneficiaries. The contribution is recognized as revenue without donor restrictions if the donor does not restrict the use of the assets contributed to the URJ, and neither the agreement nor state law requires the assets received by the URJ to be invested until the income beneficiary's death. If either of these situations exists, the contribution portion of the split-interest agreements is recognized as a contribution with donor restriction (see Note 4).

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional allocation of expenses

The costs of providing programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities. The accompanying consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated by management, using appropriate measurement methodologies, among the program services, management and general, and fundraising.

The expenses that are allocated include the following:

Expense	Method of Allocation
Personnel costs	Time and effort
Marketing and communications	Time and effort and direct costs
Insurance	Direct costs, location of insured assets and full time equivalent positions
Shared services - interdepartmental	Full time equivalent positions and square footage

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Reclassifications

Certain amounts in the prior year consolidated financial statements have been reclassified to conform to the current year presentation. These reclassification adjustments had no effect on the URJ's previously reported changes in net assets.

Cash and cash equivalents

For financial reporting purposes, the URJ considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Cash equivalents and certificates of deposit considered to be part of the investment portfolio are reflected as "Investments" in the accompanying consolidated financial statements.

Reform Movement Affiliation Commitment ("RMAC")

Revenue from congregations provides financial support (in the form of RMAC) to the URJ and the Hebrew Union College - Jewish Institute of Religion (the "HUC-JIR"), a separate corporation. Congregations contribute 4% of their adjusted operating revenues but may request adjustments based on financial hardship. Staff meet with congregation representatives to agree on such adjustments in accordance with policies set by the RMAC Policy Review Committee of the board. The URJ and the HUC-JIR have agreed to allocate cash collections of RMAC by the URJ according to the following formula: 56% to the URJ and 44% to HUC-JIR.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Contributions receivable are reported at the outstanding unpaid principal balances, reduced by an allowance for uncollectible contributions and net present value calculation. The URJ estimates its doubtful accounts based on historical bad debt, factors related to specific donors' ability to pay and current economic trends. The URJ writes off contributions receivable against the allowance when a balance is determined to be uncollectible.

RMAC receivables, accounts and loans receivable, and camp fees receivable are recorded at net realizable value, which consists of the carrying amount less the allowance for doubtful accounts. The URJ maintains an allowance for doubtful accounts for estimated losses resulting from the inability of individuals or organizations to make required payments. The URJ considers the following factors when determining the collectibility of specific accounts: past transaction history, current economic trends and changes in payment terms. If the financial condition of the individual or organization were to deteriorate, adversely affecting their ability to make payments, additional allowances may be required. Based on management's assessment, the URJ provides for estimated uncollectible amounts through a charge to earnings and credit to valuation allowance. Balances that remain outstanding after the URJ has made reasonable collection efforts are written off through a charge to the valuation allowance and credit to the receivable.

Investments

Investments are reported at fair value. Fair value is 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. See Note 3 for a discussion of fair value measurements.

Donated securities are reported at their fair values as determined on the dates of donation.

Investment transactions are recorded on a trade-date basis. Realized gains or losses on investments are determined by comparison of the average cost of acquisition to proceeds at the time of disposition. The earnings from dividends and interest are recognized when earned.

Investment expenses include the services of bank trustees, investment managers and custodians. The balances of investment management fees disclosed in Note 3 are those specific fees charged by the URJ's various managers during the years ended December 31, 2020 and 2019; however, they do not include those fees that are embedded in various other investment accounts and transactions.

The URJ records bequest income and the beneficial interest in perpetual trusts at the time it has an established right to such resources and can estimate the eventual proceeds.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

Property and equipment are reported at their original costs or at their fair values on the dates of donation. Depreciation is provided over the estimated useful lives of these assets, which range from three to 40 years. Likewise, leasehold improvements are amortized over the shorter of the term of the underlying leases or useful life of the improvement. Depreciation and amortization are calculated using the straight-line method.

Construction-in-progress is stated at cost and includes amounts expended on property and equipment which have not been placed in service. Such assets are not depreciated until placed in service.

Impairment of long-lived assets

The URJ evaluates its long-lived assets for impairment in accordance with the guidelines of FASB ASC 360, *Property, Plant and Equipment*. If this evaluation indicates that an impairment loss should be recognized, the URJ will charge operations for the estimated impairment loss in the period determined. There were no impairment charges recognized for the years ended December 31, 2020 and 2019.

Goodwill

Costs of net assets in purchased organizations in excess of the underlying fair value of net assets at dates of acquisition are recorded as goodwill and assessed annually for impairment. Losses due to impairment are to be recognized in earnings in the period impaired. Management has determined that there was no impairment of goodwill during the years ended December 31, 2020 and 2019.

Net assets

Net Assets without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

The URJ's Board of Trustees has designated, from net assets without donor restrictions, net assets for a board-designated fund. The board-designated fund was established to provide an internal source for strategic initiatives of the URJ.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or that support specific programs. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statements of activities as "Net assets released from restrictions."

Rental income

The URJ rents office space to affiliates. Rental income is recognized on the straight-line method of accounting required by U.S. GAAP, under which rent payment increases are recognized evenly throughout the year. Rent is billed to affiliates who occupy space in the New York main office as part of shared services (see Note 12).

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation

Substantially all assets and liabilities of foreign operations are translated at year-end exchange rates; public support and revenues and expenses are translated at the average exchange rates during the year. Translation adjustments for such assets and liabilities are accumulated separately as part of net assets. Gains and losses from foreign currency translations are included in the accompanying consolidated statements of activities.

Measure of operations

The URJ includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities, including an authorized investment return allocation.

Income tax uncertainties

The URJ is a Section 501(c)(3) organization, exempt from federal income taxes under Section 501(a) of the U.S. Internal Revenue Code.

The URJ recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, *Income Taxes*. Under that guidance, the URJ assesses the likelihood based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances, and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change.

Management has evaluated the URJ's tax positions and concluded that the URJ has taken no uncertain tax positions that require adjustment to the consolidated financial statements.

Leases

In February 2016, FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases*. This update requires all leases with terms greater than 12 months to be recognized on the consolidated statements of financial position through a right-of-use asset and a lease liability and the disclosure of key information pertaining to leasing arrangements. The URJ adopted the standard for the year ended December 31, 2018 (see Note 13). The URJ adopted the standard using the prospective method.

Recently adopted accounting pronouncements

Revenue recognition

In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), with several clarifying updates issued subsequently. In conjunction with Topic 606, a new subtopic, ASC 340-40, *Other Assets and Deferred Costs - Contracts with Customers*, was also issued. The updated standard replaces most existing revenue recognition and certain cost guidance under U.S. GAAP. Topic 606 and Subtopic 340-40 are collectively referred to as "ASC 606." ASC 606 replaces existing accounting standards for revenue recognition and establishes principles for recognizing revenue upon the transfer of promised goods or services to customers based on the expected consideration to be received in exchange for those goods and services.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently adopted accounting pronouncements (continued)

Revenue recognition (continued)
The URJ adopted ASC 606 effective January 1, 2020, using the modified retrospective transition method. Use of the modified retrospective approach means the URJ's comparative periods prior to initial application are not restated. The URJ has determined that the adjustments using the modified retrospective approach did not have a material impact on the date of the initial application along with the disclosure of the effect on prior periods. The URJ did not apply any practical expedients in implementing ASC 606.

Fair value measurements
In August 2018, FASB issued ASU No. 2018-13, *Changes to Disclosure Requirements for Fair Value Measurements* ("ASU 2018-13"), which improves the effectiveness of disclosure requirements for recurring and nonrecurring fair value measurements. The standard removes, modifies and adds certain disclosure requirements, and is effective for fiscal years beginning after December 15, 2019. As of December 31, 2020, the URJ adopted ASU 2018-13, and the adoption of the standard did not have a material impact on the accompanying consolidated financial statements.

Accounting pronouncements issued but not yet effective

Presentation and disclosure by not-for-profit entities for contributed nonfinancial assets
In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* ("ASU 2020-07"), which is intended to increase the transparency to presentation and disclosure. This ASU is effective for annual periods beginning after June 15, 2021, with early adoption permitted. The URJ is evaluating the effect that ASU 2020-07 will have on its consolidated financial statements and related disclosures.

Subsequent events
The URJ has evaluated all material subsequent events through June 29, 2021, the date that these consolidated financial statements were available to be issued. There were no other material subsequent events that required recognition or additional disclosure in these consolidated financial statements, except as disclosed in Note 15.

NOTE 2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The URJ structures its financial assets to make sufficient liquid assets available to pay its general expenditures, liabilities and other obligations.

There are seasonal variations to the URJ’s working capital and cash flows based on the timing of the summer camps and other periodic events. To provide for sufficient liquidity, the URJ maintains a line of credit of $6,000 with Signature Bank (see Note 7).

The URJ’s board-designated funds, and certain donor-restricted funds, have a spending policy as described in Note 9. Although the URJ does not intend to spend from its board-designated funds other than amounts appropriated for general expenditures as part of the annual budget process, the total $21,833 of board-designated net assets as of December 31, 2020, could be made available with board approval.

(IN THOUSANDS)

NOTE 2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)

The following reflects the URJ's financial assets as of December 31, 2020, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions or internal designation. Amounts available include board-approved spending and appropriations from endowment and restricted funds as well as amounts budgeted to be released into operations the following year from donor-restricted funds.

Financial assets at year-end:	
Cash and cash equivalents	$ 33,799
Contributions receivable, net	5,652
RMAC receivable, net	1,780
Accounts and loans receivable, net	4,350
Camp fees receivable, net	26,440
Investments	104,921
Total financial assets	176,942
Less amounts not available for operations within one year:	
Financial assets designated for Camp Newman rebuilding	(9,881)
Employee loan receivable	(450)
Funds with contractual or donor-imposed restrictions held in cash and investments:	
Endowment funds	(16,798)
Other donor-restricted funds not available to support next year's operations	(29,768)
Investments held in charitable remainder trusts and charitable gift annuities	(145)
Investments collateralizing certain notes and mortgage payable	(8,732)
Board-designated funds, net of board-approved appropriations for next year's operations and net of collateral amounts held	(21,833)
Total financial assets not available for operations within one year	(87,607)
Financial assets available to meet cash needs for general expenditures within one year	$ 89,335

NOTE 3. FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurement*, establishes a three-level valuation hierarchy of fair value measurements. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions.

The three levels of the fair value hierarchy under FASB ASC 820 are described 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.
- Level 2: Valuations are based on (i) quoted prices for similar assets or liabilities in active markets, or (ii) quoted prices for identical or similar assets or liabilities in markets that are not active, or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date. 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.

(IN THOUSANDS)

NOTE 3. FAIR VALUE MEASUREMENTS (CONTINUED)

- Level 3: Valuations are determined based on pricing inputs that are unobservable and include situations where (i) there is little, if any, market activity for the asset or liability or (ii) the underlying investments cannot be independently valued or cannot be immediately redeemed at or near the fiscal year end.

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.

Assets and liabilities measured at fair value are based on one or more of three valuation techniques identified in the tables below. The valuation techniques are as follows:

(a) *Market approach*. Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;

(b) *Cost approach*. Amount that would be required to replace the service capacity of an asset (replacement cost); and

(c) *Income approach*. Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

The following tables summarize the URJ's investments measured at fair value on a recurring basis, categorized by U.S. GAAP's valuation hierarchy as of December 31, 2020 and 2019:

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at December 31, 2020	Valuation Technique
Cash (included in investments)	$ 2,409	$ -	$ -	$ 2,409	(a)
Certificates of deposit (included in investments)	529	-	-	529	(a)
Mutual funds – bond funds	23,300	-	-	23,300	(a)
Mutual funds – equity funds	62,569	-	-	62,569	(a)
Equities	946	-	-	946	(a)
Bonds and other	-	15,168	-	15,168	(a)
Total	$ 89,753	$ 15,168	$ -	$ 104,921	

(IN THOUSANDS)

NOTE 3. FAIR VALUE MEASUREMENTS (CONTINUED)

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at January 1, 2020	Valuation Technique
Cash (included in investments)	$ 605	$ -	$ -	$ 605	(a)
Certificates of deposit (included in investments)	527	-	-	527	(a)
Mutual funds – bond funds	18,626	-	-	18,626	(a)
Mutual funds – equity funds	64,145	-	-	64,145	(a)
Equities	556	-	-	556	(a)
Bonds and other	-	18,795	-	18,795	(a)
Total	$ 84,459	$ 18,795	$ -	$ 103,254	

During the years ended December 31, 2020 and 2019, the URJ did not have any transfers between any of the levels of the fair value hierarchy.

The following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019:

- Certificates of deposit are valued at fair value as determined by the custodian.
- Mutual funds are valued at quoted market prices, which represent the net asset value of the securities held in such funds.
- Equities and bonds are valued at the market value based on quoted market prices, when available, or market prices provided by recognized broker-dealers or fund managers.

Other fair value disclosures

The amounts included in the consolidated statements of financial position for cash and cash equivalents, contributions, camp fees, and other receivables, accounts payable, accrued expenses and other liabilities, and annuities payable approximate fair value due to the short-term nature of these instruments. The fair values of notes payable are approximately equal to their carrying values, which have been estimated based upon the current rates offered to the URJ for debt of the same or similar types and remaining maturities of the outstanding debt instruments.

Investments

For the years ended December 31, 2020 and 2019, investment return (net of fees of $164 and $68, respectively) consisted of the following:

(IN THOUSANDS)

NOTE 3. FAIR VALUE MEASUREMENTS (CONTINUED)

	Year Ended December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends, net of fees	$ 628	$ 1,358	$ 1,986
Net realized and unrealized gains	9,854	2,073	11,927
Investment return	10,482	3,431	13,913
Investment return appropriated for operations	2,060	2,686	4,746
Investment return in excess of spending rate not designated for current operations	$ 8,422	$ 745	$ 9,167

	Year Ended December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends, net of fees	$ 933	$ 1,519	$ 2,452
Net realized and unrealized gains	13,827	2,393	16,220
Investment depreciation	14,760	3,912	18,672
Investment return appropriated for operations	1,850	2,327	4,177
Investment return in excess of spending rate not designated for current operations	$ 12,910	$ 1,585	$ 14,495

NOTE 4. SPLIT-INTEREST AGREEMENTS

The URJ's investments include deferred-giving vehicles subject to split-interest agreements. The different types of agreements currently maintained by the URJ are the charitable gift annuity ("CGA"), the charitable remainder annuity trust ("CRAT"), the charitable remainder unitrust ("CRUT"), and a pooled life income fund ("PLF").

- CGAs are unrestricted irrevocable gifts under which the URJ agrees in turn to pay a life annuity to the donor or designated beneficiary. The contributed funds and the attendant liabilities immediately become part of the URJ's general assets and liabilities, subject to the URJ's maintaining an actuarial reserve.
- CRATs and CRUTs are time-restricted contributions not available to the URJ until after the death of the donor, who, while living, receives an annual payout from such trusts, based on a fixed percentage of the market value of the invested funds for the CRAT, or a fixed dollar amount for the CRUT.
- The PLF is composed of donations which are consolidated in a money market account. Contributors receive a pro rata share of the actual ordinary income of the fund until their deaths, at which point the donors' share of the assets becomes available to the URJ.

(IN THOUSANDS)

NOTE 4. SPLIT-INTEREST AGREEMENTS (CONTINUED)

The URJ initially values deferred gifts of cash at face value and those of equity securities at fair value; these values are then actuarially discounted. Of the $104,921 and $103,254 recorded as "Investments" in the accompanying consolidated statements of financial position at December 31, 2020 and 2019, respectively, $144 and $157 represents split-interest agreements. The associated estimated liabilities due to annuitants amounted to $114 and $129 at December 31, 2020 and 2019, respectively.

NOTE 5. RECEIVABLES

Contributions receivable, net
At December 31, 2020 and 2019, contributions receivable were estimated to be due as follows:

	December 31, 2020	December 31, 2019
One year	$ 4,420	$ 6,656
Two to five years	1,623	2,649
	6,043	9,305
Allowance for uncollectible contributions	(303)	(480)
Reduction of pledges due in excess of one year to present value, at a rate of 4% and 6% in 2020 and 2019, respectively	(88)	(254)
	$ 5,652	$ 8,571

Approximately 27% of the contributions receivable balance at December 31, 2020 was derived from two donors. Approximately 51% of the contributions receivable balance at December 31, 2019, was derived from one donor.

Reform Movement Affiliate Commitment (RMAC) receivable
At December 31, 2020 and 2019, RMAC receivable consisted of amounts due to the URJ from congregations. All amounts are due within one year unless otherwise agreed. A reserve for doubtful collections of $8,195 and $5,363 (recorded net of portion due to HUC-JIR) has been recorded at December 31, 2020 and 2019, respectively.

Accounts and loans receivable
At December 31, 2020 and 2019, accounts and loans receivable consisted of amounts due to the URJ from employees, affiliates and unrelated parties for exchange-type transactions, such as support services (including administrative and facility expenses), and employee loans and advances. All amounts are due in one year, except for $450 that is due in two to five years. Based on management's past experience, $65 and $32 has been reserved for doubtful collections of accounts and loans receivable at December 31, 2020 and 2019, respectively. The amount due from affiliated organizations at December 31, 2020 and 2019, was $3,054 and $1,016, respectively (see Note 12).

(IN THOUSANDS)

NOTE 5. RECEIVABLES (CONTINUED)

Camp fees receivable

Camp fees receivable consisted of camp tuition for campers who registered for the summer 2021 and 2020 sessions as of December 31, 2020 and 2019, respectively. All camp tuition is initially recorded through camp fees receivable as deferred revenue upon registration and is realized as revenue over the camping season (June through August). All amounts are due within one year. Due to the COVID-19 pandemic, the URJ decided to cancel all in person activities during 2020, which included 15 summer camps, as well as all Israel/travel programs and in person youth activities, management expects and has reserved for doubtful collections of $43 and $15,366 of camp fees receivable at December 31, 2020 and 2019, respectively (see Note 15. *Managing COVID-19 Risks in 2021*).

NOTE 6. PROPERTY AND EQUIPMENT

At December 31, 2020 and 2019, property and equipment consisted of the following:

	December 31,	
	2020	2019
Land	$ 12,081	$ 12,336
Building and improvements	132,680	135,837
Leasehold improvements	750	750
Furniture, fixtures, equipment, and other	14,273	14,423
	159,784	163,346
Less: accumulated depreciation and amortization	(90,091)	(91,051)
	69,693	72,295
Construction-in-progress	19,643	3,432
	$ 89,336	$ 75,727

Depreciation and amortization expense for the years ended December 31, 2020 and 2019, was $3,743 and $3,943, respectively.

During 2017, one of URJ's camps, located in California, was substantially impaired due to a wildfire. In addition to approximately $29,000 insurance proceeds that have already been received (2017-2019) , the URJ will submit claims for an additional $1,000, which represents the insurance policy coverage for building code upgrades.

(IN THOUSANDS)

NOTE 7. NOTES AND MORTGAGE PAYABLE

At each year-end, the URJ had the following notes and mortgage payable:

	December 31, 2020	December 31, 2019
Crane Lake Camp, Inc.		
Mortgage note dated May 19, 1999, for the purchase of the assets of the camp. Annuity payments in variable amounts are due to the then-president of the camp in semi-annual installments through July 2028, as long as either the former president of the camp or his spouse is living. Upon the death of the survivor, a final payment is payable and the obligation to make future payments under the agreement ceases. This liability is valued at the present value of the future payments due utilizing a discount rate of 6%.	$ 785	$ 863
Signature Bank		
Term note with a bank dated August 8, 2011, in the original amount of $7,000, as modified to $6,250 on January 4, 2013. The note has a fixed interest rate of 3.875% with monthly principal and interest payments starting February 1, 2013, at $52. The note matures on January 2, 2023. The note is secured by a pledge agreement on a portion of the URJ's investments and it requires the URJ to meet certain covenants, the most restrictive of which requires the URJ to maintain a minimum debt service ratio. In response to COVID-19, Signature Bank granted deferment of three months of principal and interest payments to the end of the term loan.	1,458	1,927
OceanFirst Financial Corp. - North American Camp Loan		
On August 23, 2016, the URJ modified an earlier note with the Capital Bank of New Jersey. The current note has a principal amount of $6,000, a fixed rate of 3.625% and matures in August 2026. There are monthly payments of principal and interest of $59.74. The note is secured by a pledge agreement on a portion of the URJ's investment. In 2019, OceanFirst Financial Corp. acquired Capital Bank of New Jersey. There was no change to the URJ's loan. In response to COVID-19, OceanFirst Financial Corp. granted deferment of three months of principal and interest payments to the end of the term loan.	3,843	4,231

(IN THOUSANDS)

NOTE 7. NOTES AND MORTGAGE PAYABLE (CONTINUED)

	December 31,	
	2020	2019
Foundation for Jewish Camps ("FJC") Loan - Coleman Pool House		
Term interest-free loan with a foundation dated February 11, 2016, in the original amount of $230. Principal payments in equal quarterly installments commencing July 1, 2016, and continuing through January 1, 2021. The loan is secured by a letter of credit. FJC granted one year forbearance of principal payments and extended the loan term by 12 months.	$ 48	$ 61
Foundation for Jewish Camps Loan - Newman Welcome and Wellness Center		
Term interest-free loan with a foundation dated February 11, 2016, in the original amount of $1,000. Principal payments of equal quarterly installments commencing July 1, 2016, and continuing through January 1, 2021. The loan is secured by a letter of credit. FJC granted one year forbearance of principal payments and extended the loan term by 18 months.	316	368
Foundation for Jewish Camps Loan - GUCI Municipal Sanitary Line Connection Project		
Term interest-free loan with a foundation dated March 29, 2018, in the original amount of $400. Principal payments of equal quarterly installments commencing July 1, 2018, and continuing through March 31, 2023. The loan is secured by a letter of credit. FJC granted one year forbearance of principal payments and extended the loan term by 10 months.	253	274
Foundation for Jewish Camps Loan - Kalsman Arts Center		
Term interest-free loan with a foundation dated March 29, 2018, in the original amount of $600. Principal payments of equal quarterly installments commencing July 1, 2018, and continuing through March 31, 2023. The loan is secured by a letter of credit. FJC granted one year forbearance of principal payments and extended the loan term by 10 months.	379	411

(IN THOUSANDS)

NOTE 7. NOTES AND MORTGAGE PAYABLE (CONTINUED)

	December 31, 2020	December 31, 2019
Foundation for Jewish Camps Loan - OSRUI Kaye Center		
Term interest-free loan with a foundation dated April 17, 2019, in the original amount of $1,000. Principal payments of equal quarterly installments commencing October 1, 2019, and continuing through June 30, 2024. The loan is secured by a letter of credit. FJC granted one year forbearance of principal payments and extended the loan term by 12 months.	$ 900	$ 950
Foundation for Jewish Camps Loan – Camp Newman Restoration		
Term interest-free loan with a foundation dated October 26, 2020, in the original amount of $1,000. Principal payments of equal quarterly installments commencing April 1, 2021, and continuing through January 1, 2026. The loan is secured by a letter of credit.	1,000	-
Foundation for Jewish Camps Loan - Nonspecific		
Term interest-free loan with a foundation dated October 26, 2020, in the original amount of $450. Principal payments of equal quarterly installments commencing April 1, 2021, and continuing through January 1, 2026. The loan is secured by a letter of credit.	450	-
Signature Bank – Line of Credit		
At December 31, 2020, the URJ had an unsecured line of credit totaling $6,000. The line bears interest at 1.5% plus LIBOR for an interest period of 1, 2, or 3 months with a floor of 2.75%. The interest rate at December 31, 2020, was 2.75%. The line current line renews on August 22, 2021, for one year.	5,000	5,000

(IN THOUSANDS)

NOTE 7. NOTES AND MORTGAGE PAYABLE (CONTINUED)

	December 31, 2020	December 31, 2019
Atlantic Union Bank - Working Capital Loan		
Term note with a bank dated July 17, 2020, in the original amount of $26,500. The note has a fixed interest rate of 2.87% per annum with interest only payments for the first five years, beginning August 17, 2020. Monthly principal and interest payments starting September 1, 2025, at $146. The loan is amortized over 25 years with a ten (10) year term. The note matures on July 17, 2030. The note is secured by a negative pledge agreement on two URJ's properties located in New York City and District of Columbia. The loan requires the URJ to meet certain covenants, including a minimum Fixed Coverage Cost Ratio (FCCR) as well as maintain specific liquidity levels. URJ drew $21,000 of the loan in 2020 and $5,500 in 2021.	$ 21,000	$ -
Signature Bank – Paycheck Protection Program ("PPP") Loan		
Loan with a bank dated April 21, 2020, in the original amount of $7,450. The note is pursuant to the PPP under the Coronavirus Aid, Relief, and Economic Security ("CARES Act") of 2020 and made available through the U.S. Small Business Administration. The note bears interest at 1.0% and matures on April 21, 2022. See Note 15.	7,450	-
Total notes and mortgage payable	$ 42,882	$ 14,085

Minimum annual future payments under the loan agreements, for years subsequent to December 31, 2020, are as follows:

Year ending December 31	Amount
2021	$ 14,469
2022	2,197
2023	1,639
2024	1,302
2025	1,491
Thereafter	21,784
	$ 42,882

At December 31, 2020, the URJ had standby letters of credit totaling $3,953, which will expire through 2026. The letters of credit are used as security for loans given by unrelated organizations for the renovation of several camp sites.

(IN THOUSANDS)

NOTE 8. NET ASSETS

Net assets without donor restrictions at December 31, 2020 and 2019 were comprised of the following:

	December 31, 2020	December 31, 2019
Property and equipment	$ 79,903	$ 66,642
Board-designated funds	33,190	24,787
Operations	224	18,542
	$ 113,317	$ 109,971

At December 31, 2020 and 2019, net assets (including allocations of investment gains and losses) with donor restrictions were as follows:

	December 31, 2020	December 31, 2019
Building and improvements, principally camp-related	$ 8,247	$ 10,239
Camp and youth scholarships and programs	22,127	18,500
Tikkun Olam	12,857	16,167
Audacious Hospitality	3,178	2,746
Strengthening Congregations	1,183	1,714
Reform Judaism On The Go (RJOTG)	95	-
Other mission-related programs	1,858	1,291
Communications/publications/learning/ training	1,917	1,879
	$ 51,462	$ 52,536

During the years ended December 31, 2020 and 2019, net assets were released from restrictions for the following purposes:

	Year Ended December 31, 2020	Year Ended December 31, 2019
Building and improvements, principally camp-related	$ 5,132	$ 10,887
Camp and youth scholarships and programs	1,650	6,047
Tikkun Olam	4,008	3,400
Audacious Hospitality	631	650
Strengthening Congregations	509	1,305
Other mission-related programs	100	1,493
Communications/publications/learning/ training	12	192
	$ 12,042	$ 23,974

(IN THOUSANDS)

NOTE 8. NET ASSETS (CONTINUED)

At December 31, 2020 and 2019, URJ held net assets required to be held in perpetuity with donor restrictions to support the following:

	December 31, 2020	December 31, 2019
Youth programs and scholarships	$ 8,902	$ 8,804
Direct membership and support programs	314	314
Tikkun Olam	830	830
Audacious Hospitality	3,314	3,314
Strengthening Congregations	586	586
Operating support	2,023	2,023
Other mission-related programs	829	829
	$ 16,798	$ 16,700

NOTE 9. ACCOUNTING AND REPORTING FOR ENDOWMENTS, RESTRICTED AND BOARD-DESIGNATED FUNDS

The endowments

The URJ's endowment was established based on its mission and consists of both donor-restricted endowment funds and funds designated by the Board of Trustees to function as an endowment. Net assets associated with endowment funds are classified and reported based on U.S. GAAP. Board-designated funds and related net gains and losses are classified as net assets without donor restrictions. Funds with donor-imposed restrictions are classified as net assets with donor restrictions, with net gains and losses reported as with donor restrictions. Spending from board-designated funds are subject to approval by the Board of Trustees.

Interpretation of relevant law

The Uniform Prudent Management of Institutional Funds Act ("UPMIFA") is applicable to all of the URJ's institutional funds, including its donor-restricted and board-designated endowment funds. The Board of Trustees will continue to adhere to UPMIFA's requirements.

Endowment net asset composition by type of fund at December 31, 2020 and 2019:

	Year Ended December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated funds	$ 33,190	$ -	$ 33,190
Donor-restricted funds	-	24,468	24,468
Total endowment funds	$ 33,190	$ 24,468	$ 57,658

(IN THOUSANDS)

NOTE 9. ACCOUNTING AND REPORTING FOR ENDOWMENTS, RESTRICTED AND BOARD-DESIGNATED FUNDS (CONTINUED)

	Year Ended December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated funds	$ 24,787	$ -	$ 24,787
Donor-restricted funds	-	22,239	22,239
Total endowment funds	$ 24,787	$ 22,239	$ 47,026

As of December 31, 2020 and 2019, included in the URJ's endowment are net assets with donor restrictions that are (1) required to be held in perpetuity totaling $16,798 and $16,700, respectively, and (2) the related appreciation totaling $7,670 and $5,539, respectively, that are to be used to support the related programmatic purpose. See note 8 for the restrictions on these net assets.

Changes in endowment net assets for the years ended December 31, 2020 and 2019:

	Year Ended December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets - December 31, 2019	$ 24,787	$ 22,239	$ 47,026
Contributions	6,479	111	6,590
Investment return:			
Interest and dividends	198	317	515
Realized/unrealized appreciation	3,851	3,157	7,008
Investment return designated for current operations	(2,060)	(812)	(2,872)
Total investment return	1,989	2,662	4,651
Appropriated for expenditures/donor releases/foreign exchange loss	(65)	(544)	(609)
Net assets - December 31, 2020	$ 33,190	$ 24,468	$ 57,658

(IN THOUSANDS)

NOTE 9. ACCOUNTING AND REPORTING FOR ENDOWMENTS, RESTRICTED AND BOARD-DESIGNATED FUNDS (CONTINUED)

Changes in endowment net assets for the years ended December 31, 2020 and 2019 (continued):

	Year Ended December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets - December 31, 2018	$ 35,571	$ 20,740	$ 56,311
Contributions	1,140	10	1,150
Investment return:			
Interest and dividends	355	195	550
Realized/unrealized appreciation	6,263	3,624	9,887
Investment return designated for current operations	(1,850)	(665)	(2,515)
Total investment return	4,768	3,154	7,922
Appropriated for expenditures/donor releases/foreign exchange loss	(16,692)	(1,665)	(18,357)
Net assets - December 31, 2019	$ 24,787	$ 22,239	$ 47,026

Funds with deficiencies

From time to time, the fair value of assets associated with net assets with donor restrictions required to be held in perpetuity may decline below the historical dollar value of the donor's original corpus contribution. Under the terms of UPMIFA, the URJ has no responsibility to restore such decreases in value, should any exist.

Return objectives and risk parameters

The URJ has an Investment Policy Statement ("IPS") for all funds in the investment pool, including endowment funds. The overall objective for endowment assets is to provide the operations of the URJ with a relatively stable stream of spendable revenue that grows over time and at a minimum keeps pace with inflation. If this is to be achieved over the long term, the inflation-adjusted value of the assets in the appropriate restricted funds must be preserved, net of annual distribution to programs. IPS compliance is monitored closely by the URJ's Investment Committee and reflects the following:

- Asset diversification to provide reasonable assurance that no single security or class of security will have disproportionate impact on the total endowment assets.
- Assessment at least annually by the Investment Committee of the appropriateness of the IPS, with recommended changes, if any, to be approved by the Board of Trustees.

(IN THOUSANDS)

NOTE 9. ACCOUNTING AND REPORTING FOR ENDOWMENTS, RESTRICTED AND BOARD-DESIGNATED FUNDS (CONTINUED)

Strategies employed for achieving objectives
To satisfy its long-term rate-of-return objectives, the URJ relies on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The portfolio will be invested with care, skill, prudence and diligence in accordance with fiduciary laws and regulations. Donations of securities are liquidated as quickly as practical, and the proceeds are either wired immediately to the URJ main operating account or invested in accordance with the IPS.

The long-term investment objective for the assets is to attain a total return (net of investment management fees) that exceeds the average annual spending rate, as determined each period by the Board of Trustees as part of the URJ's budget process.

Spending policy and how the investment objectives relate to the spending policy
The Endowments and Trusts Committee, in consultation with the Investment Committee, recommends to the Board of Trustees for its consideration each year a spending rate that balances the need for support of the programmatic and capital initiatives of the URJ with the long-term expected investment return on the endowment. For the years ended December 31, 2020 and 2019, the spending rate was 5% based on the three-year average balance of the available portion of the board-designated and with donor restriction funds, resulting in investment return designated for current operations of $4,746 and $4,177, respectively.

NOTE 10. RETIREMENT PLANS

Defined-benefit retirement plan
The URJ has a contributory, defined-benefit retirement plan (the "Plan") covering certain of its employees and employees of several affiliates. Plan assets are held in investment accounts operated in trust by various financial institutions. Effective June 30, 2009, the Plan's sponsor has frozen participation and benefit accruals.

The following table sets forth the Plan's funded status and the amounts recognized in the URJ's consolidated financial statements at December 31, 2020 and 2019:

	2020	2019
Actuarial present value of benefit obligations:		
Accumulated benefit obligation	$ (19,916)	$ (18,597)
Projected benefit obligation	$ (19,916)	$ (18,597)
Fair value of Plan assets	20,239	19,506
Funded status	$ 323	$ 909
Prepaid pension costs in the consolidated statements of financial position	$ 323	$ 909

(IN THOUSANDS)

NOTE 10. RETIREMENT PLANS (CONTINUED)

Defined-benefit retirement plan (continued)

Amounts recognized in changes in net assets without donor restrictions for the years ended December 31, 2020 and 2019, are as follows:

	2020	2019
Net gains	$ 1,764	$ 1,973
Change in assumptions	(2,707)	(1,063)
	$ (943)	$ 910

Components of net periodic benefits cost for the years ended December 31, 2020 and 2019, are as follows:

	2020	2019
Interest cost	$ 642	$ 698
Expected loss on plan assets	(1,386)	(1,198)
Amortization of net loss	36	94
Net periodic pension cost	$ (708)	$ (406)
Loss due to settlement	$ 350	$ -
Benefits paid	$ 2,415	$ 804

As of December 31, 2020 and 2019, the net loss not yet recognized as a component of net periodic pension cost was $4,281 and $3,337, respectively.

Weighted-average assumptions:

	2020	2019
Discount rate	2.23%	3.75%
Expected return on Plan assets	7.50%	7.50%
Rate of compensation increase	N/A	N/A

Investments of Plan assets are made for the purpose of providing retirement reserves for the present and future benefit of participants of the Plan. The assets are invested with the care, skill and diligence a prudent person acting in this capacity would exercise to comply with all objectives outlined herein, the Investment Advisers Act of 1940, and all other governing statutes.

The URJ's investment objective is to provide a balance among capital appreciation, preservation of capital, and current income, and to achieve an average annual return on all pension assets sufficient enough to meet its long-term pension obligations. High levels of risk are to be avoided; however, the trustees of the Plan recognize that some risk is warranted to allow the investment manager the opportunity to achieve the satisfactory long-term results consistent with the objectives of the Plan.

The trustees of the Plan have discretion as to the asset allocation decisions of the total Plan assets and have put in place a strategy to increase the asset allocation to fixed income as the funding status increases. As of December 31, 2020 and 2019, the target allocations were as follows:

(IN THOUSANDS)

NOTE 10. RETIREMENT PLANS (CONTINUED)

Defined-benefit retirement plan (continued)

	Target Allocation	
	2020	2019
Domestic and international equities	15%	25%
Fixed income	85%	75%

At December 31, 2020 and 2019, the fair value of total Plan assets held was as follows:

	December 31, 2020	December 31, 2019
Cash and cash equivalents	$ 44	$ -
Certificates of deposit	200	200
Mutual funds:		
Bond funds	16,406	15,603
Equity funds	3,156	2,875
Group annuity contract	433	828
	$ 20,239	$ 19,506

All of the Plan's asset investments were classified within Level 1 of the fair value hierarchy at December 31, 2020 and 2019, except for the group annuity contract, which is classified within Level 3 of the fair value hierarchy.

No contributions were required to be made by the URJ to the Plan for the years ended December 31, 2020 and 2019.

The following table illustrates the estimated future benefit payments expected to be paid to Plan participants:

Year ending December 31,	Expected Benefit Distributions
2021	$ 1,005
2022	1,023
2023	918
2024	908
2025	860
2026 - 2030	5,847
	$ 10,561

There was no pension expense for the years ended December 31, 2020 and 2019.

Multi-employer retirement plan

The URJ participates in a multi-employer retirement plan ("Multi-employer Plan") sponsored by the Reform Pension Board. Certain URJ staff member rabbis, cantors, and other senior staff participate in the Multi-employer Plan. Total expense for such plan for the years ended December 31, 2020 and 2019, was $985 and $1,428, respectively.

(IN THOUSANDS)

NOTE 10. RETIREMENT PLANS (CONTINUED)

Defined-contribution plan

The URJ has a defined-contribution retirement plan ("403(b) Plan") under Section 403(b) of the Internal Revenue Code which permits employees to make voluntary contributions to the 403(b) Plan for which the URJ may make a matching contribution of up to 3% of base salary for each eligible participant. Total plan expense for the years ended December 31, 2020 and 2019, was $210 and $325, respectively. The URJ, at its discretion, may choose to make an additional 2% contribution (of base salary) each year on behalf of its eligible employees. The additional amounts contributed were $0 and $305, for the plan years 2020 and 2019, respectively.

NOTE 11. CREDIT RISK

Financial instruments that potentially subject the URJ to concentrations of credit risk consist principally of cash and cash equivalents and investment accounts that are deposited in financial institutions in amounts which, from time to time, may exceed federal insurance limits. However, management believes that the URJ does not face a significant risk of loss on these accounts.

NOTE 12. RELATED-PARTY TRANSACTIONS

The URJ provides various support services, including, but not limited to, providing payroll and fringe benefits, for several unconsolidated, affiliated organizations. These services are billed to the respective affiliated organization and amounted to $1,397 and $1,516 for the years ended December 31, 2020 and 2019, respectively.

The 6 Points Community and Conference Center, a nonprofit corporation (the "Corporation") is organized under the California Nonprofit Public Benefit Corporation Law for public and charitable purposes, specifically to operate a community center for the benefit of community-based groups in the San Francisco Bay Area of California. The Corporation was organized exclusively for charitable purposes and is exempt from federal taxes under Section 501(c)(3) of the Internal Revenue Code. The Corporation will construct and operate a Community and Conference Center that will be located at Camp Newman, which is owned by the URJ. The funding of the construction is secured by a grant from the State of California (through Sonoma County). The URJ has an operating agreement with the Corporation to manage the construction of the Community and Conference Center as well as to provide the resources needed to manage the reimbursements from the grant and provide accounting and finance services as needed. These services are provided by URJ to the Corporation at no cost.

At December 31, 2020 and 2019, affiliate receivables consisted of the following and are included in "Accounts and loans receivable, net" in the accompanying consolidated statements of financial position:

	December 31,	
	2020	2019
Women of Reform Judaism, the Federation of Temple Sisterhoods	$ 181	$ 74
Association of Reform Jewish Educators	51	84
6 Points Community and Conference Center	2,822	858
	$ 3,054	$ 1,016

(IN THOUSANDS)

NOTE 12. RELATED-PARTY TRANSACTIONS (CONTINUED)

The receivable from the 6 Points Community and Conference Center at December 31, 2020, represent reimbursements due from the Corporation for construction progress payments paid directly to the vendors by the URJ.

NOTE 13. OPERATING LEASES

The URJ has entered into operating leases primarily for real estate. These leases have remaining terms of one to five years, and often include one or more options to renew at fair rental value. The operating leases are included on the URJ's consolidated statements of financial position as of December 31, 2020 and 2019. Based on the present value of the lease payments for the remaining lease terms of the URJ's existing leases, the URJ recognized right-of-use assets and operating lease liabilities of $664 and $1,117, respectively, as of December 31, 2020, and $892 and $1,345, respectively, as of December 31, 2019.

Rent expense amounted to $775 and $820 for the years ended December 31, 2020 and 2019, respectively.

Because the rate implicit in each lease is not readily determinable, the URJ uses an incremental borrowing rate to determine the present value of the lease payments.

Information related to the URJ's right-of-use assets and related lease liabilities were as follows for the years ended December 31, 2020 and 2019:

	2020	2019
Cash paid for operating lease liabilities	$775	$820
Right-of-use assets obtained in exchange for operating lease obligations	$664	$892
Weighted-average remaining lease term	4 years	5 years
Weighted-average discount rate	6.0%	6.0%

Maturities of lease liabilities as of December 31, 2020, are as follows:

Year ending December 31,	
2021	$ 333
2022	85
2023	87
2024	74
2025	22
	601
Less: imputed interest	(112)
	$ 489

NOTE 14. COMMITMENTS AND CONTINGENCIES

Convention agreements

The URJ has multiple agreements for future use of hotel and conference space for the North American Biennial and the NFTY convention. Due to COVID-19, these conferences are being re-imagined in a different format focusing on sensitivities around public health and safety related to large public gatherings. The existing agreements are being re-negotiated with regard to the new strategy around conferences, as well as cancellations and refund clauses. The URJ carries applicable insurance coverage to mitigate the financial risks around event cancellations.

Construction in progress

During the year ended December 31, 2020, the URJ entered into contracts with architects, general contractors and related consultants for renovations and improvements to various camp facilities. Remaining commitments under the various contracts were $21,605 as of December 31, 2020.

Legal matters

The URJ is subject to legal action in the routine course of conducting business. In management's opinion, however, there is no current legal action the outcome of which would have a material adverse impact on the URJ's financial position.

NOTE 15. COVID-19 PANDEMIC AND PAYCHECK PROTECTION PROGRAM

COVID-19 Pandemic

Impact on 2020 Operations

During 2020, the World Health Organization declared COVID-19 to constitute a "Public Health Emergency of International Concern." As a result of the introduction of the COVID-19 virus in March 2020, and an impending pandemic, the URJ faced the prospect of potentially not operating camp and travel programs in Summer 2020. The URJ's total program fee revenue was at risk of being lost and a significant amount of deposits would need to be refunded to program registrants. Also at risk were the RMAC commitments from member congregations as these congregations were also facing potential negative financial impact. It quickly became clear that the URJ would be facing a multi-year recovery effort to get the summer and other programs back on-line to 100% of pre-COVID-19 levels.

On April 30, 2020, due to, 1) the uncertainties around i) how long the COVID-19 pandemic could last, and, ii) whether the URJ would even be permitted to run any overnight camp programming, and, 2) out of an abundance of caution over public health concerns, and, 3) for the direct protection of the health and welfare of the URJ's 13,000 program participants, staff and their families, the URJ made the unfortunate, but necessary, decision to suspend all in-person programming for the remainder of 2020, which included the summer camping program.

Mitigating the Impact

To formulate an emergency financial mitigation plan and a sustainable path to recovery, the URJ was forced to assess multiple cost-reduction/cash saving strategies (personnel and non-personnel), as well as assessing internal and external sources of operating liquidity that could be available and deployed to support at least a 24-month recovery strategy.

NOTE 15. COVID-19 PANDEMIC AND PAYCHECK PROTECTION PROGRAM (CONTINUED)

COVID-19 Pandemic (continued)

With no camp or seasonal programs running in 2020, and a decline in RMAC, the URJ was challenged to sustain its core year-round operations (personnel and non-personnel). To mollify the financial and cash flow ramifications of the program cancellations, certain external resource opportunities presented themselves, and were pursued. The URJ obtained a PPP loan for $7,450 and a $26,500 loan from Atlantic Union Bank. With this cash infusion the URJ was able to buoy its cash resources to cover tuition refunds and help directly support its year-round (non-seasonal) core staff and subsidize year-round rent and occupancy costs, as well as securing cashflow for recovery efforts through 2022.

Along a simultaneous timeline, the URJ's leaders immediately got to work re-imagining how URJ could continue to deliver important engagement programs to individuals and keep youth immersed and engaged socially. Virtual camping and other virtual programs were developed quickly and were heartily welcomed by the program community. The URJ received tremendous positive feedback from camper families and virtual programming is now a key mechanism used to engage future campers and develop a pipeline to camp and all URJ programs.

Managing COVID-19 Risks in 2021

In the Fall of 2020, the URJ's 2021 summer operations began to show favorable signs of recovery as URJ began to receive deposits for the 2021 camping season. Ultimately, approximately two-thirds of camper families left their 2020 deposits with the URJ (not refunded) in the form of tuition converted to contributions or to be held and credited toward the 2021 season. The anticipation is a full recovery come the 2022 camping season.

Since December 31, 2020, and as of the date of this report, the URJ continues managing and monitoring potential interruption in its 2021 operations due to continued external COVID-19 restrictions and trends. As vaccination rates accelerate across the United States, 2021 operations have resumed, including the 14 US based overnight camps at a reduced capacity of approximately 85% - 90%. In Ontario, Canada, vaccination rates are behind what is seen here in the U.S., but quickly catching up, and the local authorities have begun releasing guidelines and favorable news for the entire Canadian overnight camp industry. As a result, URJ's Canadian camp is expected to be in operation for summer 2021. In Israel, the URJ continues to monitor the situation around the recent violence, as well as travel requirements that continually change.

Additional COVID-19 management efforts include engaging institutional donors for continued operating support in the event programs are suddenly cancelled, as well as dedicated efforts to raise funding to address COVID-19-specific mitigation expenses. Additionally, the URJ secured additional funding for Israel program incentives and will utilize available general operational endowments to aid in overall recovery.

The URJ reduced its overall workforce in 2020 to facilitate and expedite overall recovery. Throughout 2021, the workforce will build back in alignment with programming and organizational need. Another pandemic related challenges the URJ faces in 2021, are incentive-type expenses due to difficulties in sourcing seasonal staff,

NOTE 15. COVID-19 PANDEMIC AND PAYCHECK PROTECTION PROGRAM (CONTINUED)

COVID-19 Pandemic (continued)

as well as new COVID-19-mitigation expenses to allow camp/travel programs to run. Overall, it is expected that the URJ will maintain a reduction in personnel costs from pre-COVID-19 levels through 2022.

On the non-personnel expense side, the URJ is working to carefully manage expenses to help offset ongoing COVID-19-mitigation expenses through price negotiations with vendors and a cooperative purchasing program. Additionally, the URJ is actively reducing field office space across North America and upgrading telecommunications platforms as remote working has become more normalized. The expected result is a reduction of annual expenses from the annual budgets for 2021 and forward. It is expected that the URJ will maintain a reduction in non-personnel expenses of pre-COVID-19 levels through 2022.

As of the date of this report, there remain global uncertainties around COVID-19 and the URJ remains cautiously optimistic that recovery efforts will continue to yield solid financial recovery by 2022 and is making every effort and taking steps to ensure its long-term financial sustainability.

Paycheck Protection Program

On April 21, 2020, the URJ received loan proceeds of $7,450 under the PPP. The PPP, which was established as part of the CARES Act, provides for loans to qualifying businesses for amounts up to 2.5 times certain average monthly payroll expenses of the qualifying business. The loan and accrued interest, or a portion thereof, may be forgiven after 24 weeks as long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent, mortgage interest and utilities, and maintains its payroll levels, as defined by the PPP. At least 60% of the amount forgiven must be attributable to payroll costs, as defined by the PPP.

The PPP loan matures two years from the date of first disbursement of proceeds to the URJ (the "PPP Loan Date") and accrues interest at a fixed rate of 1%. Payments are deferred for the first six months and payable in 18 equal consecutive monthly installments of principal and interest commencing upon expiration of the deferral period of the PPP Loan Date.

The URJ used the proceeds for purposes consistent with the PPP; however, there can be no assurances that the URJ will ultimately meet the conditions for forgiveness of the loan or that we will not take actions that could cause the URJ to be ineligible for forgiveness of the loan, in whole or in part.

U.S. GAAP does not contain authoritative accounting standards for forgivable loans provided by governmental entities to a not-for-profit entity. Absent authoritative accounting standards, interpretative guidance issued and commonly applied by financial statement preparers allow for the selection of accounting policies amongst acceptable alternatives. Based on the facts and circumstances, the URJ has determined it most appropriate to account for the PPP loan proceeds under the debt model. Under the debt model, the URJ recognizes the proceeds received as debt, recognizes periodic interest expense in the period in which the interest accrues at the stated interest rate and defers recognition of any potential

NOTE 15. COVID-19 PANDEMIC AND PAYCHECK PROTECTION PROGRAM (CONTINUED)

Paycheck Protection Program (continued)

forgiveness of the loan principal or interest until the period in which the URJ has been legally released from its obligation by the lender. The URJ deemed the debt model to be the most appropriate accounting policy for this arrangement as the underlying PPP loan is a legal form of debt and there are significant contingencies outside of the control of the URJ, mainly related to the third-party approval process for forgiveness.

In June 2021, the URJ received approval from the Small Business Administration ("SBA") for $7,450 of PPP loan forgiveness. If it is determined that the URJ was not eligible to receive the PPP loan or that the URJ has not adequately complied with the rules, regulations and procedures applicable to the SBA's loan program, the URJ could be subject to penalties and could be required to repay the amounts previously forgiven.

On January 29, 2021, the URJ received additional loan proceeds of $2,000 under the PPP. The loan and accrued interest, or a portion thereof, may be forgiven after the covered period, so long as the borrower uses the loan proceeds for eligible expenses as defined by the PPP. The PPP loan matures five years from the date of disbursement of proceeds to the URJ and accrues interest at a fixed rate of 1%. Payments are deferred until 10 months after the end of the covered period, and are payable in 50 equal consecutive monthly installments of principal and interest commencing upon expiration of the deferral period of the PPP loan.