August 24, 2014

Dear Union Supporters and Friends,

As the Chair of the Audit Committee, I am pleased to present the Union for Reform Judaism's audited consolidated financial statements for the SIX MONTHS ended December 31, 2013. The URJ Audit Committee reviewed the reports in depth with the Union's independent auditors, Citrin Cooperman & Company, LLP.

It is very important to note that the six-month nature of the statement of activities (or income statement) is not representative of a complete year's activity. For example, the six months of July—December contain a full summer season of camp, showing a more positive picture than would a twelve-month period, in which the camps, not in session, incur a deficit.

It is also very important to note that the results from this six month period included the one-time gain from selling half of the New York headquarters office condominium in an effort to more effectively manage our assets and redeploy them for enhanced mission delivery to our member congregations and other vital constituencies and strategic initiatives designed to insure the vibrancy of the Reform Movement.

This interim period audit was conducted in connection with the URJ's change of fiscal year to January 1—December 31 from July 1 to June 30, as approved by the Union's Board in February, 2014. The Board felt that a change to a calendar year would present a better and more up-to-date reflection of the URJ's overall financial performance. With a June 30 year-end for the URJ, the financial performance of our camping and Israel programs, which represent 85 to 90% of our program revenue and expense and 70% of our total activity, shows results from the prior summer. In addition, with cash at its peak on June 30, reflecting large amounts of camper fees which are spent in July and August, a December balance sheet more properly presents the financial condition of the Union.

No comparable audited information is available for the six months ending 12/31/12, and, therefore, no comparable period is included in these statements. They will be available, along with internally generated actual vs. budget performance, with the completion of the twelve-month audit for the period, January 1, 2014—December 31, 2014.

My very special thanks to Norman Leopold, General Counsel and Audit Committee Vice-Chair; Steve Pruzan, Audit Committee Vice Chair; Elliott Jacobson, Budget Committee Chair; Leonard Teitelbaum, Investment Committee Chair, Evan Allen, MUM Chair and the rest of the dedicated and hard-working Audit and Operations Committee members, who contribute many hours of their time to the Union and Movement. We are so very fortunate to receive the benefit of their wisdom, professional knowledge and generosity.

In addition, on behalf of the Audit Committee, I extend a special thank you to Donna Stein, our Chief Financial Officer and Jo Anne Barry, Director of Finance, for all of their efforts throughout this past year and the entire Finance staff for their dedication and contributions to the Union's fiscal well-being. We also greatly appreciate the leadership and support we have received from our President, Rabbi Rick Jacobs, our Chair, Stephen Sacks and our Chief Operating Officer, Barbara Saidel.

L 'Shalom,

Luise Mann Burger

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UNION FOR REFORM JUDAISM
AND CONSOLIDATED ENTITIES

CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED DECEMBER 31, 2013

UNION FOR REFORM JUDAISM
AND CONSOLIDATED ENTITIES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

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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 the Union for Reform Judaism and consolidated entities, which comprise the consolidated statement of financial position as of December 31, 2013, and the related consolidated statements of activities and changes in net assets, and cash flows for the six months 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 audit. We conducted our audit 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.

CITRIN COOPERMAN & COMPANY, LLP
529 FIFTH AVENUE NEW YORK, NY 10017 | TEL 212.697.1000 | FAX 212.697.1004 CITRINCOOPERMAN.COM
AN INDEPENDENT FIRM ASSOCIATED WITH MOORE STEPHENS

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Union for Reform Judaism and consolidated entities as of December 31, 2013, and the changes in their net assets and their cash flows for the six months then ended in accordance with accounting principles generally accepted in the United States of America.

Citrin Cooperman & Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
August 25, 2014

UNION FOR REFORM JUDAISM
AND CONSOLIDATED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013
(In Thousands)

ASSETS

Cash and cash equivalents	$	13,419
Contributions receivable, net		6,423
Dues receivable, net		3,345
Accounts and loans receivable, net		2,214
Camp fee receivable, net		27,326
Investments		83,309
Property and equipment, net of accumulated depreciation		74,990
Goodwill		1,202
Inventory		698
Prepaid pension costs		1,427
Prepaid expenses and other assets		980
TOTAL ASSETS	$	215,333

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable, accrued expenses and other liabilities	$	5,364
Reserves for restructuring, leadership transition, and environmental remediation costs		1,102
Notes payable		14,187
Annuities payable		308
Deferred revenue		31,928
Total liabilities		52,889
Commitments and contingencies (Notes 6, 10, and 14)		
Net assets:		
Unrestricted		108,308
Temporarily restricted		42,504
Permanently restricted		11,632
Total net assets		162,444
TOTAL LIABILITIES AND NET ASSETS	$	215,333

See accompanying notes to consolidated financial statements.

UNION FOR REFORM JUDAISM
AND CONSOLIDATED ENTITIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2013
(In Thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating activities:				
Public support and revenues:				
Contributions and grants	$ 2,139	$ 3,851	$ 1	$ 5,991
Program fees	39,270	-	-	39,270
Membership dues available to the Union	6,456	-	-	6,456
Rental income, net	766	-	-	766
Investment return designated for current operations	320	-	-	320
Miscellaneous income	40	-	-	40
Total public support and revenue before release of restrictions	48,991	3,851	1	52,843
Net assets released from restrictions	5,085	(5,085)	-	-
Total revenues, gains and other support	54,076	(1,234)	1	52,843
Expenses:				
Programs	41,271	-	-	41,271
Supporting services:				
Management and general	2,789	-	-	2,789
Fund-raising	639	-	-	639
Membership development	215	-	-	215
Total supporting services	3,643	-	-	3,643
Total expenses	44,914	-	-	44,914
Change in net assets from operations, before depreciation and amortization and other activities	9,162	(1,234)	1	7,929
Depreciation and amortization	2,233	-	-	2,233
Change in net assets before other activities	6,929	(1,234)	1	5,696
Other activities:				
Investment return in excess of spending rate not designated for current operations	2,043	2,992	-	5,035
Pension-related changes other than periodic costs	1,445	-	-	1,445
Foreign currency translation losses	(166)	(9)	-	(175)
Gain on sale of property and equipment	16,717	-	-	16,717
Expense attributed to uncollectible accounts	(1,881)	-	-	(1,881)
Change in net assets	25,087	1,749	1	26,837
Net assets, beginning of period	83,221	40,755	11,631	135,607
Net assets, end of period	$ 108,308	$ 42,504	$ 11,632	$ 162,444

See accompanying notes to consolidated financial statements.

UNION FOR REFORM JUDAISM
AND CONSOLIDATED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2013
(In Thousands)

Cash flows from operating activities:		
Change in net assets	$	26,837
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization		2,233
Donated securities		(63)
Net unrealized appreciation in fair value of investments		(3,922)
Expense attributed to uncollectible accounts		1,881
Gain on sale of property and equipment		(16,717)
Changes in:		
Contributions receivable		609
Accounts and loans receivable		(1,154)
Camp fee receivable		3,570
Inventory		(77)
Prepaid pension costs		(1,427)
Prepaid expenses and other assets		3,323
Accounts payable, accrued expenses and other liabilities		(698)
Reserves for restructuring, leadership transition, and environmental remediation costs		(1,012)
Annuities payable		(15)
Accrued pension liability		(141)
Deferred revenue		(24,684)
Net cash used in operating activities		(11,457)
Cash flows from investing activities:		
Proceeds from sales of investments		1,548
Proceeds from sale of donated securities		63
Purchases of investments		(27,398)
Proceeds from sale of property and equipment		24,356
Purchases of property and equipment		(2,647)
Payments in current year of prior year property and equipment purchase		(501)
Net cash used in investing activities		(4,579)
Cash flows from financing activities:		
Principal payments on mortgages and notes		(1,156)
Increase in notes payable		1,892
Net cash provided by financing activities		736
Net decrease in cash and cash equivalents		(15,300)
Cash and cash equivalents - beginning		28,719
CASH AND CASH EQUIVALENTS - ENDING	$	13,419
Supplemental disclosures of cash flow information:		
Interest paid	$	202

See accompanying notes to consolidated financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and basis of presentation

The Union for Reform Judaism (the "Union"), an Ohio corporation and the central body of the Reform Movement in North America, was founded in Cincinnati, Ohio, in 1873 as the Union of American Hebrew Congregations. In November 2003, the Union's name was changed to the Union for Reform Judaism.

The Union serves the approximately 900 congregations in the United States, Canada, the Bahamas, Puerto Rico, and the Virgin Islands. As the congregational arm of the Reform Jewish Movement, the Union's primary mission is to create, sustain and grow a vibrant Reform Judaism. The Union provides leadership and vision from a Reform Jewish perspective on spiritual, ethical, and social issues, as well as convenings and programs for Reform congregations. The Union also provides opportunities for individual growth and identity that congregations and individuals cannot provide by themselves, including camps, Israel programs, youth initiatives, and biennials.

The Union owns or supports a group of summer camps located throughout the United States and Canada. The financial statements of the camps and other wholly-owned subsidiaries have been included in the accompanying consolidated financial statements, with all inter-organizational transactions eliminated in the consolidation process.

The Union 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 Union in Canada are carried out through related corporations that are either Canadian registered charities or otherwise exempt from income tax in Canada.

In March 2009, the board of trustees of the Union approved a restructuring plan designed to enhance mission delivery and increase efficiencies of that delivery, and established a $6,053 reserve for restructuring. In 2011, the Union developed a plan to enhance mission delivery, as it transitioned from its retiring chief executive officer to the leadership of its new one, establishing a leadership transition reserve of $1,250. The Union's board approved the use of funds from the board-designated quasi-endowment to underwrite both reserves. As of December 31, 2013, there are $593 of reserves remaining, which are anticipated to be spent over the course of the next few years, relating to unemployment costs to former employees as well as to lease commitments for regional offices closed and relocation costs.

Based on a growing demand from our congregations to change membership dues determination, collection, and enforcement, the Union formed a special committee during 2013 to restructure the entire dues determination process. It is believed that when the new dues system is approved and implemented, total membership dues revenue will not change significantly. In addition, the Union has changed the methodology used to estimate the net realizable value of the dues receivable balance. Management has determined that this modification is a change in estimate. Management believes the Union's new method for estimating the current receivable and reserve for uncollectible accounts will provide a better representation of the present status and expected collection of the net receivable asset.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization and basis of presentation (continued)

The change in the calculation of the net realizable value of the dues receivable balance is $1,881.

The Union's consolidated financial statements are presented in thousands of dollars.

Seasonal fluctuations

A majority of the Union's revenue is generated from the operation of summer camps from June to August of each year. Therefore, financial results for six months ended December 31, 2013, are not indicative of results that may be expected for the year ended December 31, 2013.

Basis of accounting

The consolidated financial statements of the Union 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

Functional allocation of expenses

The costs of providing programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of activities and changes in net assets. Accordingly, certain costs have been allocated by management, using appropriate measurement methodologies, among the program services, management and general, fund-raising and membership development areas.

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

Cash and cash equivalents

For financial reporting purposes, the Union 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2 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 2 are those specific fees charged by the Union's various managers during the six months ended December 31, 2013; however, they do not include those fees that are embedded in various other investment accounts and transactions.

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 3 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.

Impairment of long-lived assets

The Union evaluates its long-lived assets for impairment in accordance with the guidelines of Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 360, *Property, Plant and Equipment*. If this evaluation indicates that an impairment loss should be recognized, the Union will charge operations for the estimated impairment loss in the period determined. No impairment charges were required during the six months ended December 31, 2013.

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 six months ended December 31, 2013.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory

Inventory consists of publications, music, and camp supplies that are valued at the lower of cost or market value, using the first-in, first-out method. The Union estimates the lower of cost or market value of inventory by adjusting the unit cost instead of maintaining an overall reserve for obsolescence.

Net assets

Net assets are classified as unrestricted, temporarily restricted or permanently restricted, in accordance with donor-imposed restrictions or lack thereof. Each of these three classes of net assets is displayed in the accompanying consolidated financial statements, and the amounts of changes in each of these classes of net assets are displayed in the accompanying consolidated statement of activities and changes in net assets.

Unrestricted net assets represent those resources that are not subject to donor restriction. The board of trustees has designated a portion of net assets to serve as an endowment of the Union to provide reserves for programs and operations.

Temporarily restricted net assets represent those resources that are subject to the requirements of the Ohio Uniform Prudent Management of Institutional Funds Act ("UPMIFA") and the use of which has been restricted by donors or state law to specific purposes and/or the passage of time. When a restriction expires, that is, when a stipulated time restriction ends, a purpose restriction is accomplished, or assets are appropriated, temporarily restricted net assets are reclassified as unrestricted and reported in the accompanying consolidated statement of activities and changes in net assets as "Net assets released from restrictions."

Permanently restricted net assets represent those resources subject to donor-imposed stipulations that they be maintained permanently by the Union. The purposes for which the income and net capital appreciation arising from the underlying assets may be used depends on the wishes of those donors. Under the terms of UPMIFA, those earnings are classified as temporarily restricted in the accompanying consolidated statement of activities and changes in net assets, pending appropriation by the board of trustees.

Contributions and pledges

Contributions are recorded as revenue upon the receipt of cash or unconditional pledges. Contributions are considered available for unrestricted use, unless specifically restricted by the donor. Conditional contributions are recorded when the specified conditions have been met.

The Union reports contributions in the temporarily or permanently restricted net asset category if they are received with donor stipulations or time considerations as to their use. When a donor's restriction is met, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and pledges (continued)

in the accompanying consolidated statement of activities and changes in net assets as "Net assets released from restrictions."

The Union is either the beneficiary or trustee of several irrevocable split-interest agreements. Contribution revenue for 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 unrestricted revenue if the donor does not restrict the use of the assets contributed to the Union, and neither the agreement nor state law requires the assets received by the Union 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 temporarily restricted contribution (see Note 3).

The Union 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.

Membership dues

The Union is charged with the responsibility of administering the proportional dues program referred to as the Maintenance of Union Membership ("MUM"). This program is the method by which the congregational members of the Union have agreed to assess themselves in order to provide financial support to the Union and the Hebrew Union College-Jewish Institute of Religion (the "HUC-JIR"), an unrelated entity.

The Union and the HUC-JIR have agreed on an allocation of gross MUM dues to the Union and HUC-JIR of 56% and 44%, respectively.

Program fees

Program fees consist of amounts charged to individuals or groups who participate in the numerous programs offered by the Union, such as summer camp.

Rental income

The Union leased a portion of its office space to unrelated not-for-profit organizations in accordance with signed lease agreements (see Note 13). The Union also rented meeting space to affiliates, congregations, and other groups on a per-occurrence basis. Rental income was recognized on the straight-line method of accounting required by U.S. GAAP, under which contractual rent payment increases are recognized evenly over the lease term.

NOTE 1. 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 statement of activities and changes in net assets.

Deferred revenue

Revenues from camp activities are reported in the period in which the program is conducted. The portion applicable to subsequent periods is reported as deferred revenue until earned.

Measure of operations

The Union 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 allocation.

Income tax uncertainties

The Union is subject to the provisions of FASB ASC 740, *Income Taxes,* relating to accounting and reporting for uncertainty in income taxes. Due to its general tax-exempt status, FASB ASC 740 has not had, and is not anticipated to have, a material impact on the Union's consolidated financial statements.

Subsequent events

The Union has evaluated all material subsequent events through August 25, 2014, the date that these consolidated financial statements were available to be issued.

NOTE 2. 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)

(In Thousands)

NOTE 2. FAIR VALUE MEASUREMENTS (CONTINUED)

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.

- Level 3: Valuations are determined based on pricing inputs that are unobservable and includes 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 or 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 table summarizes the Union's investments measured at fair value on a recurring basis, categorized by U.S. GAAP's valuation hierarchy as of December 31, 2013:

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, 2013	Valuation Technique
Cash (included in investments)	$ 613	$ -	$ -	$ 613	(a)
Certificates of deposit (included in investments)	2,956	-	-	2,956	(a)
Mutual funds – bond funds	27,334	-	-	27,334	(a)
Mutual funds – equity funds	51,807	-	-	51,807	(a)
Equities	406	-	-	406	(a)
Bonds and other	193	-	-	193	(a)
Total	$ 83,309	$ -	$ -	$ 83,309	

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, 2013:

Certificates of deposit are valued at fair value as determined by the custodian.

(In Thousands)

NOTE 2. FAIR VALUE MEASUREMENTS (CONTINUED)

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 statement of financial position for cash and cash equivalents, contributions, camp fee, 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 Union for debt of the same or similar types and remaining maturities of the outstanding debt instruments.

Investments

For the six months ended December 31, 2013, investment return (net of fees of $22) consisted of the following:

	Unrestricted	Temporarily Restricted	Total
Interest and dividends	$ 622	$ 811	$ 1,433
Net realized and unrealized gains	1,741	2,181	3,922
Investment return	2,363	2,992	5,355
Investment returns applicable to spending rate	320	-	320
Investment return in excess of authorized spending rate	$ 2,043	$ 2,992	$ 5,035

NOTE 3. SPLIT-INTEREST AGREEMENTS

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

- Charitable gift annuities are unrestricted irrevocable gifts under which the Union agrees in turn to pay a life annuity to the donor or designated beneficiary. The contributed funds and the attendant

(In Thousands)

NOTE 3. SPLIT-INTEREST AGREEMENTS (CONTINUED)

liabilities immediately become part of the Union's general assets and liabilities, subject to the Union's maintaining an actuarial reserve.

- CRATS and CRUTS are time-restricted contributions not available to the Union 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 become available to the Union.

The Union 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 $83,309 recorded as investments in the accompanying consolidated statement of financial position at December 31, 2013, $351 represents split-interest agreements. The associated estimated liabilities due to annuitants amounted to $308 at December 31, 2013.

NOTE 4. RECEIVABLES

Contributions receivable

At December 31, 2013, contributions receivable are due as follows:

One year	$ 2,916
Two to five years	3,835
Thereafter	632
	7,383
Allowance for uncollectible contributions	(258)
Reduction of pledges due in excess of one year to present value, at a rate of 6%	(702)
	$ 6,423

Approximately 22% of the contributions receivable balance at December 31, 2013 was derived from one donor.

(In Thousands)

NOTE 4. RECEIVABLES (CONTINUED)

Dues receivable

At December 31, 2013, dues receivable consisted of amounts due to the Union from congregations. All amounts are due within one year. Based on management's past experience, $4,455 has been reserved for doubtful dues collections at December 31, 2013.

Camp fee receivable

Camp fee receivable consisted of camp tuition for campers that registered for the summer 2014 sessions as of December 31, 2013. All camp tuition is initially recorded through camp fee receivable as deferred revenue upon registration and is realized as revenue when the applicable camp session commences. All amounts are due within one year. Based on management's past experience, $54 has been reserved for doubtful collections of camp fee receivable at December 31, 2013.

Accounts and loans receivable

At December 31, 2013, accounts and loans receivable consisted of amounts due to the Union 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 within one year. Based on management's past experience, $46 has been reserved for doubtful collections of accounts and loans receivable at December 31, 2013. The amount due from affiliated organizations was $469 (see Note 12).

NOTE 5. PROPERTY AND EQUIPMENT

At December 31, 2013, property and equipment consisted of the following:

Land	$ 12,107
Building and improvements	120,426
Furniture, fixtures, equipment, and other	12,075
Camp vehicles and equipment	939
	145,547
Less: accumulated depreciation	(73,961)
	71,586
Construction-in-progress	3,404
	$ 74,990

Depreciation and amortization expense for the six months ended December 31, 2013 was $2,233.

(In Thousands)

NOTE 6. NOTES PAYABLE

At December 31, 2013, the Union had the following notes payable:

Camp Eisner	
Outstanding 6% debenture notes payable, held by various synagogues and individuals. These notes were callable five years after issue and were due June 1, 1999. Bondholders have been given the option either to receive cash in the bonds for face value or to donate them to the camp.	$ 35
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 the 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%.	1,252
Community Development Foundation for Reform Judaism - Olin Sang Ruby Camp Institute	
Loan with an organization dated April 2003, in the original amount of $500. The loan is non-interest-bearing and payable in annual installments of $50. The loan is guaranteed by the Union.	50
Avi Chai Foundation Loan - Goldman Camp	
Term interest-free loan with a foundation dated February 2009, in the original amount of $500. Principal payments of $25 are due in quarterly installments commencing in October 2010 and continuing through 2014. The loan is secured by a letter of credit.	75
Avi Chai Foundation Loan - Olin Sang Ruby Camp Institute	
Term interest-free loan with a foundation dated April 2009, in the original amount of $500. Principal payments of $25 are due in quarterly installments commencing in January 2010 and continuing through 2014. The loan is secured by a letter of credit.	100

(In Thousands)

NOTE 6. NOTES PAYABLE (CONTINUED)

Avi Chai Foundation Loan - Greene Family Camp

Term interest-free loan with a foundation dated May 2010, in the original amount of $800. Principal payments of $40 are due in quarterly installments commencing in January 2011 and continuing through 2015. The loan is secured by a letter of credit.	320

Derek Newby - Maple Lake Center

Unsecured term loan with a principal dated November 2009, in the original amount of $250 Canadian dollars ("CAD"). The unsecured loan has a fixed interest rate of 5%, with 40 payments of principal and interest of $4 CAD which are due in quarterly installments through November 2019.	214

Beaunaro, Inc. - Maple Lake Center

Term interest-free loan with a principal dated November 2009, in the original amount of $350 CAD. Principal payment of $100 CAD was paid in December 2013. Principal payment of $50 is due on or before December 31 of each year commencing 2014 through 2018.	238

Avi Chai Foundation Loan - Crane Lake/Eisner Camp

Term interest-free loan with a foundation dated February 2011, in the original amount of $725. Principal payments of $36 are due in quarterly installments commencing in October 2011 and continuing through 2016. The loan is secured by a letter of credit.	399

Signature Bank

Loan with a bank dated September 13, 2010, in the original amount of $5,000. The loan has a fixed interest rate of 3.9% with monthly principal and interest payments starting on October 1, 2010, at $68. The note matures on September 15, 2015. The note is secured by a pledge agreement on a portion of the Union's investments.	2,843

(In Thousands)

NOTE 6. NOTES PAYABLE (CONTINUED)

Signature Bank

Term note with a bank dated August 8, 2011, in the original amount of $7,000. The note has a fixed interest rate of 4.875% with monthly principal and interest payments starting August 1, 2011, at $41. The note matures on July 1, 2021. The note is secured by a pledge agreement on a portion of the Union's investments and it requires the Union to meet certain covenants, the most restrictive of which requires the Union to maintain a minimum debt service ratio.	5,677
AYM Hillandale LLC – Greene Family Camp	
Promissory note dated December 9, 2011, in the original amount of $595. The note has a fixed interest rate of 5.00% with quarterly principal and interest payments starting on April 1, 2012, at $10. The note matures on January 1, 2037.	573
Avi Chai Foundation Loan - Newman Camp	
Term interest-free loan with a foundation dated February 28, 2013, in the original amount of $1,000. Principal payments of $50 are due in quarterly installments commencing October 1, 2013, and continuing through 2018. The loan is secured by a letter of credit. The proceeds of this loan are used for capital improvements at Newman Camp.	950
Avi Chai Foundation Loan – Crane Lake Dining Hall	
Term interest-free loan with a foundation dated November 1, 2013, in the original amount of $994. Principal payments of $50 are due quarterly commencing April 1, 2014 and continuing through January 1, 2019. The loan is secured by a letter of credit.	994
Capital Bank of New Jersey - North American Camp Loan	
Interest-bearing term note with bank dated February 11, 2013, in the total amount of $6,000, with an initial drawdown of $500 at closing. Further drawdowns are at the option of the Union. The outstanding principal balance bears interest at Prime minus fifty basis points (0.5%), subject to a floor of 2.75% and a ceiling of 4.95% for the first 60 months, 5.95% from the 61st month until the 84th month, and no ceiling applies after the 84th month through the maturity date of March 1, 2023 (interest rate at December 31, 2013 is 2.75%). Outstanding principal balance is payable in monthly installments in accordance with the agreement. The note is secured by a pledge agreement on a portion of the Union's investments. The proceeds of this loan are to be used for capital improvements at several camps.	467
Total notes payable	$14,187

(In Thousands)

NOTE 6. NOTES PAYABLE (CONTINUED)

Minimum annual future payments under the loan agreements for years subsequent to December 31, 2013, are as follows:

Year ending December 31:	
2014	$ 2,332
2015	3,780
2016	1,546
2017	1,157
2018	1,116
Thereafter	4,256
	$ 14,187

At December 31, 2013, the Union had an unused unsecured line of credit totaling $3,000 that could be drawn as needed, with interest incurred at the lower of the prime rate (no less than 3.75%) or 1.75% plus 1, 2 or 3 month LIBOR (no less than 4.75%). The agreement, as extended, expires on August 28, 2014. The line is available for the Union as authorized by the board of trustees.

At December 31, 2013, the Union had standby letters of credit totaling approximately $3,000, which expire through 2019. The letters of credit are used as security for loans given by unrelated organizations for the renovation of several camp sites.

NOTE 7. NET ASSETS

Unrestricted net assets at December 31, 2013 were composed of the following:

Property, buildings, and equipment	$ 60,803
Board-restricted funds	36,804
Operations and other	10,701
	$ 108,308

At December 31, 2013, net assets (including allocations of investment gains and losses) were temporarily restricted as follows:

Building and improvements, principally camp-related	$ 10,080
Direct membership support and programs	2,312
Camp and youth scholarships and programs	6,160
Camp and youth programs	3,992
Religious Action Center/social action/Israel support/disaster relief	15,587
Books and music/other mission-related programs	4,373
	$ 42,504

(In Thousands)

NOTE 7. NET ASSETS (CONTINUED)

During the six months ended December 31, 2013, net assets were released from temporary restrictions for the following purposes:

Building and improvements, principally camp-related	$	1,934
Direct membership support and programs		107
Camp and youth scholarships and programs		1,038
Camp and youth programs		986
Religious Action Center/social action/Israel support/disaster relief		849
Books and music/other mission-related programs		171
	$	5,085

At December 31, 2013, permanently restricted net assets were restricted to support the following:

Camp scholarships and programs	$	4,138
Direct membership and support programs		3,514
Operating support		2,023
Books and music/other mission-related programs		1,957
	$	11,632

NOTE 8. ACCOUNTING AND REPORTING FOR ENDOWMENTS

The endowments

The Union'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 endowment, known as quasi-endowment funds. Net assets associated with endowment funds are classified and reported based on U.S. GAAP. Board-designated funds are classified as unrestricted net assets, and funds with donor-imposed restrictions are classified as temporarily or permanently restricted net assets, with net gains reported as temporarily restricted pending appropriation by the board of trustees.

Interpretation of relevant law

UPMIFA is applicable to all of the Union's institutional funds, including its donor-restricted and board-designated endowment funds. The board of trustees will continue to adhere to UPMIFA's requirements.

(In Thousands)

NOTE 8. ACCOUNTING AND REPORTING FOR ENDOWMENTS (CONTINUED)

Endowment net asset composition by type of fund at December 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Board-designated quasi-endowment funds	$ 36,804	$ -	$ -	$ 36,804
Donor-restricted endowment funds	-	18,088	11,632	29,720
Total endowment funds	$ 36,804	$ 18,088	$ 11,632	$ 66,524

Changes in endowment net assets for the six months ended December 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, July 1, 2013	$ 10,356	$ 16,908	$ 11,631	$ 38,895
Contributions	24,507	318	1	24,826
Investment return:				
Interest and dividends	542	345	-	887
Realized/unrealized appreciation	1,519	1,361	-	2,880
Total investment return	2,061	1,706	-	3,767
Appropriated for expenditures/donor releases/foreign exchange loss	(120)	(844)	-	(964)
Net assets, December 31, 2013	$ 36,804	$ 18,088	$ 11,632	$ 66,524

Funds with deficiencies

From time to time, the fair value of assets associated with permanently restricted funds may decline below the historical dollar value of the donor's original permanently restricted contribution. Under the terms of UPMIFA, the Union has no responsibility to restore such decreases in value, should any exist.

Return objectives and risk parameters

The Union 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 Union 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 endowment assets must be preserved, net of annual distribution to programs. IPS compliance is monitored closely by the Union's investment committee and reflects:

- Asset diversification to provide reasonable assurance that no single security or class of security will have disproportionate impact on the total endowment assets.

NOTE 8. ACCOUNTING AND REPORTING FOR ENDOWMENTS (CONTINUED)

Return objectives and risk parameters (continued)

- Investments in liquid, equity, and fixed-income instruments:

  i. Fixed-income instruments should average approximately 40% of the total fixed-income plus equity portfolio value. Their performance is measured against an appropriate benchmark related to its composition. Currently, this benchmark is the Barclays Capital U. S. Aggregate Bond Index.

  ii. Equities should average approximately 60% of the total fixed-income plus equity portfolio value: approximately 30% domestic and 30% international (benchmark: MSCI EAFE Index). Target ranges for domestic equities are 22% large-cap (benchmark: S&P 500); 4% mid-cap (benchmark: Russell Mid-Cap Growth); 4% small-cap (benchmark: Russell 2000 Value).

  iii. Community development investment instruments, consisting mainly of certificates of deposit in community-run banks may represent up to 1.8% of the total investment pool, which includes endowment funds.

- 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.

Strategies employed for achieving objectives

To satisfy its long-term, rate-of-return objectives, the Union 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 invested in accordance with the IPS.

The long-term investment objective for the endowment 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 Union's budget process.

Spending policy and how the investment objectives relate to the spending policy

The budget 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 endowment support, as specified by the board or donors, and the long-term expected investment return on the endowment. For the six months ended December 31, 2013, the spending rate was 4%, resulting in investment return designated for current operations of $320.

(In Thousands)

NOTE 9. PROGRAM INCOME AND PROGRAM EXPENSES

Program income earned during the six months ended December 31, 2013 was as follows:

Camps and Israel programs	$	34,643
North American Biennial		2,330
Congregational Networks		6
Expanding Our Reach		83
Youth		1,242
Religious Action Center/Social Action/Disaster Relief/World Judaism		9
Press/RJ Magazine		831
ARZA		102
Other general programs of the Union		24
	$	39,270

Program expenses for the six months ended December 31, 2013 were as follows:

Camps and Israel programs	$	29,020
North American Biennial		2,284
Congregational Networks		1,988
Expanding Our Reach		1,252
Youth		2,644
Religious Action Center/Social Action/Disaster Relief/World Judaism		1,499
Press/RJ Magazine		928
ARZA		553
Other general programs of the Union		1,103
	$	41,271

NOTE 10. RETIREMENT PLANS

Defined-benefit retirement plan

The Union 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 in compliance with a resolution of the board of trustees.

(In Thousands)

NOTE 10. RETIREMENT PLANS (CONTINUED)

Defined-benefit retirement plan (continued)

The following table sets forth the Plan's funded status and the amounts recognized in the Union's consolidated financial statements at December 31, 2013:

Actuarial present value of benefit obligations:	
Accumulated benefit obligation	$ (17,167)
Projected benefit obligation	$ (17,167)
Fair value of Plan assets	18,594
Funded status	$ 1,427
Prepaid pension costs in the consolidated statement of financial position	$ 1,427
Amounts recognized in changes in unrestricted net assets for the six months ended December 31, 2013:	
Net gains	$ 2,083
Prior service costs	(638)
	$ 1,445
Components of net periodic benefits cost income):	
Interest cost	$ 464
Amortization of net loss	6
Expected return on Plan assets	(592)
Net periodic benefit income	$ (122)
Benefits paid	$ 391

Weighted average assumptions:

Discount rate	5.65%
Expected return on Plan assets	7.50%
Rate of compensation increase	N/A

Investments of Plan assets will be made for the purpose of providing retirement reserves for the present and future benefit of participants of the Plan. The assets must be 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.

(In Thousands)

NOTE 10. RETIREMENT PLANS (CONTINUED)

Defined-benefit retirement plan (continued)

The Union's investment objective is to achieve an average annual return of 7.5% or better on all the pension assets to meet its long-term pension obligations.

The primary objective for the Plan trustees is to provide a balance among capital appreciation, preservation of capital and current income. The objectives of the Plan should be pursued as a long-term goal designed to meet the benchmark objectives for the Plan without taking undue risk.

The trustees of the Plan recognize that risk, volatility, and loss of purchasing power due to inflation are present to some degree in all types of investment vehicles. Although high levels of risk are to be avoided, the assumption of some risk is warranted to allow the investment manager the opportunity to achieve 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. The Union requests adherence to the following asset-allocation range:

	Minimum Percentage	Maximum Percentage
Domestic large-cap equities	24%	28%
Domestic mid-cap equities	9%	13%
Domestic small-cap equities	2%	5%
International equity	22%	28%
Fixed income	32%	38%

At December 31, 2013, the fair value of total Plan assets held was as follows:

Cash and cash equivalents	$	416
Certificates of deposit		200
Mutual funds:		
Bond funds		5,122
Equity funds		12,692
Group annuity contract		164
	$	18,594

Substantially all of the Plan asset investments were classified within Level 1 of the fair value hierarchy at December 31, 2013.

No contributions were required to be made by the Union to the Plan for the six months ended December 31, 2013.

(In Thousands)

NOTE 10. RETIREMENT PLANS (CONTINUED)

Defined-benefit retirement plan (continued)

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

Year Ending December 31,	Expected Benefit Distributions
2014	$ 960
2015	982
2016	1,072
2017	1,069
2018	1,083
Thereafter	5,968
	$ 11,134

There was no pension expense for the six months ended December 31, 2013.

Those member rabbis, cantors, and senior staff (consisting of department heads, program directors and several executives) who are not covered under the Plan are covered instead under a plan sponsored by the Reform Pension Board or the American Conference of Cantors. Total expense for such plan for the six months ended December 31, 2013, was approximately $554.

Defined-contribution plan

The Union 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 each pay period, for which the Union may make a matching contribution of up to 3% of base salary for each eligible participant. Total 403(b) Plan expense for the six months ended December 31, 2013, was approximately $93.

NOTE 11. CREDIT RISK

Financial instruments that potentially subject the Union to concentrations of credit risk consist principally of cash and cash-equivalent 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 Union does not face a significant risk of loss on these accounts.

NOTE 12. RELATED-PARTY TRANSACTIONS

The Union provides various support services, which includes, but is 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 $703 for the six months ended December 31, 2013.

(In Thousands)

NOTE 12. RELATED-PARTY TRANSACTIONS (CONTINUED)

At December 31, 2013, affiliate receivables consisted of the following and are included in "Accounts and loans receivable" in the accompanying consolidated statement of financial position:

Women of Reform Judaism, the Federation of Temple Sisterhoods	$ 184
Men of Reform Judaism	247
National Association of Temple Executives	38
	$ 469

NOTE 13. SALE OF PROPERTY AND EQUIPMENT

On December 11, 2013, the Union sold the sixth floor condominium unit (the "Unit"), which had been included in "Property and equipment" in the accompanying consolidated statement of financial position, and proceeds from the sale totaled $26,425. The Union realized a gain of $16,717, net of closing costs and brokerage fees. Further, the Union had entered into several agreements to lease a portion of the Unit to unrelated not-for-profit organizations and all related leases and sub-leases were assigned to the new owners as of the closing date.

NOTE 14. COMMITMENTS AND CONTINGENCIES

Lease agreements

The Union has entered into operating leases for the use of office facilities and certain office equipment that expire through 2019. Certain of the leases are subject to escalations for increases in real estate taxes and other operating expenses.

Minimum annual future rental commitments under the lease agreements, excluding escalation costs, are as follows:

Year Ending December 31,	Amount
2014	$ 426
2015	240
2016	165
2017	83
2018	77
Thereafter	50
	$ 1,041

Certain operating leases provide for renewal options for additional years at their fair rental value at the time of the renewal. In the normal course of business, operating leases are generally renewed or replaced by other leases.

NOTE 14. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Lease agreements (continued)

Rent expense amounted to $226 for the six months ended December 31, 2013.

Convention agreements

The Union has entered into multiple agreements for the use of hotel and conference space for the North American Biennial and the NFTY Convention. The agreements stipulate that in the event of a cancellation the Union would be subject to certain cancellation fees, which would be substantially covered by insurance.

Reserve for environmental remediation

A reserve was established during fiscal 2012 to cover potential restoration costs associated with the remediation of a non-state jurisdictional pond used for recreational purposes at Camp Newman, located in California. The remediation is related to an overflow incident that occurred in April 2010, causing effluent to flow into the Russian River. The Union accrues costs associated with environmental matters on an undiscounted basis, when they become probable and reasonably estimable. As of December 31, 2013, the Union has an accrual of $509 which represents the estimate of the remaining cleanup liabilities, including remediation. These amounts are included in reserves for restructuring, leadership transition and environmental remediation costs on the accompanying consolidated statement of financial position. The Union's estimates are based, in part, on the results of an engineering study by an environmental consulting firm that was conducted in August 2012. This accrual does not reflect any possible future insurance recoveries.

Construction in progress

During the six months ended December 31, 2013, the Union 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 approximately $9,383 as of December 31, 2013.

Legal matters

The Union 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 Union's financial position.