United Israel Appeal, Inc.

Financial Statements
Year Ended June 30, 2024

The report accompanying these financial statements was issued by
BDO USA, P.C., a Virginia professional corporation, and the U.S. member of
BDO International Limited, a UK company limited by guarantee.

United Israel Appeal, Inc.

Financial Statements
Year Ended June 30, 2024

United Israel Appeal, Inc.

Contents

Tel: 212-885-8000
Fax: 212-697-1299
www.bdo.com

200 Park Avenue, 38th Floor
New York, NY 10166

Independent Auditor's Report

The Board of Directors
United Israel Appeal, Inc.
New York, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements United Israel Appeal, Inc. (UIA), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of UIA as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of UIA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Report on Summarized Comparative Information

We have previously audited UIA’s 2023 financial statements and we expressed an unmodified opinion on those statements in our report dated March 28, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, P.C.

March 13, 2025

United Israel Appeal, Inc.

Statement of Financial Position
(with summarized comparative totals for 2023)
(dollars in thousands)

June 30,		**2024**		2023
Assets				
Current Assets				
Cash and cash equivalents (Note 2)	**$**	**966**	$	1,381
Allocations and annual assessments receivable, net (Note 4)		**144,762**		96,658
Contributions receivable, primarily for capital projects in Israel, net, current (Notes 2 and 5)		**64**		124
Total Current Assets		**145,792**		98,163
Contributions Receivable, primarily for capital projects in Israel, net, less current portion (Notes 2 and 5)		**-**		55
Other Assets		**839**		79
Fixed Assets, Net (Notes 2 and 6)		**-**		4
Capital Projects in Israel, Net (Notes 2 and 7)		**25,326**		29,761
Total Assets	**$**	**171,957**	$	128,062
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued expenses	**$**	**49,061**	$	1,269
Due to related party (Note 4)		**34**		34
Total Current Liabilities		**49,095**		1,303
Commitments and Contingencies (Notes 2 and 7)				
Net Assets				
Net assets without donor restrictions		**66,632**		65,976
Net assets with donor restrictions (Note 8)		**56,230**		60,783
Total Net Assets		**122,862**		126,759
Total Liabilities and Net Assets	**$**	**171,957**	$	128,062

See accompanying notes to financial statements.

United Israel Appeal, Inc.

Statement of Activities
(with summarized comparative totals for 2023)
(dollars in thousands)

Year ended June 30,

	Without Donor Restrictions	With Donor Restrictions	Total 2024	Total 2023
Revenues and Other Support				
Campaign allocations from communities:				
General fund and other	$ 143,424	$ 1,160	**$ 144,584**	$ 143,498
Israel Emergency Campaign	-	308,867	**308,867**	-
Ukraine Crisis campaign allocations from communities	-	1,924	**1,924**	10,937
Israel Education Fund	-	1,806	**1,806**	1,158
Net Campaign Allocations from Communities	143,424	313,757	**457,181**	155,593
Other support:				
U.S. government grant	6,131	-	**6,131**	1,055
Sale of property, net	1,227	-	**1,227**	511
Rental income (Note 7)	225	-	**225**	239
Other revenue	4	-	**4**	217
Total Other Support	7,587	-	**7,587**	2,022
Net assets released from restrictions (Note 8)	318,310	(318,310)	**-**	-
Total Revenues and Other Support	469,321	(4,553)	**464,768**	157,615
Expenses				
Program services in Israel:				
Allocations	468,340	-	**468,340**	166,030
Total Program Services in Israel	468,340	-	**468,340**	166,030
General and administrative expenses	325	-	**325**	375
Total Expenses	468,665	-	**468,665**	166,405
Change in Net Assets	656	(4,553)	**(3,897)**	(8,790)
Net Assets, beginning of year	65,976	60,783	**126,759**	135,549
Net Assets, end of year	$ 66,632	$ 56,230	**$ 122,862**	$ 126,759

See accompanying notes to financial statements.

United Israel Appeal, Inc.

Statement of Functional Expenses
(with summarized comparative totals for 2023)
(dollars in thousands)

Year ended June 30,

	Program Services in Israel	General and Administrative Expenses	Total 2024	Total 2023
Allocations:				
Israel and overseas	$ 146,738	$ -	**$ 146,738**	$ 147,227
Ukraine Crisis	1,924	-	**1,924**	11,810
Israel Emergency Campaigns	308,887	-	**308,887**	381
U.S. government grant – immigration and absorption	6,131	-	**6,131**	1,055
Real estate-related activities	225	-	**225**	749
Program grant	-	-	**-**	212
Payroll and benefits	-	129	**129**	125
Professional fees	-	177	**177**	234
Miscellaneous	-	15	**15**	16
Total Expenses, before depreciation and amortization	463,905	321	**464,226**	161,809
Depreciation and Amortization	4,435	4	**4,439**	4,596
Total Expenses	$ 468,340	$ 325	**$ 468,665**	$ 166,405

See accompanying notes to financial statements.

(dollars in thousands)

Year ended June 30,		**2024**		2023
Cash Flows from Operating Activities				
Change in net assets	**$**	**(3,897)**	$	(8,790)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:				
Depreciation and amortization		**4,439**		4,596
Gain on sale of property		**(1,227)**		(511)
Decrease (increase) in assets:				
Due from related party		**(48,104)**		4,028
Contributions receivable, primarily for capital projects in Israel, net		**115**		149
Other assets		**(760)**		(2)
Increase in liabilities:				
Accounts payable and accrued expenses		**47,792**		1,265
Net Cash (Used in) Provided by Operating Activities		**(1,642)**		735
Cash Flows from Investing Activities				
Proceeds from sale of property		**1,227**		511
Net Cash Provided by Investing Activities		**1,227**		511
Net Increase (Decrease) in Cash and Cash Equivalents		**(415)**		1,246
Cash and Cash Equivalents, beginning of year		**1,381**		135
Cash and Cash Equivalents, end of year	**$**	**966**	$	1,381

See accompanying notes to financial statements.

1. Description of Organization

United Israel Appeal, Inc. (UIA) is the major beneficiary of funds allocated by the Jewish Federations Annual Campaign of the Jewish Federations of North America, Inc. (JFNA) for overseas needs. The principal function of UIA is to administer and supervise the funds allocated for philanthropic purposes related to immigration and absorption of humanitarian migrants to Israel and Jewish identity programs in Israel and the former Soviet Union. The absorption process includes social welfare services, health services, education, youth care and training, and housing facilities. These funds are expended for programs and services determined by UIA through its operating agent, the Jewish Agency for Israel, Jerusalem (the Jewish Agency). Allocations of funds are made only for the programs that are acceptable under the Internal Revenue Service (IRS) guidelines for charitable organizations and reflect the philanthropic purposes of the American contributors. Allocations are coordinated with the Jewish Agency's other worldwide sources of income.

JFNA is the sole member of UIA.

UIA's primary sources of revenues include public support from JFNA and a grant from the United States Department of State.

With the outbreak of war in Ukraine in February 2022, JFNA has partnered with the Jewish Federation system, along with the Jewish Agency and other organizations, to raise and deploy substantial funds to support the emergency needs of millions of refugees displaced by the war (the Ukraine Crisis).

Immediately following the brutal attack by Hamas on Israel on October 7, 2024, JFNA launched an Israel Emergency Campaign to support the immediate needs of the victims of terror and evacuees, and provide trauma support, psychosocial care, and emergency medical equipment. Programs have also been developed focusing on economic recovery, community resilience, and ongoing support for impacted youth and families. As of June 2024, the Jewish federation system raised approximately $848 million.

The Jewish federations were able to mobilize quickly to address the needs of evacuees and victims. The campaign has touched people far and wide, helping more than 480 businesses with emergency relief loans; providing 407,000 Israelis with mental health support; and serving 1.2 million hot meals. The Jewish federations community's philanthropy has helped shelter nearly 37,000 Israeli evacuees and provided equipment and supplies to 27 hospitals.

The Jewish Federations' strong core partnerships and decades of experience allowed it to quickly launch two historic campaigns: the first, the Israel Emergency Campaign, set out to raise vast resources to assist in immediate and long-term aid, and the second to mount the largest community mobilization in the history of the Jewish federations' system to support Israel at home.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (GAAP), as applicable to not-for-profit organizations. In the statement of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Financial Statement Presentation

The classification of UIA's net assets and its support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets—with donor restrictions and without donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

With Donor Restrictions – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. UIA reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions. When a donor restriction expires—that is, when a stipulated time restriction ends, or purpose restriction is accomplished—the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Net assets with restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of UIA are classified as net assets with donor restrictions - perpetual in nature. These net assets with donor restrictions may include stipulation that assets provided be maintained in perpetuity, while permitting UIA to expend the income generated by the assets in accordance with provisions of additional donor-imposed stipulations or a Board of Trustees (the Board)-approved spending policy.

See Note 8 for more information on the composition of net assets with donor restrictions and the releases from restrictions.

Without Donor Restrictions – Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. These amounts are not subject to donor-imposed stipulations.

Cash and Cash Equivalents

UIA considers all highly liquid instruments acquired with original maturities of three months or less to be cash equivalents.

Contributions Receivable

Unconditional promises to give are recorded as receivables and revenues and are recognized when the promises are made, at their fair value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the year in which the promises are received. Amortization of discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. There were no conditional contributions for the year ended June 30, 2024. The collectability of such promises is reviewed, and allowances are provided, for amounts estimated to be uncollectible.

Fixed Assets, Net

Fixed assets, net is stated at cost less accumulated depreciation and amortization. The cost of major improvements and betterments to existing fixed assets is capitalized, while maintenance and repairs are charged to expense when incurred. Upon retirement or other disposal of fixed assets, the gain realized or loss sustained on such transaction is reflected in other income or expenses. Depreciation of fixed assets is calculated on the straight-line basis over the estimated useful lives of the assets.

Asset Category	Years
Data-processing equipment	3
Leasehold improvements	Lesser of lease term or estimated useful life

Impairment of Long-Lived Assets

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 360, *Property, Plant, and Equipment*, requires UIA to review long-lived assets, such as fixed assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. For the year ended June 30, 2024, there were no impairment charges.

Capital Projects in Israel

Capital projects in Israel are stated at cost. Depreciation is provided on capital projects in Israel on the straight-line basis over the estimated useful life of the respective assets, which is 25 years (see Note 7).

Revenue Recognition

Campaign Allocations from Communities

Campaign allocations from communities consist of federations' allocations from their annual campaigns to JFNA. UIA receives a portion of JFNA's collections and recognizes it at fair value upon the unconditional transfer of cash or other assets or when campaign allocations are readily determinable. Revenues for the Israel Emergency Campaigns, the Ukraine Crisis, and the Israel Education Fund are designated for specific purposes based on limitations imposed by the grantors or contributors.

Contributions, U.S. Government Grants, and Other Grants

Contributions and Other Grants - Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution commitment is established or is received, whichever is earlier. The gifts are reported as with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Upon expiration of the restriction(s), funds are reclassified and reported in the statement of activities as net assets released from restrictions.

U.S. Government Grant – UIA receives a grant from the U.S. Department of State for programs for resettlement of humanitarian migrants to Israel. This grant is then sub-granted to the Jewish Agency. Expense-based grants are recognized as allowable expenses are incurred. Revenues from government agencies are subject to audit by the agencies. No provision for any disallowance is reflected in the financial statements since management does not anticipate any material adjustments.

Revenues from campaign allocations from communities and annual assessments, contributions, and U.S. government grants are recognized in accordance with ASC 958, *Not-for-Profit Entities*. Accordingly, UIA evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be a contribution, UIA evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before UIA is entitled to the assets transferred and promised and (2) a right of return of assets or a right of release of a promisor's obligation to transfer assets. Revenues, which are deemed to be unconditional, are considered to be available for general purposes (without donor restrictions) unless specifically restricted by the donor. Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported within net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected after one year are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates. Amortization of the discount is included in contribution revenue. Conditional promises to give are not recognized until the conditions are substantially met.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on an individual basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on specific identification or allocation rates established by management based on number of employees.

Investments, at Fair Value (Related to Endowments Held at JFNA on Behalf of UIA)

ASC 820, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value, and expands the disclosures about fair value measurements. ASC 820 defines fair value as 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 in a principal or most advantageous market. Fair value is a market-based measurement that is determined based on inputs, which refer broadly to assumptions that market participants use in pricing assets or liabilities. These inputs can be readily observable, market corroborated, or unobservable. ASC 820 establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value in three broad levels. The standard requires that assets and liabilities be classified in their entirety based on the level of input that is significant to the fair value measurement. Assessing the significance of a particular input may require judgment considering factors specific to the asset or liability and may affect the valuation of the asset or liability and their placement within the fair value hierarchy.

UIA classifies fair value balances based on the fair value hierarchy defined by ASC 820, as follows:

Level 1 - Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

Use of Estimates

In preparing financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

Income Taxes

UIA was incorporated in the state of New York and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and, therefore, has made no provision for income taxes in the accompanying financial statements. In addition, UIA has been determined by the IRS not to be a “private foundation” within the meaning of Section 509(a) of the Code. There was no unrelated business income for the year ended June 30, 2024.

Under ASC 740, *Income Taxes*, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not the position will not be sustained upon examination by a taxing authority. UIA does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. UIA has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, UIA has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. For the year ended June 30, 2024, there were no interest or penalties recorded or included in the statement of activities.

Financial Instruments - Credit Losses

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended. The ASU introduces a new credit loss methodology, current expected credit losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL methodology utilizes a lifetime “expected credit loss” measurement objective for the recognition of credit losses for loans, held-to-maturity securities, and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized.

UIA's credit loss was not material to the financial statements and no adjustments were required related to this ASU.

UIA recognizes credit losses for financial assets carried at amortized cost to present the net amount expected to be collected as of the year-end. Such amounts are based on the credit losses expected to arise over the life of the asset (contractual term), which includes consideration of prepayments and is based on the expectation as of the financial position date.

Assets are written off when UIA determines that such financial assets are deemed uncollectible or based on regulatory requirements, whichever is earlier. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, not to exceed the aggregate of the amount previously written off, are included in determining the necessary reserve at the financial position date.

UIA pools its accounts receivable based on similar risk characteristics in estimating expected credit losses. In situations where certain accounts receivable do not share same risk characteristics with other receivables, UIA measures the expected credit losses for those receivables individually. UIA also continuously evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics change.

UIA determines its estimated credit losses for accounts receivable using a loss-rate approach in determining its lifetime expected credit losses on its receivables from customers. This method is used for calculating an estimate of losses based primarily on UIA's historical loss experience. In determining its loss rates, UIA evaluates information related to its historical losses, adjusted for current conditions, and further adjusted for the period of time that UIA can reasonably forecast. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider all of the following: the customers' creditworthiness, changes in policy and procedures, existence, effect of any concentration of credit and changes in level of such considerations, and the current and forecasted direction of the economic and operation environment.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the prior-year financial statements from which the summarized information was derived. With respect to the statement of activities, the prior-year information is presented in total and not presented by net asset class. With respect to the statement of functional expenses, the prior-year expenses are presented by expense classification in total, rather than functional category.

(dollars in thousands)

3. Liquidity and Availability of Resources

UIA's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

June 30, 2024		
Cash and cash equivalents	$	966
Allocations and annual assessments receivable, net		144,762
Contributions receivable, primarily for capital projects in Israel, net, current		64
Total Financial Assets Available		145,792
Less:		
Amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose or time		(49,301)
Total Financial Assets Available to Management for General Expenditures Within One Year	$	96,491

Liquidity Management

As part of UIA's liquidity management, UIA has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4. Allocations and Annual Assessments Receivable, Net

UIA's general fund and Israel Emergency Campaigns' revenues principally consist of allocations from funds that JFNA receives from the various federations' annual campaigns and Israel Emergency Campaigns, respectively. UIA records such revenues and related receivables when amounts are reported or are reasonably determinable. As of June 30, 2024, $144,762 was due from JFNA and $34 was due to JFNA.

5. Contributions Receivable - Primarily for Capital Projects in Israel, Net

UIA's Israel Education Fund revenues principally consist of contributions received for capital projects and scholarships. Unconditional promises to give are recorded as receivables and revenues and are recognized when the promises are made, at their fair value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the year in which the promises are received.

Amortization of discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. The collectability of such promises is reviewed by management, and allowances are provided for amounts estimated as being doubtful for collection.

(dollars in thousands)

Contributions receivable have been recorded at present value. Contributions receivable consist of the following:

June 30, 2024		
Under one year	$	149
		149
Less: allowance for doubtful accounts		(85)
	$	64

6. Fixed Assets

Fixed assets, net, are as follows:

June 30, 2024		
Data-processing equipment	$	183
Leasehold improvements		14
		197
Less: accumulated depreciation and amortization		(197)
	$	-

Depreciation and amortization expense was $4,439 for the year ended June 30, 2024.

7. Capital Projects in Israel

Capital projects consist principally of housing projects and other buildings, such as pre-schools, day care centers, sports halls, and colleges, in which educational and social services are provided. The majority of such projects are held under long-term renewable leases from the Israel Land Administration, a governmental organization, which restricts use of such projects for their current purpose. Housing is provided at rentals that are below market rates. For the year ended June 30, 2024, the rental income was $225. The housing-related costs are included in allocations to the Jewish Agency; therefore, UIA does not realize substantial income from such housing.

The capital projects are reflected as follows:

June 30, 2024

	Useful Life (Years)		Cost		Accumulated Depreciation		Balance
General Fund	25	$	136,883	$	(136,883)	$	-
Project Renewal Fund	25		92,233		(91,907)		326
Israel Education Fund	25		227,584		(202,584)		25,000
U.S. Government Grant Fund	25		24,309		(24,309)		-
		$	481,009	$	(455,683)	$	25,326

(dollars in thousands)

The aggregate depreciation expense charged to program services in Israel was $4,435 during the year ended June 30, 2024.

8. Net Assets with Donor Restrictions

UIA maintained the following net assets with donor restrictions:

June 30, 2024		
Net Assets Restricted in Perpetuity		
Overseas	$	16,554
Federations		702
Other		806
Total Net Assets Restricted in Perpetuity		18,062
Net Assets with Purpose and Time Restrictions		
Israel Education Fund		201
Israel Emergency Campaigns		3,648
Property, equipment, and capital projects		25,326
Other programs		8,993
Total Net Assets with Purpose and Time Restrictions		38,168
	$	56,230

Net assets were released from donor restrictions by incurring expenses satisfying the following purposes:

Year ended June 30, 2024		
Israel Education Fund	$	1,922
Israel Emergency Campaigns		308,887
Property, equipment, and capital projects		4,435
Ukraine Crisis and other programs		3,066
	$	318,310

Endowment Funds Held by JFNA on Behalf of UIA

UIA is one of the beneficiaries of donor-restricted endowment funds held by JFNA established to help fund various projects in Israel. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of JFNA, on behalf of UIA, has adopted the New York Prudent Management of Institutional Funds Act (NYPMIFA). NYPMIFA moves away from the “historic dollar value” standard and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. UIA is now governed by the NYPMIFA spending policy, which establishes a standard maximum prudent spending limit of 7% of the average of its previous five years’ balance. As a result of this interpretation, UIA classifies with donor restriction - perpetual (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund, accumulations to the permanent endowment (interest/dividends, etc.), that is not classified in with donor restriction – perpetual in nature is classified as net assets with donor restriction – purpose restricted until those amounts are appropriated for expenditure by JFNA, on behalf of UIA, in a manner consistent with the standards of prudence prescribed by NYPMIFA.

(dollars in thousands)

UIA has adopted investment and spending policies for endowment assets that attempt to provide a stream of returns that would be utilized to fund various programs while seeking to maintain the purchasing power of the endowment assets. The endowment funds are invested in vehicles such as government and equity securities, as well as alternative investments.

UIA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the funds.
- The purposes of UIA and the donor-restricted endowment funds.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation/depreciation of investments.
- Other resources of UIA.
- The investment policy of UIA.

Changes in Endowment Net Assets Held by the JFNA on Behalf of UIA

Year ended June 30, 2024		
Endowment Net Assets, beginning of year	$	18,062
Interest and dividend income		460
Appropriation of endowment assets for expenses		(460)
Endowment Net Assets, end of year	$	18,062

9. Retirement Plan

Certain UIA employees participate in the retirement plan of JFNA (a defined benefit plan), which is a trusted noncontributory plan. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The plan is financed by employer contributions that are actuarially determined to be sufficient to meet the requirements of the plan and ERISA. Effective June 30, 2013, the plan was frozen. Beginning July 1, 2013, a new defined contribution plan was created at JFNA, in which the majority of UIA's employees participate. Retirement plan expenses allocated to UIA for the year ended June 30, 2024 amounted to $25.

10. Related Organizations

UIA is the primary shareholder of public benefit corporations in Israel. As such, it has the authority to select certain Board members when there are vacancies or when the Board members' terms expire. UIA does not control the operations or have any rights to their assets. In the event of dissolution, the net assets would revert to another not-for-profit entity(ies) in Israel. Accordingly, the assets and liabilities and activities of the public benefit corporations have not been consolidated in the accompanying financial statements.

UIA and the Jewish Agency have some common Board members. UIA has the power to appoint 36 members to the Jewish Agency's Board, which does not represent the majority of the Jewish Agency Board members, and a majority of UIA Board members do not sit on the Jewish Agency Board.

UIA funds various programs that are administered by the Jewish Agency.

11. Concentration of Credit Risk

The financial instruments that potentially subject UIA to concentration of credit risk consist primarily of cash and cash equivalents. At various times, UIA has cash deposits at financial institutions that exceed the Federal Deposit Insurance Corporation (FDIC) limit. These financial institutions have strong credit ratings; therefore, management believes the risk related to these accounts is minimal.

12. Subsequent Events

UIA's management has performed subsequent events procedures through March 13, 2025, which is the date the financial statements were available to be issued, and there were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein.