P.E.F. ISRAEL ENDOWMENT FUNDS, INC.
COMPARATIVE FINANCIAL STATEMENTS
FOR YEARS ENDED NOVEMBER 30, 2021 AND 2020

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GREENFIELD & FORTUNA, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

To the Board of Trustees of
P.E.F Israel Endowment Funds, Inc.

We have audited the accompanying financial statements of P.E.F. Israel Endowment Funds, Inc. (a nonprofit organization), which comprise the statements of financial position as of November 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of P.E.F Israel Endowment Funds, Inc. as of November 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Greenfield & Fortuna, LLP

New York, N.Y.
April 9, 2022

P.E.F. ISRAEL ENDOWMENT FUNDS, INC.
STATEMENTS OF FINANCIAL POSITION
NOVEMBER 30, 2021 AND 2020

	NOVEMBER 30, 2021	NOVEMBER 30, 2020
Assets		
Cash	$ 10,436,708	$ 15,376,870
Due from Payment Processor		54,853
Interest and Dividends Receivable	46,796	38,954
Prepaid Expenses	80,197	85,608
Investments	163,030,381	142,050,963
Interest in Trust	604,380	3,755,752
Property and Equipment, net	74,481	83,822
Other Assets	33,678	33,678
Total Assets	$ 174,306,621	$ 161,480,500
Liabilities and Net Assets		
Liabilities:		
Grants Payable	$ 1,030,000	$ 1,026,500
Deferred Rent and Accrued Liabilities	104,534	285,243
Total Liabilities	1,134,534	1,311,743
Commitment (Note 7)		
Net Assets:		
Without Donor Restrictions	139,064,930	133,650,585
With Donor Restrictions	34,107,157	26,518,172
Total Net Assets	173,172,087	160,168,757
Total Liabilities and Net Assets	$ 174,306,621	$ 161,480,500

See accompanying notes to financial statements.

P.E.F. ISRAEL ENDOWMENT FUNDS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED NOVEMBER 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Contributions	$ 161,156,246	$ 5,016,146	$ 166,172,392
Investment Return, net			
Net Realized and Unrealized Gains on Investments	17,336,660	4,700,674	22,037,334
Interest and Dividends, net	757,746	271,792	1,029,538
Decrease in Interest in Trust		(265,187)	(265,187)
Total Investment Return, net	18,094,406	4,707,279	22,801,685
Net Assets Released from Restrictions	2,134,440	(2,134,440)	
Total Revenue	181,385,092	7,588,985	188,974,077
Expenses			
Grants to Qualified Organizations and Related Expenses	175,142,142		175,142,142
General and Administrative	718,470		718,470
Fundraising	110,135		110,135
Total Expenses	175,970,747		175,970,747
Change in Net Assets	5,414,345	7,588,985	13,003,330
Net Assets - Beginning of Year	133,650,585	26,518,172	160,168,757
Net Assets - End of Year	$ 139,064,930	$ 34,107,157	$ 173,172,087

See accompanying notes to financial statements.

P.E.F. ISRAEL ENDOWMENT FUNDS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED NOVEMBER 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Contributions	$ 148,455,118	$ 3,693,226	$ 152,148,344
Investment Return, net			
Net Realized and Unrealized Gains on Investments	6,575,391	883,323	7,458,714
Interest and Dividends, net	1,253,546	300,367	1,553,913
Increase in Interest in Trust		35,656	35,656
Total Investment Return, net	7,828,937	1,219,346	9,048,283
Net Assets Released from Restrictions	1,413,345	(1,413,345)	
Total Revenue	157,697,400	3,499,227	161,196,627
Expenses			
Grants to Qualified Organizations and Related Expenses	156,328,639		156,328,639
General and Administrative	762,777		762,777
Fundraising	77,207		77,207
Total Expenses	157,168,623		157,168,623
Change in Net Assets	528,777	3,499,227	4,028,004
Net Assets - Beginning of Year	133,121,808	23,018,945	156,140,753
Net Assets - End of Year	$ 133,650,585	$ 26,518,172	$ 160,168,757

See accompanying notes to financial statements.

P.E.F. ISRAEL ENDOWMENT FUNDS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED NOVEMBER 30, 2021

	Program Services	Supporting Services		Totals
	Grants to Qualified Organizations and Related Expenses	General and Administrative	Fundraising	2021
Compensation and Related Expenses				
Salaries	$ 161,433	$ 303,874	$ 9,496	$ 474,803
Employee Benefits	30,139	56,733	1,773	88,645
Total Compensation and Related Expenses	191,572	360,607	11,269	563,448
Grants	174,762,605			174,762,605
Rent	57,428	108,100	3,378	168,906
Information Technology Costs	34,011	64,020	2,001	100,032
Professional Fees	1,695	144,120		145,815
Compliance Consulting Services	72,792			72,792
Credit Card Processing Fees			92,527	92,527
Insurance	8,371	15,758	492	24,621
Office Expense	7,968	14,999	468	23,435
Computer Consulting Services	5,700			5,700
Taxes and Filing Fees		1,525		1,525
Depreciation and Amortization		9,341		9,341
Total expenses, year ended November 30, 2021	$ 175,142,142	$ 718,470	$ 110,135	$ 175,970,747

See accompanying notes to financial statements.

P.E.F. ISRAEL ENDOWMENT FUNDS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED NOVEMBER 30, 2020

	Program Services	Supporting Services		Totals
	Grants to Qualified Organizations and Related Expenses	General and Administrative	Fundraising	2020
Compensation and Related Expenses				
Salaries	$ 159,194	$ 299,660	$ 9,364	$ 468,218
Employee Benefits	32,945	62,013	1,938	96,896
Total Compensation and Related Expenses	192,139	361,673	11,302	565,114
Grants	155,928,195			155,928,195
Rent	57,831	108,859	3,402	170,092
Information Technology Costs	35,673	67,149	2,098	104,920
Professional Fees		162,320		162,320
Compliance Consulting Services	72,563			72,563
Credit Card Processing Fees			58,903	58,903
Insurance	11,122	20,936	654	32,712
Office Expense	14,418	27,139	848	42,405
Computer Consulting Services	16,698			16,698
Taxes and Filing Fees		4,593		4,593
Depreciation and Amortization		10,108		10,108
Total expenses, year ended November 30, 2020	$ 156,328,639	$ 762,777	$ 77,207	$ 157,168,623

See accompanying notes to financial statements.

P.E.F ISRAEL ENDOWMENT FUNDS, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED NOVEMBER 30, 2021 AND 2020

	2021	2020
Cash Flows From Operating Activities		
Change in Net Assets	$ 13,003,330	$ 4,028,004
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and Amortization	9,341	10,108
Net Realized and Unrealized Gains on Investments	(22,037,334)	(7,458,714)
Donated Securities	(20,670,787)	(22,627,936)
Loss (Donated Interest and Income) in Trust	265,187	(3,755,752)
(Increase) decrease in operating assets:		
Due from Payment Processor	54,853	(54,853)
Interest and Dividends Receivable	(7,842)	28,098
Prepaid Expenses	5,411	(19,830)
Other Assets		525
Increase (decrease) in operating liabilities:		
Grants Payable	3,500	(261,001)
Deferred Rent and Accrued Liabilities	(180,709)	180,586
Net Cash Used In Operating Activities	(29,555,050)	(29,930,765)
Cash Flows From Investing Activities		
Proceeds from Sales of Investments	43,330,573	60,502,255
Purchases of Investments	(21,601,870)	(20,244,306)
Net distributions from Interest in Trust	2,886,185	
Purchase of Property and Equipment		(73,280)
Net Cash Provided By Investing Activities	24,614,888	40,184,669
Net (Decrease) Increase In Cash	(4,940,162)	10,253,904
Cash At Beginning of Year	15,376,870	5,122,966
Cash At End of Year	$ 10,436,708	$ 15,376,870
Supplemental disclosure:		
Unrelated business income tax paid	$ 250	$ 2,841

See accompanying notes to financial statements.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Organization

P.E.F. Israel Endowment Funds, Inc. (PEF) is a non-profit organization incorporated in the State of New York and is a tax-exempt public charity under the United States Internal Revenue Code 501(c)(3). It was established in 1922 as Palestine Endowment Funds, Inc. After the founding of the State of Israel its name was changed. PEF's support is derived from public contributions by individuals and organizations. PEF primarily supports charitable organizations in Israel.

b) Basis of Accounting

The financial statements of PEF have been prepared on the accrual basis of accounting in accordance with United States generally accepted accounting principles (GAAP).

c) Basis of Presentation

The organization is required to report information regarding its financial position and activities in accordance with GAAP, as applicable to not-for-profit organizations.

Net Assets Without Donor Restrictions - net assets that are not subject to donor imposed stipulations and where a privilege of grant recommendation is given to the donor (and his or her designees) and the distribution of principal and income is governed by PEF grant guidelines. Even when a recommendation fully complies with such guidelines, the Board of Directors has the absolute power and authority to reject such recommendation.

Net Assets With Donor Restrictions - consist of contributed endowment funds subject to specific donor-imposed restrictions, contingent upon the occurrence of a specific future event or a specific passage of time before PEF may spend the funds, and earnings on endowment funds that have not yet been appropriated. Certain contributed endowment funds are subject to donor-imposed restrictions requiring that the assets be maintained in perpetuity. (See Note 4)

d) Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

e) Contribution Revenue

Contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designated to be held in perpetuity or for a period of time are reported as net assets with donor restrictions. When the restriction expires, those net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from net assets with donor restrictions. Donated marketable securities are recorded as contributions at their fair values on date of donation.

Contributions processed through credit card payments are handled by an independent payment processor. Donor contributions collected by the payment processor not deposited to PEF's bank account are recorded as due from payment processor.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

f) Grants

Grants made to others are recorded as an expense when they become unconditional promises by PEF to give based on guidelines promulgated by the Board of Directors. At November 30, 2021 and 2020, promises to give to grantees but not disbursed were $1,030,000 and $1,026,500, respectively, and payable within one year.

g) Functional allocation of expenses

The costs of providing grants and supporting services have been summarized on a functional basis in the accompanying statements of activities. The statements of functional expenses present expenses by function and natural classification. Accordingly, direct costs have been charged to the program and supporting services based on the nature of each expense. Indirect costs have been functionalized on the basis of utilization of resources and by employee time allocations.

h) Cash

Cash is composed of available cash balances. PEF maintains its cash in bank deposit accounts.

i) Promises to Give

Promises to give are oral or written agreements by donors to contribute cash or other assets to an entity. A promise to give is unconditional if its receipt depends only on the passage of time or demand by the organization and no right of return of any assets transferred exists. Conditional promises generally depend on some future event occurring before the promisor is bound or allow for a right of return of assets depending on some future event. Unconditional promises to give that are expected to be collected in less than one year are recorded at their net realizable value, which is the estimate of their fair value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows.

The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises are recorded when the conditions are substantially met or explicitly waived, at which time the conditional promise becomes unconditional. Unconditional promises with donor imposed restrictions are recorded as net assets with donor restrictions. There are no promises to give as of November 30, 2021 and 2020.

j) Investments and Investment Income

Investments in equity securities with readily determinable fair values and investments in debt securities are reported at fair value determined on the basis of quoted market prices. Investments in non-exchange traded limited partnerships and similar interests for which market values are not readily obtainable are carried at fair value as determined by the respective limited partnership or PEF's management. As a practical expedient, hedge funds are valued using the net asset value per share. These values may differ significantly from values that would have been used had a readily available market existed for such investments, and the differences could be material to the change in net assets of PEF.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Investments and Investment Income (continued)

Investment transactions are recorded on a trade-date basis. Realized gains and losses are determined on the first-in, first-out basis. Unrealized gains or losses are determined by comparing cost to fair value at the beginning and end of the year. Gains or losses on investments are recognized as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations.

Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Interest and dividend income for the years ended November 30, 2021 and 2020 are shown net of investment expenses of $1,038,860 and $818,817, respectively.

Distributions from limited partnerships and similar interests that represent return of contributed capital reduce the cumulative cost basis of the respective investment. Distributions received from limited partnerships and similar interests in excess of PEF's cumulative cost are recognized as realized gain.

k) Interest in Trust

Nonforfeitable rights to receive future sums that are fixed or determined, not contingent on the holder's life expectancy or the occurrence of a particular event and does not require future performance of service on the part of the holder are recorded at discounted values. PEF's interest in trust was recorded as net assets with donor restrictions when its rights became irrevocable and fair value was determined using market values of trust's underlying assets (Note 6).

l) Fair Value of Financial Instruments

PEF's financial instruments are cash, due from payment processor and grants payable. The recorded values of these financial instruments approximate their fair values based on their short-term nature.

m) Concentrations of Credit Risk and Market Risk

Financial instruments that potentially subject PEF to concentrations of credit risk consist principally of cash and money market funds that are deposited in financial institutions which exceeded federally insured limits at times during the years ended November 30, 2021 and 2020. PEF has not experienced any losses in such accounts and management believes the organization is not exposed to any significant risk on these accounts.

PEF utilizes various investment instruments including mutual funds, hedge funds and similar interests. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Donated Services

No amounts have been reflected in the financial statements for donated services. PEF generally pays for services requiring specific expertise. Trustees volunteer their time and perform a variety of tasks that assists PEF in its operations.

At times, trustees also make cash and non-cash contributions to the organization, which are included in the financial statements.

o) Depreciation and Amortization

Property and Equipment are stated at cost less accumulated depreciation and amortization. PEF capitalizes expenditures in excess of $1,000 that have a useful life greater than one year. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation is computed using the straight-line method over their estimated useful lives of 3 years for computer software and 5 to 7 years for equipment. Leasehold improvements are amortized over the shorter of their estimated useful lives or the term of the related lease.

p) Income Taxes

PEF is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. PEF believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at November 30:

	2021	2020
Equipment	$ 82,865	$ 82,865
Computer Software	65,800	65,800
Leasehold Improvements	3,315	3,315
	151,980	151,980
Less: Accumulated Depreciation and Amortization	(77,499)	(68,158)
	$ 74,481	$ 83,822

For the years ended November 30, 2021 and 2020, depreciation and amortization expense was $9,341 and $10,108, respectively.

NOTE 3 - ADMINISTRATIVE FEES

To pay its operating expenses, PEF charges an administrative fee to all donor-advised funds as described below. Fees were based on total asset value as follows:

Account Balance	Administrative Fee (Per Annum)
Assets up to $4,000,000	75 basis points
Additional assets exceeding $4,000,000	30 basis points

The administrative fee is charged annually, and it reduces the value of the donor-advised funds and increases the value of PEF's operating fund. The fee was $720,729 and $692,546 for years ended November 30, 2021 and 20120, respectively.

NOTE 4 - ENDOWMENT FUNDS

PEF's net assets with donor restrictions is comprised of 8 individual endowment funds as of November 30, 2021 and 2020, and is an aggregation of gifts provided by donors with the requirement they be held in perpetuity or for a period of time to generate earnings now and in future years to support funding its programs and administrative operating costs.

PEF has no board-designated endowment funds as of November 30, 2021 and 2020. The composition of net assets with donor restrictions as of November 30, 2021 and 2020 by type of endowment fund and in total are as follows:

	November 30, 2021	November 30, 2020
Original donor-restricted gift amount required to be retained in perpetuity	$ 25,898,957	$ 18,267,653
Term endowment funds	6,724,134	6,681,091
Investment gains	1,484,066	1,569,428
Total endowment funds classified as net assets with donor restrictions	$ 34,107,157	$ 26,518,172

Changes in Endowment Net Assets for the Fiscal Year Ended November 30:

	2021	2020
Endowment Net Assets, Beginning of Year	$ 26,518,172	$ 23,018,945
Reclass to Restricted Assets		266,723
Contributions	5,016,146	3,693,226
Investment Return, net:		
Interest and Dividends	271,792	300,367
Net Appreciation (realized and unrealized)	4,435,487	918,979
Total Investment Return	4,707,279	1,219,346
Appropriation of Endowment Assets for Expenditure	(2,134,440)	(1,680,068)
Endowment Net Assets, End of Year	$ 34,107,157	$ 26,518,172

NOTE 4 - ENDOWMENT FUNDS (Continued)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires PEF to retain as a fund of perpetual duration. In accordance with United States generally accepted accounting principles, accumulated deficiencies of this nature exist in one donor-restricted endowment fund, which has an original gift value of $20,448,125 and during the year ended November 30, 2021 received an additional contribution of $5,016,146. The fund has a current fair value of $25,168,257 and $17,536,953 as of November 30, 2021 and 2020, respectively. Deficiencies that are reported in net assets with donor restrictions totaled $296,014 and $2,911,172 as of November 30, 2021 and 2020, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of the original contribution and continued appropriation for certain grants that were deemed prudent by the Board of Trustees.

PEF is subject to the New York Prudent Management of Institutional Funds Act ("NYPMIFA). In accordance with NYPMIFA, PEF applies a standard of prudence and considers the following factors prescribed by NYPMIFA in making a determination to appropriate for expenditure or to accumulate donor-restricted endowments funds:

(1) The duration and preservation of the fund
(2) The purposes of PEF and its donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation or deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of PEF
(7) The investment policies of PEF, and
(8) Where appropriate, alternatives to spending from donor-restricted endowment funds and the possible effects on PEF.

Return objectives and risk parameters:

PEF has adopted investment and spending policies for endowment assets to provide a stable stream of funding for programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity, or for a donor-specified period. Endowment assets are invested in a manner intended to produce results that meet or exceed the five-year consumer price index. Actual returns in any given year may vary.

Strategies employed for achieving objectives:

To satisfy its long-term rate-of-return, PEF 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). PEF targets a diversified asset allocation within prudent risk constraints.

Spending policy and related objectives:

PEF has a policy of appropriating amounts sufficient for the purpose(s) of the endowment. In establishing this policy, PEF considered the long-term expected return on its endowment. Accordingly, over the long term, PEF expects the current spending policy to maintain a stable stream of funding to programs. PEF has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater taking into consideration donor intent and relevant laws and regulations and the ability to replenish the endowment fund balance.

NOTE 5 - FAIR VALUE MEASUREMENTS

Accounting Standards Codification (ASC) Topic 820, Fair Value Measurement, 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. This pronouncement also establishes a framework for measuring and disclosing fair value of assets and liabilities. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 820 are described below:

Fair Value Hierarchy

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 - Other significant observable inputs (including quoted prices in active markets for similar assets or liabilities).

Level 3 - Significant unobservable inputs (including the organization's own assumptions in determining the fair value of assets or liabilities).

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Certain of PEF's investments are valued using net asset value ("NAV") as a practical expedient of fair value. PEF uses NAV to measure the fair values of the investments in hedge funds. The use of the practical expedient is applicable for investments which (a) do not have a readily determinable fair value and (b) the financial statements of which were prepared by the respective investment managers, consistent with the measurement principles of an investment company or that have the attributes of an investment company. Investments valued at NAV per share are not required to be categorized within the fair-value hierarchy and accordingly have been excluded from the fair-value hierarchy.

PEF uses the following ways to determine the fair value of its Level 2 and Level 3 investments:

- Government and corporate bonds: Determined by the closing bid price on the measurement date.
- Partnership and Tenancy in Common: Determined considering brokers quotes and published price or best information available (liquidation value) in the circumstance that impact value.
- Interest in Trust - determined based on asset valuation and the equitable interest in the trust taking into consideration the fair values of the underlying assets of the Trust.

There were no changes in the valuation techniques during the year. Realized and unrealized gains are included in Net Realized and Unrealized Gains on Investments in the accompanying statement of activities.

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

The following tables summarize the fair values of PEF's investments and interest in Trust on a recurring basis in accordance with the fair value hierarchy and NAV per share as a practical expedient as of November 30, 2021.

	Total	Level 1	Level 2	Level 3	NAV
Investments:					
Equities	$ 97,284,838	$ 97,284,838	$	$	$
Mutual Funds	32,772,679	32,772,679			
Money Market Funds and Deposits at Brokers	8,664,789	8,664,789			
Fixed Income Securities:					
Government Bonds	1,684,728		1,684,728		
Corporate Bonds	3,768,766		3,768,766		
Limited Partnership - Real Estate	365,000			365,000	
Tenancy in Common - Real Estate	306,250			306,250	
Investments excluding Hedge Funds	144,847,050	138,722,306	5,453,494	671,250	
Hedge Funds	18,183,331				18,183,331
	$163,030,381	$138,722,306	$ 5,453,494	$ 671,250	$ 18,183,331
Interest in Trust	$ 604,380			$ 604,380	

The following tables summarize the fair values of PEF's investments and interest in Trust on a recurring basis in accordance with the fair value hierarchy and NAV per share as a practical expedient as of November 30, 2020.

	Total	Level 1	Level 2	Level 3	NAV
Investments:					
Equities	$ 76,807,414	$ 76,807,414	$	$	$
Mutual Funds	30,305,154	30,305,154			
Money Market Funds and Deposits at Brokers	13,174,206	13,174,206			
Fixed Income Securities:					
Government Bonds	2,121,822		2,121,822		
Corporate Bonds	2,836,074		2,836,074		
Limited Partnership - Real Estate	386,000			386,000	
Tenancy in Common - Real Estate	350,000			350,000	
Investments excluding Hedge Funds	125,980,670	120,286,774	4,957,896	736,000	
Hedge Funds	16,070,293				16,070,293
	$142,050,963	$120,286,774	$ 4,957,896	$ 736,000	$ 16,070,293
Interest in Trust	$ 3,755,752			$ 3,755,752	

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

The following table shows reconciliations of the opening balances to the closing balances for each class of assets with fair value measurements using significant unobservable inputs (Level 3) for the year ended November 30, 2021:

	Limited Partnership	Tenancy In Common	Interest in Trust
Opening balance, December 1, 2020	$ 386,000	$ 350,000	$ 3,755,752
Advances			84,090
Withdrawals	(18,243)	(32,830)	(2,970,275)
Transfer into (out of) Level 3			
Total gains (losses) for the period	(2,757)	(10,920)	(265,187)
Purchases, sales, issues and settlements			
Ending balance, November 30, 2021	$ 365,000	$ 306,250	$ 604,380
Change in unrealized gains (losses) for assets held at the end of the year.	$ (15,582)	$ (43,750)	$ (81,177)

The following table shows reconciliations of the opening balances to the closing balances for each class of assets with fair value measurements using significant unobservable inputs (Level 3) for the year ended November 30, 2020:

	Limited Partnership	Tenancy In Common	Interest in Trust
Opening balance, December 1, 2019	$ -	$ -	$ -
Contributions and advances	289,772	400,000	3,720,096
Withdrawals	(16,633)	(48,388)	
Transfer into (out of) Level 3			
Total gains (losses) for the period	112,861	(1,612)	35,656
Purchases, sales, issues and settlements			
Ending balance, November 30, 2020	$ 386,000	$ 350,000	$ 3,755,752
Change in unrealized gains (losses) for assets held at the end of the year.	$ 113,717	$ (50,000)	$ (61)

There were no transfers between Level 2 and Level 3 during both years. PEF's policy is to recognize transfers into and transfers out of Level 3 as of the date of the event or change in circumstances that caused the transfer.

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

The following table lists investments using NAV as a practical expedient at November 30, 2021 and 2020:

Investment Type/Category	Strategy	2021	2020	Redemption Notice Period	Redemption Frequency
Hedge Fund	Multi-Strategy	$ 3,991,930	$ 3,611,694	90 Days	Annually
Hedge Fund	Multi-Strategy	10,963,872	9,495,310	60 Days	Quarterly
Hedge Fund	Multi-Strategy	3,227,529	2,963,289	65 Days	Quarterly
		$ 18,183,331	$ 16,070,293		

As of November 30, 2021 and 2020, there are no unfunded commitments related to investments in hedge funds.

NOTE 6 – INTEREST IN TRUST

As of March 26, 2020, PEF became the remainder beneficiary of a trust (the Trust) created under the will of a donor. The will stipulated that upon the death of the donor and his wife, PEF is to be paid the remaining estate and entire principal of the trust, subject to certain stipulations. On November 5, 2020, the President of PEF became the trustee of the Trust. As of November 30, 2021 and 2020, the assets of the Trust are as follows:

	2021	2020
Cash	$ 69,380	$ 64,655
Investments		2,504,711
Residential Real Estate	535,000	1,200,000
Current liabilities		(13,614)
PEF's interest	$ 604,380	$ 3,755,752

For the year ended November 30, 2021 and for the period March 27 through November 30, 2020, the Trust statements of activities are as follows:

	2021	2020
Interest income	$ 31,001	$ 48,497
Dividend income	3,468	5,990
Expenses	(64,113)	(18,770)
Realized Loss	(154,366)	
Unrealized Loss	(81,177)	(61)
Net (decrease) increase in interest in Trust	$ (265,187)	$ 35,656

NOTE 6 - INTEREST IN TRUST (Continued)

As of March 27, 2020, the fair value of the assets of the Trust donated to PEF amounted to $3,693,226 which is included in contributions for the year ended November 30, 2020. During the year ended November 30, 2021 and for the period March 27, 2020 through November 30, 2020, PEF paid $84,090 and $26,870, respectively, for expenses on behalf of the Trust. The residential real property owned by the Trust was sold in January 2022.

NOTE 7 - COMMITMENT

Office Lease

PEF is obligated under a non-cancelable operating lease for office space, expiring in January 2025. The lease contains annual escalation clauses and, accordingly, rent expense is recorded on the straight line basis over the life of the lease. Rental expense was $168,906 and $170,092 for the years ended November 30, 2021 and 2020, respectively. Future minimum lease payments for the years ended November 30, are as follows:

2022	$ 180,199
2023	185,353
2024	190,661
2025	32,532
	$ 588,745

NOTE 8 - LIQUIDITY AND AVAILABILITY OF RESOURCES

PEF maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. Management invests cash in excess of monthly requirements in liquid or short-term investments.

The following reflects PEF's financial assets as of the financial position date, reduced by amounts not available for general use within one year of November 30, 2021 and 2020 because of contractual or donor-imposed restrictions.

Financial assets:	November 30, 2021	November 30, 2020
Cash	$ 10,436,708	$ 15,376,870
Due from Payment Processor		54,853
Interest and Dividends Receivable	46,796	38,954
Investments	163,030,381	142,050,963
Interest in Trust	604,380	3,755,752
Total Financial Assets	174,118,265	161,277,392
Less: amounts unavailable for general expenditures within one year, due to contractual or donor imposed restrictions	32,919,105	27,859,916
Total financial assets available to meet cash needs for general expenditures within one year	$ 141,199,160	$ 133.417.476

NOTE 9 - ADOPTION OF ACCOUNTING PRINCIPLES

In June 2018, the FASB_issued ASU No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made (Topic 985).* ASU 2018-08 should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional or unconditional. The resource recipient of the ASU is effective for fiscal year beginning after December 15, 2018 and the resource provider portion of the ASU is effective for fiscal year beginning after December 15, 2019. The adoption of this standard did not have a material impact on the financial statements of PEF for the fiscal year ended November 30, 2020.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820) Disclosure Framework – Changes to the Disclosure Requirements of Fair Value Measurement,* which modified the disclosure requirements and is effective for fiscal year beginning after December 15, 2019 with early adoption permitted. An entity is permitted to early adopt any removed or modified disclosures upon issuance of this update and delay adoption of the additional disclosures until their effective date. ASU 2018-13 removed the disclosure requirements of a) amount of and reasons for transfers between Level 1 and Level 2; b) policy for timing of transfers, c) valuation process for Level 3 fair value measurements, and for nonpublic entities, the changes in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements held at the end of the reporting period. ASU 2018-13 modified and added certain disclosures for Level 3 fair value measurements and investments in certain entities that calculate net asset values. PEF early adopted this pronouncement and did not delay the adoption of additional disclosures for the fiscal year ended November 30, 2020.

NOTE 10 - UPCOMING ACCOUNTING PRINCIPLES

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* which will require entities to recognize lease assets and lease liabilities (related to leases previously classified as operating under previous U.S. GAAP) on the statements of financial position. ASU 2019-10 and later ASU 2020-05 extended the effective date for not-for-profit organizations and private companies to apply for fiscal year beginning after December 15, 2021. Early application is allowed. Management is assessing the impact of this ASU on its financial statements and not required to adopt this accounting principle until its fiscal year ending November 30, 2023.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Non-for-Profit Entities for Contributed Nonfinancial Assets,* intended to improve transparency in the reporting of contributed nonfinancial assets. Nonfinancial assets includes fixed assets (such as land, building and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The ASU requires not-for-profit organizations to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets.

NOTE 10 - UPCOMING ACCOUNTING PRINCIPLES (Continued)

For each category of contributed nonfinancial assets, disclosures include: i) qualitative information about whether the contributed nonfinancial assets were either monetized or utilized, ii) the not-for-profit's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets, iii) a description of any donor-imposed restrictions, iv) a description of the valuation techniques and inputs to arrive at fair value measure, at initial recognition, v) the principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient not-for-profit is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The amendments in this ASU should be applied retrospectively and are effective for fiscal annual periods beginning after June 15, 2021. Early adoption is permitted.

NOTE 11 – COVID-19

PEF's operations have been affected by the ongoing outbreak of the corona virus disease 2019 (COVID-19) which in March 2020, was declared a pandemic by the World Health Organization. The ultimate disruption caused by the outbreak is uncertain and will depend on future developments in the financial markets and global economy. It may result in a material negative impact on PEF's financial position, operations and cash flows. Possible areas that may be affected include, but are not limited to, disruption to PEF's revenue and the decline in the carrying fair market value of investments.

NOTE 12 - SUBSEQUENT EVENTS

PEF's management has evaluated subsequent events through April 9, 2022 which is the date the financial statements were available to be issued, and has concluded that there are no subsequent events for disclosure.