

Jewish Federation of Greater Hartford

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

June 30, 2025 and 2024

CohnReznick 

Jewish Federation of Greater Hartford

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Independent Auditor's Report

To the Board of Directors
Jewish Federation of Greater Hartford

Opinion

We have audited the financial statements of Jewish Federation of Greater Hartford, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 Jewish Federation of Greater Hartford as of June 30, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Jewish Federation of Greater Hartford and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Jewish Federation of Greater Hartford's ability to continue as a going concern for 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 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, 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 Jewish Federation of Greater Hartford'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 Jewish Federation of Greater Hartford'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 audits.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 26 and 27 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CohnReznick LLP

Hartford, Connecticut
October 16, 2025

Jewish Federation of Greater Hartford

**Statements of Financial Position
June 30, 2025 and 2024**

	<u>Assets</u>	
	2025	2024
Current assets		
Cash and cash equivalents	\$ 2,894,787	\$ 2,680,855
Promises to give - annual campaign, net of allowance of \$290,411 and \$288,750, respectively	2,813,546	2,183,078
Promises to give - special campaigns, net of allowance of \$5,257 and \$7,117, respectively	4,038,615	740,658
Investments (Note 3)	2,703,533	2,991,020
Grant receivable	145,298	-
Due from Jewish Community Foundation	21,763	142,261
Other current assets	79,045	101,274
Prepaid expenses and advances in community support	222,632	130,481
Total current assets	12,919,219	8,969,627
Property and equipment, at cost		
Building and improvements	7,239,741	7,239,741
Equipment and furniture	1,178,509	1,055,958
	8,418,250	8,295,699
Less accumulated depreciation	(5,463,473)	(5,199,549)
Total property and equipment, net	2,954,777	3,096,150
Noncurrent assets		
Loan receivable	207,982	121,651
Deferred compensation trust (Note 5)	24,960	22,318
Total other assets	232,942	143,969
Total assets	\$ 16,106,938	\$ 12,209,746

Jewish Federation of Greater Hartford

**Statements of Financial Position
June 30, 2025 and 2024**

Liabilities and Net Assets

	<u>2025</u>	<u>2024</u>
Current liabilities		
Community support payable - local agencies	\$ 1,802,968	\$ 1,871,416
Community support payable - The Jewish Federations of North America	1,157,640	703,710
Accounts payable and accrued expenses	387,326	295,870
Refundable advance	150,000	150,000
Total current liabilities	<u>3,497,934</u>	<u>3,020,996</u>
Noncurrent liabilities		
Deferred compensation liability (Note 5)	24,960	22,318
Total noncurrent liabilities	<u>24,960</u>	<u>22,318</u>
Total liabilities	<u>3,522,894</u>	<u>3,043,314</u>
Net assets		
Without donor restrictions		
Undesignated	2,622,645	2,398,390
Board-designated (Note 14)	697,235	815,143
Building	2,584,659	2,824,686
Total net assets without donor restrictions	5,904,539	6,038,219
With donor restrictions (Note 15)	6,679,505	3,128,213
Total net assets	<u>12,584,044</u>	<u>9,166,432</u>
Total liabilities and net assets	<u>\$ 16,106,938</u>	<u>\$ 12,209,746</u>

See Notes to Financial Statements.

Jewish Federation of Greater Hartford

**Statements of Activities
Years Ended June 30, 2025 and 2024**

	2025	2024
Changes in net assets without donor restrictions		
Public support		
Annual campaign (Note 16)	\$ 5,806,788	\$ 5,554,409
Israel emergency campaign	235,702	5,929,526
Bequests to federation transferred to Jewish Community Foundation	-	2,500
Grant revenue	145,298	-
Rental income	122,607	122,607
Designated gifts	48,267	75,877
Other support	616,285	135,447
Total public support	6,974,947	11,820,366
Revenue		
Investment income	188,318	181,706
Total revenue	188,318	181,706
Total public support and revenue	7,163,265	12,002,072
Net assets released from restrictions (Note 15)	1,142,574	1,082,966
Total support and revenue without donor restrictions	8,305,839	13,085,038
Program expenses		
Community services	4,123,326	2,949,129
Community support local agencies - annual campaign	1,763,749	1,678,928
Community support local agencies - designated gifts	252,093	331,429
The Jewish Federations of North America - community support and annual dues	1,103,938	6,620,258
Local dues	500	1,045
Bequests to federation transferred to Jewish Community Foundation	-	2,500
Total program and expenses	7,243,606	11,583,289
Supporting expenses		
Management and general	422,467	367,703
Fundraising	773,446	635,555
Total supporting expenses	1,195,913	1,003,258
Total expenses	8,439,519	12,586,547
(Decrease) increase in net assets without donor restrictions	(133,680)	498,491

Jewish Federation of Greater Hartford

**Statements of Activities
Years Ended June 30, 2025 and 2024**

	2025	2024
Changes in net assets with donor restrictions		
Annual campaign revenue raised for subsequent fiscal year	165,461	183,614
Literacy program/JCRC	53,896	42,518
PJ Library	7,500	5,500
Sponsorship for future events	1,800	25,000
Security initiative	100,428	736,180
Programs	95,403	94,871
Dignity	-	1,015
Jessie's Community Gardens	818	386
Designated gifts	10,000	2,671
Jewish Free Loan Fund of Greater Hartford	18,017	5,000
Emissary/Shaliach	176,619	-
Morocco relief fund	-	5,487
Ukraine relief fund	400	14,226
Israel relief fund	125,834	1,249,658
Now and forever campaign	3,937,690	-
Total additions to net assets with donor restrictions	4,693,866	2,366,126
Net assets released from restrictions (Note 15)	(1,142,574)	(1,082,966)
Increase in net assets with donor restrictions	3,551,292	1,283,160
Change in net assets	3,417,612	1,781,651
Net assets, beginning	9,166,432	7,384,781
Net assets, end	\$ 12,584,044	\$ 9,166,432

See Notes to Financial Statements.

Jewish Federation of Greater Hartford

**Statement of Functional Expenses
Year Ended June 30, 2025
(With Comparative Totals for 2024)**

	Program expenses						2025 Total	2024 Total
	Outreach and education	Planning and community support	Communication, marketing and public relations	Federation services	Management and general	Fundraising		
Wages	\$ 261,768	\$ 108,057	\$ 295,366	\$ 1,092,581	\$ 229,434	\$ 261,768	\$ 2,248,974	\$ 2,109,942
Employee benefits	60,160	21,493	56,033	217,315	48,285	60,160	463,446	386,844
Direct campaign expenses (Note 7)	82,985	-	-	-	-	82,986	165,971	151,346
Occupancy	50,095	33,396	19,481	22,264	75,142	77,925	278,303	307,697
Publicity/marketing	11,685	-	42,844	3,895	-	19,474	77,898	77,619
Data processing	13,851	6,464	5,540	4,617	4,617	57,249	92,338	46,919
Legal/audit fees/professional fees	-	-	-	-	39,410	-	39,410	44,885
Credit card fees (Note 7)	12,714	-	-	-	-	12,714	25,428	31,806
Conferences and training	1,351	563	563	450	113	8,217	11,257	12,035
Telephone	2,056	685	1,028	1,371	685	11,308	17,133	17,579
Office supplies	2,772	693	2,310	6,468	1,155	9,702	23,100	9,006
Missions	8,818	-	-	-	-	8,818	17,636	21,316
Annual meeting	227	-	1,133	-	-	906	2,266	4,891
Stationery and printing	454	80	535	134	134	1,336	2,673	1,878
Depreciation	47,506	31,671	18,475	71,259	21,114	73,898	263,923	269,460
Postage	653	115	192	307	77	2,497	3,841	4,769
Insurance	5,006	3,337	1,947	7,508	2,225	7,787	27,810	23,836
Committee expenses	10,988	15,383	4,395	2,198	-	10,988	43,952	53,892
Recruiting/relocation	771	514	977	771	51	2,057	5,141	557
Awards and subscriptions	408	-	2,039	-	-	1,631	4,078	3,389
Program expenses	-	-	-	1,441,509	-	-	1,441,509	352,243
Miscellaneous	303	303	303	193	25	3,425	4,552	1,709
Bad debt	-	-	-	-	-	58,600	58,600	18,769
Community support and expenses	-	3,120,280	-	-	-	-	3,120,280	8,634,160
Total	\$ 574,571	\$ 3,343,034	\$ 453,161	\$ 2,872,840	\$ 422,467	\$ 773,446	\$ 8,439,519	\$ 12,586,547

See Notes to Financial Statements.

Jewish Federation of Greater Hartford

**Statement of Functional Expenses
Year Ended June 30, 2024**

	Program expenses						Total
	Outreach and education	Planning and community support	Communication, marketing and public relations	Federation services	Management and general	Fundraising	
Wages	\$ 253,368	\$ 104,116	\$ 231,013	\$ 1,052,730	\$ 215,347	\$ 253,368	\$ 2,109,942
Employee benefits	51,413	17,286	43,521	174,785	48,426	51,413	386,844
Direct campaign expenses (Note 7)	75,673	-	-	-	-	75,673	151,346
Occupancy	21,167	14,111	8,232	199,510	31,750	32,927	307,697
Publicity/marketing	11,643	-	42,690	3,881	-	19,405	77,619
Data processing	7,038	3,284	2,815	2,346	2,346	29,090	46,919
Legal/audit fees/Professional fees	-	-	-	-	44,885	-	44,885
Credit card fees (Note 7)	15,903	-	-	-	-	15,903	31,806
Conferences and training	1,444	602	602	481	120	8,786	12,035
Telephone	2,109	704	1,055	1,406	703	11,602	17,579
Office supplies	1,081	270	901	2,522	450	3,782	9,006
Missions	10,658	-	-	-	-	10,658	21,316
Annual meeting	488	-	2,446	-	-	1,957	4,891
Stationery and printing	319	56	376	94	94	939	1,878
Depreciation	48,503	32,335	18,862	72,754	21,557	75,449	269,460
Postage	811	143	237	382	95	3,101	4,769
Insurance	4,290	2,860	1,669	6,436	1,907	6,674	23,836
Committee expenses	13,473	18,862	5,389	2,695	-	13,473	53,892
Recruiting/relocation	84	56	106	82	6	223	557
Awards and subscriptions	339	-	1,695	-	-	1,355	3,389
Program expenses	-	-	-	352,243	-	-	352,243
Miscellaneous	188	188	188	120	17	1,008	1,709
Bad debt	-	-	-	-	-	18,769	18,769
Community support and expenses	-	8,634,160	-	-	-	-	8,634,160
Total	\$ 519,992	\$ 8,829,033	\$ 361,797	\$ 1,872,467	\$ 367,703	\$ 635,555	\$ 12,586,547

See Notes to Financial Statements.

Jewish Federation of Greater Hartford

Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 3,417,612	\$ 1,781,651
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Realized and unrealized gain on investments	(25,725)	(59,333)
Depreciation	263,923	269,460
Bad debt expense	58,600	18,769
Change in operating assets and liabilities		
Promises to give - annual and special campaigns, net	(3,987,025)	(510,222)
Loan receivable	(86,331)	(29,753)
Grant receivable	(145,298)	-
Due from Jewish Community Foundation	120,498	(102,265)
Other current assets	22,229	(27,526)
Prepaid expenses and advances in community support	(92,151)	(50,481)
Deferred compensation	(2,642)	(2,759)
Community support payable	385,482	(150,038)
Accounts payable and accrued expenses	91,456	(26,707)
Refundable advance	-	25,000
Other liabilities	-	(7,361)
Deferred compensation	2,642	2,759
	<u>23,270</u>	<u>1,131,194</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Acquisition of equipment and furniture	(122,550)	(210,173)
Purchase of investments	(589,557)	(8,873,159)
Sale of investments	902,769	7,347,260
	<u>190,662</u>	<u>(1,736,072)</u>
Net cash provided by (used in) investing activities		
Net increase (decrease) in cash and cash equivalents	213,932	(604,878)
Cash and cash equivalents, beginning	<u>2,680,855</u>	<u>3,285,733</u>
Cash and cash equivalents, end	<u>\$ 2,894,787</u>	<u>\$ 2,680,855</u>

See Notes to Financial Statements.

Jewish Federation of Greater Hartford

Notes to Financial Statements June 30, 2025 and 2024

Note 1 - Organization and summary of significant accounting policies

Organization

Jewish Federation of Greater Hartford (the "Federation") is a community-based nonprofit organization whose purpose is to raise funds for the support of local, national and overseas Jewish philanthropic programs and agencies; to enrich the educational, cultural and social life of the Greater Hartford Jewish community; to provide for central planning, coordination and administration of local Jewish communal services; to safeguard and defend the civic, economic and religious rights of the Jewish people; to represent the Jewish community in interfaith and intergroup activities; and to maintain links with the Jewish people of Israel and in every other part of the world.

Financial statement presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. The Federation reports information regarding its financial position and activities according to two classes of net assets described as follows:

Net assets without donor restrictions

Net assets without donor restrictions - represent available resources other than donor-restricted contributions. Included in net assets without donor restrictions are funds that may be earmarked for specific purposes.

Board-designated net assets - net assets established by the Board of Directors, which represents funds without donor restrictions set aside for future needs of the Federation.

Net assets with donor restrictions

Net assets subject to donor- (or certain grantor-) imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Property and equipment

The Federation capitalizes all expenditures for property and equipment that are in excess of \$1,000 and have a useful life greater than three years. Purchased property and equipment are carried at cost. Donated property and equipment used in operations are recorded at the approximate fair value at the date of donation. Donated collection items are expensed in the period acquired. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated lives for financial reporting purposes are as follows:

Asset	Estimated useful lives
Building	30 years
Equipment and furniture	3 - 5 years
Land and building improvements	5 - 15 years

Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in change in net assets for the period.

Jewish Federation of Greater Hartford

**Notes to Financial Statements
June 30, 2025 and 2024**

Concentrations of credit risk

Financial instruments that potentially subject the Federation to concentrations of credit risk consist principally of cash and cash equivalents and pledges receivable. The Federation maintains its cash and cash equivalents in bank deposit accounts, which, at times, may exceed federally insured limits. The Federation has not experienced any losses in such accounts. As of June 30, 2025, the Federation had approximately \$991,000 of cash and cash equivalents in excess of federally insured limits.

The Federation had a balance in excess of \$500,000 in a brokerage account. Amounts over \$500,000 per brokerage firm are not insured by the Securities Investor Protection Corporation. This balance may fluctuate during the year and can exceed the \$500,000 limit. Management regularly monitors the brokerage firm and tries to keep this potential risk to a minimum. At June 30, 2025, the Federation's balance in excess of the insured limit was approximately \$3,198,000; the funds held by the Federation consist of Treasury securities.

Promises to give are due from individuals, families and companies located primarily in the Greater Hartford Area. The concentration of credit risk is reduced due to the large number of contributors to the Federation. At June 30, 2025 and 2024, pledges receivable are as follows:

	Gross	Cumulative allowance	Net
<u>2025</u>			
Annual campaign	\$ 3,103,957	\$ 290,411	\$ 2,813,546
Special campaigns	4,043,872	5,257	4,038,615
	\$ 7,147,829	\$ 295,668	\$ 6,852,161
 <u>2024</u>			
Annual campaign	\$ 2,471,828	\$ 288,750	\$ 2,183,078
Special campaigns	747,775	7,117	740,658
	\$ 3,219,603	\$ 295,867	\$ 2,923,736

Promises to give

Unconditional promises to give are recorded as promises to give when the promise is received. Promises to give received in the current year for next year's annual campaign are recorded as time restricted contributions. The contributions are reclassified to net assets without donor restrictions in the year they are used to fund community support paid to Jewish philanthropic agencies.

From time to time, certain donors contribute cash or stocks that are designated for specific Jewish and other philanthropic agencies. Designated gifts are recorded when they are designated by the donors.

Allowances are provided for amounts estimated to be uncollectible and are based upon several factors, the principal one of which is the Federation's experience with collections of promises to give. Promises to give considered uncollectible are charged against such allowance.

Jewish Federation of Greater Hartford

Notes to Financial Statements June 30, 2025 and 2024

Deferred compensation

The assets of the deferred compensation plan are recorded as cash and cash equivalents or investments based on the assets held by the plan. The assets of this plan are recorded in a separate account on the financial statements. A corresponding liability is also recorded for these assets.

Contributions

Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where the Federation has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if the Federation fails to overcome the barrier. The Federation recognizes the contribution revenue upon overcoming the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as a refundable advance.

Unconditional contributions are recognized as revenue and receivable when the commitment to contribute is received.

Unconditional contributions are recorded as either with donor restriction or without donor restriction. Contributions are recognized as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated asset or are restricted due to time. Contributions received with no donor stipulations or time restrictions are recorded as contributions without donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statements of activities as net assets released from restriction. Donor-restricted contributions whose restrictions or conditions expire during the same fiscal year are recognized as contributions without donor restrictions.

Grant and contract services

Unconditional grants are recorded as receivables in the year the commitment is made by the grantor. Grants and other support received and expended in the same period are recorded as revenue and support without donor restrictions. Restricted grants designated by the grantor for specific operating purposes, endowment or property acquisitions are recorded as restricted revenue and support and reclassified to revenue and support without donor restrictions when the Federation has expended funds which meet the specific restrictions. Unexpended amounts are classified as net assets with donor restrictions in the accompanying statements of financial position.

Commercial rental income

Commercial rental income is recognized in accordance with the contractual rents due under the terms of the related leases. GAAP requires rental income be recorded on the straight-line method with the excess of the rents billed recognized as deferred rent receivable; however, the contractual rents schedule is not materially different from the results that would have been obtained under the straight-line method. The Federation begins recognizing rental revenue when the tenant has the right to take possession of or controls the physical use of the property under lease. The Federation includes a renewal period in the lease term only if it appears at lease inception that the renewal is reasonably certain. If the collectability of future lease payments from tenants is not probable, the Federation recognizes revenue at the lesser of (a) the rental payment schedule or (b) lease payments. All leases between the Federation and the commercial tenants of the property are operating leases.

Jewish Federation of Greater Hartford

Notes to Financial Statements June 30, 2025 and 2024

Community support

Before the end of each fiscal year, the Board of Directors determines the community support that will be paid in the subsequent fiscal year to national and local agencies and the Jewish Federations of North America. Since the commitment is made prior to the end of the fiscal year, the community support is accrued and expensed. The community support methodology used focuses on specific programmatic needs.

Any difference between the amount accrued and expensed in the current fiscal year and actually paid in the subsequent year is recognized as an adjustment to community support expense in the subsequent fiscal year. In fiscal years ended June 30, 2025 and 2024, there was community support paid in excess of the accrued amount of \$48,196 and \$10,511, respectively.

Investments

The Federation reports investments at their current fair values and reflects any gains or losses in the statements of activities. Gains and losses are considered without donor restrictions unless restricted by donor stipulation or by operation of law.

Tax-exempt status

The Federation is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). The Federation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions.

Management has analyzed the tax positions taken by the Federation and has concluded that, as of June 30, 2025, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Federation's federal information returns prior to fiscal year 2022 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Federation will recognize interest and penalties associated with uncertain tax positions as part of the income tax provision and includes accrued interest and penalties with the related tax liability in the statements of financial position.

Cash and cash equivalents

For purposes of the statements of cash flows, the Federation considers all highly-liquid investments with a maturity of three months or less when acquired to be cash equivalents. At June 30, 2025 and 2024, total cash of \$2,894,787 and \$2,680,855, respectively, included cash equivalents of \$1,365,109 and \$894,350, respectively.

Loans receivable

The Federation evaluates the credit worthiness of each borrower prior to providing a loan. Each borrower must have a guarantor(s) who, in the event of a default, will guarantee to repay the loan. The Federation runs a credit report on each guarantor who is evaluated for their ability to repay in the event of a default. The borrower signs a promissory note that is notarized, and the guarantor signs a guarantor agreement that is also notarized. The Federation utilizes a loss rate approach in determining its expected credit losses on its loans to customers. This method is used for calculating an estimate of losses based primarily on the Federation's historical loss experience. In determining its loss rates, the Federation evaluates information related to its historical losses, adjusted for current conditions and for the period of time that we can reasonably forecast. No allowance was deemed necessary as of June 30, 2025 and 2024.

Jewish Federation of Greater Hartford

Notes to Financial Statements June 30, 2025 and 2024

Donated services

Numerous volunteers have donated significant amounts of time to the Federation's activities. Voluntary services include helping to set corporate policy, fundraising, oversight of fiscal and operational matters, representation of the Federation at Jewish and general community events and in the media, assistance with the development of Federation programs and projects and feedback to the Federation about community needs and interests. Volunteers also actively participate in hands-on activities such as Children's Reading Partners, Interfaith Relationship Building and community-wide volunteer activities. The value of this contributed time is not reflected in the accompanying financial statements as the volunteer services provided do not meet the criteria to be recorded under generally accepted accounting principles.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional expenses

The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Health and retirement benefits and payroll taxes are allocated to programs based on the percentage of salary expense of the program to total salary expense. Maintenance and security and depreciation expenses have been allocated based upon square footage utilization. All other program expenses represent actual costs incurred.

Subsequent events

The Federation has evaluated events and transactions for potential recognition or disclosure through October 16, 2025, which is the date the financial statements were available to be issued.

Jewish Federation of Greater Hartford

**Notes to Financial Statements
June 30, 2025 and 2024**

Note 2 - Liquidity

The Federation regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. The Federation has financial assets available to meet annual operating needs for the 2026 and 2025 fiscal years as follows:

	2025	2024
Cash and cash equivalents	\$ 2,894,787	\$ 2,680,855
Promises to give	6,852,161	2,923,736
Investments	2,703,533	2,991,020
Due from Jewish Community Foundation	21,763	142,261
Grant receivable	145,298	-
	12,617,542	8,737,872
Less		
Donor-imposed restrictions	(6,679,505)	(3,128,213)
Board-designated reserves	(697,235)	(815,143)
	\$ 5,240,802	\$ 4,794,516

These financial assets are not subject to any donor or contractual restrictions. The Federation supports its general operations primarily with donor contributions without donor restrictions and donor-restricted funds whose time or purpose restriction has been met. The Federation also has a \$500,000 line of credit available for use.

Note 3 - Investments

The fair value and cost or original acquisition value of investments as of June 30, 2025 and 2024 are as follows:

	2025		2024	
	Cost	Fair value	Cost	Fair value
Equities - stocks	\$ 11,519	\$ 64,906	\$ 8,392	\$ 46,669
Investments held by JCF	277,255	305,632	285,128	243,971
Government bonds	282	82	282	100
U.S. treasury securities	2,302,244	2,332,913	2,727,283	2,700,280
	\$ 2,591,300	\$ 2,703,533	\$ 3,021,085	\$ 2,991,020

Jewish Federation of Greater Hartford

Notes to Financial Statements June 30, 2025 and 2024

Note 4 - Loan receivable

The Federation established the Jewish Free Loan fund in order to assist members of the community residing in the Hartford area. Loans tend to range from \$1,000 to \$15,000 but there may be exceptions where larger loans are given at the discretion of the Jewish Free Loan Fund of Greater Hartford. Loans have repayment terms of 30 months with the first payment starting 30 days after funding with the first payment being paid on the 5th or 20th of each month. As of June 30, 2025 and 2024, the total loan receivable was \$207,982 and \$121,651, respectively, and is shown on the statements of financial position.

Note 5 - Retirement plans

The Federation maintains a Section 403(b) Defined Contribution Plan ("Plan"). Under the Plan, the Federation matches each eligible employee's contribution up to a maximum of 4% of compensation. Eligible employees receive a match after one year of employment if they work a minimum of 1,000 service hours in the plan year and are still employed at December 31 of that year. Employer contributions are fully vested upon contribution to the individual's custodial accounts. For 2025 and 2024, contribution expense of \$58,595 and \$50,092, respectively, was included in employee benefits in the statements of functional expenses.

The Federation established a deferred compensation plan under Section 457(b) of the Internal Revenue Code. Eligibility is immediate for the 457(b) plan. Each year the Federation shall make a deemed contribution to the 457(b) plan on behalf of the participant as determined by the plan documents. Maximum contributions are the lesser of the dollar limit set forth in Section 457(e)(15) of the Internal Revenue Service Code or 100% of the participant's includible compensation for the taxable year. A participant shall be fully vested at all times in their Federation contributions account and such amount shall be nonforfeitable at all times subject to the claims of creditors of the Federation. There were no contributions to the 457(b) plan for the years ended June 30, 2025 and 2024.

Note 6 - Rental income

The Federation rents portions of the building under leases that expire through June 2026. Rental income totaled \$122,607 for the years ended June 30, 2025 and 2024 and is included in the statements of activities. Rental income includes receipts of \$35,292 from the Foundation for June 30, 2025 and 2024 for rent, and common charges of \$18,819 and \$17,300 for the years then ended. Future minimum rental revenues under the terms of noncancelable leases as of June 30, 2025 are \$117,185 for 2026.

Pursuant to a shared services agreement, the Foundation reimbursed the Federation at cost for specific operating expenses of \$31,921 and \$42,422 for the years ended June 30, 2025 and 2024, respectively.

Jewish Federation of Greater Hartford

**Notes to Financial Statements
June 30, 2025 and 2024**

Note 7 - Allocation of joint costs

During 2025 and 2024, the Federation incurred joint costs of \$1,151,660 and \$972,395, respectively, for informational materials and activities that included fundraising appeals. Joint costs are expenses that benefit multiple purposes including fundraising components, as well as program components. Joint costs are as follows:

	2025	2024
Annual campaign	\$ 773,446	\$ 635,555
Outreach and education expenses	574,571	519,992
Campaign and education expenses	1,348,017	1,155,547
Less direct costs		
Direct campaign expenses	(165,971)	(151,346)
Credit card fees	(25,428)	(31,806)
Total joint costs	\$ 1,156,618	\$ 972,395

Note 8 - Related party transactions

The Federation requires each Board member to complete a "Conflict of Interest" disclosure. These disclosures are reviewed and monitored by management who are responsible to take appropriate steps to inform the Board of prohibited transactions between the Federation and Board members. The Board of Directors consist of up to 30 individuals. Certain Board members of the Federation also may serve on boards that receive community support. In addition, certain Board members serve on the board of a funding organization, the Jewish Community Foundation of Greater Hartford. The Federation may procure certain services from companies which are owned or affiliated with certain Board members. Additionally, the Jewish Community Foundation of Greater Hartford requires a certain percentage of its Board members to be current or former directors, trustees, or members of committees or taskforces of the Federation. A Federation individual is determined as of the time of the trustee's initial election, regardless of whether they continue to hold a role at the Federation during their service.

The Federation received grants from the Foundation of approximately \$1,590,000 and \$2,580,000 for the years ended June 30, 2025 and 2024, respectively. Grants receivable at June 30, 2025 and 2024 was \$21,763 and \$142,261, respectively.

Note 9 - Fair value measurements

The Federation values its financial assets and liabilities based on 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 order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Jewish Federation of Greater Hartford

Notes to Financial Statements June 30, 2025 and 2024

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data. If an asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Federation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

The Federation's financial assets measured at fair value at June 30, 2025 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Equities - stocks	\$ 64,906	\$ -	\$ -	\$ 64,906
Investments held by JCF	-	-	305,632	305,632
Government bonds	-	82	-	82
U.S. treasury securities	2,332,913	-	-	2,332,913
Deferred compensation trust				
Money market funds	315	-	-	315
Exchange traded funds	24,645	-	-	24,645
Total assets at fair value	\$ 2,422,779	\$ 82	\$ 305,632	\$ 2,728,493
Deferred compensation liability	\$ 24,960	\$ -	\$ -	\$ 24,960
Total liabilities at fair value	\$ 24,960	\$ -	\$ -	\$ 24,960

The Federation's financial assets measured at fair value at June 30, 2024 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Equities - stocks	\$ 46,669	\$ -	\$ -	\$ 46,669
Investments held by JCF	-	-	243,971	243,971
Government bonds	-	100	-	100
U.S. treasury securities	2,700,280	-	-	2,700,280
Deferred compensation trust				
Money market funds	46	-	-	46
Exchange traded funds	22,272	-	-	22,272
Total assets at fair value	\$ 2,769,267	\$ 100	\$ 243,971	\$ 3,013,338
Deferred compensation liability	\$ 22,318	\$ -	\$ -	\$ 22,318
Total liabilities at fair value	\$ 22,318	\$ -	\$ -	\$ 22,318

Jewish Federation of Greater Hartford

Notes to Financial Statements June 30, 2025 and 2024

Investments in stocks, money markets and exchange traded funds are valued at the daily closing price as reported by the fund at the end of the fiscal year (Level 1). Investments in government bonds are valued based on quoted prices for similar securities (Level 2). Investments held by JCF are held in investment pools that are valued at the value of the Federation's share of the pooled assets. The pools are made up of investments valued using level one inputs as well as net asset values. U.S. treasury securities are valued at the closing price reported in the active market in which the individual bonds and securities are traded. Instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. There were no changes in valuation techniques during fiscal years 2025 and 2024.

The Federation currently has Level 3 investments totaling \$305,631 and \$243,972 for the years ended June 30, 2025 and 2024, respectively. For the years ended June 30, 2025 and 2024, there were purchases of \$33,283. There were no sales or transfers of investments during the years ended June 30, 2025 and 2024.

Investment income for the years ended June 30, 2025 and 2024 is summarized as follows:

	2025	2024
Interest and dividend income	\$ 173,008	\$ 122,373
Realized gain	28,200	12,314
Unrealized (loss) gain	(12,890)	47,019
Investment income	<u>\$ 188,318</u>	<u>\$ 181,706</u>

Note 10 - Line of credit

The Federation has a \$500,000 operating line of credit. This line is secured by all business assets, including all campaign pledges. Interest is computed at the prime rate of interest minus one-half percentage (7% at June 30, 2025). Repayment terms are monthly interest only with principal due at maturity. The line is a revolving line of credit. During the term of the loan, the interest shall not be less than 4%.

Note 11 - Assets held by a nonprofit organization for the benefit of another organization

The Foundation follows the United States Treasury regulations for community foundations which require community foundations to have restricted variance power over the funds they administer. Although the variance power the Foundation can exercise is very restrictive (e.g., the Foundation can redirect the use of funds if the Federation ceases operations or substantially changes its operations), it meets the variance power requirements of Accounting Standards Codification ("ASC") 958-605, *Revenue Recognition*. Accordingly, these assets are not allowed to be recorded in the Federation's financial statements.

ASC 958-605 requires assets held by an organization for the benefit of another organization to be recognized in the financial statements of the beneficiary organization. However, if variance power is granted to the recipient organization, the requirements of ASC 958-605 will not have to be followed. Variance power means the donor has granted the recipient organization authority to redirect the use of the assets donated.

Jewish Federation of Greater Hartford

Notes to Financial Statements June 30, 2025 and 2024

Presently, the Foundation administers PACE/LOJE and testamentary funds, which were to fund the charitable mission of the Federation. The Foundation administers Cemetery funds for maintenance on approximately 30 cemeteries run by the Federation. The Foundation also administers a security endowment to improve security of Federation beneficiary agencies, a building capital reserve to fund various construction projects and an endowment fund overseen by the board of directors. In addition, a capital expenditure fund was created with contributions in prior years from both the Federation and the Foundation to help meet the ongoing capital maintenance and major equipment needs of Federation beneficiary agencies. A committee consisting of Federation and Foundation representatives reviews capital maintenance and equipment funding requests, making grant recommendations and overseeing the administration of the grants.

Funds administered by the Foundation for the benefit of the Federation as of June 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
PACE/LOJE	\$ 15,157,427	\$ 14,092,314
Cemetery	2,953,192	2,740,089
Security endowment	139,542	116,277
Building capital reserve	74,509	78,253
JFGH Board of Directors Endowment Fund	946	853
Capital expenditure fund	<u>1,921,180</u>	<u>1,737,593</u>
	<u>\$ 20,246,796</u>	<u>\$ 18,765,379</u>

Note 12 - Investments held with JCF

The Federation has a custodial account held at the Jewish Community Foundation for the specific purpose of funding any capital improvements for the Community Services Building. The amounts deposited for the years ended June 30, 2025 and 2024 were \$33,283. Part of the custodial agreement includes the ability for the Jewish Community Foundation to invest these funds. These investments are subject to market fluctuations. As of June 30, 2025 and 2024, the realized gains on the funds were \$8,406 and \$12,314, respectively, and unrealized gains on the funds were \$18,911 and \$9,693, respectively. The value of the funds at June 30, 2025 and 2024 were \$305,632 and \$243,971, respectively.

Jewish Federation of Greater Hartford

**Notes to Financial Statements
June 30, 2025 and 2024**

Note 13 - Jewish Free Loan Fund of Greater Hartford

The Federation created the Jewish Free Loan Fund of Greater Hartford to provide interest-free loans to help Greater Hartford Jewish community members overcome financial hurdles and seize new opportunities with dignity and confidentiality. The fund provides personal loans of up to \$10,000 and small business loans of up to \$15,000 to eligible applicants for approved purposes. On rare occasions, a larger loan may be granted. As loans are repaid, the money is used to grant more loans. The following is a summary of activity as of June 30, 2025 and 2024:

	2025	2024
Amounts of funds raised for the loan fund since inception	\$ 369,617	\$ 351,600
Loans disbursed from the fund since inception	(369,617)	(257,750)
Funds available to distribute for loans	\$ -	\$ 93,850

Note 14 - Board-designated net assets

The Board of Directors has designated accumulated prior year net assets without donor restrictions for the following purposes:

	Total board- designated balances at June 30, 2024	Additions	Released/ transferred	Total board- designated balances at June 30, 2025
Computer network	\$ 116,908	\$ 19,000	\$ 116,908	\$ 19,000
Operating reserves	491,519	-	-	491,519
Jewish Hartford United	4,346	-	-	4,346
Liquidity reserves	202,370	-	20,000	182,370
Total board-designated net assets without donor restrictions	\$ 815,143	\$ 19,000	\$ 136,908	\$ 697,235

Jewish Federation of Greater Hartford

**Notes to Financial Statements
June 30, 2025 and 2024**

Note 15 - Net assets with donor restrictions

Net assets with donor restrictions as of June 30, 2025 and 2024 are restricted for the following:

	2025	2024
Next fiscal year annual campaign	\$ 197,661	\$ 207,915
Leadership, education and engagement programs	156,771	126,103
Marketing rebrand	15,713	18,500
Security initiative	1,111,766	1,212,199
JCRC/Literacy program	63,375	87,792
Jewish Free Loan Fund of Greater Hartford	-	93,850
Jessie's Community Gardens	18,398	17,939
PJ Library campaign	7,500	35,134
Emissary	176,619	-
Sponsorships for future events	1,801	25,000
Donor restricted for designated gifts	23,484	22,374
Morocco relief fund	-	5,487
Israel relief fund	942,065	1,249,658
Ukraine relief fund	26,662	26,262
Now and forever campaign	3,937,690	-
	\$ 6,679,505	\$ 3,128,213

Net assets with donor restrictions released from restrictions as of June 30, 2025 and 2024 were as follows:

	2025	2024
Time restricted contributions	\$ 175,715	\$ 384,963
Leadership, education and engagement programs	64,735	37,010
Marketing	2,787	5,000
Security initiative	200,861	415,077
JCRC/Literacy program	78,313	85,384
Jewish Free Loan Fund of Greater Hartford	111,867	108,500
Jessie's Community Gardens	359	-
PJ Library campaign	35,134	29,633
Dignity	-	5,863
Sponsorships for future events	25,000	-
Designated gifts	8,890	11,536
Israel	438,913	-
	\$ 1,142,574	\$ 1,082,966

Jewish Federation of Greater Hartford

**Notes to Financial Statements
June 30, 2025 and 2024**

Note 16 - Public support - annual campaign

A reconciliation of total funds raised in each annual campaign is as follows:

	2025	2024
Annual campaign - without donor restrictions current year	\$ 5,319,312	\$ 5,066,933
Annual campaign - without donor restrictions prior year	487,476	487,476
	5,806,788	5,554,409
Annual campaign - released from time restriction	175,715	384,963
	\$ 5,982,503	\$ 5,939,372

Note 17 - Conditional grants

The Federation has made a conditional grant of \$750,000 to support communities in Israel through The Jewish Federations of North America ("JFNA") Communities2Gether initiative. The initiative is to help support impacted areas of Israel affected by the events of October 7, 2023. The grant is payable over three yearly installments of \$250,000 if expenditures by the initiative are made in accordance with the agreed upon priorities. As of June 30, 2025, \$250,000 has met the conditions and has been appropriately paid out. The conditions have not been met for the remaining \$500,000.

The Federation has received a conditional grant of \$300,000 to support and expand the Secure Community Initiative to provide security training, site assessments, and resources to combat bigotry and hate crimes and foster partnerships among vulnerable Greater Hartford agencies and faith institutions. The grant was received by the Federation in one installment of \$300,000 during 2024 and is being recognized as allowable expenditures are incurred. The Federation recognized \$150,000 during the year ended June 30, 2024. The remaining \$150,000 is included as refundable advance on the statements of financial position.

Supplementary Information

Jewish Federation of Greater Hartford

**Community Support
Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Local agencies and services		
Association of Jewish Cemeteries	\$ 129,955	\$ 106,773
Friendship Circle	13,781	13,125
Birthright Israel	10,000	10,000
B'nai B'rith Youth Organization	10,000	10,500
Camp Gan Izzy	10,500	10,500
Camp Laurelwood	16,800	16,800
Dignity Grows	15,000	15,000
Campership Program	12,000	10,000
UCONN Chabad	1,000	-
Good, Great, Greater Hartford	25,000	25,000
Voices of Hope / Greenberg Center	20,271	20,000
New England Jewish Academy	218,453	208,050
Senior Services	12,000	45,000
UCONN Hillel	40,000	38,000
Hillel - University of Hartford - Student Leadership	65,000	62,000
Eruv Committee of West Hartford	2,400	2,200
Israel Action Network	5,794	5,794
Jewish Association for Community Living	30,000	30,000
Jewish Family Services	315,000	297,000
Jewish Family Services - Rent Subsidy	29,000	28,000
Jewish Federation Association of Connecticut	34,500	38,061
Jewish Historical Society	15,000	12,000
Jewish Historical Society - Rent Subsidy	7,000	7,000
Jewish Teen Learning Connection	90,000	90,000
Tekes Ma'avar	-	2,500
JLA - Jewish Leadership Academy	55,000	55,000
Manchester Advisory Fund	17,000	17,000
Mandell Jewish Community Center	290,546	278,282
Mikveh of West Hartford	15,000	12,000
Purim	2,500	2,500
Solomon Schechter Day School	218,453	208,050
Wesleyan Chabad	1,000	(89,818)
Travel to Israel	1,100	1,100
UCONN - Judaic Studies	10,000	10,000
USY (Hanefesh)	4,000	3,500
Yaysh	15,000	10,000
ADL	7,500	7,500
Israel Money from annual campaign	<u>(50,000)</u>	<u>50,000</u>
 Subtotal	 <u>\$ 1,715,553</u>	 <u>\$ 1,668,417</u>

Jewish Federation of Greater Hartford

**Community Support
Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Local agencies and services subtotal	\$ 1,715,553	\$ 1,668,417
Prior year community support and adjustments		
Community support accrued as of the end of the previous year	1,871,416	1,752,194
Community support paid and recognized	<u>(1,823,220)</u>	<u>(1,741,683)</u>
Total local agencies and services	<u>1,763,749</u>	<u>1,678,928</u>
Overseas agencies		
The Jewish Federations of North America - annual campaign	692,814	6,520,258
The Jewish Federations of North America - emergency relief	<u>411,124</u>	<u>100,000</u>
Total overseas agencies	<u>1,103,938</u>	<u>6,620,258</u>
Total community support	<u>\$ 2,867,687</u>	<u>\$ 8,299,186</u>

See Independent Auditor's Report.



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