

Jewish Federation of Cincinnati

**Financial Statements
December 31, 2025 with
Summarized Comparative Totals for December 31, 2024, and
Independent Auditors' Report**

JEWISH FEDERATION OF CINCINNATI

December 31, 2025 with Summarized Comparative Totals for December 31, 2024

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Independent Auditors' Report

Board of Trustees
Jewish Federation of Cincinnati

Opinion

We have audited the accompanying financial statements of Jewish Federation of Cincinnati (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Federation of Cincinnati as of December 31, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jewish Federation of Cincinnati and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

**Independent Auditors' Report
(Continued)**

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Jewish Federation of Cincinnati'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 Cincinnati's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Jewish Federation of Cincinnati's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 13, 2026. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Barnes, Dennig & Co., Ltd.

June 29, 2026
Cincinnati, Ohio

JEWISH FEDERATION OF CINCINNATI

Statements of Financial Position December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	\$ 16,695,539	\$ 13,840,416
Annual campaign pledges receivable, net	5,931,133	5,968,502
Other campaign pledges receivable, net	42,891	111,033
Grants and allocations receivable	2,353,386	3,498,318
Other receivables	1,044,402	942,158
Prepaid expenses and other assets	433,803	463,097
Investments	192,955,780	161,420,241
Charitable gift annuities	55,211	141,158
Property and equipment, net	723,119	847,847
Cash surrender value of life insurance (face value of policies approximates \$8.6m in 2025 and \$8.9m in 2024)	1,277,427	1,304,516
Beneficial interest in perpetual trust	4,042,864	3,816,774
	<u>\$ 225,555,555</u>	<u>\$ 192,354,060</u>
Total assets		
	<u>\$ 225,555,555</u>	<u>\$ 192,354,060</u>
Liabilities and Net Assets		
Liabilities		
Allocations and grants payable	\$ 5,406,309	\$ 5,349,624
Accounts payable and accrued expenses	4,025,381	3,792,530
Refundable advances	3,634,425	2,990,846
Held for other organizations	30,392,955	20,875,725
	<u>43,459,070</u>	<u>33,008,725</u>
Total liabilities		
	<u>43,459,070</u>	<u>33,008,725</u>
Net Assets		
Without donor restrictions:		
Board-designated endowment funds	40,441,214	32,646,686
Designated for other purposes	3,018,879	2,666,381
Donor advised funds	63,423,231	55,522,312
Undesignated	1,765,186	3,096,399
	<u>108,648,510</u>	<u>93,931,778</u>
Total without donor restrictions		
	<u>108,648,510</u>	<u>93,931,778</u>
With donor restrictions	73,447,975	65,413,557
	<u>73,447,975</u>	<u>65,413,557</u>
Total net assets		
	<u>182,096,485</u>	<u>159,345,335</u>
Total liabilities and net assets		
	<u>\$ 225,555,555</u>	<u>\$ 192,354,060</u>

See accompanying notes to financial statements

JEWISH FEDERATION OF CINCINNATI

Statement of Activities Year Ended December 31, 2025 with Summarized Comparative Totals for 2024

	2025					2024
	Without Donor Restrictions	With Donor Restrictions Contributions	Releases	Total	Total	
Revenue and other support						
Annual campaign gifts, net	\$ 6,513,986	\$ 6,597,145	\$ (6,513,986)	\$ 83,159	\$ 6,597,145	\$ 7,009,533
The Jewish Foundation annual campaign match, net	1,680,000	1,680,000	(1,680,000)	-	1,680,000	1,680,000
Donor advised fund contributions	19,665,015	-	-	-	19,665,015	15,404,063
Other contributions and bequests	2,869,458	2,490,269	-	2,490,269	5,359,727	3,333,116
Partner agency capital campaign contributions	68,142	-	-	-	68,142	280,849
Supplemental gifts raised on behalf of others	4,581,605	-	-	-	4,581,605	2,942,269
Grants, net	6,835,776	-	(478,162)	(478,162)	6,357,614	5,527,992
Net assets released from endowments	1,880,466	-	(1,880,466)	(1,880,466)	-	-
Total contributed revenue	44,094,448	10,767,414	(10,552,614)	214,800	44,309,248	36,177,822
Bad debt recoveries (expense)	91,354	-	-	-	91,354	(85,841)
Less: annual campaign contributions and endowment gifts from donor advised funds	(4,241,109)	-	-	-	(4,241,109)	(2,224,002)
Less: gifts and contributions raised on behalf of others	(4,649,747)	-	-	-	(4,649,747)	(3,223,118)
Net contributed revenue	35,294,946	10,767,414	(10,552,614)	214,800	35,509,746	30,644,861
Other revenue	2,575,612	-	-	-	2,575,612	2,616,655
Total revenue and other support	37,870,558	10,767,414	(10,552,614)	214,800	38,085,358	33,261,516
Expenses						
Allocations, grants and operating expenses	41,068,908	-	-	-	41,068,908	33,649,038
Less: gifts and contributions raised on behalf of others	(4,649,747)	-	-	-	(4,649,747)	(3,223,118)
Total expenses	36,419,161	-	-	-	36,419,161	30,425,920
Change in net assets before other gains	1,451,397	10,767,414	(10,552,614)	214,800	1,666,197	2,835,596
Other gains						
Investment return, net	13,265,335	7,754,195	-	7,754,195	21,019,530	16,630,476
Other gains	-	65,423	-	65,423	65,423	436,381
Change in net assets	14,716,732	<u>\$ 18,587,032</u>	<u>\$ (10,552,614)</u>	8,034,418	22,751,150	19,902,453
Net assets, beginning of year	<u>93,931,778</u>			<u>65,413,557</u>	<u>159,345,335</u>	<u>139,442,882</u>
Net assets, end of year	<u>\$ 108,648,510</u>			<u>\$ 73,447,975</u>	<u>\$ 182,096,485</u>	<u>\$ 159,345,335</u>

See accompanying notes to financial statements

JEWISH FEDERATION OF CINCINNATI

Statement of Functional Expenses Year Ended December 31, 2025 with Summarized Comparative Totals for 2024

	Community Services	Management and General	Fundraising	2025 Total	2024 Total
Allocations and grants:					
Annual campaign local allocations	\$ 3,263,253	\$ -	\$ -	\$ 3,263,253	\$ 3,337,078
Annual campaign Israel & overseas allocations	1,843,040	-	-	1,843,040	1,783,338
Other grants	24,240,293	-	-	24,240,293	17,722,114
Total allocations and grants	29,346,586	-	-	29,346,586	22,842,530
Operating expenses:					
Salaries and wages	4,279,492	737,311	1,495,599	6,512,402	6,000,709
Payroll taxes and benefits	1,011,438	112,210	368,758	1,492,406	1,434,852
Outside services	616,989	438,246	6,491	1,061,726	853,358
Information technology and related services	343,154	86,001	368,408	797,563	647,144
Events	125,067	56,966	114,435	296,468	508,628
Occupancy	409,696	76,392	50,347	536,435	334,910
Advertising and marketing	51,812	130,314	65,499	247,625	310,677
Meetings	67,157	8,409	23,747	99,313	103,147
Employee training, education and relations	82,336	18,203	26,603	127,142	61,687
All other expense	372,463	169,712	9,067	551,242	551,396
Total operating expenses	7,359,604	1,833,764	2,528,954	11,722,322	10,806,508
Total allocations, grants and operating expenses	36,706,190	1,833,764	2,528,954	41,068,908	33,649,038
Less: gifts and contributions raised on behalf of others	(4,649,747)	-	-	(4,649,747)	(3,223,118)
2025 Totals	<u>\$ 32,056,443</u>	<u>\$ 1,833,764</u>	<u>\$ 2,528,954</u>	<u>\$ 36,419,161</u>	
	<u>88%</u>	<u>5%</u>	<u>7%</u>	<u>100%</u>	
2024 Totals	<u>\$ 26,927,999</u>	<u>\$ 1,381,508</u>	<u>\$ 2,116,413</u>		<u>\$ 30,425,920</u>
	<u>88%</u>	<u>5%</u>	<u>7%</u>		<u>100%</u>

See accompanying notes to financial statements

JEWISH FEDERATION OF CINCINNATI

Statements of Cash Flows Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ 22,751,150	\$ 19,902,453
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	152,361	166,752
Bad debt expense (recoveries)	(91,354)	85,841
Change in cash surrender value of life insurance	27,089	(94,283)
Change in value of charitable gift annuities	85,947	(36,493)
Change in value of beneficial interest in perpetual trust	(226,090)	(305,606)
Net realized and unrealized gains on investments	(20,615,906)	(16,298,887)
Contributions restricted for endowment purposes	(2,200,223)	(2,225,718)
Changes in:		
Annual campaign pledges receivable	128,723	(1,132,837)
Other campaign pledges receivable	68,142	260,849
Grants and allocations receivable	1,144,932	(1,351,440)
Other receivables	(102,244)	163,803
Prepaid expenses and other assets	29,294	(6,131)
Allocations and grants payable	56,685	180,162
Accounts payable and accrued expenses	232,851	(595,611)
Refundable advances	643,579	359,907
Held for other organizations	5,824,186	5,148,211
Net cash provided by operating activities	<u>7,909,122</u>	<u>4,220,972</u>
Cash flows from investing activities		
Proceeds from sales of investments	13,711,961	2,502,456
Purchases of investments	(20,938,550)	(8,089,675)
Purchases of property and equipment	(27,633)	(14,583)
Net cash used in investing activities	<u>(7,254,222)</u>	<u>(5,601,802)</u>
Cash flows from financing activities		
Proceeds from contributions restricted for endowment purposes	<u>2,200,223</u>	<u>2,225,718</u>
Net change in cash and cash equivalents	2,855,123	844,888
Cash and cash equivalents, beginning of year	<u>13,840,416</u>	<u>12,995,528</u>
Cash and cash equivalents, end of year	<u>\$ 16,695,539</u>	<u>\$ 13,840,416</u>
Supplemental cash flows information:		
Non-cash decrease in notes receivable and notes payable	<u>\$ -</u>	<u>\$ 440,000</u>
Non-cash increase in investments held for others	<u>\$ 3,693,044</u>	<u>\$ 1,909,519</u>

See accompanying notes to financial statements

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Jewish Federation of Cincinnati (the "Federation") was incorporated as a not-for-profit organization under the laws of the State of Ohio in 1967. The Federation makes available financial and planning resources to all members of the Jewish community wishing to participate in the enhancement and perpetuation of Jewish faith, values, and life in all its diversity at home, in Israel and around the world.

The Federation conducts an annual fundraising campaign in the Greater Cincinnati area. After deducting estimated uncollectible pledges and administrative and fundraising costs, allocations are made to local, national, and international beneficiary organizations. Commitments are made from the current year's campaign to these organizations. These commitments are reflected in the accompanying financial statements.

The Federation also solicits and maintains funds from donors within the Greater Cincinnati area to be used for charitable purposes (referred to as "donor-advised funds" or "philanthropic funds"). These donors may recommend how these funds should be disbursed, but the Federation holds the variance power to determine actual use of these funds.

The Federation also raises funds on behalf of other agencies and organizations within the Jewish Community of Greater Cincinnati. These funds are recognized as an agency transaction and recognized as a liability until collected and remitted to the beneficiary organization.

Financial Statement Presentation

The financial statements include certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Federation's financial statements for the year ended December 31, 2024, from which the comparative information was derived.

The financial statements have been prepared on the accrual basis of accounting in accordance with GAAP. The Federation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Fair Value Measurements

GAAP has a three-level hierarchy for fair value measurements based on transparency of valuation inputs as of the measurement date. The hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows: Level 1 inputs are unadjusted quoted prices for identical assets in active markets; Level 2 inputs are observable quoted prices for similar assets in active markets; Level 3 inputs are unobservable and reflect management's best estimate of what market participants would use as fair value.

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Federation considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2025 and 2024, cash equivalents consisted primarily of money market deposit accounts. The Federation maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The Federation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Investments and Investment Return

Investments in equity and debt securities are carried at fair value. Investment return includes dividends, interest, investment advisory/management fees, and realized and unrealized gains and losses on investments. Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same time period is recorded as revenues without donor restrictions. Other investment return is reflected in the statements of activities as revenues with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions. The Federation's investments do not have a significant concentration of credit or market risk within any industry, specific institution, or group of investments.

Property and Equipment

Property and equipment are recorded at cost or, if donated or impaired, at fair value at the time of the gift or determination. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. Major improvements are capitalized, while maintenance and repairs are expensed as incurred.

The Federation assesses the recoverability of the carrying amount of property and equipment if certain events or changes occur, such as a significant decrease in market value of the assets or a significant change in operating conditions.

Leases

The Federation leases office space. The Federation determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the Federations' statements of financial position.

ROU assets represent the Federations' right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Federation uses rates implicit in the lease, if readily available. For leases that do not provide an implicit rate, a risk-free rate based on information available at commencement date is used in determining the present value of lease payments. The Federations' lease terms may include options to extend or terminate the lease when it is reasonably certain that it will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The Federation accounts for lease and non-lease components as a single lease component. There may be variability in future lease payments as the amount of the non-lease component is typically revised from one period to the next. These variable lease payments are recognized in operating expenses in the period in which the obligation for those payments was incurred.

The Federations' lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Federation has elected to apply the short-term lease exception to all classes of underlying assets.

Allocations and Grants Payable

Allocations and grants payable are contributions to other non-profit agencies that support the Jewish community and are expected to be paid within one year.

Contributions

Contributions are recorded as support without donor restriction unless explicit donor stipulations specify how the donated assets must be used. Gifts received with donor stipulations that limit their use are reported as revenue and net assets with donor restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenues without donor restrictions.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, the Federation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Pledges for contributions to the annual campaign are recorded as receivables and revenues when unconditional promises to give are received by the Federation from donors. Allowances are provided for amounts estimated to be uncollectible. The allowance is calculated based on either a percentage of all pledges received for a certain campaign year, or the outstanding balance remaining in receivables for a specific campaign year.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenues when the conditions are substantially met and the gift becomes unconditional.

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services

No amounts have been reflected in the financial statements for donated services. The Federation pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Federation.

Revenue Recognition

The Federation identifies a contract with a customer for revenue recognition when there is approval and commitment from both parties, the rights of the parties and payment terms are identified, the contract has commercial substance and the collectability of consideration is probable. The Federation evaluates each contract to determine the number of distinct performance obligations in the contract, which requires the use of judgment. To determine the proper revenue recognition method, the Federation evaluates whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as single or more than one performance obligation.

Revenue from contracts with customers is primarily recognized from fees associated with the Federation's Shared Business Services program. These contracts consist of a single performance obligation as the promise to transfer the service is not separately identifiable from other promises in the contracts and, therefore, not distinct. Revenue is recognized by the Federation over the time its services are provided to the client. The Federation generally uses the time elapsed method, an input measure, as it considers it to best depict the simultaneous consumption and delivery of its services. The determination of the method by which the Federation measures its progress towards the satisfaction of its performance obligations requires judgment. Revenue recognized from the Federation's Shared Business Services program was approximately \$2,250,000 and \$2,150,000 during 2025 and 2024, respectively, and is included in other revenue on the statement of activities.

The transaction price is stated in the contracts and is known at the time of contract inception. There is no variable consideration associated with the Federation's contracts with customers. Contract service fees are generally due within 20 business days of invoicing.

Income Taxes

The Federation is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of Ohio law. However, the Federation is subject to federal income tax on any unrelated business taxable income.

The Federation's IRS Form 990 is subject to review and examination by federal and state authorities. The Federation believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the financial statements.

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The cost of program and supporting services activities have been summarized on a functional classification basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services. Such allocations are determined by management on an equitable basis. The most significant allocations were salaries and related expenses, which were allocated based on time and effort, and occupancy and depreciation, which were allocated based on utilization.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Event Evaluation

Subsequent events have been evaluated through June 29, 2026, which is the date the financial statements were available to be issued.

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 2 LIQUIDITY AND AVAILABILITY

As of December 31, the following table shows the total financial assets held by the Federation and the amounts of those financial assets that could be readily available within one year of the balance sheet date to meet general cash expenditures:

	2025	2024
Cash and cash equivalents	\$ 16,695,539	\$ 13,840,416
Annual campaign pledges receivable, net	5,931,133	5,968,502
Other campaign pledges receivable, net	42,891	111,033
Grants and allocations receivable	2,353,386	3,498,318
Other receivables	1,044,402	942,158
Investments	192,955,780	161,420,241
Total significant financial assets	219,023,131	185,780,668
Less funds held for other agencies	(30,392,955)	(20,875,725)
Less donor advised funds	(63,423,231)	(55,522,312)
Less board-designated endowments	(40,441,214)	(32,646,686)
Less board-designated other	(3,018,879)	(2,666,381)
Less donor restricted endowments	(58,457,723)	(50,383,772)
Less annual campaign funds not available within one year	(6,053,003)	(5,696,844)
Add budgeted endowment draws	1,737,605	1,665,792
Total significant financial assets available within one year	<u>\$ 18,973,731</u>	<u>\$ 19,654,740</u>

The Federation regularly monitors liquidity required to meet its operating needs and other commitments, while also striving to maximize the investment of its available funds. The Federation's annual campaign runs from October to May each year. Funds raised during the campaign year are to be used to support allocations and programs in the fiscal year (January to December) immediately following the close of the campaign year. Accordingly, most of the funds expected to be spent in 2026 were solicited and recognized as revenue in 2025. The estimated operating budget for 2026 is approximately \$22,800,000.

For purposes of analyzing resources available to meet general cash expenditures over a 12-month period, the Federation considers all liabilities and expenditures related to its ongoing activities of fundraising, grant management, and services to the Jewish community.

In addition to financial assets available to meet general cash expenditures over the next 12 months, the Federation strives for a balanced budget and anticipates collecting sufficient revenue to cover general cash expenditures not covered by donor-restricted or board-designated resources.

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 3 CAMPAIGN PLEDGES RECEIVABLE

Annual campaign pledges receivable consisted of the following at December 31:

	2025		
	Campaign Pledges Receivable	Allowance for Uncollectible Pledges	Net Campaign Pledges Receivable
Year campaign pledges due:			
2026 and beyond	\$ 5,211,935	\$ 211,849	\$ 5,000,086
2025	1,155,620	224,573	931,047
2024	79,973	79,973	-
2023 and prior	177,976	177,976	-
	<u>\$ 6,625,504</u>	<u>\$ 694,371</u>	<u>\$ 5,931,133</u>
	2024		
	Campaign Pledges Receivable	Allowance for Uncollectible Pledges	Net Campaign Pledges Receivable
Year campaign pledges due:			
2025 and beyond	\$ 5,666,537	\$ 205,639	\$ 5,460,898
2024	712,572	204,968	507,604
2023	122,852	122,852	-
2022 and prior	292,555	292,555	-
	<u>\$ 6,794,516</u>	<u>\$ 826,014</u>	<u>\$ 5,968,502</u>

Other campaign pledges consist of the Holocaust and Humanity Center (HHC) capital campaign pledges receivable being collected on behalf of the HHC for the expansion and relocation of the HHC museum. Total HHC capital campaign pledges receivable, net of discount of \$1,513, was \$42,891 and \$111,033 as of December 31, 2025 and 2024, respectively. The discount rate for the HHC capital campaign pledges receivable was 2.72% for both 2025 and 2024. No allowance for uncollectible pledges on these other campaign pledges was recognized as of December 31, 2025 and 2024.

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 4 GRANTS AND ALLOCATIONS RECEIVABLE

Grants and allocations receivable as of December 31 consisted of the following:

	2025	2024
The Jewish Foundation of Cincinnati:		
Property and Maintenance	\$ 1,053,565	\$ 1,054,196
Shared Business Services	563,825	522,522
SAFE Cincinnati	240,452	295,770
Cincy Journeys	230,791	522,924
Connecting Community Priorities to Philanthropy	172,035	8,201
Talent Management	92,718	103,401
Strengthening Individual Giving	-	990,805
Other programs	-	499
	<u>\$ 2,353,386</u>	<u>\$ 3,498,318</u>

NOTE 5 CONDITIONAL GRANT AGREEMENTS

The Federation is the recipient of various conditional grant agreements from The Jewish Foundation of Cincinnati (the "Foundation") to fund programming and other initiatives. Under these agreements, the Foundation has agreed to provide up to a certain amount as reimbursement for certain expenses associated with the programs or initiatives. Funding related to these grants is contingent upon certain performance conditions being met and will be recognized as revenue as earned. As of December 31, 2025 and 2024, the Federation had received \$3,634,425 and \$2,990,846, respectively, in advance of utilization, which has been recognized as a refundable advance on the statements of financial position.

The following table summarizes the total amounts received and remaining to be received under the grant agreements at December 31, 2025:

	Grants Awarded as of 12/31/2025	Funds Received in 2024 and prior	Funds Received in 2025	Remaining Funds Available at 12/31/2025
Strengthening Individual Giving	\$ 5,373,805	\$ 4,738,774	\$ 635,031	\$ -
Property and Maintenance	6,681,470	3,245,123	501,847	2,934,500
Shared Business Services	10,732,217	4,818,006	1,505,105	4,409,106
SAFE Cincinnati	6,570,313	3,296,963	1,595,036	1,678,314
Talent Management	2,620,805	954,301	573,297	1,093,207
Connecting Community Priorities to Philanthropy	6,890,960	182,850	1,520,120	5,187,990
	<u>\$39,401,042</u>	<u>\$17,767,489</u>	<u>\$6,330,436</u>	<u>\$ 15,303,117</u>

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 6 INVESTMENTS

Investments consisted of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Hedge funds	\$ 67,655,068	\$ 61,189,892
Alternative strategy mutual funds	63,541,544	51,501,924
Private debt	7,501,486	7,511,321
Private equity	7,167,407	4,383,581
Money market funds	11,977,583	14,705,985
Equity mutual funds	24,059,146	13,905,552
Fixed income mutual funds	5,585,259	2,738,812
State of Israel bonds	<u>5,468,287</u>	<u>5,483,174</u>
	<u><u>\$ 192,955,780</u></u>	<u><u>\$ 161,420,241</u></u>

Investments include amounts owned by local organizations entrusted to the Federation in an agency capacity. These amounts total \$30,345,185 and \$20,759,814 as of December 31, 2025 and 2024, respectively, and are included in total liabilities in the accompanying statements of financial position as held for other organizations.

NOTE 7 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Buildings and improvements	\$ 1,995,150	\$ 1,995,150
Equipment, furniture and fixtures	2,288,465	2,259,614
Land improvements	102,396	102,396
Land	114,587	114,587
Construction in progress	-	1,218
Less accumulated depreciation	<u>(3,777,479)</u>	<u>(3,625,118)</u>
	<u><u>\$ 723,119</u></u>	<u><u>\$ 847,847</u></u>

In addition to its own equipment, furniture and fixtures, the Federation holds titles to the properties used by Cincinnati Hillel and Camp Livingston. In 2025 and 2024, the Federation did not charge rent for the use of these facilities.

NOTE 8 BENEFICIAL INTEREST IN PERPETUAL TRUST

The Federation is the beneficiary under a perpetual trust administered by an outside party. Under the terms of the trust, the Federation has the irrevocable right to receive income earned on the trust assets in perpetuity, but never receives the assets held in trust. Distributions received from this trust for 2025 and 2024 were \$175,000 and \$158,000, respectively.

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 9 HELD FOR OTHER ORGANIZATIONS

The Federation regularly collaborates with other local Jewish agencies to facilitate their fundraising campaigns, as well as serving as the custodian and manager of a pooled investment account. In conjunction with these activities, the Federation held cash, pledges receivable and investments on behalf of the following agencies as of December 31:

	2025	2024
Holocaust and Humanity Center	\$ 23,408,340	\$ 14,916,595
Jewish Family Service	5,193,657	4,514,896
Other Jewish agencies	1,790,958	1,444,234
	<u>\$ 30,392,955</u>	<u>\$ 20,875,725</u>

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31 consisted of the following:

	2025	2024
Donor-restricted endowment funds:		
Community needs	\$ 19,643,954	\$ 19,921,567
Annual campaign fund	10,611,474	5,198,764
Seniors	7,646,967	6,909,530
Scholarships	7,593,462	6,819,076
Education	5,738,112	5,081,966
Other	3,910,087	3,507,756
Career networking and recruitment	3,313,667	2,945,113
Total donor-restricted endowment funds	58,457,723	50,383,772
Beneficial interest in perpetual trust	4,042,864	3,816,774
Restricted as to period of use:		
Annual campaign funds	7,769,004	7,685,845
Other	1,332,870	1,445,674
Restricted as to purpose:		
JCRC Fellowship	790,536	697,101
Security	619,464	939,939
Other	435,514	444,452
	<u>\$ 73,447,975</u>	<u>\$ 65,413,557</u>

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 11 ENDOWMENTS

The Federation's endowment consists of several donor-restricted and board-designated endowment funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of the Federation follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA provides guidance on matters concerning the governance and management of donor-restricted endowment funds. Under UPMIFA, the original value of donated gifts to the permanent endowment, the original value of subsequent gifts to the permanent endowment, and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument are classified as net assets with donor restrictions. The remaining portion of the donor-restricted endowment fund that is not included in the donor-restricted endowment, at historical value, is classified as accumulated net appreciation on endowments until those amounts are appropriated for expenditure by the Board of Trustees.

The endowment net asset composition by type of fund is as follows as of December 31:

	<u>2025</u>	<u>2024</u>
Without donor restrictions:		
Board-designated endowments	<u>\$ 40,441,214</u>	<u>\$ 32,646,686</u>
With donor restrictions:		
Donor-restricted endowments, at historical value, required to be maintained in perpetuity by donor	24,924,674	22,743,631
Accumulated net appreciation of endowments required to be maintained in perpetuity by donor	18,923,057	12,938,221
Donor-restricted endowments not required to be maintained in perpetuity by donor	<u>14,609,992</u>	<u>14,701,920</u>
Total with donor restrictions	<u>58,457,723</u>	<u>50,383,772</u>
	<u><u>\$ 98,898,937</u></u>	<u><u>\$ 83,030,458</u></u>

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 11 ENDOWMENTS (CONTINUED)

The changes in endowment net assets for the years ended December 31 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - 12/31/23	\$ 30,241,050	\$ 43,611,791	\$ 73,852,841
Contributions	44,275	2,225,718	2,269,993
Investment return, net	3,774,512	6,283,747	10,058,259
Appropriated earnings	<u>(1,413,151)</u>	<u>(1,737,484)</u>	<u>(3,150,635)</u>
Endowment net assets - 12/31/24	32,646,686	50,383,772	83,030,458
Contributions	4,585,231	2,200,223	6,785,454
Investment return, net	4,906,499	7,754,195	12,660,694
Appropriated earnings	<u>(1,697,202)</u>	<u>(1,880,467)</u>	<u>(3,577,669)</u>
Endowment net assets - 12/31/25	<u>\$ 40,441,214</u>	<u>\$ 58,457,723</u>	<u>\$ 98,898,937</u>

Investment Policy

The Federation recognizes the need to develop and execute a comprehensive program of prudently investing the assets under its control with the goal of maximizing the long-term total return of the endowment assets and meeting the cash flow needs of the Federation for the benefit of the Jewish Community. The Federation believes that the most significant decision affecting its ability to meet this goal is the asset allocation decision. As such, the Federation has adopted a diversified asset allocation strategy based on its investment objectives and risk tolerances. Additionally, the Federation recognizes the risks associated with allowing a single investment manager or investment product's market value to dominate the investment strategy. Therefore, no investment manager or investment product can exceed 10% of the market value of the investments. Further, the investment policy details certain investments as prohibited investments. The Federation expects investments to outperform relevant indices and targeted benchmarks over rolling three and five year time periods. This policy does not apply to funds held for other agencies, as they are subject to that organization's investment policies.

Spending Policy

Generally, the Board will approve a targeted spending policy of 4.5% for both endowments without donor restriction and endowments with donor restriction, applied to a rolling 20-quarter weighted average of the market value of the endowment assets. In both 2025 and 2024, the spending policy was 4.5%. However, if the Board decides to override the recommended spending policy, it must be done with a super-majority, which is defined as two-thirds (2/3) majority of the Board of Trustees.

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 12 LEASES

The Federation occupies office space from the Jewish Community Center of Cincinnati (JCC). Beginning in the year ended December 31, 2023, the Federation paid the JCC for estimated occupancy costs which were calculated based on budgeted costs for occupancy-related expenses which is considered a variable lease component. After the end of the third quarter each year the JCC will perform a reconciliation of actual occupancy costs compared to budgeted expenses and will issue a true-up invoice or will apply a credit based on the reconciliation calculation. This agreement will be in effect until December 31, 2032 and provides the Federation minimum renewal periods of five years. Total rent expense for the years ended December 31, 2025 and 2024 was \$191,812 and \$173,044, respectively.

The Federation has an existing prepaid rent asset of \$216,667 and \$252,778 associated with this agreement which was reclassified as a right of use (ROU) asset as of December 31, 2025 and 2024, respectively, and will be amortized ratably over the remaining lease term. The ROU asset is included in prepaid expenses and other assets on the statement of financial position.

NOTE 13 EMPLOYEE BENEFIT PLAN

The Federation has a defined contribution plan for all employees meeting certain eligibility requirements. The plan provides for voluntary contributions by the Federation's employees up to a specified percentage of gross pay and a Federation match of 50% of a participant's contribution up to 6% of eligible compensation. In addition, the Federation may make additional discretionary contributions. Federation contributions to the plan approximated \$269,971 and \$249,796 in 2025 and 2024, respectively.

NOTE 14 SIGNIFICANT CONCENTRATIONS

GAAP requires disclosure of current vulnerabilities due to certain concentrations. Approximately, 20% and 25% of total revenue, gains and other support was received from The Jewish Foundation of Cincinnati in 2025 and 2024, respectively.

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 15 FAIR VALUE MEASUREMENTS

The following summarizes assets measured at fair value on a recurring basis at December 31, 2025 and 2024:

	Level 1	Level 2	Level 3	Not subject to fair value measurements	Total
2025					
Investments					
Equity mutual funds	\$ 24,059,146	\$ -	\$ -	\$ -	\$ 24,059,146
Fixed income mutual funds	5,585,259	-	-	-	5,585,259
State of Israel bonds	-	5,468,287	-	-	5,468,287
Money market funds	-	11,977,583	-	-	11,977,583
Hedge funds	-	-	-	67,655,068	67,655,068
Alternative strategy mutual funds	-	-	-	63,541,544	63,541,544
Private debt	-	-	-	7,501,486	7,501,486
Private equity	-	-	-	7,167,407	7,167,407
Total investments	29,644,405	17,445,870	-	145,865,505	192,955,780
CSV of life insurance policies	-	1,277,427	-	-	1,277,427
Charitable gift annuities	-	55,211	-	-	55,211
Beneficial interest in trust	-	-	4,042,864	-	4,042,864
Total assets	\$ 29,644,405	\$ 18,778,508	\$ 4,042,864	\$ 145,865,505	\$ 198,331,282
2024					
Investments					
Equity mutual funds	\$ 13,905,552	\$ -	\$ -	\$ -	\$ 13,905,552
Fixed income mutual funds	2,738,812	-	-	-	2,738,812
State of Israel bonds	-	5,483,174	-	-	5,483,174
Money market funds	-	14,705,985	-	-	14,705,985
Hedge funds	-	-	-	61,189,892	61,189,892
Alternative strategy mutual funds	-	-	-	51,501,924	51,501,924
Private debt	-	-	-	7,511,321	7,511,321
Private equity	-	-	-	4,383,581	4,383,581
Total investments	16,644,364	20,189,159	-	124,586,718	161,420,241
CSV of life insurance policies	-	1,304,516	-	-	1,304,516
Charitable gift annuities	-	141,158	-	-	141,158
Beneficial interest in trust	-	-	3,816,774	-	3,816,774
Total assets	\$ 16,644,364	\$ 21,634,833	\$ 3,816,774	\$ 124,586,718	\$ 166,682,689

Fair values for equity and fixed income mutual funds have Level 1 inputs of quoted prices in active markets.

Fair values for money market funds have Level 2 inputs as fair value is based off the observable values of the underlying securities.

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 15 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair values for the Federation's State of Israel bonds can be estimated using the face value, maturity date, payoff dates, and interest rate for each of the bonds. These are considered to be Level 2 observable inputs.

Fair values for the cash surrender value of life insurance policies can be estimated using the face value, premium amounts, interest rate and age of insured. These are considered to be Level 2 observable inputs.

Fair values for charitable gift annuities can be estimated using the contribution amount, annuity amount, interest rate and age of insured. These are considered to be Level 2 observable inputs.

Fair value for the beneficial interest in perpetual trust is derived from the present value of the investments at the time of death of the last remaining beneficiary. Future value of investments is not observable and therefore Level 3.

The following table is a reconciliation of all assets measured at fair value on a recurring basis using significant Level 3 unobservable inputs:

Balance at December 31, 2023	\$ 3,511,168
Change in value	<u>305,606</u>
Balance at December 31, 2024	3,816,774
Change in value	<u>226,090</u>
Balance at December 31, 2025	<u><u>\$ 4,042,864</u></u>

Investments in Certain Entities that Calculate Net Asset Value per Share

Hedge funds are investments in unregistered investment pools. The investment pools in turn invest in various equity and debt securities and other vehicles to generate an investment return. The value of these investment pools is reported by the Federation based on information provided by the investment management.

Values may be based on readily available public market data as well as estimates that require varying degrees of judgment. Generally, the value reflects net contributions to the investee and an ownership share of realized and unrealized investment income and expenses. The financial statements of the investees are audited annually by independent auditors as of December 31 with the most recent being as of December 31, 2025 or December 31, 2024. Valuations for these investment pools provided by the investment managers are evaluated by the Federation, and management believes such values are reasonable for years ended December 31, 2025 and 2024.

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 15 FAIR VALUE MEASUREMENTS (CONTINUED)

The Federation used Net Asset Value (NAV) to determine the fair value of all the underlying investments which do not have a readily determinable fair value and prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The following table lists investments in other investment companies by major category:

	Year Ended December 31, 2025			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Multi-Asset Class Alternative Investment Fund	\$ 63,541,544	\$ -	Quarterly	95 days
Global Equities Hedge Fund	15,391,093	-	Quarterly	95 days
Absolute Return Hedge Fund	10,088,119	-	Quarterly	95 days
Illiquid Credit Hedge Fund	7,501,486	-	Bi-Annual	95 days
Other Global Equities Funds	28,441,451	-	Daily to monthly	0 to 30 days
Other Funds	20,901,812	7,594,264	Daily to annually	1 to 90 days
Total	<u>\$ 145,865,505</u>	<u>\$ 6,624,598</u>		

Hedge funds include investments in funds that invest in securities and private investment companies. The funds invest substantially all of its assets through a master-feeder structure with a "Master Fund", an investment company that has the same investment objectives as the funds. The fair value of the Federation's investment in this category has been estimated using the net asset value per share of the investments.

NOTE 16 RISKS AND UNCERTAINTIES

Investment securities are exposed to various risks, such as credit, market and interest rate. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position at December 31, 2025. However, the diversification of the Federation's investments among various asset classes should mitigate the impact of any adverse changes on any one asset class. Investments are managed by the Board of Trustees with advice and assistance from investment professionals.