

Jewish Federation of Cincinnati

**Financial Statements
December 31, 2024 with
Summarized Comparative Totals for December 31, 2023, and
Independent Auditors' Report**

JEWISH FEDERATION OF CINCINNATI

December 31, 2024 with Summarized Comparative Totals for December 31, 2023

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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, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jewish Federation of Cincinnati as of December 31, 2024, 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)**

Auditors' Responsibilities for the Audit of the Financial Statements (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 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 26, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



June 23, 2025
Cincinnati, Ohio

JEWISH FEDERATION OF CINCINNATI

Statements of Financial Position December 31, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 13,840,416	\$ 12,995,528
Annual campaign pledges receivable, net	5,968,502	4,921,506
Other campaign pledges receivable, net	111,033	371,882
Grants and allocations receivable	3,498,318	2,146,878
Other receivables	942,158	1,105,961
Prepaid expenses and other assets	463,097	456,966
Investments	161,420,241	137,624,616
Charitable gift annuities	141,158	104,665
Property and equipment, net	847,847	1,000,016
Notes receivable	-	440,000
Cash surrender value of life insurance (face value of policies approximates \$13.9m in 2024 and \$12.9m in 2023)	1,304,516	1,210,233
Beneficial interest in perpetual trust	3,816,774	3,511,168
	<u>\$ 192,354,060</u>	<u>\$ 165,889,419</u>
Total assets		
	<u>\$ 192,354,060</u>	<u>\$ 165,889,419</u>
Liabilities and Net Assets		
Liabilities		
Allocations and grants payable	\$ 5,349,624	\$ 5,169,462
Accounts payable and accrued expenses	3,792,530	4,388,141
Refundable advances	2,990,846	2,630,939
Notes payable	-	440,000
Held for other organizations	20,875,725	13,817,995
	<u>33,008,725</u>	<u>26,446,537</u>
Total liabilities		
	<u>33,008,725</u>	<u>26,446,537</u>
Net Assets		
Without donor restrictions:		
Board-designated endowment funds	32,646,686	30,241,050
Designated for other purposes	2,666,381	2,643,594
Donor advised funds	55,522,312	47,587,946
Undesignated	3,096,399	2,268,800
	<u>93,931,778</u>	<u>82,741,390</u>
Total without donor restrictions		
	<u>93,931,778</u>	<u>82,741,390</u>
With donor restrictions	65,413,557	56,701,492
	<u>65,413,557</u>	<u>56,701,492</u>
Total net assets		
	<u>159,345,335</u>	<u>139,442,882</u>
Total liabilities and net assets		
	<u>\$ 192,354,060</u>	<u>\$ 165,889,419</u>

See accompanying notes to financial statements

JEWISH FEDERATION OF CINCINNATI

Statement of Activities Year Ended December 31, 2024 with Summarized Comparative Totals for 2023

	2024					2023
	Without Donor Restrictions	With Donor Restrictions		Total	Total	
		Contributions	Releases			
Revenue and other support						
Annual campaign gifts, net	\$ 6,139,636	\$ 7,009,533	\$ (6,139,636)	\$ 869,897	\$ 7,009,533	\$ 6,655,814
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	10,104,063	-	-	-	10,104,063	14,705,908
Other contributions and bequests	124,271	3,208,845	-	3,208,845	3,333,116	1,822,384
Partner agency capital campaign contributions	280,849	-	-	-	280,849	254,613
Supplemental gifts raised on behalf of others	2,942,269	-	-	-	2,942,269	7,460,365
Grants, net	5,877,388	-	(349,396)	(349,396)	5,527,992	5,408,737
Net assets released from endowments	1,737,409	-	(1,737,409)	(1,737,409)	-	-
Total contributed revenue	28,885,885	11,898,378	(9,906,441)	1,991,937	30,877,822	37,987,821
Bad debt expense	(85,841)	-	-	-	(85,841)	(185,998)
Less: annual campaign gifts from donor advised funds	(2,224,002)	-	-	-	(2,224,002)	(1,618,400)
Less: gifts and contributions raised on behalf of others	(3,223,118)	-	-	-	(3,223,118)	(7,714,978)
Net contributed revenue	23,352,924	11,898,378	(9,906,441)	1,991,937	25,344,861	28,468,445
Other revenue	2,616,655	-	-	-	2,616,655	2,245,156
Total revenue and other support	25,969,579	11,898,378	(9,906,441)	1,991,937	27,961,516	30,713,601
Expenses						
Allocations, grants and operating expenses	28,349,038	-	-	-	28,349,038	34,401,397
Less: gifts and contributions raised on behalf of others	(3,223,118)	-	-	-	(3,223,118)	(7,714,978)
Total expenses	25,125,920	-	-	-	25,125,920	26,686,419
Change in net assets before other gains	843,659	11,898,378	(9,906,441)	1,991,937	2,835,596	4,027,182
Other gains						
Investment return, net	10,346,729	6,283,747	-	6,283,747	16,630,476	13,656,510
Other gains	-	436,381	-	436,381	436,381	444,520
Change in net assets	11,190,388	\$ 18,618,506	\$ (9,906,441)	8,712,065	19,902,453	18,128,212
Net assets, beginning of year	82,741,390			56,701,492	139,442,882	121,314,670
Net assets, end of year	\$ 93,931,778			\$ 65,413,557	\$ 159,345,335	\$ 139,442,882

See accompanying notes to financial statements

JEWISH FEDERATION OF CINCINNATI

Statement of Functional Expenses Year Ended December 31, 2024 with Summarized Comparative Totals for 2023

	Community Services	Management and General	Fundraising	2024 Total	2023 Total
Allocations and grants:					
Annual campaign local allocations	\$ 3,337,078	\$ -	\$ -	\$ 3,337,078	\$ 3,192,423
Annual campaign Israel & overseas allocations	1,783,338	-	-	1,783,338	1,824,484
Other grants	12,422,114	-	-	12,422,114	18,661,779
 Total allocations and grants	 17,542,530	 -	 -	 17,542,530	 23,678,686
Operating expenses:					
Salaries and wages	4,195,327	553,729	1,251,653	6,000,709	5,881,207
Payroll taxes and benefits	1,012,415	82,908	339,529	1,434,852	1,481,502
Outside services	546,812	296,878	9,668	853,358	607,499
Information technology and related services	306,482	84,041	256,621	647,144	521,924
Events	434,425	8,234	65,969	508,628	631,325
Occupancy	210,881	79,444	44,585	334,910	264,568
Advertising and marketing	113,767	118,403	78,507	310,677	344,785
Meetings	71,230	9,528	22,389	103,147	101,346
Employee training, education and relations	39,509	8,836	13,342	61,687	115,363
All other expense	377,739	139,507	34,150	551,396	773,192
 Total operating expenses	 7,308,587	 1,381,508	 2,116,413	 10,806,508	 10,722,711
 Total allocations, grants and operating expenses	 24,851,117	 1,381,508	 2,116,413	 28,349,038	 34,401,397
Less: gifts and contributions raised on behalf of others	(3,223,118)	-	-	(3,223,118)	(7,714,978)
 2024 Totals	 \$ 21,627,999	 \$ 1,381,508	 \$ 2,116,413	 \$ 25,125,920	
	87%	5%	8%	100%	
 2023 Totals	 \$ 23,056,145	 \$ 1,669,761	 \$ 1,960,513		 \$ 26,686,419
	87%	6%	7%		100%

See accompanying notes to financial statements

JEWISH FEDERATION OF CINCINNATI

Statements of Cash Flows Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ 19,902,453	\$ 18,128,212
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	166,752	244,407
Bad debt expense	85,841	185,998
Change in cash surrender value of life insurance	(94,283)	(73,808)
Change in value of charitable gift annuities	(36,493)	(29,126)
Change in value of beneficial interest in perpetual trust	(305,606)	(341,585)
Net realized and unrealized gains on investments	(16,298,887)	(13,346,266)
Contributions restricted for endowment purposes	(2,225,718)	(1,052,323)
Changes in:		
Annual campaign pledges receivable	(1,132,837)	(383,946)
Other campaign pledges receivable	260,849	253,259
Grants and allocations receivable	(1,351,440)	(198,577)
Other receivables	163,803	1,267,327
Prepaid expenses and other assets	(6,131)	29,423
Allocations and grants payable	180,162	286,209
Accounts payable and accrued expenses	(595,611)	1,094,215
Refundable advances	359,907	275,489
Held for other organizations	5,148,211	(259,211)
Net cash provided by operating activities	<u>4,220,972</u>	<u>6,079,697</u>
Cash flows from investing activities		
Proceeds from sales of investments	2,502,456	14,556,911
Purchases of investments	(8,089,675)	(15,598,684)
Purchases of property and equipment	(14,583)	(34,285)
Net cash used in investing activities	<u>(5,601,802)</u>	<u>(1,076,058)</u>
Cash flows from financing activities		
Proceeds from contributions restricted for endowment purposes	<u>2,225,718</u>	<u>1,052,323</u>
Net change in cash and cash equivalents	844,888	6,055,962
Cash and cash equivalents, beginning of year	<u>12,995,528</u>	<u>6,939,566</u>
Cash and cash equivalents, end of year	<u>\$ 13,840,416</u>	<u>\$ 12,995,528</u>
Supplemental cash flows information:		
Non-cash decrease in notes receivable and notes payable	<u>\$ 440,000</u>	<u>\$ 75,000</u>
Non-cash increase in investments held for others	<u>\$ 1,909,519</u>	<u>\$ 2,611,725</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, 2023, 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, 2024 and 2023, 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.

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.

Reclassifications

Certain 2023 figures have been reclassified to conform to the 2024 presentation.

Subsequent Event Evaluation

Subsequent events have been evaluated through June 23, 2025, 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:

	2024	2023
Cash and cash equivalents	\$ 13,840,416	\$ 12,995,528
Annual campaign pledges receivable, net	5,968,502	4,921,506
Other campaign pledges receivable, net	111,033	371,882
Grants and allocations receivable	3,498,318	2,146,878
Other receivables	942,158	1,105,961
Investments	161,420,241	137,624,616
Total significant financial assets	185,780,668	159,166,371
Less funds held for other agencies	(20,875,725)	(13,817,995)
Less donor advised funds	(55,522,312)	(47,587,946)
Less board-designated endowments	(32,646,686)	(30,241,050)
Less board-designated other	(2,666,381)	(2,643,594)
Less donor restricted endowments	(50,383,772)	(43,611,791)
Less annual campaign funds not available		
within one year	(5,696,844)	(5,099,947)
Add budgeted endowment draws	1,665,792	1,611,618
Total significant financial assets available		
within one year	<u>\$ 19,654,740</u>	<u>\$ 17,775,666</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 2025 were solicited and recognized as revenue in 2024. The estimated operating budget for 2025 is approximately \$22,900,000.

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:

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>
2023			
	Campaign Pledges Receivable	Allowance for Uncollectible Pledges	Net Campaign Pledges Receivable
Year campaign pledges due:			
2024 and beyond	\$ 4,490,531	\$ 172,796	\$ 4,317,735
2023	813,146	209,375	603,771
2022	182,426	182,426	-
2021 and prior	226,930	226,930	-
	<u>\$ 5,713,033</u>	<u>\$ 791,527</u>	<u>\$ 4,921,506</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 \$111,033 and \$371,882 as of December 31, 2024 and 2023, respectively. The discount rate for the HHC capital campaign pledges receivable was 2.72% for both 2024 and 2023. No allowance for uncollectible pledges on these other campaign pledges was recognized as of December 31, 2024 and 2023.

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:

	2024	2023
The Jewish Foundation of Cincinnati:		
Property and Maintenance	\$ 1,054,196	\$ 922,927
Strengthening Individual Giving	990,805	238,668
Cincy Journeys	522,924	187,049
Shared Business Services	522,522	509,530
SAFE Cincinnati	295,770	217,998
Talent Management	103,401	68,362
Other programs	8,700	2,344
	<u>\$ 3,498,318</u>	<u>\$ 2,146,878</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, 2024 and 2023, the Federation had received \$2,990,846 and \$2,630,939, 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, 2024:

	Grants Awarded as of 12/31/2024	Funds Received in 2023 and prior	Funds Received in 2024	Remaining Funds Available at 12/31/2024
Strengthening Individual Giving	\$ 5,529,322	\$ 4,407,477	\$ 331,297	\$ 790,548
Property and Maintenance	6,681,470	2,476,583	768,540	3,436,347
Shared Business Services	10,732,217	4,051,340	766,666	5,914,211
SAFE Cincinnati	6,570,313	2,598,501	698,462	3,273,350
Talent Management	2,620,805	853,721	100,580	1,666,504
Leaders in Light	225,000	225,000	-	-
Honeymoon Israel	306,472	304,656	1,816	-
Connecting Community Priorities to Philanthropy	6,890,960	-	182,850	6,708,110
	<u>\$ 39,556,559</u>	<u>\$ 14,917,278</u>	<u>\$ 2,850,211</u>	<u>\$ 21,789,070</u>

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 6 INVESTMENTS

Investments consisted of the following as of December 31:

	2024	2023
Hedge funds	\$ 61,189,892	\$ 52,411,943
Alternative strategy mutual funds	51,501,924	44,131,370
Private debt	7,511,321	8,451,504
Private equity	4,383,581	2,870,327
Money market funds	14,705,985	8,791,932
Equity mutual funds	13,905,552	13,862,508
Fixed income mutual funds	2,738,812	3,468,174
State of Israel bonds	5,483,174	3,636,858
	<u>\$ 161,420,241</u>	<u>\$ 137,624,616</u>

Investments include amounts owned by local organizations entrusted to the Federation in an agency capacity. These amounts total \$20,759,814 and \$13,393,313 as of December 31, 2024 and 2023, 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:

	2024	2023
Buildings and improvements	\$ 1,995,150	\$ 1,995,150
Equipment, furniture and fixtures	2,259,614	2,245,031
Land improvements	102,396	102,396
Land	114,587	114,587
Construction in progress	1,218	1,218
Less accumulated depreciation	<u>(3,625,118)</u>	<u>(3,458,366)</u>
	<u>\$ 847,847</u>	<u>\$ 1,000,016</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 2024 and 2023, 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 2024 and 2023 were \$158,000 and \$150,000, respectively.

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 9 NOTES RECEIVABLE AND PAYABLE

The Federation and another non-profit agency, as co-borrowers, have a note payable with an outstanding balance of \$-0- and \$440,000 as of December 31, 2024 and 2023, respectively. The note was secured by all business assets of the other non-profit agency and an open-ended mortgage on the building granted by the non-profit agency to the Federation. The Federation had recognized a note receivable and note payable for the outstanding balance as of December 31, 2023. During 2024, the Federation was removed as co-borrower by the non-profit agency and had no further obligations for the note payable as of December 31, 2024.

Additionally, the Federation and the other non-profit agency, as co-borrowers, have a \$150,000 revolving note agreement. No borrowings were outstanding against the revolving note as of December 31, 2023. During 2024, the Federation was removed as co-borrower by the non-profit agency and had no further obligations for the revolving note agreement as of December 31, 2024.

NOTE 10 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:

	<u>2024</u>	<u>2023</u>
Holocaust and Humanity Center	\$ 14,916,595	\$ 7,143,937
Jewish Family Service	4,514,896	3,905,518
Other Jewish agencies	<u>1,444,234</u>	<u>2,768,540</u>
	<u>\$ 20,875,725</u>	<u>\$ 13,817,995</u>

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2024</u>	<u>2023</u>
Donor-restricted endowment funds:		
Community needs	\$ 19,921,567	\$ 16,515,730
Scholarships	6,819,076	6,231,120
Seniors	6,909,530	6,327,140
Education	5,081,966	4,565,753
Career networking and recruitment	2,945,113	2,686,399
Annual campaign fund	5,198,764	4,133,242
Other	<u>3,507,756</u>	<u>3,152,407</u>
Total donor-restricted endowment funds	50,383,772	43,611,791
Beneficial interest in perpetual trust	3,816,774	3,511,168
Restricted as to period of use:		
Annual campaign funds	7,685,845	6,815,948
Other	1,445,674	1,314,898
Restricted as to purpose:		
Bicentennial	-	186,106
JCRC Fellowship	697,101	848,072
Security guard grant	939,939	110,228
Other	<u>444,452</u>	<u>303,281</u>
	<u><u>\$ 65,413,557</u></u>	<u><u>\$ 56,701,492</u></u>

NOTE 12 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.

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 12 ENDOWMENTS (CONTINUED)

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>2024</u>	<u>2023</u>
Without donor restrictions:		
Board-designated endowments	<u>\$ 32,646,686</u>	<u>\$ 30,241,050</u>
With donor restrictions:		
Donor-restricted endowments, at historical value, required to be maintained in perpetuity by donor	22,743,631	22,014,484
Accumulated net appreciation of endowments required to be maintained in perpetuity by donor	12,938,221	9,498,125
Donor-restricted endowments not required to be maintained in perpetuity by donor	<u>14,701,920</u>	<u>12,099,182</u>
Total with donor restrictions	<u>50,383,772</u>	<u>43,611,791</u>
	<u><u>\$ 83,030,458</u></u>	<u><u>\$ 73,852,841</u></u>

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 12 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 - 12/31/22	\$ 26,959,196	\$ 38,895,214	\$ 65,854,410
Contributions	1,160,460	1,052,323	2,212,783
Investment return, net	3,257,120	5,409,614	8,666,734
Appropriated earnings	<u>(1,135,726)</u>	<u>(1,745,360)</u>	<u>(2,881,086)</u>
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	<u>\$ 32,646,686</u>	<u>\$ 50,383,772</u>	<u>\$ 83,030,458</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 2024 and 2023, 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 13 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 was 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, 2024 and 2023 was \$173,044 and \$165,321, respectively.

The Federation has an existing prepaid rent asset of \$252,778 and \$288,889 associated with this agreement which was reclassified as a right of use (ROU) asset as of December 31, 2024 and 2023, 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 14 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 \$249,796 and \$226,109 in 2024 and 2023, respectively.

NOTE 15 SIGNIFICANT CONCENTRATIONS

GAAP requires disclosure of current vulnerabilities due to certain concentrations. Approximately, 25% and 23% of total revenue, gains and other support was received from The Jewish Foundation of Cincinnati in 2024 and 2023, respectively.

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 16 FAIR VALUE MEASUREMENTS

The following summarizes assets measured at fair value on a recurring basis at December 31, 2024 and 2023:

	Level 1	Level 2	Level 3	Not subject to fair value measurements	Total
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
2023					
Investments					
Equity mutual funds	\$ 13,862,508	\$ -	\$ -	\$ -	\$ 13,862,508
Fixed income mutual funds	3,468,174	-	-	-	3,468,174
State of Israel bonds	-	3,636,858	-	-	3,636,858
Money market funds	-	8,791,932	-	-	8,791,932
Hedge funds	-	-	-	52,411,943	52,411,943
Alternative strategy mutual funds	-	-	-	44,131,370	44,131,370
Private debt	-	-	-	8,451,504	8,451,504
Private equity	-	-	-	2,870,327	2,870,327
Total investments	17,330,682	12,428,790	-	107,865,144	137,624,616
CSV of life insurance policies	-	1,210,233	-	-	1,210,233
Charitable gift annuities	-	104,665	-	-	104,665
Beneficial interest in trust	-	-	3,511,168	-	3,511,168
Total assets	\$ 17,330,682	\$ 13,743,688	\$ 3,511,168	\$ 107,865,144	\$ 142,450,682

Fair values for equity securities and equity, fixed income and alternative strategy 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.

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.

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 16 FAIR VALUE MEASUREMENTS (CONTINUED)

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, 2022	\$ 3,169,583
Change in value	<u>341,585</u>
Balance at December 31, 2023	3,511,168
Change in value	<u>305,606</u>
Balance at December 31, 2024	<u><u>\$ 3,816,774</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, 2024 or December 31, 2023. 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, 2024 and 2023.

JEWISH FEDERATION OF CINCINNATI

Notes to Financial Statements (Continued)

NOTE 16 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, 2024				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Multi-Asset Class Alternative Investment Fund	\$ 51,542,676	\$ -	Quarterly	95 days
Global Equities Hedge Fund	16,084,461	-	Quarterly	95 days
Absolute Return Hedge Fund	9,507,034	-	Quarterly	95 days
Illiquid Credit Hedge Fund	7,511,321	-	Bi-Annual	95 days
Other Global Equities Funds	14,458,244	-	Daily to monthly	0 to 30 days
Other Funds	25,482,982	6,624,598	Daily to annually	1 to 90 days
Total	<u>124,586,718</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 17 RISKS AND UNCERTAINTIES

The Federation's investments consist of equity and fixed income mutual funds, hedge funds and other marketable securities. 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, 2024. 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.