



The Jewish Federation
OF OMAHA

JEWISH FEDERATION OF OMAHA, INC.

Consolidated Financial Statements and
Supplemental Financial Information

June 30, 2025,
with Comparative Totals for 2024

(Together with Independent Auditor's Report)



JEWISH FEDERATION OF OMAHA, INC.

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WITH COMPARATIVE TOTALS FOR 2024**

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Independent Auditor's Report

To the Board of Directors
Jewish Federation of Omaha, Inc.
Omaha, Nebraska:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Jewish Federation of Omaha, Inc. (the Federation), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Federation as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Federation 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 these 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 the Federation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation'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 the Federation'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 the 2024 financial statements of the Federation, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 17, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information in Schedule 1 for the year ended June 30, 2025 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Omaha, Nebraska
December 16, 2025



JEWISH FEDERATION OF OMAHA, INC.

Consolidated Statement of Financial Position

June 30, 2025

With Comparative Totals for 2024

Assets	Without Donor Restriction	With Donor Restriction	Total	
			2025	2024
Cash and cash equivalents	\$ 525,192	6,711	531,903	1,354,442
Investments, including investments limited as to use	108,188,174	40,014,192	148,202,366	133,515,404
Promises to give, net	1,689,438	5,343,546	7,032,984	4,923,707
Resident and other receivables	1,703,841	--	1,703,841	981,093
Beneficial interest in charitable remainder trust assets and other split interest agreements	--	872,453	872,453	747,297
Other assets	259,159	--	259,159	486,102
Property, buildings, and equipment, net	43,591,682	--	43,591,682	46,121,085
Restricted construction in progress	--	6,890,829	6,890,829	3,437,336
Total assets	\$ 155,957,486	53,127,731	209,085,217	191,566,466
Liabilities and Net Assets				
Liabilities:				
Accounts payable -trade	\$ 747,069	--	747,069	923,980
Accounts payable-property, buildings and equipment	514,961	--	514,961	278,504
Accrued expenses	1,485,293	--	1,485,293	1,243,838
Contract liability	952,117	--	952,117	917,446
Custodial funds	10,857,355	--	10,857,355	10,494,002
JCC Capital Project line of credit	2,480,385	--	2,480,385	5,214,254
Total liabilities	17,037,180	--	17,037,180	19,072,024
Net assets	138,920,306	53,127,731	192,048,037	172,494,442
Total liabilities and net assets	\$ 155,957,486	53,127,731	209,085,217	191,566,466

See notes to consolidated financial statements



JEWISH FEDERATION OF OMAHA, INC.

Consolidated Statement of Activities
For the Year Ended June 30, 2025
With Comparative Totals for 2024

	Without Donor Restriction	With Donor Restriction	Total	
			2025	2024
Public support, program and investment revenue:				
Public support:				
Contributions	\$ 13,919,020	8,791,874	22,710,894	15,299,423
Government grants and credits	369,215	59,328	428,543	190,496
Grants	811,543	5,000	816,543	629,663
Total public support	15,099,778	8,856,202	23,955,980	16,119,582
Program revenue:				
Resident service revenue-				
Private pay and ancillary	6,740,051	--	6,740,051	6,182,928
Medicaid fees revenue	2,077,732	--	2,077,732	2,437,850
Medicare fees revenue	2,817,531	--	2,817,531	2,440,615
Other insurance	769,376	--	769,376	435,378
Program services	5,953,850	--	5,953,850	5,587,046
Membership dues	5,131,915	--	5,131,915	4,836,253
Rental income	337,118	--	337,118	718,335
Advertising	106,636	--	106,636	106,845
Miscellaneous	62,518	--	62,518	120,359
Net loss on fixed assets	(157,313)	--	(157,313)	--
Total program revenue	23,839,414	--	23,839,414	22,865,609
Investment revenue:				
Change in value of split interest agreements	--	125,156	125,156	247,687
Investment income	6,437,671	1,050,192	7,487,863	2,647,651
Realized gain on investments, net	669,224	4,828	674,052	3,546,050
Unrealized gain on investments	4,324,258	774,527	5,098,785	6,618,872
Total investment revenue, net	11,431,153	1,954,703	13,385,856	13,060,260
Total public support, program and investment revenue, net	50,370,345	10,810,905	61,181,250	52,045,451
Net assets released from restrictions	1,338,390	(1,338,390)	--	--
Expenses:				
Program services:				
Jewish Community Center	12,997,134	--	12,997,134	12,538,901
Rose Blumkin Jewish Home	15,105,457	--	15,105,457	14,552,451
Community Engagement and Education	1,514,110	--	1,514,110	1,390,177
Jewish Family Service	656,687	--	656,687	537,209
Community Relations Committee	762,939	--	762,939	764,966
Jewish Senior Outreach	125,243	--	125,243	449,994
Jewish Press	563,573	--	563,573	492,282
Jewish Federation and Foundation	404,673	--	404,673	559,080
Federation Manor, Inc.	212,596	--	212,596	381,874
Nebraska Jewish Historical Society	194,123	--	194,123	121,419
Federation Management and general	998,025	--	998,025	939,220
Federation fundraising	937,083	--	937,083	982,778
Foundation fundraising	733,965	--	733,965	641,028
Occupancy and Central Services	970,478	--	970,478	751,480
Contributions to nonprofit organizations and assistance:				
Jewish Federation of North America	550,000	--	550,000	550,000
Other	4,901,569	--	4,901,569	5,092,121
Total expenses	41,627,655	--	41,627,655	40,744,980
Change in restrictions	(867,274)	867,274	--	--
Change in net assets	9,213,806	10,339,789	19,553,595	11,300,471
Net assets at beginning of year	129,706,500	42,787,942	172,494,442	161,193,971
Net assets at end of year	\$ 138,920,306	53,127,731	192,048,037	172,494,442

See notes to consolidated financial statements



JEWISH FEDERATION OF OMAHA, INC.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2025
With Comparative Totals for 2024

	Jewish Community Center			Rose Blumkin Jewish Home			Program Services				
	Program Services	Supporting Services	Total	Program Services	Supporting Services	Total	Community Engagement & Education	Jewish Family Service	Community Relations Committee	Jewish Senior Outreach	Jewish Press
Salaries—professional	\$ 803,712	445,034	1,248,746	754,420	419,508	1,173,928	274,444	253,311	283,281	12,249	182,098
Salaries—program	3,489,269	293,108	3,782,377	7,080,282	89,983	7,170,265	899	827	64,315	51,668	20,663
Employee health and benefits	558,056	101,455	659,511	982,456	44,714	1,027,170	34,727	30,243	35,219	7,928	32,823
Payroll taxes	347,036	55,505	402,541	640,876	38,660	679,536	21,144	18,533	26,093	2,088	15,249
Total salaries and related expenses	5,198,073	895,102	6,093,175	9,458,034	592,865	10,050,899	331,214	302,914	408,908	73,933	250,833
Program operating costs	535,095	190,342	725,437	2,180,598	56,308	2,236,906	168,113	28,996	92,149	48,672	17,220
Occupancy-allocated	1,791,352	--	1,791,352	--	--	--	2,112	27,961	29,336	--	13,424
Occupancy-expensed	23,866	17,882	41,748	659,563	325	659,888	479	7,684	--	--	--
Central services	--	669,400	669,400	32,315	540,324	572,639	77,577	69,696	92,085	--	98,348
Professional fees	11,172	--	11,172	65,713	10,396	76,109	50,624	1,609	--	--	3,450
Mortgage interest	--	--	--	--	--	--	--	--	--	--	--
Supplies	87,877	146,853	234,730	223,846	49,114	272,960	2,272	8,764	2,544	598	4,594
Printing and publications	8,463	11,309	19,772	899	5,032	5,931	6,591	1,180	6,599	58	40,117
Assistance to organizations	--	--	--	--	--	--	89,531	--	--	--	--
Local transportation	4,307	76	4,383	53,824	3,466	57,290	10,960	--	1,007	--	--
Assistance to individuals	--	--	--	8,732	--	8,732	559,730	88,612	500	--	--
Dues	20,434	17,627	38,061	55,470	36,733	92,203	1,640	2,385	338	--	1,945
Postage and shipping	273	6,686	6,959	12,533	6,135	18,668	2,520	1,211	1,305	--	43,537
Laundry	28,644	1,432	30,076	1,641	--	1,641	225	588	--	--	--
Conferences, and meetings	555	--	555	4,278	10,439	14,717	6,739	2,101	6,755	--	--
Telephone	--	900	900	9,581	4,309	13,890	778	2,494	1,141	--	--
Miscellaneous	2,447	1,758	4,205	13,515	52,561	66,076	691	1,200	541	1,982	168
Total expenses before depreciation and contributions	7,712,558	1,959,367	9,671,925	12,780,542	1,368,007	14,148,549	1,311,796	547,395	643,208	125,243	473,636
Depreciation	3,028,339	296,870	3,325,209	956,908	--	956,908	202,314	109,292	119,731	--	89,937
Contributions to nonprofit organizations	--	--	--	--	--	--	--	--	--	--	--
2025 Total expenses	\$ 10,740,897	2,256,237	12,997,134	13,737,450	1,368,007	15,105,457	1,514,110	656,687	762,939	125,243	563,573
2024 Total expenses	\$ 10,392,314	2,146,587	12,538,901	13,306,013	1,246,438	14,552,451	1,390,177	537,209	764,966	449,994	492,282

See notes to consolidated financial statements



JEWISH FEDERATION OF OMAHA, INC.
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2025
With Comparative Totals for 2024

	Program Services			Supporting Services					Total			
	Jewish Federation and Foundation	Federation Manor, Inc.	Nebraska Jewish Historical Society	Federation Management and General	Jewish Federation Fund-raising	Jewish Foundation Fund-raising	Occupancy	Central Services	Program Services	Supporting Services	Total	
											2025	2024
Salaries—professional	\$ --	--	110,155	524,928	282,881	432,555	(6,518)	1,195,772	2,673,670	3,294,160	5,967,830	5,517,258
Salaries—program	14,427	--	267	--	61,477	7,981	864,800	118,466	10,722,617	1,435,815	12,158,432	12,334,738
Employee health and benefits	--	--	413	50,759	50,088	52,908	134,390	210,158	1,681,865	644,472	2,326,337	2,223,447
Payroll taxes	940	--	8,455	34,552	25,824	32,232	69,398	96,789	1,080,414	352,960	1,433,374	1,392,415
Total salaries and related expenses	15,367	--	119,290	610,239	420,270	525,676	1,062,070	1,621,185	16,158,566	5,727,407	21,885,973	21,467,858
Program operating costs	74,581	143,246	30,942	45,715	140,691	42,671	91,255	41,953	3,319,612	608,935	3,928,547	3,943,010
Occupancy-allocated	--	--	16,305	101,776	8,850	--	(1,991,116)	--	1,880,490	(1,880,490)	--	--
Occupancy-expensed	1,418	35,108	--	--	575	--	1,588,801	42	728,118	1,607,625	2,335,743	1,968,093
Central services	(13,125)	--	20,419	--	192,739	105,551	--	(1,885,329)	377,315	(377,315)	--	--
Professional fees	10,887	20,760	2,200	40,648	--	11,995	20	78,381	166,415	141,440	307,855	372,987
Mortgage interest	--	--	--	--	124,724	--	--	--	--	124,724	124,724	181,052
Supplies	345	--	1,101	40,432	12,603	19,150	86,840	124,999	331,941	479,991	811,932	682,680
Printing and publications	752	--	2,458	9,185	18,353	13,567	(19)	(46,593)	67,117	10,834	77,951	84,851
Assistance to organizations	66,008	--	--	--	--	--	--	--	155,539	--	155,539	163,042
Local transportation	--	--	1,108	--	--	1,042	9,098	68	71,206	13,750	84,956	126,513
Assistance to individuals	151,250	--	--	515	156	--	2,373	1,083	808,824	4,127	812,951	720,647
Dues	77,190	--	--	2,399	419	5,664	6,987	144,296	159,402	214,125	373,527	372,079
Postage and shipping	--	--	49	3,197	6,313	6,771	--	247	61,428	29,349	90,777	81,780
Laundry	--	--	251	750	75	107	9,742	225	31,349	12,331	43,680	37,861
Conferences and meetings	--	--	--	14,170	11,020	1,747	7,110	9,045	20,428	53,531	73,959	60,538
Telephone	--	--	--	2,096	--	--	5,559	1,280	13,994	14,144	28,138	27,319
Miscellaneous	20,000	--	--	111	295	24	--	876	40,544	55,625	96,169	167,328
Total expenses before depreciation and contributions	404,673	199,114	194,123	871,233	937,083	733,965	878,720	91,758	24,392,288	6,840,133	31,232,421	30,457,638
Depreciation	--	13,482	--	126,792	--	--	--	--	4,520,003	423,662	4,943,665	4,645,221
Contributions to nonprofit organizations	5,451,569	--	--	--	--	--	--	--	5,451,569	--	5,451,569	5,642,121
2025 Total expenses	\$ 5,856,242	212,596	194,123	998,025	937,083	733,965	878,720	91,758	34,363,860	7,263,795	41,627,655	40,744,980
2024 Total expenses	\$ 6,201,201	381,874	121,419	939,220	982,778	641,028	565,958	185,522	34,037,449	6,707,531		

See notes to consolidated financial statements



JEWISH FEDERATION OF OMAHA, INC.

Consolidated Statement of Cash Flows

For the Year Ended June 30, 2025

With Comparative Totals for 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 19,553,595	11,300,471
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions and investment income -		
Contributions for property, buildings and equipment	(6,269,971)	(3,314,041)
Contributions with donor restrictions -endowments	(1,994,965)	(1,074,513)
Change in value of split interest agreements, net	(125,156)	2,334,576
Unrealized gain on investments	(5,098,785)	(6,618,872)
Depreciation	4,943,665	4,645,221
Loss on disposal of fixed assets	157,313	--
Decrease (increase) in:		
Promises to give, net	(2,109,277)	1,011,455
Resident and other receivables	(722,748)	130,680
Other assets	226,943	155,711
Increase (decrease) in:		
Accounts payable -trade	(176,911)	(241,080)
Accrued expenses	241,455	62,063
Contract liability	34,671	25,169
Annuities and trusts payable	--	(98,569)
Custodial funds	363,353	150,534
Net cash provided by operating activities	<u>9,023,182</u>	<u>8,468,805</u>
Cash flows from investing activities:		
Deposits to investments	(37,593,556)	(33,234,910)
Withdrawals from investments	28,006,871	32,025,299
Purchase of property, buildings, and equipment	(5,790,103)	(10,711,209)
Net cash used in investing activities	<u>(15,376,788)</u>	<u>(11,920,820)</u>
Cash flows from financing activities:		
Proceeds from JCC Capital Project line of credit	131,068	889,395
Payments on JCC Capital Project line of credit	(2,864,937)	(781,096)
Contributions and investment income -		
Donor restricted for property, buildings, and equipment	6,269,971	3,314,041
Contributions with donor restrictions	1,994,965	1,074,513
Net cash provided by financing activities	<u>5,531,067</u>	<u>4,496,853</u>
Increase (decrease) in cash and cash equivalents	(822,539)	1,044,838
Cash and cash equivalents at beginning of year	1,354,442	309,604
Cash and cash equivalents at end of year	<u>\$ 531,903</u>	<u>1,354,442</u>
Supplemental disclosure of cash flow information:		
Interest paid	\$ 124,724	187,038

See notes to consolidated financial statements



JEWISH FEDERATION OF OMAHA, INC.

Notes to Consolidated Financial Statements

June 30, 2025

with Comparative Totals for 2024

1) Principles of Consolidation and Summary of Significant Accounting Policies

The following indicates principles of consolidation and provides a summary of significant accounting policies. These policies are in accordance with accounting principles generally accepted in the United States of America.

(a) *Principles of Consolidation*

The consolidated financial statements include the accounts of the Jewish Federation of Omaha, Inc. and its affiliated entities: Federation Manor, Inc.; Jewish Federation of Omaha Foundation; and the Pardes Foundation (collectively, the Federation). The Jewish Federation of Omaha, Inc. is a not-for-profit corporation created to provide for the social, educational, and welfare activities of the Jewish Community of Omaha through constituent agencies and supports activities of the national and international Jewish community. Federation Manor, Inc. owns and operates a 52-unit apartment complex for the elderly, funded in part by the U.S. Department of Housing and Urban Development (HUD). See Note 13 for further information regarding Federation Manor, Inc.'s activities. The Jewish Federation of Omaha Foundation and the Pardes Foundation are supporting organizations of the Jewish Federation of Omaha, Inc. All significant intercompany balances and transactions have been eliminated.

(b) *Basis of Presentation*

The Federation maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors. These consolidated financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Federation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of fund balances and transactions into the following classes of net assets:

Net assets without donor restrictions are those net assets not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Federation. Net assets without donor restrictions include undesignated net assets and net assets subject to designation by the Board of Directors.

Net assets with donor restrictions are net assets subject to restrictions imposed by donors. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.



JEWISH FEDERATION OF OMAHA, INC.

Notes to Consolidated Financial Statements

June 30, 2025

with Comparative Totals for 2024

(c) *Use of Estimates*

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the Federation to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates and those differences could be material.

(d) *Cash and Cash Equivalents*

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less. Cash and cash equivalents representing perpetually restricted assets and annuity and life income funds are included in investments.

(e) *Liquidity and Availability*

Financial assets available within one year of the consolidated statement of financial position date for general expenditure are as follows:

Financial assets:	2025	2024
Cash and cash equivalents	\$ 531,903	1,354,442
Investments, including investments limited as to use	148,202,366	133,515,404
Promises to give, net	7,032,984	4,923,707
Resident and other receivables	1,703,841	981,093
Beneficial interest in charitable remainder trust assets and other split interest agreements	872,453	747,297
	<u>158,343,547</u>	<u>141,521,943</u>
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restriction -		
Donor advised funds	45,463,726	35,727,565
Custodial funds	10,857,355	10,494,002
Donor restricted	40,886,645	35,175,056
Donor restricted pledge for construction project	5,343,546	3,159,868
Donor restricted cash and cash equivalent for construction project	6,711	1,015,682
Board designations	<u>28,335,246</u>	<u>28,014,584</u>
Total unavailable	<u>130,893,229</u>	<u>113,586,757</u>
Financial assets available for general expenditures	<u>\$ 27,450,318</u>	<u>27,935,186</u>

The Federation endowment funds consist of donor-restricted endowment and quasi-endowment funds. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. The payout rate for most endowments and the quasi-endowments is 5% for the next 12 months. Total endowment revenue for the next 12 months is \$959,536. Federation's policy is to structure financial assets to be available as its general expenditures, liabilities and other obligations come due. See Note 4 for additional information on endowment policy, balances and activity.



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In addition, cash available within general operations that exceeds daily requirements is invested in an FDIC insured sweep account to minimize risk and generate interest income. Although it is anticipated that liquid funds are sufficient to cover anticipated obligations, the Federation also has Board Designated and quasi-endowment funds available. Although the Federation does not intend to spend principal from these funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from the funds could be made available if necessary. However, a portion of these funds may contain investments with lock-up provisions that would reduce the total amounts that could be made available within 12 months.

As part of the Federation's cash management strategy related to the JCC Capital Project, the Federation has obtained a \$15 million multiple draw line of credit (Note 7) to cover project costs as donor pledges are being received.

(f) Investments

Investments in equity securities and mutual funds with readily determinable fair values and all investments in debt securities are measured at fair value based on published or quoted market prices in the consolidated statement of financial position with gains and losses included in the consolidated statement of activities. Investments in securities traded on a national securities exchange are valued at the latest quoted market prices. Insurance policies are valued at cash surrender value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

Certain investments, as well as limited liability partnerships and corporations, are valued by management based on net asset value per share that is compiled by fund administrators determined on an accrual basis of accounting. Net asset value per share is determined as follows: (1) securities that are listed on a national securities exchange or traded over the counter and are freely transferable are valued at their last sales price on the date of determination, or, if no sales occurred on such day, at the "bid" price at the close of business on such day quoted by the National Association of Securities Dealers, Inc.'s Automatic Quotation System, or, if not quoted on such system, by one of the principal market makers in such securities; (2) investments in managed accounts or investment partnerships, are valued utilizing the most recent relevant information or performance reports of any such managed account or investment partnerships; and (3) all other securities/investments are challenged for reasonableness of the assumptions and methodology used by managers to ensure the estimated fair value complies with accounting standards generally accepted in the United States.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the consolidated statement of activities as with donor restriction and without donor restriction based upon the existence and nature of any donor or legally imposed restrictions. The Federation maintains pooled investment accounts for its endowment. Investment income as well as realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest on each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.



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(g) *Resident Receivables*

The Federation reports resident receivables at amounts reflecting consideration to which the Federation expects to be entitled from third party payors, residents, and others. As a service to residents, the Federation bills third-party payers directly and bills residents when the resident's liability is determined. Resident receivables are due in full when billed. Payments for services are expected within thirty days of receipt of the billing. Accounts considered past due are sent to collections when internal collection efforts have been unsuccessful. The Federation does not charge interest on outstanding balances owed.

Resident receivables, with resident and other receivables in the consolidated statement of financial position, as of June 30, 2025, and 2024 were \$1,703,841 and \$981,093, respectively.

(h) *Allowance for Credit Losses*

The Federation records credit losses for patient and other accounts receivable based on the current expected credit losses. Credit losses are recorded after consideration of any implicit or explicit price concessions. Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses at June 30, 2025 and 2024 because the composition of the resident and other receivables at those dates are consistent with that used in developing the historical credit loss percentages. Additionally, the Federation has determined that current and reasonable forecasted economic conditions are consistent with the economic conditions included in the historical information. The allowance for credit losses at June 30, 2025 and 2024 was \$-0- for both periods.

(i) *Beneficial Interest in Charitable Remainder Trust Assets and Other Split Interest Agreements*

The Federation has been named the beneficiary of several irrevocable charitable remainder trust agreements in which the Federation will receive certain funds upon termination of each trust. The Federation recognizes contribution revenue for charitable remainder trusts at the present value of the estimated future benefits to be received. The Federation recognizes contribution revenue in the period in which the trusts are established or when they receive notice of the trust's existence. Adjustments to the receivable to reflect amortization of the discount, revaluation of the present value of the estimated future payments to the beneficiary, and changes in actuarial assumptions during the term of the trust are recognized as a change in the value of split interest agreements. Upon the death of the beneficiary, the receivable is closed, the assets received from the trust are recognized at fair value, and any difference is reported as a change in the value of split interest agreements.

(j) *Property, Buildings, and Equipment, net*

Property, buildings, and equipment are recorded at cost. The Federation maintains a capitalization policy of \$2,500. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method based on the following lives:

Land and land improvements	10 – 15 Years
Buildings and improvements	10 – 50 Years
Equipment, furniture and fixtures	5 – 10 Years
Vehicles	3 – 5 Years

Maintenance and repairs are expensed as incurred. The cost and related accumulated depreciation of assets sold or disposed of are removed from the accounts, and the resulting gain or loss is included in the consolidated statement of activities.



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Gifts of long-lived assets such as land, buildings or equipment are reported as contributions. 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 those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed into service.

The Federation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value, and an impairment loss is recognized as the amount by which the carrying amount of the long-lived asset exceeds its fair value. There were no indications of asset impairment during the year ended June 30, 2025.

(k) Contract Liability

The Jewish Community Center receives membership dues and program service fees before services are provided by the Federation. These receipts are recorded as a contract liability and are recognized as revenue as services are rendered.

(l) Custodial Funds and Donor Advised Funds

Custodial Funds –

The Federation holds assets in trust for various organizations in a fiduciary capacity. The Federation manages the assets and can only make distributions at the request of the owners. The assets are included in investments and the liabilities are included in custodial funds on the consolidated statement of financial position.

A summary of custodial funds as of June 30, 2025, and 2024 are as follows:

	2025	2024
Schrager Supporting Foundation	\$ 2,123,126	2,295,323
Goldstein Supporting Foundation	7,833,139	7,430,148
Friedel Jewish Academy	21,793	27,194
Murray and Sharee Newman	384,382	274,113
Others	494,915	467,224
Total	\$ 10,857,355	10,494,002

Donor Advised Funds –

The Federation has received contributions for which the donor specifies one or more individuals to serve as advisors of the funds. The fund advisors can recommend distributions from the fund but control of the assets and the final decision to distribute funds resides with the Federation.



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(m) Program Revenue

Resident Service Revenue

Resident service revenue is reported at the amount that reflects the consideration to which the Federation expects to be entitled in exchange for providing resident care. These amounts are due from residents, third-party payors (including health insurers and government programs), and others and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. The Federation bills self-pay residents at the beginning of the month, prior to the provision of services. Third party payors are billed after services are performed or the resident is discharged from care. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Federation. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided, and the Federation does not believe it is required to provide additional goods or services to the resident. The Federation has no revenue for performance obligations satisfied over time.

The Federation determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured residents in accordance with the Federation's policy, and or implicit price concessions provided to uninsured residents. The Federation determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies and historical experience. The Federation determines its estimate of implicit price concessions based on historical collection experience with various classes of residents.

Generally, residents who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Federation provides services to uninsured residents, and offers those uninsured residents a discount, either by policy or law, from standard charges. The Federation estimates the transaction price for residents with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts and implicit price concessions. Subsequent changes to the estimate of the transaction price are recorded as adjustments to resident service revenue in the period of change. For the year ended June 30, 2025, no additional revenue was recognized due to changes in estimates of implicit price concessions for performance obligations satisfied in prior years.

Consistent with the Federation's mission, care is provided to residents regardless of their ability to pay. Therefore, the Federation has determined it has provided implicit price concessions to uninsured residents and to residents with uninsured balances (copays and deductibles). The implicit price concessions included in estimating transaction price represent the difference between amounts billed and the amount the Federation expects to collect based on collection history.



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The Federation has elected the practical expedient and does not adjust the estimated amount of consideration from residents and third-party payors for the effects of a significant financing component due the Federation's expectation that the period between the time service is provided to the resident and the time that the resident or third-party payor pays for that service will be one year or less. However, the Federation does, in certain instances, enter into payment agreements with residents that allow payments in excess of one year. In these cases, the financing component is deemed to be insignificant to the contract.

Program Services and Membership Dues

The Federation recognizes revenue from Jewish Community Center (JCC) membership dues over the membership period, which is generally one year. The performance obligation consists of providing members with continuous access to the fitness center and its amenities and is recognized ratably as services are simultaneously received and consumed by the members. Dues vary by member based on location and number of covered members under the agreement.

The JCC, as well as other Federation agencies, provide camps, fitness classes, and other programs as part of its service offerings. Program service revenue is recognized once the program is held and the service has been provided. Program service revenue for the years ended June 30, 2025, and 2024 was \$5,953,850 and \$5,587,046, respectively.

Membership dues paid in advance are recognized as contract liabilities and are deferred to the membership period to which they relate. All other amounts paid in advance are deferred to the period in which the underlying sale, event or program takes place. Due to the nature and timing of the performance and/or transfer of services and products, substantially all contract liabilities each year are recognized in the following year. Membership due revenue for the years ended June 30, 2025, and 2024 was \$5,131,915 and \$4,836,253, respectively.

The following table provides information about significant changes in contract liability from membership dues for the year ended June 30, 2025, and 2024:

	<u>2025</u>	<u>2024</u>
Contract liability, beginning balance	\$ 917,446	892,277
Contract liability, ending balance	\$ 952,117	917,446

(n) Contributions, Government Grants and Grants

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date when the conditions are substantially met, and the gift becomes unconditional. If contributions are received with donor restrictions that limit the use of the donated assets it is reported as a contribution with donor restrictions. When a donor restriction expires; that is, when a stipulated restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statement of activities. Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying consolidated financial statements.



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Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue. Allowance for uncollectible promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promise to give are written off when deemed uncollectible. At June 30, 2025 and 2024, the allowance was \$51,281 and \$69,841, respectively. Donated property is recorded at fair market value on the date it is received or pledged.

(o) *Functional Expenses*

The costs of providing the various programs or activities of the Federation have been summarized on a functional basis in the consolidated statement of functional expenses. Certain expenses, such as accounting and central services, occupancy, and depreciation, are systematically allocated to the individual agencies and programs benefited. Expenses allocated based on square footage include security, property insurance, utilities, general occupancy and related payroll expenses. Expenses, including payroll expenses, allocated on the basis of estimates of time, and effort include costs of the Finance, Human Resources, Marketing and Information Technology departments.

(p) *Contributions to Not-for-Profit Organizations and Assistance Expense*

The Federation makes contributions to synagogues and Jewish entities, awards various scholarships, and provides support to needy individuals. The Federation also makes contributions to the Jewish Federation of North America and other not-for-profit organizations. These contributions to individuals and organizations are recognized as expense in the period in which a commitment to give is made.

(q) *Concentration of Credit Risk*

Financial instruments that potentially subject the Federation to the concentration of credit risk include cash and cash equivalents, investments, and promises to give. Investments and cash and cash equivalents are managed within guidelines established by the Board of Directors which, as a matter of policy, limit the amounts that may be invested with one issuer. Concentrations of credit risk with respect to promises to give are limited since amounts are due from a number of individual donors or corporations. Concentration of credit risk with respect to resident receivables are limited since amounts are due from multiple residents and insurance companies.

Cash and cash equivalents may include deposits in excess of Federal Deposit Insurance Corporation limits. Management has employed cash management strategies that spread cash deposits across multiple financial institutions to reduce exposure to FDIC limitations. On June 30, 2025, the Federation had approximately \$212,000 in excess of FDIC insured limits. Management believes the risks related to these deposits are minimal.



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(r) *Income Taxes*

The Federation is a not-for-profit corporation as described in Section 501(c)(3) of the Code and has received a determination letter that it is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Internal Revenue Service has established standards to be met to maintain the Federation's tax-exempt status. In general, such standards require the Federation to meet a community benefits standard and comply with various laws and regulations.

The Federation accounts for uncertainties in accounting for income tax assets and liabilities using guidance included in FASB ASC 740, *Income Taxes*. The Federation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. The Federation would recognize interest and penalties when incurred. At June 30, 2025 and 2024, the Federation had no uncertain tax positions accrued.

(s) *Advertising*

The Federation expenses advertising costs as incurred. Advertising expense was \$78,951 for the year ended June 30, 2025.

(t) *Comparative Amounts*

The accompanying financial statements includes certain prior year summarized comparative information in total but not by net asset class. 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 audited financial statements for the year ended June 30, 2024, from which the summarized information was derived.

(u) *Subsequent Events*

The Federation considered events occurring through December 16, 2025 for recognition or disclosure in the financial statements as subsequent events. That date is the date the financial statements were available to be issued.



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2) Fair Value Measurements

The Federation applies FASB ASC Topic 820 for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Federation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly through either corroboration or observable market data.
- Level 3 inputs are unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

The consolidated financial statements do not include any nonrecurring fair value measurements relating to assets and liabilities for which the Federation has adopted the provisions of ASC Topic 820.

The following methods and assumptions were used to estimate the fair value for each financial instrument measured at fair value.

Money Market Funds and Insured Cash Sweep: Valued at cost, which approximates fair value due to their short-term nature.

Investment Securities: The fair value of investment securities including equity or bond funds, common stock, U.S. government bonds, State of Israel bonds, and corporate bonds is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. When quoted market prices are available in an active market, the securities are classified within Level 1 of the valuation hierarchy. Securities valued based on market prices provided by recognized broker dealers are classified as Level 2. Market prices provided by these broker dealers are based on inputs such as market-based or independently sourced market parameters including but not limited to yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows.

Beneficial Interest in Charitable Remainder Trust Assets and Other Split Interest Agreements: The fair value of beneficial interests in charitable remainder trust assets and other split interest agreements is classified as Level 3 as the value of these assets are based on the underlying trust assets and actuarial calculations, which are unobservable to market participants.



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The Federation uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain hedge funds, private equity funds, funds of funds, and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy. The following is a summary of investments measured using NAV:

Chicago PEP: The fair value of the Federation's investment position in the Chicago PEP is based on the Federation's percentage ownership of the Jewish Federation of Metropolitan Chicago Pooled Endowment Portfolio, LLC (Chicago PEP). A portion of the underlying net assets of the Chicago PEP are comprised of readily marketable securities which are valued based on quoted market prices, when available, or market prices provided by recognized broker dealers. A portion of underlying investments are non-marketable securities whose fair values have been estimated by the management and/or administrators of the underlying private investment companies. These estimated fair values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for these investments existed. There are no unfunded commitments related to this investment.

Other: The fair value of other investments is the reported ownership percentage of underlying assets within the equity limited partnership as valued based on observable quoted market prices. There are no unfunded commitments related to this investment.

The following table presents the balance of investment securities measured at fair value (excluding money market funds and insured cash sweep accounts, at cost) on a recurring-basis on June 30, 2025 and 2024:

		2025			
		Fair Value			
	Cost	Total	Level 1	Level 2	Level 3
Money market funds, at cost	\$ 4,028,092	4,028,092	—	—	—
Insured cash sweep, at cost	426,084	426,084			
Vanguard - Balanced Fund	93,393,781	99,213,284	99,213,284	—	—
State of Israel bonds	1,500,000	1,494,600	1,494,600	—	—
Common stocks	843,294	4,372,800	4,372,800	—	—
U.S. Treasury bills	4,940,914	4,940,914	4,940,914	—	—
	<u>\$ 105,132,165</u>	<u>114,475,774</u>	<u>110,021,598</u>	<u>—</u>	<u>—</u>
Investments at NAV:					
Chicago PEP		31,573,670			
Other		1,714,476			
Other investments:					
Closed CRT Asset		62,965			
Insurance cash value		375,481			
Total investments		<u>148,202,366</u>			

		2025			
		Fair Value			
		Total	Level 1	Level 2	Level 3
Beneficial interest in charitable remainder trust assets and other split interest agreements	\$	872,453	—	—	872,453



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	2024				
	Cost	Total	Level 1	Level 2	Level 3
Money market funds, at cost	\$ 1,764,441	1,764,441	—	—	—
Insured cash sweep, at cost	2,369,680	2,369,680			
Vanguard - Balanced Fund	86,343,781	88,354,313	88,354,313	—	—
State of Israel bonds	1,500,000	1,496,499	1,496,499	—	—
Common stocks	843,172	3,673,334	3,673,334	—	—
U.S. Treasury bills	1,995,302	1,995,302	1,995,302	—	—
	<u>\$ 94,816,376</u>	<u>99,653,569</u>	<u>95,519,448</u>	<u>—</u>	<u>—</u>
Investments at NAV:					
Chicago PEP		29,183,014			
Other		1,819,528			
Other investments:					
Closed CRT Asset		2,483,694			
Insurance cash value		375,599			
Total investments		<u>133,515,404</u>			

Reconciliation of Level 3 assets for the years ended June 30, 2025 and 2024 are as follows:

Balance, June 30, 2023	3,081,873
Change in value of beneficial interest	247,687
Distribution received from terminated trusts	<u>(2,582,263)</u>
Balance, June 30, 2024	747,297
Change in value of beneficial interest	<u>125,156</u>
Balance, June 30, 2025	<u>872,453</u>



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3) Investments

Investments include amounts limited as to use by donor agreements as well as internally designated by the Board of Directors. The following is a summary of investments by limitation as of June 30, 2025 and 2024:

	2025	2024
	Total	Total
By donor agreement:		
Custodial	10,857,355	10,494,002
Endowments	41,548,575	37,599,784
Restricted-not endowment	6,410,322	5,667,348
Donor Advised	45,463,726	35,727,565
Total by donor agreements	<u>104,279,978</u>	<u>89,488,699</u>
By Board designation:		
Endowment funds (Quasi)	4,235,420	3,811,976
Campus funds	1,824,578	1,881,553
Agencies	19,193,123	19,081,445
Scholarships	176,276	152,719
Discretionary	2,905,849	3,086,891
Total by Board designation	<u>28,335,246</u>	<u>28,014,584</u>
Total investment limited as to use	<u>132,615,224</u>	<u>117,503,283</u>
Investments held for operations	6,567,356	8,029,308
Investments held for specific Agency	9,019,786	7,982,813
Total investments, including investments limited as to use	<u><u>148,202,366</u></u>	<u><u>133,515,404</u></u>

The following is a summary of investments measured using NAV as of June 30, 2025 and 2024:

	2025 Fair Value	2024 Fair Value	Unfunded Commitments	Redemption Frequency and Redemption Notice
Alternative investments -				
Chicago PEP (a)	\$ 31,573,670	29,183,014	None	See (a) below
Other (b)	1,714,476	1,819,528	None	See (b) below



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The following is a description of investments measured using NAV as of June 30, 2025, and 2024:

- a) Jewish Federation of Metropolitan Chicago Pooled Endowment Portfolio, LLC. (Chicago PEP) – On January 1, 2009, the Federation initiated an investment position in the Jewish Federation of Metropolitan Chicago Endowment Portfolio. This investment position was not independently incorporated from the Jewish Federation of Metropolitan Chicago nor was it a disjointedly managed partnership, but a separate division within that organization holding a portfolio of investments. On July 1, 2011, the Jewish Federation of Metropolitan Chicago transferred its endowment portfolio to a newly formed limited liability company, the Jewish Federation of Metropolitan Chicago Pooled Endowment Portfolio, LLC (Chicago PEP). The Federation, along with other divisions within the Jewish Federation of Metropolitan Chicago, other Chicago based Jewish charities, and other unrelated Jewish Federations across the United States, shares in the investment performance of the portfolio based on its percentage of ownership of the Chicago PEP. The Jewish Federation of Metropolitan Chicago is the manager of the Chicago PEP.

Contributions to and withdrawals from the Chicago PEP are allowed monthly. Withdrawals of more than 40% of the investor's asset position are paid in an amount equal to 50% of the redemption request within 60 days of the redemption date. Of the remaining balance, 50% is paid on the next anniversary date and the remaining balance paid at varying percentages over the next five anniversary dates. Redemptions can be suspended during any period when the redemption of capital would not be reasonable or practicable or would be prejudicial to the non-redeeming Members, at the sole discretion of Chicago PEP manager. The Chicago PEP can be dissolved at any time, at the sole discretion of the Chicago PEP manager.

The Chicago PEP invests in many investment fund types that involve public and private funds, partnerships and limited liability corporations. In addition to the risks normally associated with investing activities, many of the investments are alternative investments, including hedge funds, with a variety of related risks and liquidity attributes potentially impacted by underlying lock up restrictions and counterparty credit risks. Valuations depend upon net asset values per share as compiled by management of the hedge funds. A portion of underlying investments are non-marketable securities whose fair values have been estimated by the management and/or administrators of the underlying private investment companies.

The estimated fair values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for investments existed. In addition, as an indirect beneficiary, the Federation does not have direct ownership in the underlying assets limiting the ability to independently verify value, assess risk or liquidate investment positions. Since the manager of the Chicago PEP is the Jewish Federation of Metropolitan Chicago, the Federation's investment could also be exposed to risks associated with actions of the Jewish Federation of Metropolitan Chicago.



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- b) Other – The Federation is invested in an equity limited partnership as of June 30, 2025. This partnership's investments in securities are highly concentrated in a limited number of publicly traded U.S. common stocks. The substantial size of these positions could affect the partnership's ability to sell the investments without affecting market price which could affect liquidity and/or sales price. Liquidity of this investment is also affected by withdrawal restrictions, limiting withdrawals to semi-annual distributions.

Unrealized Gains and Losses

The following is a reconciliation of unrealized gain (loss) for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Net unrealized gains at beginning of year	\$ 21,703,595	14,629,474
Net unrealized losses at beginning of year from acquisition	–	(439)
Adjusted unrealized gains at beginning of year	21,703,595	14,629,035
Net unrealized gains at end of year	<u>27,085,993</u>	<u>21,703,595</u>
 Total change in unrealized gains (losses)	 5,382,398	 7,074,560
Change attributable to custodial funds	<u>(283,613)</u>	<u>(455,688)</u>
 Net change in unrealized gains	 \$ <u>5,098,785</u>	 <u>6,618,872</u>

4) Endowment

The Nebraska Uniform Prudent Management of Institutional Funds Act (NUPMIFA) was enacted April 4, 2007. NUPMIFA sets out guidelines to be considered when managing and investing donor restricted endowment funds.

Federation endowments consist of funds established to invest perpetually restricted donations. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments and beneficial interest in trust assets, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Federation has interpreted NUPMIFA as requiring the preservation of the whole dollar value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Federation retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Federation in a manner consistent with the standard of prudence prescribed by NUPMIFA.



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In accordance with NUPMIFA, the Federation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Federation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Federation
- The investment policies of the Federation

The composition of net assets by type of endowment fund on June 30, 2025 and 2024 was:

		2025		
		Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds		7,678,596	33,869,979	41,548,575
Board-designated endowment funds (Quasi)		4,235,420	—	4,235,420
Net assets, end of year	\$	11,914,016	33,869,979	45,783,995
		2024		
		Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds		4,722,861	32,876,923	37,599,784
Board-designated endowment funds (Quasi)		3,811,976	—	3,811,976
Net assets, end of year	\$	8,534,837	32,876,923	41,411,760



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The following tables present the changes in endowment balances for the years ended June 30, 2025, and 2024:

2025			
	Without Donor Restriction	With Donor Restriction	Total
Net assets, beginning of year	\$ 8,534,837	32,876,923	41,411,760
Investment return -			
Investment income	235,046	2,308,191	2,543,237
Net realized gain	857	10,884	11,741
Net unrealized gain	178,193	1,712,807	1,891,000
Appropriation for expenditure	613,249	(2,342,729)	(1,729,480)
Reclassifications due to change in restriction	2,059,079	(2,066,204)	(7,125)
Contributions	292,755	1,370,107	1,662,862
Net assets, end of year	<u>\$ 11,914,016</u>	<u>33,869,979</u>	<u>45,783,995</u>
2024			
	Without Donor Restriction	With Donor Restriction	Total
Net assets, beginning of year	\$ 6,643,395	30,939,364	37,582,759
Investment return -			
Investment income	66,288	676,100	742,388
Net realized gain	120,164	1,251,217	1,371,381
Net unrealized gain	199,790	1,984,463	2,184,253
Appropriation for expenditure	929,238	(2,260,441)	(1,331,203)
Reclassifications due to change in restriction	112,608	(465,524)	(352,916)
Contributions	463,354	751,744	1,215,098
Net assets, end of year	<u>\$ 8,534,837</u>	<u>32,876,923</u>	<u>41,411,760</u>

At June 30, 2025 and 2024, the Federation had appropriated endowment assets with donor restrictions in excess of available earnings from the endowed funds. Below is a summary of the original donor-restricted gifts whereby appropriations have exceeded available earnings:

	2025	2024
Original donor-restricted endowment gifts	\$ 1,308,971	3,433,465
Appropriation in excess of earnings	<u>(419,451)</u>	<u>(409,322)</u>
Net donor-restricted endowment gifts	<u>889,520</u>	<u>3,024,143</u>



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Return Objectives and Risk Parameters

The Federation has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while complying with all donor-imposed restrictions. Under this policy, as approved by the Board, the endowment assets are invested in a manner that seeks to maximize total returns over long periods of time primarily through capital appreciation.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Federation relies on a total return strategy in which investment returns are achieved primarily through asset portfolios managed by professional investment management staff of the Chicago PEP and assets purchased on the advice of other investment experts.

Appropriation Policy and How the Investment Objectives Relate to Appropriation Policy

The Federation preserves the whole dollar value of the original gift as of the gift date of donor-restricted endowments, absent explicit donor stipulations to the contrary. Investment income and net appreciation of the donor-restricted endowment funds are deemed appropriated for expenditure when available to be spent.

This spending policy does not apply if the donor otherwise defines or restricts the spendable income of a specific fund. Most of the Federation's endowment funds have donor specified restrictions.

The current policy sets the payout rate at 5% of the market value based on the average of the previous 16 quarters. For most endowment funds this rate is applied after shifting 15% of investment income and net appreciation or depreciation to the perpetual endowment, according to the donor agreement. The payout rate is 4% in the case of endowment funds for which the Federation considers it prudent to limit distributions in compliance with its NUPMIFA responsibilities. The rate is reviewed annually and, if adjusted, is done so by the Jewish Federation of Omaha Foundation Board of Directors upon recommendation of the Jewish Federation of Omaha Foundation Investment Committee.

Earnings in excess of the payout are used to grow the fund over time and provide a hedge against inflation. Unspent dollars remain available for use in future years.

The Federation determines the amount of appropriations for distributions necessary to support continuing operations and the strategic objectives of the Federation. Appropriated, but unspent, funds are included in the donor-restricted and board-designated endowment funds as amounts without donor restrictions.



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5) Promises to Give

On June 30, 2025 and 2024, promises to give are stated at net present value discounted at 2.5% as follows:

	2025	2024
Unconditional promises to give before unamortized discount and allowance for uncollectibles	\$ 7,791,295	5,437,169
Less unamortized discount	707,030	443,621
Subtotal	7,084,265	4,993,548
Less allowance for uncollectibles	51,281	69,841
Net unconditional promise to give	\$ 7,032,984	4,923,707

Unconditional promises to give at June 30, 2025 are expected to be received in the following periods:

	2025					
	Annual Campaign	Capital Campaign	Pickleball Campaign	RBH Campaign	Security Campaign	Total
2026	\$ 1,751,969	539,296	67,993	2,306,084	33,333	4,698,675
2027	—	36,303	—	1,359,315	—	1,395,618
2028	—	37,000	—	1,103,366	—	1,140,366
2029	—	37,000	—	223,879	—	260,879
2030	—	101,000	—	194,757	—	295,757
	\$ 1,751,969	750,599	67,993	5,187,401	33,333	7,791,295

6) Property, Buildings, and Equipment, net

Property, buildings, and equipment consist of the following at June 30, 2025 and 2024:

	2025	2024
Land and improvements	\$ 5,794,848	5,216,511
Buildings	80,264,246	81,768,320
Equipment	7,911,618	7,280,967
Furniture and fixtures	3,949,971	3,855,004
Vehicles	223,680	220,029
Construction in progress	7,954,250	3,786,856
	106,098,613	102,127,687
Less accumulated depreciation	55,616,102	52,569,266
	\$ 50,482,511	49,558,421



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Construction in progress includes costs incurred for a JCC Capital Project. Certain phases of the project have been placed in service while other phases have not begun. The project has been funded through internal operations as well as donor contributions. It is the Federation's policy to not commit to project components until at least 80% of expected costs are covered with funding commitments from donors.

7) JCC Capital Project Line of Credit

On June 3, 2020, The Federation received a multiple-draw line of credit from Union Bank and Trust Company in the aggregate amount of \$15,000,000. The line of credit balance as of June 30, 2025, and 2024 was \$2,480,385 and \$5,214,254, respectively. The line matures June 2026 and bears interest at a rate of 3.50% per annum with interest payable monthly. The note is in the form of a multiple-draw down line of credit and when funds are advanced, available credit is reduced and not restored when repaid. The line of credit may be prepaid by the Federation at any time prior to maturity with no prepayment penalties. The line of credit is secured by a Negative Pledge Agreement where the Federation will not assign or mortgage its owned property located at 333 South 132nd Street, Omaha, Nebraska. Under terms of the line of credit the Federation is required to maintain a net asset without donor restriction to debt ratio of 2:1 to be tested annually at fiscal year-end.

8) Retirement Plan

The Federation provides all eligible employees with a tax-sheltered annuity that can be used for retirement. The Federation makes contributions up to an amount equal to 5% of the employees' wages. Retirement plan costs were \$495,385 and \$468,255 for the years ended June 30, 2025, and 2024, respectively.

9) Risk Management

The Federation is subject to various risks of loss related to general and professional service liability, cybercrime and property and workers' compensation exposures. The Federation has purchased commercially available indemnity insurance to cover these risks. The deductible amounts for this insurance are immaterial to the Federation.

The Federation is involved in litigation arising in the normal course of business. After consulting with legal counsel, management estimates these matters will be resolved without material adverse effects on the Federation's future financial position or results from operations.



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10) Net Asset Balances

Net assets with donor restrictions consist of endowments and other assets restricted by donor agreement. Endowment agreements stipulate resources be maintained perpetually but permit the Federation to expend part or all of the income (or other economic benefits) derived from the donated assets for various purposes.

Net assets with donor restriction consist of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Endowments	33,869,979	32,876,919
Restricted-not endowments	6,150,924	1,556,454
Beneficial interest in charitable remainder trust assets and other split interest agreements, net	872,453	747,297
Capital Projects	<u>12,234,375</u>	<u>7,607,272</u>
	<u><u>\$ 53,127,731</u></u>	<u><u>42,787,942</u></u>

Net assets without donor restriction consist of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Undesignated	\$ 47,297,311	51,494,838
Donor advised	45,463,726	35,727,565
Designated by the board	24,099,826	24,202,608
Unrestricted Foundation assets	8,455,989	7,982,813
Campaign	1,689,438	1,763,839
Board-designated endowment funds (Quasi)	4,235,420	3,811,976
Endowments	<u>7,678,596</u>	<u>4,722,861</u>
	<u><u>\$ 138,920,306</u></u>	<u><u>129,706,500</u></u>



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Net assets designated by the Board are considered unrestricted and consist of the following components as of June 30, 2025, and 2024:

	2025	2024
Rose Blumkin Jewish Home	\$ 13,681,909	13,844,424
Federation	4,354,706	4,094,511
Board-designated endowment funds (Quasi)	4,235,420	3,811,976
Discretionary	2,859,357	3,045,098
Campus funds	1,824,578	1,881,553
JSO	783,854	736,714
Youth/scholarship funds	176,276	152,719
Foundation	162,309	100,654
JCC	153,132	251,187
Press	57,213	53,955
Agency custodial	45,150	41,100
Multi-purpose/other	1,342	693
	<u>\$ 28,335,246</u>	<u>28,014,584</u>

11) Medical Malpractice Coverage and Claims

The Federation pays fixed premiums for annual medical malpractice liability coverage under a claims-made policy form. The Federation accrues the expense of its share of asserted and unasserted claims occurring during the year by estimating the probable ultimate cost of any such claim in excess of the applicable insurance coverage. Such estimates are based on the Federation's own claims experience. The Federation does not expect any claims to exceed the insurance coverage limits. Accordingly, no accrual for claims has been included in the consolidated financial statements as of June 30, 2025. However, because of the risks involved in providing health care services, it is reasonably possible that an event has occurred which will be the basis for a future material claim.

12) Related Party Transactions

The Federation receives contributions from related parties including board members and employees, throughout the year. These contributions are used to help fund the Federation's mission. For the years ended June 30, 2025, and 2024, related party contributions were \$3,346,402 and \$3,427,133 respectively.

13) Federation Manor, Inc. HUD Contract

In November 2023, the Federation terminated its HUD contract. The contract was originally intended for the construction and maintenance of Livingston Manor, which was demolished in March 2025. As a result of this termination and the demolition, the Livingston Manor discontinued operation of the HUD facility during the fiscal year ending June 30, 2025. This did not have a material impact on financial position or financial activity of the consolidated organization.



JEWISH FEDERATION OF OMAHA, INC.

Net Assets Without Restriction Current Fund -

Program Revenue by Program Service

For the Year Ended June 30, 2025

With Comparative Totals for 2024

Schedule 1

	Jewish Federation	Jewish Community Center	Rose Blumkin Jewish Home	Jewish Family Services	Community Engagement & Education	Jewish Senior Outreach	Jewish Press	Community Relations Committee	Federation Manor, Inc.	Total	
										2025	2024
Elderly resident fees-	\$										
Private pay and ancillary	--	--	6,740,051	--	--	--	--	--	--	6,740,051	6,182,928
Medicaid	--	--	2,077,732	--	--	--	--	--	--	2,077,732	2,437,850
Medicare	--	--	2,817,531	--	--	--	--	--	--	2,817,531	2,440,615
Other insurance	--	--	769,376	--	--	--	--	--	--	769,376	435,378
Program services	140,731	5,603,228	34,885	21,062	5,856	125,312	--	20,410	2,366	5,953,850	5,587,046
Membership dues	--	5,131,915	--	--	--	--	--	--	--	5,131,915	4,836,253
Rental income	183,534	63,993	--	--	--	--	--	--	89,591	337,118	718,335
Advertising	--	--	--	--	2,000	--	104,636	--	--	106,636	106,845
Miscellaneous	18,085	22,538	18,019	684	--	--	2,192	1,000	--	62,518	120,359
Net gain (loss) on fixed assets	--	--	--	--	--	--	--	--	(157,313)	(157,313)	--
2025 Totals	\$ 342,350	10,821,674	12,457,594	21,746	7,856	125,312	106,828	21,410	(65,356)	23,839,414	22,865,609
2024 Totals	\$ 308,842	10,200,713	11,533,051	50,735	7,210	161,977	111,285	12,150	479,646		