JEWISH FEDERATION OF HOWARD COUNTY, INC.

AUDIT REPORT

FOR THE YEARS ENDED
June 30, 2025 and 2024

JEWISH FEDERATION OF HOWARD COUNTY, INC.

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Independent Auditor's Report

Board of Directors
Jewish Federation of Howard County, Inc.
Columbia, Maryland

Opinion

We have audited the accompanying financial statements of Jewish Federation of Howard County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

Prior Period Financial Statements

The financial statements for the year ended June 30, 2024 were audited by other auditors whose report dated April 22, 2025 expressed an unmodified opinion on the respective financial statements.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jewish Federation of Howard County 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 Howard County's ability to continue as a going concern within 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 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, including omissions, 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 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 Howard County'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 Howard County'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.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

May 28, 2026

JEWISH FEDERATION OF HOWARD COUNTY, INC.
(a nonprofit corporation)
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30,

		2025	2024
ASSETS			
Current Assets			
Cash and Cash Equivalents	$	609,391	660,793
Pledges Receivable, Net		392,443	413,379
Due from The Associated: Jewish Community Federation of Baltimore, Inc.		44,919	78,732
Investments		370,279	307,685
Prepaid Expenses and Other Assets		21,469	11,241
Total Current Assets		1,438,501	1,471,830
Noncurrent Assets			
Land, Property and Equipment, net of accumulated depreciation		37,989	19,975
Operating Lease Right-of-Use Asset		268,458	330,978
Total Noncurrent Assets		306,447	350,953
TOTAL ASSETS	$	1,744,948	1,822,783

The accompanying notes are an integral part of the financial statements

JEWISH FEDERATION OF HOWARD COUNTY, INC.
(a nonprofit corporation)
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30,

	2025	2024
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Expenses	$ 94,768	67,309
Due to the Jewish Emergency Network Project	18,143	17,822
Deferred Revenue	44,063	-
Operating Lease Liability	62,067	57,583
Total Current Liabilities	219,041	142,714
Non-Current Liabilities		
Operating Lease Liability	215,628	279,098
Total Non-Current Liabilities	215,628	279,098
TOTAL LIABILITIES	434,669	421,812
NET ASSETS		
Without Donor Restricitons		
Undesignated	557,261	584,198
With Donor Restricitons	753,018	816,773
TOTAL NET ASSETS	1,310,279	1,400,971
TOTAL LIABILITIES AND NET ASSETS	$ 1,744,948	1,822,783

The accompanying notes are an integral part of the financial statements

JEWISH FEDERATION OF HOWARD COUNTY, INC.
(a nonprofit corporation)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	Without Donor Restrictions	With Donor Restrictions	2025 Total	Without Donor Restrictions	With Donor Restrictions	2024 Total
Revenues and Support						
Grants and Contributions	$ 38,044	52,121	90,165	214,171	39,158	253,329
Endowments		75,152	75,152			-
Annual Campaign		670,159	670,159		738,339	738,339
Allocation from the Associated Jewish Community Federation of Baltimore, Inc.	32,158		32,158	34,639		34,639
Program Revenue	49,977		49,977	14,135		14,135
In-Kind Contributions			-	150		150
Rental Income			-	3,846		3,846
Realized Gain on Investments	8,023		8,023	3,151		3,151
Unrealized Gain	28,863		28,863	23,943		23,943
Interest and Dividends on Investments	6,172	707	6,879	619		619
Interest Income	21,536		21,536	21,567		21,567
Miscellaneous Income			-	4,107		4,107
Net Assets Released from Restrictions	861,894	(861,894)	-	830,855	(830,855)	-
Total Revenues and Support	1,046,667	(63,755)	982,912	1,151,183	(53,358)	1,097,825
Expenses						
Program Services	768,358		768,358	670,246		670,246
Supporting Services						
Management and General	72,969		72,969	83,985		83,985
Fundraising	232,277		232,277	278,390		278,390
Total Support Services	305,246	-	305,246	362,375	-	362,375
Total Expenses	1,073,604	-	1,073,604	1,032,621	-	1,032,621
Changes in Net Assets	(26,937)	(63,755)	(90,692)	118,562	(53,358)	65,204
NET ASSETS						
Beginning of Year	584,198	816,773	1,400,971	465,636	870,131	1,335,767
End of Year	$ 557,261	753,018	1,310,279	584,198	816,773	1,400,971

The accompanying notes are an integral part of the financial statements

JEWISH FEDERATION OF HOWARD COUNTY, INC.
(a nonprofit corporation)
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30,

		Supporting Services					Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	2025 Total	Program Services	Management and General	Fundraising	Total Supporting Services	2024 Total
Salaries, Taxes, and Benefits	$ 377,848	47,347	156,467	203,815	581,663	227,528	58,981	209,815	268,796	496,324
Programming Expenses	177,347			-	177,347	124,414			-	124,414
Occupany Costs	69,737	8,739	28,878	37,617	107,354	69,020	8,649	28,585	37,234	106,254
Professional Fees	60,915	7,633	25,225	32,858	93,773	65,495	8,207	27,125	35,332	100,827
Grants to Other Organization	30,091			-	30,091	148,129			-	148,129
Bad Debt Expenses		2,681		2,681	2,681		2,733		2,733	2,733
Advertising and Promotion	5,127	642	2,123	2,766	7,893	5,831		406	406	6,237
Information Technology	18,473	2,315	7,650	9,965	28,438	13,273	1,663	5,497	7,160	20,433
Office Expenses	18,849	2,362	7,806	10,168	29,017	9,968	1,249	4,935	6,184	16,152
Depreciation	2,627	329	1,088	1,417	4,044	1,930	242	799	1,041	2,971
Conferences, Conventions, and Meetings	4,158	521	1,722	2,243	6,401	2,579	2,001	367	2,368	4,947
Miscellaneous Expense	326	41	135	175	501				-	-
Insurance	2,274	285	942	1,226	3,500	2,079	260	861	1,121	3,200
Travel	585	73	242	316	901				-	-
Total Expense by Functior	$ 768,358	72,969	232,277	305,246	1,073,604	670,246	83,985	278,390	362,375	1,032,621

The accompanying notes are an integral part of the financial statements

JEWISH FEDERATION OF HOWARD COUNTY, INC
(a nonprofit corporation)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

CASH FLOWS FROM OPERATING ACTIVITIES	2025	2024
Change in Net Assets	$ (90,692)	65,204
Adjustments to Reconcile change in Net assets		
to Cash Provided/(Used) by Operating Activities:		
Depreciation	4,044	2,971
Non-Cash Lease Expense	3,534	7,258
Realized (Gains) on Investments	(8,023)	(3,151)
Unrealized (Gains) on Investments	(28,863)	(23,943)
Interest on Investments	(6,879)	(619)
Provision for Bad Debt	2,681	2,733
Change in Assets and Liabilities:		
(Increase)/Decrease in:		
Pledges Receivable, Net	18,255	4,742
Due from the Associated Jewish Community Federation of Baltimore, Inc.	33,813	(24,604)
Prepaid Expenses and Other Assets	(10,228)	6,285
Increase/(Decrease) in:		
Accounts Payable and Accrued Expenses	27,459	32,062
Due to the Jewish Emergency Network Project	321	(8,687)
Deferred Revenue	44,063	(769)
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	(10,515)	59,482
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(22,058)	-
Purchase of Investments	(28,101)	-
Sales of Investments	9,272	2,575
NET CASH PROVIDED/ (USED) BY INVESTING ACTIVITIES	(40,887)	2,575
NET INCREASE/(DECREASE) IN CASH	(51,402)	62,057
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	660,793	598,736
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 609,391	660,793
SUPPLEMENTAL DISCLOSURES:		
Non-cash Activity:		
In-Kind Contributions	$ -	150

The accompanying notes are an integral part of the financial statements

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Jewish Federation of Howard County
(a nonprofit corporation)
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization
Jewish Federation of Howard County, Inc. (the Federation) is incorporated under the laws of Maryland. The mission of the Federation is to support and serve the Howard County Jewish community, the State of Israel, and Jews throughout the world. The Federation is a dynamic, integrating resource for all Jewish organizations in Howard County.

A summary of the Federation's significant accounting policies are as follows:

Basis of Accounting
The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred. Revenue received which relates to future periods is recorded as deferred revenue. Expenses paid which relate to future periods are recorded as prepaid expenses.

Cash and Cash Equivalents
The Federation considers all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents.

Credit Risk
The Federation maintains its cash in a bank deposit account which at times may exceed federally insured limits. These deposits are secured from risk by $250,000 of federal deposit insurance. The Federation has not experienced any losses in such accounts. The Federation believes it is not exposed to any significant financial risk on cash.

Promises to Give
Promises to give are recorded as revenue in the period an unconditional promise is made and recorded at fair value less an estimate made to allow for uncollectible promises to give. Management determines the allowance for uncollectible promises to give on an individual basis and by using historical experience applied to an aging of accounts. Management has established an allowance for uncollectible promises to give of $0 and $8,731 as of June 30, 2025 and 2024, respectively.

Property and Equipment
The Federation records property and equipment additions at cost, if purchased, or fair value at the date of donation, if donated. Any item with an individual cost that exceeds $1,000 is capitalized and depreciated based on the straight-line method over the estimated useful lives of the related assets, ranging from three to five years.

Valuation of Long-Lived Assets
The Federation reviews the valuation of long-lived assets and certain identifiable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to beimpaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Investments
Investments are recorded at fair value. To adjust the carrying value of these investments, the change in fair value is included on the statements of activities.

Investments in the Jewish Community Investment Fund
The Associated: Jewish Community Federation of Baltimore, Inc. (The Associated) and its constituent agencies have commingled their investments in a fund known as the Jewish Community Investment Fund (JCIF), which is managed by the Associated Jewish Charities of Baltimore (AJCB). Investments held in the JCIF consist of common shares and bonds of publicly traded companies, U.S. government obligations, mutual funds, private equity funds, hedge funds, limited partnerships, and money market funds. Investments, other than limited partnership interests, are under custodial agreements with a financial institution. Gains and losses on sales of investments and income earned on investments are allocated monthly to each agency or entity based on the individual agency's or entity's share of fair value to the fair value of the total JCIF.

The JCIF holds interests in various limited partnerships, most of which, are audited at December 31 of each year. Interim valuations, including those prepared at June 30, are prepared by the general partners. The partnerships invest in a wide array of investment vehicles including common stock, restricted investments, bonds, future contracts, foreign currency contracts, reverse repurchase agreements, written options, and other investment derivatives. Certain of these investment vehicles include an inherently higher degree of risk than others. The Investment Management Committee of AJCB regularly reviews the progress and valuation of these interest.

Investment Risk
The Federation invests in a professionally managed portfolio that contains common shares and bonds of publicly traded companies, U.S. government obligations, mutual funds, private equity funds, hedge funds, limited partnerships, and money market funds. Such investments are exposed to various risks, such as interest rate, market, and credit.

Net Assets
Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

> *Net Assets Without Donor Restriction* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
>
> *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. 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. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Any resource with a temporary in nature restriction that is received and used during the current year is considered to be a resource without donor restrictions and is reported as net assets without donor restrictions.

Revenue Recognition
Program revenue is earned at the time when the Federation's contractual performance obligations have been met to its members or customers. For general registration fees and program services, the Federation's performance obligation is considered to have been met through the passage of time over the applicable program period. Cash receipts received and expenses incurred prior to June 30 and applicable to activities beginning thereafter are deferred. Other revenue is recognized as revenue when earned.

Event income includes both ticket sale income and sponsorship income to related events. Ticket sale income is recognized over the period of time when the event occurs. Sponsorship income includes both income related to contractual obligations as well as a value above these obligations that are considered to be conditional promises to give. Conditions are considered to be met at the time the event is held. $37,920 and $18,600 of the event income reported on the statements of activities are conditional promises to give, where conditions have been met for the years ended June 30, 2025 and 2024, respectively.

There were no contract assets or contract liabilities for the beginning and ending periods as of June 30, 2025 and 2024.

Grants and contributions, including unconditional pledges receivable, are recognized in the period received. Conditional promises are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash, if received, are recorded at fair value. Grants received related to agreements determined to be exchange transactions are recognized as revenue as costs related to the agreement are incurred.

Functional Allocation of Expenses
The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. Supporting services expenses include those expenses that are not directly identifiable with any specific function, but which provide for the overall support and direction of the Federation. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. All other costs are charged directly to the appropriate functional category. Expenses that are attributed to more than one program or supporting function are allocated consistently based on the following:

- Salaries, taxes, and benefits are allocated based on management's estimates of time and effort.

- Occupancy costs have been allocated based on the calculated ratio determined by management for salaries, taxes, and benefits.

Income Tax Status
The Federation is generally exempt from federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC) and is not considered to be a private foundation. Income that is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. The Federation had no net unrelated business income for the years ended June 30, 2025 and 2024.

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

Leases - Lessee
The Federation determines if an arrangement is a lease at inception. Operating leases are included in the Operating Lease ROU Asset and current and long-term operating lease liabilities on the statement of financial position.

ROU assets represent the Federation's right to use an underlying asset for the lease term and lease liabilities represent the Federation's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Federation will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Federation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Federation has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

The Federation has elected to not separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component. The Federation's lease agreements do not contain any material residual value guarantees material restrictive covenants, or variable lease payments.

In evaluating contracts to determine if they qualified as a lease, the Federation considers factors such as if the Federation has obtained substantially all of the rights to the underlying asset through exclusivity, if the Federation can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgement.

Leases - Lessor
Revenue from lease payments is recognized under the accrual method. Lease payments are included in income as rents become due. Lease payments received in advance are deferred until earned. At the commencement of an operating lease, no revenue is recognized; subsequently, lease payments received by the Company are recognized as income on the straight-line basis.

Adoption of New Accounting Standard
The Federation has adopted ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses. The Federation adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Federation's financial statements but did change how the allowance for credit losses is determined.

Recent Accounting Pronouncements Not Yet Effective
Currently there are no new recent accounting pronouncements which would affect the Federation's financial statements.

Jewish Federation of Howard County
(a nonprofit corporation)
Notes to Financial Statements
June 30, 2025 and 2024

NOTE 2: PROGRAM AND SUPPORTING SERVICES

The following program and supporting services are included in the accompanying financial statements:

Jewish Federation of Howard County assumes an active leadership role in the cultural, educational, religious, social, and social welfare needs of the Jewish community. It is active in the advancement of local, national, and global Jewish interests, particularly with respect to Israel and vulnerable Jewish populations around the world. Jewish Federation develops and sponsors programs for individuals and the community to realize and fulfill its mission of connecting and engaging Jews in Howard County to community. This achieved through the efforts of staff and volunteers who work with the following program committees: Development, Engagement, Holocaust Remembrance, Jewish Community Relations, and Social Services.

Jewish Federation's dedicated leadership, volunteers, and professional staff create engaging events and programs to connect Jews in Howard County to one another and to celebrate Jewish life, tradition, and values, and to disseminate information and develop programs and services that create awareness and understanding of issues important to all Americans, of all ethnicities, including anti-Semitism, Holocaust education, discrimination and racism, the fight against international terrorism, human rights, and poverty.

NOTE 3: AVAILABILITY AND LIQUIDITY

The Federation is primarily supported by contributions, grants, and program revenues.

Short-term cash liquidity is measured and sustained by the excess of operating revenue after incurring operating expenses. Cash and cash equivalents received for a specific use are reserved and held separately in restricted accounts, only to be used upon the release of the restrictions and transfer of the assets.

Financial assets available to meet cash needs for general expenditures within one year as of June 30 are as follows:

Financial assets at year end:	2025	2024
Cash and cash equivalents	$ 609,391	660,793
Pledges Receivable, Net	392,443	413,379
Due from the Associated Jewish Community Federation of Baltimore, Inc.	44,919	78,732
Investments	370,279	307,685
Total financial assets	1,417,032	1,460,589
Less amounts not available to be used within one year:		
Restrictions by Donor with Time Restriction	(670,159)	(724,046)
Restrictions by Donor with Purpose Restriction	(82,859)	(92,727)
Cash Held for Related Party	(18,397)	(17,822)
	(771,415)	(834,595)
Financial assets available to meet general expenditures over the next twelve months	$ 645,617	625,994

NOTE 4: INVESTMENTS

Investments are presented in the financial statements at fair value in accordance with generally accepted accounting standards:

	2025	
	Cost	Fair Market Value
Israel Bonds	$ 500	500
Stocks	290	290
Mutual Funds	1,601	2,150
Equity Securities	4,029	10,028
JCIF Assets	311,053	357,311
	$ 317,473	370,279

	6/30/2025
Investment Income and Interest Earnings	$ 6,879
Cumulative Unrealized Gains Current Year	52,806
Cumulative Unrealized Gains Prior Year	23,943
Total Unrealized Gains/(Losses)	28,863
Net Realized Gains/(Losses)	8,023
Current Year Net Realized and Unrealized Gains	$ 36,886

NOTE 5: FAIR VALUE MEASUREMENTS

The Federation defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and within a fair value hierarchy. The fair value hierarchy gives the highest rank to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest rank to unobservable inputs (Level 3). Inputs are broadly defined as data that market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of investments included in Level 1 include listed equities and holdings in bond and mutual funds.

Level 2 – Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate loans, less liquid, restricted equity securities and certain corporate bonds and over-the-counter derivatives. The Federation invests in State of Israel bonds that are recorded at their value at maturity.

Level 3 – Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Federation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

The Federation uses net asset value (NAV) per share as a practical expedient to estimate fair value of its investment in the JCIF, which does not have a readily determinable fair value. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy. There are no unfunded commitments and redemption requires a 30-day notice.

The following tables present the Federation's fair value hierarchy for those assets measured at fair value on a recurring basis at June 30:

		Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
June 30, 2025				
Equity Securities	$	10,028	10,028	
Mutual Funds		2,150	2,150	
Stocks		290	290	
Israel Bonds		500		500
Totals		12,968	12,468	500
Assets Measured at NAV		357,311		
Total	$	370,279		
June 30, 2024				
Stocks	$	290	290	
Israel Bonds		500		500
Totals		790	290	500
Assets Measured at NAV		306,895		
Total	$	307,685		

NOTE 6: CONCENTRATION OF CREDIT RISK

As of June 30, 2025 and 2024, the Federation had cash and cash equivalents at financial institutions, which at times during the year may exceed federal insured limits. The Federation only deposits funds in recognized fiscally stable financial institutions.

NOTE 7: PROPERTY AND EQUIPMENT

A summary of fixed assets at June 30, 2025 and 2024 is as follows:

	7/1/2024	Transfers/ Additions	Transfers/ Disposals	6/30/2025
Cemetery Land Plots	$ 19,975			19,975
Office Furniture & Equipment	8,968			8,968
Vehicles		22,058		22,058
Leashold Improvements	7,675			7,675
Total	36,618	22,058	-	58,676
Less: Accumulated Depreciation	(16,643)	(4,044)		(20,687)
Net Property Equipment	$ 19,975	18,014	-	37,989

	7/1/2023	Transfers/ Additions	Transfers/ Disposals	6/30/2024
Cemetery Land Plots	$ 19,975			19,975
Office Furniture & Equipment	8,968			8,968
Leashold Improvements	7,675			7,675
Total	36,618	-	-	36,618
Less: Accumulated Depreciation	(13,672)	(2,971)		(16,643)
Net Property Equipment	$ 22,946	(2,971)	-	19,975

NOTE 8: NET ASSETS

Net assets with donor restrictions were as follows for the years ended June 30, 2025 and 2024:

	2025	2024
Specific Purpose		
Annual Campaign - Time	$ 670,159	724,046
Antelman Family Fund	707	-
Shlichut Program		41,899
PJ Library		10,955
JCRC		12,223
Grandparent Project		974
FY25 IT Upgrades	7,000	-
Shalom Baby		5,196
Security		11,718
Other Programs		9,762
Corpus		
Antelman FamilyFund	75,152	-
Total Restricted	$ 753,018	816,773

Net assets released from net assets with donor restrictions are as follows:

	2025	2024
Annual Campaign - Time	$ 724,046	685,966
Other Programs	137,848	144,889
Total Restricted	$ 861,894	830,855

Net assets without donor restrictions for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
Undesignated	$ 557,261	584,198
Total Restricted	$ 557,261	584,198

The Federation's restricted endowments consist of donor-restricted funds established for a variety of purposes. As required by GAAP, net assets associated with restricted endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Federation holds endowment funds in which the investment is to be held in perpetuity, the income from which is expendable based upon donor restrictions. The original corpus (principal) of the endowments is classified and reported as net assets with donor restrictions. Cumulative earnings are classified and reported net assets with donor restrictions for a specific purpose. As the donor restriction is met, the net asset is reported as released from restriction.

Investments held in donor-restricted endowment funds are classified as long-term assets and are reported as investments held for long-term purposes on the accompanying statements of financial position.

Interpretation of Relevant Law

The Federation has interpreted the Uniform Prudent Management Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift, as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Federation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in corpus is classified as net assets with donor restrictions specific purpose until those amounts are appropriated for expenditure by the Federation in a manner consistent with the standard of prudence prescribed by the UPMIFA. These standards of prudence encompass: (1) the duration and preservation of the fund; (2) the purposes of the Federation and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the Federation; and (7) the investment policies of the Federation.

Funds with Deficiencies

From time to time, the fair value associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA require the Federation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets with or without donor restrictions, depending on the classification of previous gains. Deficiencies generally result from unfavorable market fluctuations. Subsequent gains that restore the fair value of the assets of endowment funds to the required level are classified as increases to net assets with or without donor restrictions.

Return Objectives and Risk Parameters

The Federation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the Federation's programs and are supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. As noted previously, endowment assets include those assets of donor restricted funds that the Federation must hold in perpetuity or for a donor-specified purpose. Under this policy, as approved by the governing body, the endowment assets are invested in a manner that is intended to produce results that exceed 5% annually, while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy the Federation's long-term rate-of-return objectives, the Federation relies on total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividend). The Federation targets a diversified asset allocation that places a great emphasis on equity-based investments to achieve their long-term objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy
The Federation has a not yet adopted a spending policy for distribution of the endowment base as the full endowment base has not been received and no spending is currently allowed.

Changes to donor-restricted endowment net assets as of June 30, 2025 are as follows:

	2025 With Donor Restricitons
Endowment net assets, beginning of year	$ -
Present Value of Contributions	75,152
Net appreciation - unrealized	707
Amounts appropriated for expenditure	-
	$ 75,859

The fair market value of endowment investments held in the Jewish Community Investment Fund is $10,707 as of June 30, 2025.

As required by U.S. 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.

NOTE 9: RETIREMENT PLAN

The Federation contributes to a 401(k) thrift plan (the Plan). Employees normally scheduled to work 18.75 hours or more per week are automatically enrolled in the Plan at a 2% pretax deferral rate each month following completion of the eligibility requirement of three months of service. Each year, eligible participants may contribute between 1% and 100% of their annual compensation, as defined in the Plan subject to annual limitations in the IRC. Participants may designate some or all of their own contributions as Roth 401(k) contributions. Such contributions, and any activity related to these amounts, will be accounted for separate from the participant’s pretax contributions. In addition, employees may rollover distributions received from other plans. Participants direct the investment of contributions into various investment options offered by the Plan on a daily basis. The Plan currently offers mutual funds and a common collective trust as investment options for participants.

The Plan allows for Safe Harbor matching contributions up to a maximum of 4% of compensation for eligible employees. Participants vest immediately in both their and employer contributions plus actual earnings thereon. Under the Plan, the Federation may also make a discretionary contribution. Pension expense under the Plan was $8,781 and $14,829 for the years ended June 30, 2025 and 2024, respectively.

NOTE 10: LEASES

The Federation is obligated under an amended operating lease for its Columbia, Maryland office space until June 30, 2024. This lease was extended during 2024 and now expires June, 30, 2029. The Federation also has an operating lease for a vehicle that expired in fiscal year 2025.

The following tables provide quantitative information concerning the Federation's leases for the year ended June 30, 2025:

Weighted-Average Information		
Weighted-Average remaining lease term in years:		
Operating Leases		4.0
Weighted-Average discount rate:		
Operating Leases		4.00%
Future Minimum Lease Payments		
Year ending December 31,		
2026	$	71,805
2027		73,959
2028		76,178
2029		78,465
Total Annual Minimum Lease Obligation		300,407
Less: discount to net present value		(22,712)
Present Value of Operating Leases		277,695
Less: current portion		(62,067)
Lease Liabilities, net of currrent portion	$	215,628

In addition, a portion of the Federation's office space was rented under a sub-lease agreement through June 30, 2024. Rent income was $3,846 for the year ended June 30, 2024.

NOTE 11: RELATED PARTY TRANSACTIONS

The Associated

The Federation has executed a memorandum of understanding (MOU) with The Associated, outlining the services provided by The Associated to the Federation. The MOU creates no contractual obligations and will automatically renew annually unless terminated under the terms of the agreement. Under the terms of the MOU, The Associated provides administrative services for information technology, and human resources to the Federation. For the years ended June 30, 2025 and 2024, the cost of these services totaled $35,441 and $32,377, respectively. The Federation also reimburses The Associated for certain costs including benefits, insurance, and other costs. During the years ended June 30, 2025 and 2024, The Associated allocated endowment revenue to the Federation totaling $32,158 and $34,639, respectively. The Federation has accounts receivable from The Associated of $44,919 and $78,732 as of June 30, 2025 and 2024, respectively.

Jewish Emergency Network Project

The Federation executed a MOU with the Jewish Emergency Network Project (JEN) on November 1, 2017. The MOU outlined the relationship between the two entities including the Federation's maintenance of a bank account used for funds received by the Federation and designated for JEN. Upon termination of the MOU, all funds held by the Federation in the account shall be transmitted to JEN. As of June 30, 2025 and 2024, a liability of $18,143 and $17,822, respectively, was recorded as a payable to JEN in the Federation's statements of financial position. The MOU creates no contractual obligations and will automatically renew unless terminated under the terms of the agreement.

NOTE 12: RECLASSIFICATION OF PRIOR BALANCES

Certain accounts have been reclassified in the prior year to conform with categories established in the current fiscal year.

NOTE 13: SUBSEQUENT EVENTS

The Federation has evaluated subsequent events through May 28, 2026, the date on which the financial statements were available to be issued and the following event was noted for disclosure.