



**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Consolidated Financial Statements

December 31, 2025

(With summarized comparative financial information as of and
for the year ended December 31, 2024)

(With Independent Auditors' Report Thereon)



KPMG LLP
One Financial Plaza, Suite 2300
Providence, RI 02903

Independent Auditors' Report

Board of Directors

Hadassah, The Women's Zionist Organization of America, Inc. and related entities:

Opinion

We have audited the consolidated financial statements of Hadassah, The Women's Zionist Organization of America, Inc. and related entities (the Organization), which comprise the consolidated balance sheet as of December 31, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 Organization's 2024 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated August 27, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

KPMG LLP

Providence, Rhode Island
August 7, 2026

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Consolidated Balance Sheet

December 31, 2025

(with comparative financial information as of December 31, 2024)

Assets	2025	2024
Cash and cash equivalents	\$ 108,227,268	104,302,014
Accounts receivable for medical services, net (note 5)	240,216,082	189,924,440
Accrued interest income and other receivables	18,968,544	19,653,762
Prepaid expenses and other assets (note 10)	80,325,397	55,232,021
Contributions and bequests receivable, net (note 6)	32,387,588	22,529,587
Receivable for asset sold (note 13)	35,941,309	—
Investments (note 4)	1,124,101,044	1,032,814,971
Investments of charitable gift annuities held by Hadassah (note 4)	47,018,590	42,162,762
Assets of trusts and other split-interest agreements held by others (note 4)	30,066,764	28,971,141
Right-of-use assets (note 12)	15,235,023	16,650,771
Property, plant, and equipment, net (note 7)	1,062,106,565	901,032,277
Total assets	<u>\$ 2,794,594,174</u>	<u>2,413,273,746</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses (notes 2(o) and 10)	\$ 346,416,858	275,852,086
Loan payable (note 12)	7,112,145	20,246,013
Liabilities under deferred giving and annuity trust arrangements	30,655,880	31,206,641
Malpractice and other liabilities (note 10)	139,549,279	112,795,169
Operating lease liability (note 12)	17,276,180	18,726,522
Accrued employee benefit liabilities (note 11)	196,883,954	167,828,166
Loan from Government of Israel (note 13)	—	—
Total liabilities	<u>737,894,296</u>	<u>626,654,597</u>
Commitments and contingencies (notes 4, 12, and 13)		
Net assets (notes 8 and 9):		
Without donor restrictions	1,385,239,572	1,221,440,909
With donor restrictions	671,460,306	565,178,240
Total net assets	<u>2,056,699,878</u>	<u>1,786,619,149</u>
Total liabilities and net assets	<u>\$ 2,794,594,174</u>	<u>2,413,273,746</u>

See accompanying notes to consolidated financial statements.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Consolidated Statement of Activities

December 31, 2025

(with summarized comparative financial information for the year ended December 31, 2024)

	2025			2024
	Without donor restrictions	With donor restrictions	Total	Total
Revenue:				
Net patient service revenue (note 5)	\$ 997,901,180	—	997,901,180	873,366,896
Contributions and bequests	120,533,758	160,276,435	280,810,193	241,462,419
Change in value of split-interest agreements	1,812,311	1,866,550	3,678,861	5,312,869
Investment return, net	73,699,364	25,889,153	99,588,517	84,581,438
Net income from recovery agreement (note 12)	—	—	—	87,070
Income from affiliation agreement	10,867,836	—	10,867,836	9,755,092
Government grants	66,205	—	66,205	173,682
Other revenue	14,343,208	1,374	14,344,582	51,432,091
Net assets released from restrictions	114,183,991	(114,183,991)	—	—
Total revenue	<u>1,333,407,853</u>	<u>73,849,521</u>	<u>1,407,257,374</u>	<u>1,266,171,557</u>
Expenses:				
Program services:				
Medical services	1,078,583,314	—	1,078,583,314	945,130,322
Education and research	84,282,621	—	84,282,621	86,951,589
Youth programs	362,720	—	362,720	477,221
Magazine	2,082,318	—	2,082,318	2,262,717
Membership services	14,117,759	—	14,117,759	13,103,954
Communications and public affairs	6,644,610	—	6,644,610	6,790,543
Total program services	<u>1,186,073,342</u>	<u>—</u>	<u>1,186,073,342</u>	<u>1,054,716,346</u>
Supporting services:				
Fundraising	16,114,753	—	16,114,753	15,843,454
Management and general	89,862,599	—	89,862,599	80,308,261
Total supporting services	<u>105,977,352</u>	<u>—</u>	<u>105,977,352</u>	<u>96,151,715</u>
Total expenses	<u>1,292,050,694</u>	<u>—</u>	<u>1,292,050,694</u>	<u>1,150,868,061</u>
Increase in net assets before foreign currency translation gain (loss) and other changes	41,357,159	73,849,521	115,206,680	115,303,496
Foreign currency translation gain (loss)	122,739,367	32,134,682	154,874,049	(16,322,532)
Reclassification of funds and other changes	(297,863)	297,863	—	—
Increase in net assets	<u>163,798,663</u>	<u>106,282,066</u>	<u>270,080,729</u>	<u>98,980,964</u>
Net assets at beginning of year	<u>1,221,440,909</u>	<u>565,178,240</u>	<u>1,786,619,149</u>	<u>1,687,638,185</u>
Total net assets, end of year	<u>\$ 1,385,239,572</u>	<u>671,460,306</u>	<u>2,056,699,878</u>	<u>1,786,619,149</u>

See accompanying notes to consolidated financial statements.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Consolidated Statement of Functional Expenses

December 31, 2025
(with summarized comparative financial information for the year ended December 31, 2024)

	Program services						Supporting services				2025	2024
	Medical services	Education and research	Youth programs	Magazine	Membership services	Communications and public affairs	Total program services	Fundraising	Management and general	Total supporting services	Total expenses	Total expenses
Salaries, employee benefits and taxes	\$ 767,415,636	48,114,489	—	875,149	8,981,115	3,875,956	829,262,345	10,882,699	47,204,241	58,086,940	887,349,285	779,091,603
Grants	212,322	7,923,760	301,600	—	50,000	—	8,487,682	—	20,000	20,000	8,507,682	7,986,466
Medical supplies	143,299,871	9,505,099	—	—	—	—	152,804,970	—	6,293,631	6,293,631	159,098,601	141,408,106
Professional fees	11,964,516	5,674,721	31,318	12,071	110,840	833,527	18,626,993	1,712,671	8,209,784	9,922,455	28,549,448	31,433,629
Printing and publications	289,774	119,994	13,387	505,867	83,033	194,718	1,206,773	614,522	996,558	1,611,080	2,817,853	2,822,494
Postage, shipping, fulfillment and supplies	2,844,459	668,181	—	445,233	417,540	3,956	4,379,369	263,672	2,100,326	2,363,998	6,743,367	5,269,834
Occupancy, security and utilities	58,251,907	2,044,867	—	106,506	806,441	461,501	61,671,222	1,000,274	2,198,822	3,199,096	64,870,318	53,877,800
Equipment rental and maintenance	14,958,409	2,651,629	—	9,693	106,845	34,243	17,760,819	100,908	2,330,705	2,431,613	20,192,432	17,129,828
Conferences, meetings, and conventions	126,791	2,347,636	—	6,669	436,161	10,006	2,927,263	142,765	1,750,536	1,893,301	4,820,564	3,737,766
Travel expenses	5,910,966	287,249	14,892	4,017	625,287	68,943	6,911,354	282,147	2,361,389	2,643,536	9,554,890	8,882,446
Public relations	21,874	423,262	—	3,480	98,070	616,272	1,162,958	40,938	1,912,022	1,952,960	3,115,918	4,369,385
Information technology and communication	599,328	96,918	—	24,402	198,921	123,514	1,043,083	90,555	3,001,336	3,091,891	4,134,974	4,199,703
Insurance	20,679,148	315,111	—	36,101	98,410	123,144	21,251,914	321,078	1,565,447	1,886,525	23,138,439	27,867,977
Depreciation	49,310,608	2,941,778	—	48,110	131,147	209,386	52,641,029	427,888	1,842,281	2,270,169	54,911,198	49,877,315
Special events	258,465	—	—	—	1,744,403	—	2,002,868	—	4,528	4,528	2,007,396	1,327,363
Other	2,439,240	1,167,927	1,523	5,020	229,546	89,444	3,932,700	234,636	8,070,993	8,305,629	12,238,329	11,586,346
2025 Total expenses by function	\$ 1,078,583,314	84,282,621	362,720	2,082,318	14,117,759	6,644,610	1,186,073,342	16,114,753	89,862,599	105,977,352	1,292,050,694	
2024 Total expenses by function	\$ 945,130,322	86,951,589	477,221	2,262,717	13,103,954	6,790,543	1,054,716,346	15,843,454	80,308,261	96,151,715		1,150,868,061

See accompanying notes to consolidated financial statements.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Consolidated Statement of Cash Flows

Year ended December 31, 2025

(with comparative financial information for the year ended December 31, 2024)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Increase in net assets	\$ 270,080,729	98,980,964
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Net appreciation in fair value of investments	(98,296,860)	(84,053,203)
Foreign currency translation (gain) loss	(154,874,049)	16,322,532
Depreciation	54,911,198	49,877,315
Loan forgiveness	—	34,149,874
Bad debt expense	13,530	552,908
Contributions and bequests restricted for capital and endowment	(29,671,691)	(51,939,094)
Change in value of split-interest agreements	(3,678,861)	(5,312,869)
Changes in operating assets and liabilities:		
Accounts receivable for medical services	(20,099,487)	(16,834,342)
Accrued interest income and other receivables	2,555,358	(17,503,565)
Prepaid expenses and other	(17,149,306)	(3,009,688)
Contributions and bequests receivable	(9,441,531)	9,766,200
Receivable for asset sold	(35,941,309)	—
Net impact on operating leases	(34,595)	37
Accounts payable and accrued expenses	20,990,964	(25,466,632)
Malpractice and other liabilities	9,041,859	388,153
Accrued employee benefit liabilities	3,456,898	7,507,005
Net cash (used in) provided by operating activities	<u>(8,137,153)</u>	<u>13,425,595</u>
Cash flows from investing activities:		
Purchase of property, plant, and equipment	(69,554,497)	(85,079,998)
Purchase of investments	(154,841,765)	(240,423,491)
Proceeds from sale of investments	<u>212,430,933</u>	<u>264,126,593</u>
Net cash used in investing activities	<u>(11,965,329)</u>	<u>(61,376,896)</u>
Cash flows from financing activities:		
Proceeds from debt	998,672	5,207,110
Repayment of debt	(15,000,000)	—
Contributions and bequests restricted for capital and endowment	29,241,691	52,012,194
Increase in liabilities under deferred giving and annuity trust arrangements, net of change in related assets	<u>2,032,477</u>	<u>2,887,496</u>
Net cash provided by financing activities	<u>17,272,840</u>	<u>60,106,800</u>
Effect of exchange rate changes on cash	<u>6,754,896</u>	<u>(727,134)</u>
Net increase in cash and cash equivalents	<u>3,925,254</u>	<u>11,428,365</u>
Cash and cash equivalents at beginning of year	<u>104,302,014</u>	<u>92,873,649</u>
Cash and cash equivalents at end of year	<u>\$ 108,227,268</u>	<u>104,302,014</u>
Supplemental disclosures:		
Purchases of property, plant and equipment in accrued expenses	\$ 19,028,583	11,007,164
Interest paid	920,205	970,281

See accompanying notes to consolidated financial statements.

HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION OF AMERICA, INC. AND RELATED ENTITIES

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

(1) Organization

Hadassah, The Women's Zionist Organization of America, Inc. (HWZOA) is a New York not-for-profit corporation, a charitable organization under the U.S. Internal Revenue Code Section 501(c)(3) and is exempt from federal income taxes under Internal Revenue Code Section 501(a). The accompanying consolidated financial statements include the accounts of HWZOA and its related entities (collectively, Hadassah or the Organization). Related entities include Hadassah Medical Relief Association, Inc. (a New York not-for-profit corporation) (HMRA), Hadassah International, Ltd. (a Bermuda exempted company) (HIL), The Hadassah Foundation, Inc. (a New York not-for-profit corporation) (Hadassah Foundation), Hadassah Offices in Israel Ltd. (an Israeli not-for-profit organization) (HOI), Fabulous Finds LLC (a Delaware limited liability company and for-profit entity) (Fabulous Finds), Hadassah Medical Organization (an Israeli not-for-profit organization) (HMO), Hadassah International Israel Ltd. (an Israeli not-for-profit organization) (HII), Hadassah Stiftung Deutschland (an unincorporated foundation under German law) (Hadassah Foundation Germany), Hadassah Mexico, A.C. (a Mexican non-profit association) (Hadassah Mexico), and Hadassah Switzerland (a Swiss association) (HS).

HWZOA is a volunteer organization that inspires a passion for and commitment to the land, the people, and the future of Israel. Through education, advocacy, and youth development, and its support of medical care and research at HMO, HWZOA enhances the health and lives of people in Israel, the United States, and worldwide.

In Israel, in addition to supporting activities at HMO, HWZOA and HMRA support a variety of projects conducted by unconsolidated entities. Hadassah-supported Youth Aliyah villages provide housing, education, and support to disadvantaged Israeli and immigrant youth. Young Judea sponsors camps, clubs, activities, and Israel programs to connect young people with Israel and the Jewish community. Together with the Jewish National Fund, HWZOA and HMRA build parks and reservoirs, make parks disabled-accessible, and support reforestation projects.

In the United States, HWZOA members are engaged in a variety of educational, advocacy, and community service initiatives. Engagement programs include women's health and wellness programs for heart health and breast cancer; book and author discussions; professional council programs; women's empowerment initiatives; and Jewish and Zionist education. Hadassah members help to shape public policy through advocacy work on important issues, including U.S.-Israel relations, combating antisemitism through education, women's health equity, infertility, civic engagement, and issues related to the Jewish community. With members in nearly every congressional district, Hadassah mobilizes advocates to build relationships with their elected officials through meetings with legislative offices, letter writing and phone call campaigns, and other outreach.

HMRA is a not-for-profit corporation, incorporated in the state of New York on June 10, 1925, and is a supporting organization of HWZOA with the same mission as HWZOA. HWZOA is the sole member of HMRA; the Board of Directors of HMRA consists of the members of the Executive Committee of HWZOA and the Officers of HMRA are the National Officers of HWZOA. HMRA is an organization exempt from federal income taxes under the U.S. Internal Revenue Code Section 501(c)(3) and also qualifies as a Type 1 supporting organization, as described in the U.S. Internal Revenue Code Section 509(a)(3).

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

HIL is a Bermuda-exempted company limited by guaranty incorporated on August 25, 1995, which, among other things, coordinates Hadassah's international units, raises funds for HMO and develops exchange programs between HMO and medical institutions around the world. The board of HIL is composed of members of the National Board of HWZOA, international representatives from HIL units, and those who are not affiliated with a HIL unit but have special expertise. The sole corporate member is HMRA.

Hadassah Foundation, founded on June 1, 1998, is a supporting organization of HWZOA and engages in activities that support or benefit HWZOA and/or such other charitable organizations whose operations are consistent with HWZOA's charitable mission of supporting innovative and creative programs in Israel and within the American Jewish community, which focus on issues of particular importance to women, their health, education and well-being, and the health and well-being of their families.

HOI is registered in Israel as a Public Benefit Company. Included among HOI's shareholders are HWZOA, HMRA, and Fabulous Finds. HOI's primary objectives are to act on behalf of and in the interests of HWZOA, to promote HWZOA and its affiliated institutions in Israel, to promote activities on behalf of HWZOA in the areas of health, education, and welfare throughout Israel, to seek fundraising opportunities, and to represent HWZOA to the Israeli public. HOI has been recognized under the Israeli Income Tax Ordinance (New Version) as a "public organization" and as a "not for profit organization" under the Value Added Tax Law – 1975 and as a "public institution" according to section 46 of the Income Tax Ordinance since July 2025 for the purpose of receiving donations and to allow donors to receive tax credit benefits.

Fabulous Finds, founded on September 29, 2005, is managed by HWZOA and was created for the purpose of selling donated items on eBay. Fabulous Finds is currently inactive.

HMO, registered and located in Israel, is a provider inter alia of medical care, rehabilitation, and medical research and operates medical schools in affiliation with the Hebrew University. HMO is engaged primarily in providing medical services at two medical centers in Jerusalem – Ein Kerem and Mount Scopus. HMO provides state-of-the-art treatment to nearly one million patients a year at its two hospital campuses, a community health center, and outpatient clinics. HMO has been recognized under the Israeli Income Tax Ordinance (New Version) as a "public organization" and as a "not for profit organization" under the Value Added Tax Law – 1975 and as a "public institution" according to section 46 of the Income Tax Ordinance since July 2025 for the purpose of receiving donations and to allow donors to receive tax credit benefits. In accordance with HMO's Articles of Association and pursuant to section 345 of the State of Israel Companies Law, 1999 (the Companies Law), HMO is a public benefit company. Pursuant to the Companies Law, a public benefit company operates only for public purposes, its income and property are applied solely toward the objects of the public benefit company, and it is prohibited from making the distribution of profits or any other distribution to its members (the Distribution Prohibition). The members of HMO include HMRA (the sole corporate member of HMO), and HWZOA designees. HWZOA and HMRA as, noted above, have control over HMO and are required to operate under the requirements of the above-mentioned Articles of Association and the Distribution Prohibition. HMO owns and controls four wholly owned subsidiaries: Hadasit Medical Research and Development Company Ltd., S.R.Y (Medical Services) Ltd., Hadassah Medical Ltd., and the Research Fund of the Hadassah Medical Organization Amuta (R.A.).

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

HII is registered in Israel as a Public Benefit Company. Included among HII's shareholders are HWZOA, HMRA, Fabulous Finds, and HOI. Among HII's primary objectives are to raise donations in Israel to support the objectives of HWZOA and HMO and to assist in the promotion and development of healthcare services in Israel. HII has been recognized under the Israeli Income Tax Ordinance (New Version) as a "public organization" and as a "not for profit organization" under the Value Added Tax Law – 1975 and as a "public institution" according to section 46 of the Income Tax Ordinance since July 2025 for the purpose of receiving donations and to allow donors to receive tax credit benefits.

Hadassah Foundation Germany is a nonprofit organization founded by HMRA on November 2, 2016 under German law whose purpose is to raise funds and direct these funds to promote science and research, medical and public healthcare, as well as professional training by a tax-privileged or a public corporation. The authorized representatives of HMRA (and, therefore, of Hadassah Foundation Germany) are currently the officers of HWZOA.

Hadassah Mexico is a nonprofit association founded in 2000 in Mexico. The Associates of Hadassah Mexico are HWZOA board members who elect the Board of Hadassah Mexico. The Board of Hadassah Mexico includes members of the National Board of HWZOA. The purpose of Hadassah Mexico is similar to the purpose of HIL regarding the support of HMO and also includes promotional activities and the development of programs, lectures, etc. in Mexico and pursuant to Mexican law.

HS is a nonprofit organization in Switzerland founded in 2002 with a mission to financially support HMO, promote the exchange of information, ideas, and personnel between physicians, nurses, and other healthcare personnel of HMO and medical institutions in other countries, and inform the scientific and lay public by means of publications and events about the research, healthcare, and teaching activities of HMO. HS is a constituent unit of HIL and HWZOA and HIL have representatives on the board and membership of HS. There were no significant assets, liabilities, or activities during 2024 or 2025.

On October 7, 2023, the Iron Swords War (hereinafter – "the War") broke out in Israel. The War, as well as subsequent military operations, including the "Roaring Lion" war in June 2025, led to consequences and restrictions with respect to the Israeli economy, including the healthcare system in Israel. The consequences were manifested, among others, in a significant call-up of military reserves for an indeterminate duration and requirements for emergency preparedness and provisioning. Upon the initiation of the War, the Hospital worked to open protected internal units and, in compliance with national directives, disabled hospital beds on upper floors. Additionally, considering the security situation, HMO increased the scale of medical staff employment; this entailed compensation for additional shifts and hiring workers for overtime, supplementing those staff members who were called up for military reserves.

As a result, during these periods, HMO experienced reduced activity levels, declines in revenues, and increased operating expenses. In October 2025, a cease fire was agreed between Israel and Hamas ending a large-scale military operation in the Gaza Strip. HMO's management continues to closely monitor developments and assesses that the ongoing security situation constitutes a risk factor that may continue to impact HMO's operations, financial condition, results of operations, and cash flows.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

In 2023, HMO received Government of Israel grants totaling approximately \$9,700,000 as compensation for loss of income and reimbursement of expenses; the grants are reported as other revenue in the accompanying consolidated statement of activities. No additional funds were received in 2024. In 2025, HMO received Government of Israel grants totaling approximately \$5,000,000.

See Note 15 regarding the "Roaring Lion" war breakout in February 2026.

(2) Summary of Significant Accounting Policies

The significant accounting policies followed by Hadassah are described below:

(a) Basis of Presentation

The consolidated financial statements do not include the financial position or changes in net assets of the Hadassah chapters or the international affiliates (autonomous geographical units) except as mentioned in note 1. All material intercompany transactions for the consolidated organization mentioned in note 1 have been eliminated in consolidation.

The Organization's consolidated financial statements are prepared on the accrual basis of accounting. Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expiration of net assets with donor restrictions is reported as net assets released from restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions, including board-designated funds (notes 8 and 9).

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions or the passage of time, or net assets that stipulate that the principal be maintained permanently but permit the Organization to expend part or all of the income and gains derived therefrom (notes 8 and 9).

(b) Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates made in the preparation of these consolidated financial statements include the fair value of investments, accounts receivable for medical services, valuation of medical malpractice liability, HMO accrued employee benefit liabilities, and foreign currency translation (loss) gain. Actual results could differ from those estimates.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

(c) Cash and Cash Equivalents

Cash equivalents consist of highly liquid short-term investments purchased with an original maturity of three months or less, except for such investments purchased by the Organization's investment managers as part of their long-term investment strategies, amounts that are restricted by donors for specific purposes or amounts designated by HMO management for specific purposes, such as medical malpractice insurance, which are included within investments on the consolidated balance sheet.

(d) Accounts Receivable for Medical Services (HMO)

Accounts receivable for medical services are recorded at the reimbursed or contracted amounts, adjusted for estimates of variable consideration and implicit price concessions. Accounts receivable primarily consist of amounts due from Sick Funds, the Government of Israel, other third-party payors, and to a lesser degree, patients. The credit risk associated with receivables from other payors is limited due to the significance of the Sick Funds and the Government of Israel as the primary payor. HMO does not believe that there are any other significant concentrations of receivables from any particular payor that would subject it to any significant credit risk in the collection of accounts receivable. Uncollectible accounts are written off when HMO has determined that the account will not be collected (note 5).

(e) Fair Value of Financial Instruments

The Organization follows the provisions of accounting standards for *Fair Value Measurement and Disclosures – Investments in Certain Entities That Calculate Net Asset Value per Share* (or its Equivalent). This guidance allows, as a practical expedient, for the estimation of fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent as reported by the investment managers. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

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

Level 1 – Inputs are published or unadjusted quoted prices in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date

Level 2 – Inputs are other than published or quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Inputs are unobservable inputs for the asset or liability

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement.

(f) Investments

Investments in debt and equity securities with a readily determinable fair value are reported at fair value based upon quoted or published market prices. Alternative investments that do not have a readily determinable fair value are stated at fair value as a practical expedient based on the net asset value reported by investment managers and general partners. Those net asset values may differ significantly from values that would have been used had a ready market for these securities existed. The Organization reviews and evaluates the values provided by the investment managers and general partners and agrees with the valuation methods and assumptions used in determining the net asset value of these alternative investments.

(g) Contributions

Contributions, including unconditional promises to give (pledges), are reported as revenue in the period received or pledged. Contributions with purpose or time restrictions are reported as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the purpose or time restrictions are met. Contributions subject to donor-imposed stipulations that the corpus be maintained permanently are recognized as increases in net assets with donor restrictions.

Contributions are conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred asset or a right of release of the promisor's obligation to transfer assets. Conditional contributions received with donor-imposed conditions are recognized as revenue when the conditions have been met.

Contributions receivable, less an allowance for uncollectible amounts, are reported at their net present value. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contribution.

(h) Government Grants

The Organization receives government grants and contracts. The majority of these grants and contracts are conditional contributions, resulting in the recognition of revenue as the barriers in the agreement are overcome. This generally occurs as the related costs are incurred in compliance with applicable government accounting standards.

(i) Deferred Giving Arrangements

The Organization enters into deferred giving agreements with donors to accept and administer charitable gift annuities, charitable remainder trusts, charitable lead trusts, unitrusts, and pooled income funds, the beneficiaries of which include the Organization. The Organization manages and invests these assets on behalf of these beneficiaries until the agreement expires and the assets are distributed. In addition, the Organization is the beneficiary of other deferred giving agreements that are held and administered by others.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

Such split-interest agreements provide for payments to the donors or their beneficiaries based upon either the income earned on related investments or the specified annuity amounts. Assets held under these arrangements are reported at fair value in the accompanying consolidated balance sheet as assets of trusts and other split-interest agreements held by others, except for charitable gift annuities, which are reported as investments. Contribution revenue is recognized at the date the trust or annuity contract is established after recording liabilities for the present value of the estimated future payments expected to be made to the donors and/or other beneficiaries. The liabilities are adjusted annually for changes in the life expectancy of the donor or beneficiary, amortization of the discount, and other changes in the estimates of future payments.

(j) Contributed Services

A substantial number of volunteers have donated significant amounts of their time to the Organization's fundraising activities, programs, and administrative services. Since the criteria for recognizing revenues for contributed services have not been met, no revenue or expense has been recognized in the accompanying consolidated financial statements.

(k) Property, Plant, and Equipment and Depreciation

Property, plant, and equipment are recorded at cost or fair value at date of gift if contributed.

Depreciation on fixed assets is recognized on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and building improvements	15 to 50 years
Furniture and equipment (including computer equipment and software)	3 to 15 years

(l) Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. No impairment charges have been recognized for the years ended December 31, 2025 and 2024.

(m) Net Patient Service Revenue (HMO)

HMO determines performance obligations based on the nature of the services provided. These services are considered to be a single performance obligation. HMO recognizes revenues for performance obligations satisfied over time based on actual charges incurred. HMO believes that this

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

method provides a faithful depiction of the transfer of services over the term of performance obligations based on the inputs needed to satisfy the obligations.

Net patient service revenue is recognized in the period services are performed and consists primarily of net patient service revenue that is reported at estimated amounts expected to be entitled to receive from Sick Funds, patients, and others for services rendered, and includes an estimated reduction for reimbursement caps (note 5). The transaction price is primarily determined based upon HMO's standard rates, which are adjusted for contracted rates and other discounts (i.e., explicit price concessions) and historical collections experience, to be recognized for services provided to patients. Changes to transaction prices that pertain to prior periods were not material.

(n) Functional Expenses

The Organization presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. Expenses attributed to multiple categories are allocated primarily based on headcount.

(o) Accounts Payable and Accrued Expenses at HMO

Accounts payable and accrued expenses at HMO approximated \$338,407,000 and \$265,380,000 at December 31, 2025 and 2024, respectively.

(p) Leases

The Organization determines if an arrangement is or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Organization determines these assets are leased because the Organization has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because the Organization determines it does not have the right to control and direct the use of the identified asset. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Leases result in the recognition of an ROU asset and lease liability on the consolidated balance sheet. ROU assets represent the right to use an underlying asset for the lease term and are recognized in an amount equal to the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. Lease liabilities represent the present value of the future lease payments over the expected lease term, which includes options to extend or terminate the lease when it is reasonably certain those options will be exercised. The present value of the lease liability is determined using the risk-free discount rate at lease inception for operating leases. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization determines lease classification as operating or finance at the lease commencement date. Finance leases are not material to the financial statements.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

The Organization has elected not to record leases with an initial term of 12 months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

(q) Tax Status

The Organization recognizes the effect of income tax provisions only if those positions are more likely than not of being sustained. Income generated from activities unrelated to the Organization's exempt purpose is subject to tax under Internal Revenue Code section 511. Taxes on disallowed expenses and value-added tax paid were included in the sections of the expenses on which the tax was imposed. As of December 31, 2025 and 2024, the Organization does not have any uncertain tax positions or any unrelated income tax liability, which would have a material impact on its consolidated financial statements.

(r) Prior-Year Summarized Financial Information

The accompanying consolidated statement of activities and consolidated statement of functional expenses are presented with certain prior-year summarized consolidated financial information for comparative purposes only. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2024, from which the summarized information was derived.

(s) Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

(3) Fair Value

Unconditional promises to give are recognized initially at fair value as contributions and bequests revenue in the period such promises are made by donors or when the will is probated. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. In subsequent periods, the discount rate is unchanged and the allowance for uncollectible contributions is reassessed and adjusted if necessary. Amortization of the discounts is recorded as additional contribution revenue.

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheet.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

(4) Investments

At December 31, 2025, investments (excluding those associated with charitable gift annuities) at fair value consist of the following:

	<u>Fair value</u>
Assets:	
Investments (Level 1 inputs):	
Money market instruments	\$ 215,920,561
State of Israel bonds	182,676,137
U.S. equity	49,679,431
Global equity	48,080,959
Mutual funds – U.S. equity	103,869,571
Mutual funds – fixed income	35,455,910
Mutual funds – international equity	11,008,885
Corporate bonds	26,902,040
Core Fixed Income Fund	28,177,030
Other	1,386,431
	<u>703,156,955</u>
Investments measured at net asset value (or its equivalent):	
Absolute return	33,217,764
Real estate	29,591,230
Private equity	148,033,589
Private credit	29,580,832
Equity hedge	152,892,047
International equity	27,628,627
	<u>420,944,089</u>
Total investments measured at net asset value (or its equivalent)	<u>420,944,089</u>
Total investments	<u>\$ 1,124,101,044</u>

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

At December 31, 2025, investments of charitable gift annuities held by Hadassah at fair value consist of the following, which are all Level 1 inputs:

	<u>Fair value</u>
Money market instruments	\$ 809,585
Mutual funds – U.S. equity	1,077,841
Mutual funds – fixed income	162,741
Mutual funds – global equity	731,317
Mutual funds – REITs	—
Mutual funds – emerging markets	221,743
Mutual funds – commodities	—
U.S. government bonds	3,700,482
Exchange traded funds – U.S. equity	324,922
Exchange traded funds – global equity	181,950
Exchange traded funds – REITs	1,015,860
Exchange traded funds – commodities	107,489
Collective trust fund – U.S. equity	17,032,713
Collective trust fund – fixed income	7,065,702
Collective trust fund – global equity	11,482,269
Collective trust fund – REITs	822,430
Collective trust fund – commodities	<u>2,281,546</u>
Total investments	\$ <u>47,018,590</u>

At December 31, 2025 and 2024, assets held in trusts by others at fair value are approximately \$30,067,000 and \$28,971,000, respectively, and consist primarily of Level 3 inputs.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

At December 31, 2024, investments (excluding those associated with charitable gift annuities) at fair value consist of the following:

	<u>Fair value</u>
Assets:	
Investments (Level 1 inputs):	
Money market instruments	\$ 223,557,831
State of Israel bonds	135,349,715
U.S. equity	39,472,241
International equity	24,538,794
Mutual funds – U.S. equity	111,536,030
Mutual funds – fixed income	46,463,796
Mutual funds – global equity	12,726,090
Corporate bonds	26,547,611
Core Fixed Income Fund	26,259,472
Other	1,396,336
	<u>647,847,916</u>
Investments measured at net asset value (or its equivalent):	
Absolute return	29,463,054
Real estate	22,947,600
Private equity	131,637,288
Private credit	34,880,846
Equity hedge	125,153,821
U.S. equity	12,389,186
International equity	28,495,260
	<u>384,967,055</u>
Total investments measured at net asset value (or its equivalent)	<u>384,967,055</u>
Total investments	<u>\$ 1,032,814,971</u>

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

At December 31, 2024, investments of charitable gift annuities held by Hadassah at fair value consist of the following, which are all Level 1 inputs:

	<u>Fair value</u>
Money market instruments	\$ 1,963,911
Mutual funds – U.S. equity	2,911,007
Mutual funds – fixed income	1,981,494
Mutual funds – global equity	689,295
Mutual funds – REITs	711,871
Mutual funds – emerging markets	3,941,353
Mutual funds – commodities	104,260
U.S. government bonds	1,544,301
Exchange traded funds – U.S. equity	278,160
Exchange traded funds – global equity	163,601
Exchange traded funds – REITs	8,664
Collective trust fund – U.S. equity	13,526,279
Collective trust fund – fixed income	7,819,652
Collective trust fund – global equity	5,936,655
Collective trust fund – REITs	<u>582,259</u>
Total investments	\$ <u><u>42,162,762</u></u>

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

The following table summarizes the composition of investments measured at net asset value (or its equivalent) by the various redemption provisions as of December 31, 2025:

	<u>Amount</u>	<u>Notice period</u>
Redemption period:		
Monthly:		
International equity	\$ 12,761,566	10 days
Quarterly:		
Absolute return	33,086,287	50 days
Equity hedge	100,020,724	45–90 days
International equity	14,867,062	30 days
Annual:		
Equity hedge	52,129,891	30–90 days
Lockup:		
Absolute return	131,477	
Real estate	29,591,230	
Private equity	148,033,589	
Private credit	29,580,832	
Equity hedge	741,431	
	<u>208,078,559</u>	
Lockup subtotal		
	<u>208,078,559</u>	
Total	\$ <u><u>420,944,089</u></u>	

The amounts subject to redemption restrictions for the lockup category are set to expire in 2026 and beyond.

Investments held at HMO approximated \$418,354,000 and \$371,440,000 at December 31, 2025 and 2024, respectively.

The Organization's alternative investments follow seven basic strategies (including U.S. equity and international equity) as follows:

(a) Private Equity

Private equity refers to equity investments that are not regulated by a governing body, such as the Securities and Exchange Commission. The purpose of the private equity allocation is to generate investment returns superior to those expected in the broad public equity markets. Emphasis is placed on fund managers who have specialized expertise in the areas of buyout and growth capital, venture capital, distressed, and special situations. The objective of the private equity allocation is to create a portfolio of private equity funds that is well-diversified across industry, geography, business stage, vintage (i.e., timing of investment period) and investment strategy.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

(b) Real Estate

Real estate has traditionally offered competitive total returns versus traditional asset classes. The historic returns for real estate are not highly correlated to those of traditional asset classes. Additionally, real estate has also shown a strong tendency to generate positive absolute returns during periods of negative returns for the public markets and during periods of higher inflation.

(c) Absolute Return

Absolute return hedge fund strategies include multi-strategy hedge funds, fixed-income relative value funds, and distressed-focused funds. Broadly defined, absolute return strategies emphasize consistency of performance and low correlation to the broad market indices (typically defined by the S&P 500 Index).

(d) Equity Hedge

Hedged equity strategies typically manage a portfolio of domestic and international equities and have the ability to manage both long and short positions in equity securities. Such investments would be included to provide exposure to the equity markets with somewhat lower volatility than "long-only" equity investments. It is expected that hedged equity strategies would have a closer correlation to the broad equity markets than absolute-return focused strategies.

(e) Private Credit

Refers to strategies primarily focused on originating and investing in loans negotiated outside of the public markets. These investments are often made in companies without credit ratings and at terms that are generally more attractive to investors than the public markets due to the interest rates charged and/or the structure of the documentation (i.e., covenants). The primary goal of private credit is to generate income in excess of public market credit with potentially more downside protection given the structure of the investment.

Certain limited partnerships carry minimum subscription or capital commitments. At December 31, 2025 and 2024, outstanding future capital commitments amount to approximately \$50,435,000 and \$55,693,000, respectively.

The Organization permits certain investment managers to use nonspeculative off-balance-sheet forward foreign currency contracts to manage the currency risk inherent in owning securities denominated in foreign currencies. Such contracts involve, to varying degrees, risk of loss arising from either the potential change in market prices (market risk) or from the possible inability of the counterparties to meet the terms of their contracts (credit risk). The Organization did not purchase or sell any foreign currency contracts during the year ended December 31, 2025 and 2024.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

(5) Net Patient Service Revenue and Accounts Receivable for Medical Services

Patient service revenue by payor source consisted of the following:

	<u>2025</u>	<u>2024</u>
Sick Funds	\$ 749,431,517	647,773,624
Government of Israel	128,836,561	115,786,609
Insurance companies	58,746,767	54,668,617
Other	<u>60,886,335</u>	<u>55,138,046</u>
Total	<u>\$ 997,901,180</u>	<u>873,366,896</u>

According to the National Health Insurance Act (1994), every Israeli resident (as defined in the law) is entitled to receive certain health services (including hospitalization) included in a basic defined package funded by the State of Israel. The program is administered mainly through Clalit Health Services, Maccabi Health Services, Leumit, and Meuhedet (collectively referred to as the Sick Funds), which are responsible for providing or funding those services to registered residents.

HMO receives reimbursement from the Sick Funds for services provided (fee for service) based on a price list published by the Ministry of Health. The manner of accounting and cash flows between the Sick Funds and the Hospital is regulated by the Ministry of Health. The maximum rates for most of the health services – fee for day of hospitalization, fees for differential activities, emergency charges, and various services are determined by the inter-ministerial committee of the Israeli government. In addition, the Israeli government sets a consumption cap on collections by a hospital from each Sick Fund. All services purchased in public hospitals by Sick Funds are reduced by 18.4% up to the amount of the consumption cap. Beyond the cap, the discount is an average of 65% of the full price but can be even lower depending on the agreements with each Sick Fund. Certain reforms are expected for the newly approved CAP Law for the years 2026-2030, including the elimination of the subtraction of historical price discounts from HMO's CAP ceilings to be replaced by a new pricing mechanism. Detailed regulations are expected to be completed during 2026.

As of December 31, 2025, HMO had signed cooperation agreements with all Sick Funds. Approximately 75% and 74% of HMO's patient service revenue is from the Sick Funds for the years ended December 31, 2025 and 2024, respectively. The service, pricing, and billing arrangements between HMO and the Sick Funds is determined by regulation approved by the Israeli government.

HMO and others in the healthcare industry are subject to certain inherent risks based on substantial dependence on revenue derived from a limited number of sources and the pressure to increase discounts on published rates (reduce reimbursement) for healthcare services being provided. Additionally, the current economic environment increases collection risk of accounts receivable. The ultimate outcome of these factors and other market changes cannot presently be determined. The Organization has not historically incurred any significant concentrated credit losses in the normal course of business.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

Accounts receivable by payor source for medical services, net of allowance reserve of \$41,719,848 and \$33,521,800 for 2025 and 2024, respectively, consisted of the following:

	<u>2025</u>	<u>2024</u>
Sick Funds	\$ 191,854,132	139,927,951
Government of Israel	13,476,969	13,857,926
Insurance companies	27,584,433	30,846,093
Other	7,300,548	5,292,470
	<u>\$ 240,216,082</u>	<u>189,924,440</u>

As of December 31, 2025 and 2024, approximately 80% and 74%, respectively, of accounts receivable are from the various Sick Funds in Israel.

(6) Contributions and Bequests Receivable

Contributions and bequests receivable consist of the following at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Amounts expected to be collected in:		
Less than one year	\$ 23,065,962	12,086,802
One to five years	14,331,255	10,170,265
Over five years	3,081,692	7,993,082
	40,478,909	30,250,149
Less:		
Allowance for uncollectible amounts	(7,300,836)	(6,943,608)
Discount to net present value (1.25%–4.375%)	(790,485)	(776,954)
	<u>\$ 32,387,588</u>	<u>22,529,587</u>

Of the total amounts expected to be collected in less than one year, \$5,941,000 and \$4,647,000 represent bequests receivable at December 31, 2025 and 2024, respectively.

Gross contributions receivable at December 31, 2025 and 2024 include amounts due from the five largest donors, totaling approximately \$17,033,000 and \$10,243,000, respectively.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

(7) Property, Plant, and Equipment, Net

At December 31, 2025 and 2024, property, plant, and equipment, net consists of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 301,480	301,480
Building and building improvements and construction in progress	1,783,633,509	1,511,140,116
Furnishings and equipment	472,371,629	376,700,703
Computer equipment and software	57,843,560	51,988,137
	<u>2,314,150,178</u>	<u>1,940,130,436</u>
Less accumulated depreciation	<u>(1,252,043,613)</u>	<u>(1,039,098,159)</u>
Property, plant, and equipment, net	<u>\$ 1,062,106,565</u>	<u>901,032,277</u>

Property, plant, and equipment, net held at HMO approximated \$1,056,256,000 and \$893,340,200 at December 31, 2025 and 2024, respectively.

(8) Net Assets Without and With Donor Restrictions

Net assets without donor restrictions at December 31, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
General operating	\$ 193,185,359	190,689,066
Board-designated endowment	142,272,494	131,005,695
Net investment in property and equipment	<u>1,049,781,719</u>	<u>899,746,148</u>
Total net assets without donor restrictions	<u>\$ 1,385,239,572</u>	<u>1,221,440,909</u>

Included in board-designated endowment are \$127,006,829 and \$116,779,079, at December 31, 2025 and 2024, respectively, of designated funds related to the net proceeds of the sale of the building at 50 West 58th Street, which occurred in 2012. These funds were used to create a board-designated fund, which will provide long-term financial security for the Organization and support the Organization's charitable programs and activities.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

Net assets with donor restrictions at December 31, 2025 and 2024 are available for the following:

	2025	2024
Purpose restricted:		
Healthcare services	\$ 161,553,696	142,366,456
Research	142,642,315	120,924,978
Capital projects	201,407,739	141,230,370
Fellowships and awards	1,610,078	1,757,143
Advancement of medical services	1,187,350	861,355
Education	10,233,487	8,711,852
Youth Aliyah	7,661,843	6,075,860
Youth Movement – Young Judaea	663,157	365,856
Israeli Crisis Campaign	780,174	3,452,425
Other	10,746,320	8,978,723
Total purpose restricted	<u>538,486,159</u>	<u>434,725,018</u>
Time restricted:		
Deferred giving arrangements	<u>16,546,716</u>	<u>15,673,980</u>
Total time restricted	<u>16,546,716</u>	<u>15,673,980</u>
In perpetuity (endowment corpus):		
Healthcare services	77,769,969	74,829,726
Research	14,812,438	15,902,692
Education	4,623,531	4,825,331
Youth Aliyah	2,298,364	2,298,364
Other	16,923,129	16,923,129
Total in perpetuity	<u>116,427,431</u>	<u>114,779,242</u>
Total net assets with donor restrictions	<u>\$ 671,460,306</u>	<u>565,178,240</u>

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

(9) Endowment Funds

The Organization's endowment consists of approximately 500 individual funds, including both endowment funds with donor restrictions and amounts designated by the Board of Directors to function as endowments without donor restrictions.

(a) Interpretation of Relevant Law

The Organization follows the provisions of the New York Prudent Management of Institutional Funds Act (NYPMIFA). In accordance with NYPMIFA, the Board of Directors considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the 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 Organization
- The investment policies of the Organization.

The Organization classifies as net assets with donor restrictions (a) the original value of gifts to the endowment corpus; (b) the original value of subsequent gifts to the endowment corpus; and (c) accumulations of investment returns to the 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 endowment fund with donor restrictions is also included until those amounts are appropriated for expenditures by the Organization in a manner consistent with the standard of prudence prescribed by NYPMIFA.

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Net assets with donor restrictions reported below include appreciation reported as net assets with donor restrictions (not yet appropriated for expenditures by the board) and the underwater amount of endowment funds (i.e., endowment funds whose fair values are below corpus).

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

The following table represents the net asset classes of the Organization's endowment funds as of December 31, 2025:

	Without donor restrictions	With donor restrictions	Total
Endowments	\$ —	240,305,979	240,305,979
Board-designated funds:			
Hadassah Foundation	15,265,665	—	15,265,665
HWZOA	127,006,829	—	127,006,829
	<u>142,272,494</u>	<u>—</u>	<u>142,272,494</u>
Total endowment funds	\$ <u>142,272,494</u>	<u>240,305,979</u>	<u>382,578,473</u>

The following table represents the net asset classes of the Organization's endowment funds as of December 31, 2024:

	Without donor restrictions	With donor restrictions	Total
Endowments	\$ —	218,425,164	218,425,164
Board-designated funds:			
Hadassah Foundation	14,226,617	—	14,226,617
HWZOA	116,779,078	—	116,779,078
	<u>131,005,695</u>	<u>—</u>	<u>131,005,695</u>
Total endowment funds	\$ <u>131,005,695</u>	<u>218,425,164</u>	<u>349,430,859</u>

The following table presents changes in endowment net assets for the year ended December 31, 2025:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets			
December 31, 2024	\$ 131,005,695	218,425,164	349,430,859
Investment return, net	17,209,847	28,153,733	45,363,580
Contributions	—	1,452,683	1,452,683
Amounts utilized for operations	<u>(5,943,048)</u>	<u>(7,725,601)</u>	<u>(13,668,649)</u>
Endowment net assets			
December 31, 2025	\$ <u>142,272,494</u>	<u>240,305,979</u>	<u>382,578,473</u>

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

The following table presents changes in endowment net assets for the year ended December 31, 2024:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets			
December 31, 2023	\$ 123,457,607	199,709,246	323,166,853
Investment return, net	13,609,677	22,371,335	35,981,012
Contributions	—	4,493,776	4,493,776
Amounts utilized for operations	<u>(6,061,589)</u>	<u>(8,149,193)</u>	<u>(14,210,782)</u>
Endowment net assets			
December 31, 2024	<u>\$ 131,005,695</u>	<u>218,425,164</u>	<u>349,430,859</u>

(b) Funds with Deficiencies

From time to time, the fair value of assets associated with individual endowment funds with donor restrictions may fall below the level that the donor or NYPMIFA requires the Organization to retain as a fund for perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported as net assets with donor restrictions. There are no underwater endowments as of December 31, 2025 and 2024.

(c) Return Objectives and Risk Parameters

The long-term objective of the endowment fund is to preserve the real purchasing power of its assets, while maximizing grant payments and program-related funding, covering expenses, and allowing for inflation.

The investment objective of the fund is to achieve a compound annualized rate of return over a market cycle, including current interest and dividends and capital appreciation, in excess of 5% after inflation, in a manner consistent with prudent risk taking.

(d) Spending Policy

The Organization has a policy of appropriating for distribution each year a percentage of its endowment funds with donor restrictions for spending (4.5% for 2025 and 2024) unless explicitly stipulated by the donor or relevant law. The Organization adopted to apply the same policy to its board-designated funds to support its program and supporting services expenses.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

(10) Medical Malpractice

HMO provides for potential medical malpractice losses through purchased primary insurance. The current policy has a deductible per event of approximately \$2,516,000, with a limit of \$4,718,000 per event and \$9,436,000 in aggregate for all events. The present value (based on a discount rate of 2.4%) of medical malpractice liabilities was approximately \$138,393,000 and \$115,075,000 at December 31, 2025 and 2024, respectively, and is included in malpractice and other liabilities in the consolidated balance sheet. Such amounts exclude the current portion of medical malpractice liabilities of approximately \$20,570,000 and \$19,812,000 at December 31, 2025 and 2024, respectively, which is included in accounts payable and accrued expenses in the consolidated balance sheet.

Pledged securities provided as security for the contingent liabilities and claims due to medical malpractice of approximately \$137,047,000 and \$113,966,000 as of December 31, 2025 and 2024, respectively, are included in investments in the consolidated balance sheet. Pledged securities are used for the payment of deductible amounts.

Insurance recoveries receivable of \$4,372,000 and \$3,798,489 as of December 31, 2025 and 2024, respectively, are included in prepaid expenses and other assets in the consolidated balance sheet.

(11) Employee Benefit Liabilities

(a) HWZOA

HWZOA has defined-contribution pension plans for eligible nonunion and union employees for which it contributes a percentage of each participating employee's gross salary. The contributions for the years ended December 31, 2025 and 2024 were \$2,292,000 and \$1,539,000, respectively.

(b) HMO Pension

HMO's liability for pension to employees is covered by current deposits to the Hadassah Employees Pension Fund Ltd. (HEPF), outside pension funds, and insurance companies.

HMO, together with certain other organizations, participates in a pension plan of the Israeli government. HEPF is a participant in a multiemployer pension plan of the Israeli government, and accordingly, expenses are recognized as payments are made to the plan. The plan covers future retirement pension obligations of an employer. HMO's retirement plan expense is for its employees who began working prior to the year 1995 and participate in the plan, which equals to the required annual contributions to the plan, and is calculated based on 13.5% of the employee's monthly salary.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

The following table discloses the name and funded status of the pension plan as of December 31, 2025 and 2024 (based on the fund's audited financial statements):

<u>Legal name and plan number</u>	<u>Year</u>	<u>Present value of accumulated plan benefits</u>	<u>Market value of plan assets</u>
Hadassah Employee Pension Fund	2025	\$ 643,169,830	599,144,479
Hadassah Employee Pension Fund	2024	581,223,988	546,254,116

The contributions to the plan during fiscal years 2025 and 2024 were approximately \$4,354,000 and \$4,296,000, respectively.

In the 1960s, HMO agreed to increase the rate of employer's deposits by 2.33% (initially 2.5%), above the rate of the ordinary deposits (surplus deposits). The surplus deposits were made to strengthen HEPF. Following the nationalization of HEPF commencing January 1, 2004 (the determining date), HMO determined the rate of its deposits into HEPF at the rate of the deposits of other employers to the old pension funds. On February 15, 2007, a claim was received from HEPF, including a demand to continue to make the surplus deposits, at the rate of 2.33%, commencing January 1, 2004.

On January 3, 2019, a decision by the Jerusalem Regional Labor Court was made according to which the Court approved HEPF's claim and stated that HMO is required to increase the deposits to HEPF as was deposited by HMO prior to 2004. In its decision, the court recommended that the parties HEPF, the Israeli government, HMO, and the employees seek to find a solution and avoid additional legal process. Furthermore, the court requested that a copy of the court decision be submitted to the Ministers and Directors of the Health and Finance Ministries, so they can assess the ramifications of the court decision. HMO submitted an appeal to the National Labor Court, which denied the appeal on May 18, 2023. Although the National Labor Court rejected HMO's arguments, it nonetheless also held that it is clear HMO is unable to repay the debt and at the same time continue providing medical services in the quality and scope it provides to date due to its financial situation and emphasized the need to engage in intensive negotiations with all parties concerned in order to reach an agreed solution. Management of HMO, together with its legal advisors, is analyzing the ramifications and exposures resulting from the National Labor Court ruling in order to determine the relevant actions to be taken. Concurrently, Management of HMO is conducting discussions with representatives of the pension fund regarding the claim amount and possible payment methods. A loss contingency has been recorded in the consolidated financial statements, and the liability is included in the accrued employee benefit liabilities line item in the consolidated balance sheet with a corresponding expense primarily recorded in the medical services line item in the consolidated statement of activities.

(c) HMO Severance

HMO employees' severance pay is covered by current deposits to the Hadassah Employee Pension Fund. Employees who resign after attaining seniority of at least five years are entitled to, in addition to their pension rights, compensation at the rate of 2.33% of their last salary multiplied by the years of

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

employment. Employees insured with HEPF who resign before reaching retirement age and who liquidate their pension rights are entitled to full severance pay from the Hospital, part of which is to be reimbursed by HEPF.

The accrual for additional severance pay is approximately \$126,015,000 and \$94,281,000 at December 31, 2025 and 2024, respectively, and is included in accrued employee benefit liabilities in the consolidated balance sheets.

(d) *Postretirement and Accrued Sick Leave*

HMO employees who reach retirement age are entitled to compensation for sick days not used as determined in labor agreements. The accrual has been calculated on the basis of an actuarial calculation. The total liability related to these agreements was \$58,512,589 and \$48,911,145, respectively, at December 31, 2025 and 2024, and is included in accrued employee benefit liabilities in the consolidated balance sheets.

(e) *Deferred Wages to Employees per 2014 Plan*

As part of the Recovery Agreement (note 13), payments between 2% and 5% of employees' salaries during the years 2014–2016 would be deferred and paid beginning in January 2024 on a monthly basis for three years. The balances are linked to the Consumer Price Index (CPI) and do not bear interest. As of December 31, 2025 and 2024, these liabilities to employees are approximately \$8,638,000 and \$16,073,000, respectively, and are included in accrued employee benefit liabilities in the consolidated balance sheet.

(12) Commitments and Contingencies

(a) *Line of Credit*

The Organization has a \$15,000,000 committed revolving credit facility and a \$10,000,000 uncommitted facility, which matured on March 31, 2026. The revolving credit agreement requires collateral equal to the committed principal balance, which is held in cash and investment accounts with the lender. There was no outstanding balance as of December 31, 2025 (\$15,000,000 as of December 31, 2024).

Subsequent to year-end, the Organization replaced the revolving credit facility with a margin borrowing agreement with a brokerage firm, allowing for borrowing up to 50% of the value of eligible securities held in the account.

On May 30, 2024, HMO took a short-term loan of \$5,192,180 from a local bank to finance the continued construction of its new Rehabilitation Center. The loan bore interest at Prime plus 1.3%. Principal and accrued interest at December 31, 2024 amounted to \$5,246,013 and were fully repaid by January 10, 2025. In August 2025, a new revolving loan was taken. The loan is repaid and renewed on a monthly basis. The loan bore interest at Prime plus 1% and is scheduled to be fully repaid by June 2026.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

(b) Leases

On March 18, 2015, HWZOA moved to office space located at 40 Wall Street, New York, New York. Per the terms of the agreement, Hadassah did not make any rental payments until October 2015. However, in accordance with U.S. GAAP, the rent expense is recognized over the lease term. The lease is for a 20-year period commencing on December 1, 2014. Lease expense for the years ended December 31, 2025 and 2024 was \$1,960,380 and \$1,805,667, respectively.

Scheduled minimum lease payments are as follows:

Year ending December 31:	
2026	\$ 1,847,000
2027	1,847,000
2028	1,847,000
2029	1,847,000
2030	1,881,631
Thereafter	9,431,244
Less discount for net present value	<u>(1,424,695)</u>
	<u>\$ 17,276,180</u>

(c) Legal Proceedings

The Organization is involved in various legal proceedings and claims arising in the normal course of business. Management does not expect the ultimate resolution of these actions to have a material adverse effect on the Organization's financial condition or results of operations.

(13) Recovery Agreement

In February 2014, as a result of financial difficulties caused by continuing operational and cash deficits, HMO submitted a request to the District Court in Jerusalem (the Court) for a Stay of Proceedings status.

On February 11, 2014, the Court approved the Stay of Proceedings status in accordance with section 350 of the Companies Law for a 90-day period and required the trustees and management to conduct intense discussions with the unions, government, and Hadassah in order to reach a recovery plan.

On May 22, 2014, the Court approved a recovery plan (the Recovery Agreement) for the period of seven years beginning January 1, 2014 through December 31, 2020 and canceled the Stay of Proceedings status. On June 24, 2014, pursuant to the terms of the recovery plan, the Recovery Agreement was signed by HMO, Hadassah, and the Government of Israel, which includes various operational, financial, and corporate governance matters. In accordance with the recovery plan and Recovery Agreement, HMO undertook to transfer to the Government all the Hospital's rights in the properties, which do not serve for the functioning of the Hospital and undertook to pledge additional assets and certain sources of income to the Government. The Recovery Agreement was effective as of July 28, 2014. In November 2021, as a

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

result of the delay in legislation due to COVID-19, the parties agreed to extend the Recovery Agreement for an additional year. The agreement expired as of December 31, 2021.

In accordance with the Recovery Agreement, HMO received a long-term loan from the Government of Israel with an outstanding balance of \$35,015,018 at December 31, 2023, which included accrued interest of \$7,203,248. The loan bore interest of 3.85% annually. During the years of the Recovery Agreement (through December 31, 2020), according to the terms of the Recovery Agreement, HMO undertook to pay interest only and beginning in January 2021, the principal will be paid in 120 monthly installments. In accordance with the Recovery Agreement, the aggregate net value of properties of HWZOA and of the Hospital transferred to the Government of Israel as part of the Recovery Agreement, less NIS 150 million (approximately \$40,991,000 at December 31, 2024), will be netted off the loan balance. However, the net value of said properties has not been agreed upon by all parties. In 2017, HWZOA appealed to the Court in order to determine the valuation. As a result of the dispute regarding the value of the properties, HWZOA, HMO, and the Government of Israel agreed in 2017 to freeze the collection of the interest on the loan from June 2017 to June 2018. This period was extended until June 2020. On November 1, 2020, the decision to freeze interest and principal repayments was extended until the earlier of January 31, 2024 or the date of settlement of the dispute between HWZOA and the Government.

On May 26, 2024, a settlement agreement was signed between the Government of Israel, HMRA, HWZOA and HMO according to which the disputes regarding the properties described above were settled (hereinafter the "settlement agreement") and an amendment to the Recovery Agreement between the Government of Israel, HMRA, HWZOA, and HMO (hereinafter the "amendment to the Recovery Agreement") was also signed.

In the settlement agreement, it was agreed that:

- (i) The Government of Israel will forgive the loan granted to HMO in the amount of NIS 125.9 million (\$35,015,018), including interest.
- (ii) All guarantees and liens pledged by the Hospital will be removed.
- (iii) The Government of Israel will transfer a NIS 60 million (\$16,421,709 at May 26, 2024) grant for designated development projects fund out of which 50% was transferred to HMO in June 2024 and the remaining 50% is due during 2025.
- (iv) The Supreme Court agreed to HWZOA's and HMRA's request to cancel the appeal in June 2024 without a demand for expense reimbursement.
- (v) In the amendment to the Recovery Agreement it was agreed that the four assets that were transferred from HMO to the Government of Israel as part of the Recovery Agreement will be returned.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

Upon signing of the settlement agreement, a second agreement came into effect between HWZOA, HMRA, HMO, and the Israel Land Authority according to which HWZOA and HMO will transfer land in the Ein Karem and Mount Scopus campuses for the purpose of development and advancement of planning and commercializing residential units and commercial areas. The Israel Land Authority will market the land under public tenders. HWZOA and HMO's share in the consideration from marketing the land will be managed in designated bank accounts and will be used for the future development of HMO, as approved by HWZOA and HMRA and will not be used to finance operating expenses. Nevertheless, there are currently significant objections to the development of the noted commercialization plans, and they might not materialize at all.

In 2024, HMO recognized income of NIS 130 million (approximately \$35,262,000) in respect of the Government of Israel loan which was forgiven, and four assets were transferred as mentioned above. The forgiveness was included in other revenue in the accompanying consolidated statement of activities.

In December 2025, a binding sale agreement was signed for the sale of one of four assets noted above, including the payment of an advance of 10% of the consideration. The transaction was completed in March 2026 with total consideration for the sale of \$35,941,309. Accordingly, the related asset was classified on the consolidated balance sheet as a receivable for asset sold.

(14) Liquidity and Availability of Resources

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, all expenditures related to the Organizations' ongoing mission-related activities as well as the conduct of services undertaken to support those activities are considered to be general expenditures.

The Organization's working capital and cash flows have seasonal variations during the year attributable to the concentration of contributions received near calendar year-end. To manage liquidity, the Organization develops and adopts annual operating and capital budgets and maintains operating funds and sufficient liquidity within its investment portfolio accordingly.

In addition to the line of credit (note 12(a)), the Organization has board-designated net assets without donor restrictions (note 8) that could be made available for current operations, if necessary, subject to required Board resolution.

HMO's working capital and cash flows have seasonal variations during the year attributable to the timing of patient service reimbursement from Sick Funds, payments from the Government of Israel and payment of employment-related benefits in the summer and fall. To address the seasonal variations, HMO accumulates cash reserves during the first half of the year, to allow for the needed funds for the employment-related benefits paid later in the year.

HMO presents to the HMO Board annually a 24-month cash flow forecast that is approved as part of the budget approval process. Cash flow is controlled and monitored daily, and HMO reports regularly to the Board of Directors on its cash flow liquidity status.

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

The Organization's financial assets available within one year of the consolidated balance sheet date for general expenditures are as follows:

	<u>2025</u>	<u>2024</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 108,227,268	104,302,014
Accounts receivable for medical services, net	240,216,082	189,924,440
Accrued interest income and other receivables	18,968,544	19,653,762
Contributions and bequests receivable, net	32,387,588	22,529,587
Receivable for asset sold	35,941,309	—
Investments	1,124,101,044	1,032,814,971
Investments of charitable gift annuities held by Hadassah	47,018,590	42,162,762
Assets of trusts and other split-interest agreements held by others	<u>30,066,764</u>	<u>28,971,141</u>
Total financial assets at year-end	1,636,927,189	1,440,358,677
Less amounts not available to meet general expenditures within the next 12 months:		
Contributions receivable due in greater than one year	(9,321,627)	(10,442,785)
Other long-term investments and collateral	(650,703,335)	(414,103,528)
Donor-restricted endowment to be retained in perpetuity	(116,427,431)	(114,779,242)
Future expendable donor-restricted endowment	(120,708,412)	(101,530,461)
Donor-restricted funds	(12,545,138)	(10,912,272)
Board-designated funds	(142,272,494)	(131,005,695)
Add spending rate income	<u>16,611,802</u>	<u>15,044,498</u>
Financial assets available to meet general expenditures in the next 12 months	<u>\$ 601,560,554</u>	<u>672,629,192</u>

(15) Subsequent Events

Management evaluated all events that occurred after December 31, 2025 and through August 7, 2026, which is the date the consolidated financial statements were available for issuance, and has concluded that there are no additional subsequent events requiring disclosure, other than as described below.

On February 28, 2026, the US and Israel launched a pre-emptive attack against Iran and declared operation "Roaring Lion." In response to the security situation and in accordance with directives issued by the Home Front Command, HMO transitioned significant parts of its operations to protected facilities and reduced its activity levels, including limitations on inpatient occupancy and the suspension of non-urgent medical services. These measures resulted in a prolonged decline in activity, exceeding forty days, and led to a significant loss of revenues. In April 2026, a temporary cease fire was declared, with an initial

**HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION
OF AMERICA, INC. AND RELATED ENTITIES**

Notes to Consolidated Financial Statements

December 31, 2025

(with summarized comparative financial information as of
and for the year ended December 31, 2024)

framework agreement to end the war signed in June 2026. As of the date of approval of these financial statements, the scope and timing of compensation, if any, to be received from the Government of Israel in respect of this loss have not yet been determined.