# FINANCIAL STATEMENTS

NECHAMA – JEWISH DISASTER RESPONSE
SAINT PAUL, MINNESOTA

FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024

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# INDEPENDENT AUDITOR'S REPORT

Board of Directors
NECHAMA – Jewish Disaster Response
Saint Paul, Minnesota

## Opinion

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

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

## Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 NECHAMA – Jewish Disaster Response 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 NECHAMA – Jewish Disaster Response'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 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 NECHAMA - Jewish Disaster Response'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 NECHAMA - Jewish Disaster Response'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.

**Prior Period Financial Statements**

The financial statements of NECHAMA – Jewish Disaster Response for the year ended December 31, 2024 were audited by other auditors whose report dated May 16, 2025, expressed an unmodified opinion on those statements.

Abdo

**Abdo**
Minneapolis, Minnesota
June 16, 2026

# FINANCIAL STATEMENTS

# NECHAMA - Jewish Disaster Response

Statements of Financial Position

December 31, 2025 and 2024

| Assets | 2025 | 2024 |
|---|---|---|
| Current Assets | | |
| Cash and cash equivalents | $ 1,204,244 | $ 1,290,399 |
| Accounts receivable | - | 183 |
| Pledges receivable | - | 1,400 |
| Prepaid expenses | 36,013 | 39,219 |
| Total Current Assets | 1,240,257 | 1,331,201 |
| | | |
| Property and Equipment | | |
| Equipment | 18,018 | 20,798 |
| Vehicles | 154,941 | 46,516 |
| Website | 17,550 | 17,550 |
| Website development in progress | 10,000 | - |
| Total Property and Equipment, Cost | 200,509 | 84,864 |
| Accumulated depreciation and amortization | (95,228) | (77,315) |
| Total Property and Equipment, Net | 105,281 | 7,549 |
| | | |
| Total Assets | $ 1,345,538 | $ 1,338,750 |
| | | |
| Liabilities and Net Assets | | |
| Current Liabilities | | |
| Accounts payable | $ 12,578 | $ 19,361 |
| Accrued payroll and related expenses | 29,343 | 36,801 |
| Total Current Liabilities | 41,921 | 56,162 |
| | | |
| Net Assets | | |
| Without donor restrictions | | |
| Undesignated | 1,022,804 | 567,122 |
| Board designated | 145,302 | 145,302 |
| Total without donor restrictions | 1,168,106 | 712,424 |
| With donor restrictions | 135,511 | 570,164 |
| Total Net Assets | 1,303,617 | 1,282,588 |
| | | |
| Total Liabilities and Net Assets | $ 1,345,538 | $ 1,338,750 |

# NECHAMA - Jewish Disaster Response

Statements of Activities

For the Year Ended December 31, 2025

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Support and Revenue | | | |
| Support | | | |
| Contributions | $ 754,593 | $ 496,910 | $ 1,251,503 |
| In-kind contributions | 5,806 | - | 5,806 |
| Special event income, net of $67,270 in expenses | 80,639 | - | 80,639 |
| Total Support | 841,038 | 496,910 | 1,337,948 |
| Revenue | | | |
| Other income | 3,652 | - | 3,652 |
| Interest income | 32,733 | - | 32,733 |
| Total Revenue | 36,385 | - | 36,385 |
| Net Assets Released From Restriction | 931,563 | (931,563) | - |
| Total Support and Revenue | 1,808,986 | (434,653) | 1,374,333 |
| Expenses | | | |
| Program services | 1,051,159 | - | 1,051,159 |
| Supporting Services | | | |
| Management and general | 187,929 | - | 187,929 |
| Fundraising | 114,216 | - | 114,216 |
| Total Supporting Services | 302,145 | - | 302,145 |
| Total Expenses | 1,353,304 | - | 1,353,304 |
| Change in Net Assets | 455,682 | (434,653) | 21,029 |
| Net Assets, Beginning of Year | 712,424 | 570,164 | 1,282,588 |
| Net Assets, End of Year | $ 1,168,106 | $ 135,511 | $ 1,303,617 |

See Independent Auditor's Report and Notes to the Financial Statements.

# NECHAMA - Jewish Disaster Response

Statements of Activities (Continued)

For the Year Ended December 31, 2024

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| Support and Revenue | | | |
| Support | | | |
| Contributions | $ 576,438 | $ 570,164 | $ 1,146,602 |
| In-kind contributions | 10,263 | - | 10,263 |
| Special event income, net of $53,767 in expenses | 90,143 | - | 90,143 |
| Total Support | 676,844 | 570,164 | 1,247,008 |
| Revenue | | | |
| Other income | 14,011 | - | 14,011 |
| Interest income | 698 | - | 698 |
| Loss on disposal of property and equipment | (4,857) | - | (4,857) |
| Total Revenue | 9,852 | - | 9,852 |
| Net Assets Released From Restriction | 78,967 | (78,967) | - |
| Total Support and Revenue | 765,663 | 491,197 | 1,256,860 |
| Expenses | | | |
| Program services | 392,723 | - | 392,723 |
| Supporting Services | | | |
| Management and general | 179,449 | - | 179,449 |
| Fundraising | 112,023 | - | 112,023 |
| Total Supporting Services | 291,472 | - | 291,472 |
| Total Expenses | 684,195 | - | 684,195 |
| Change in Net Assets | 81,468 | 491,197 | 572,665 |
| Net Assets, Beginning of Year | 630,956 | 78,967 | 709,923 |
| Net Assets, End of Year | $ 712,424 | $ 570,164 | $ 1,282,588 |

See Independent Auditor's Report and Notes to the Financial Statements.

# NECHAMA - Jewish Disaster Response

Statements of Functional Expenses

For the Year Ended December 31, 2025

| | | Supporting Services | | | |
|---|---|---|---|---|---|
| | Program Services | Management and General | Fundraising | Total Supporting Services | Total |
| Personnel Costs | | | | | |
| Salaries and wages | $ 588,529 | $ 101,794 | $ 70,942 | $ 172,736 | $ 761,265 |
| Employee benefits | 68,899 | 12,711 | 10,457 | 23,168 | 92,067 |
| Payroll taxes | 50,115 | 7,370 | 4,888 | 12,258 | 62,373 |
| Total Personnel Costs | 707,543 | 121,875 | 86,287 | 208,162 | 915,705 |
| Expenses | | | | | |
| Accounting and legal | 3,117 | 18,373 | - | 18,373 | 21,490 |
| Advertising | 17,456 | 1,609 | - | 1,609 | 19,065 |
| Assistance to survivors | 99,858 | - | - | - | 99,858 |
| Bank and credit card fees | 305 | 22,537 | - | 22,537 | 22,842 |
| Contribution to disaster relief | 5,060 | - | - | - | 5,060 |
| Depreciation | 20,694 | - | - | - | 20,694 |
| Equipment | 33,214 | 104 | 2,167 | 2,271 | 35,485 |
| Food | 3,246 | - | - | - | 3,246 |
| Information technology | 11,250 | 5,017 | 10,906 | 15,923 | 27,173 |
| Insurance | 36,971 | 3,478 | 306 | 3,784 | 40,755 |
| Licenses | 488 | 750 | 3,964 | 4,714 | 5,202 |
| Occupancy | 6,854 | 1,110 | - | 1,110 | 7,964 |
| Office expenses | 983 | 1,580 | 4,761 | 6,341 | 7,324 |
| Professional fees | 44,740 | 7,258 | 4,090 | 11,348 | 56,088 |
| Training and conferences | 6,716 | 1,178 | 524 | 1,702 | 8,418 |
| Travel and lodging | 52,664 | 3,060 | 1,211 | 4,271 | 56,935 |
| Total Expenses | $ 1,051,159 | $ 187,929 | $ 114,216 | $ 302,145 | $ 1,353,304 |

See Independent Auditor's Report and Notes to the Financial Statements.

# NECHAMA - Jewish Disaster Response
Statements of Functional Expenses (Continued)
For the Year Ended December 31, 2024

| | Program Services | Supporting Services: Management and General | Supporting Services: Fundraising | Supporting Services: Total Supporting Services | Total |
|---|---|---|---|---|---|
| **Personnel Costs** | | | | | |
| Salaries and wages | $ 240,831 | $ 77,130 | $ 72,520 | $ 149,650 | $ 390,481 |
| Employee benefits | 15,394 | 1,438 | 1,102 | 2,540 | 17,934 |
| Payroll taxes | 19,248 | 6,540 | 6,132 | 12,672 | 31,920 |
| Total Personnel Costs | 275,473 | 85,108 | 79,754 | 164,862 | 440,335 |
| **Expenses** | | | | | |
| Accounting and legal | - | 22,525 | - | 22,525 | 22,525 |
| Advertising | 220 | 814 | 144 | 958 | 1,178 |
| Bank and credit card fees | 366 | 7,982 | 1,682 | 9,664 | 10,030 |
| Depreciation | 3,711 | 686 | 459 | 1,145 | 4,856 |
| Equipment | 32,256 | - | - | - | 32,256 |
| Information technology | 3,451 | 1,122 | 2,362 | 3,484 | 6,935 |
| Insurance | 13,811 | - | 2,121 | 2,121 | 15,932 |
| Interest expense | - | 201 | - | 201 | 201 |
| Miscellaneous expenses | 7,494 | 1,880 | 12,120 | 14,000 | 21,494 |
| Occupancy | 1,266 | 575 | 309 | 884 | 2,150 |
| Office expenses | 2,581 | 1,587 | 5,950 | 7,537 | 10,118 |
| Professional fees | 10,971 | 55,663 | 4,195 | 59,858 | 70,829 |
| Provision for credit losses | - | - | 1,500 | 1,500 | 1,500 |
| Training and conferences | 3,052 | 25 | 268 | 293 | 3,345 |
| Travel and lodging | 26,798 | 1,281 | 935 | 2,216 | 29,014 |
| Volunteer expense | 11,273 | - | 224 | 224 | 11,497 |
| Total Expenses | $ 392,723 | $ 179,449 | $ 112,023 | $ 291,472 | $ 684,195 |

See Independent Auditor's Report and Notes to the Financial Statements.

# NECHAMA - Jewish Disaster Response

Statements of Cash Flows

For the Years Ended December 31, 2025 and 2024

| | 2025 | 2024 |
|---|---|---|
| Cash Flows from Operating Activities | | |
| Change in net assets | $ 21,029 | $ 572,665 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 20,694 | 4,856 |
| Provision for credit losses | - | 1,500 |
| Loss on disposal of property and equipment | - | 4,857 |
| (Increase) decrease in operating assets | | |
| Accounts receivable | 183 | (183) |
| Pledges receivable | 1,400 | 75,887 |
| Prepaid expenses | 3,206 | (20,162) |
| Increase (decrease) in operating liabilities | | |
| Accounts payable | (6,783) | 9,091 |
| Accrued payroll and related expenses | (7,458) | 32,267 |
| Net Cash Provided by Operating Activities | 32,271 | 680,778 |
| Cash Flows from Investing Activities | | |
| Purchase of property and equipment | (118,426) | - |
| Change in Cash and Cash Equivalents | (86,155) | 680,778 |
| Cash and Cash Equivalents, Beginning of Year | 1,290,399 | 609,621 |
| Cash and Cash Equivalents, End of Year | $ 1,204,244 | $ 1,290,399 |
| Supplemental Schedule of Noncash Transactions | | |
| Disposal of fully depreciated assets | $ 2,780 | $ - |

See Independent Auditor's Report and Notes to the Financial Statements.

## Note 1: Summary of Significant Accounting Policies

### A. Nature of Activities

NECHAMA – Jewish Disaster Response (NECHAMA) is a nonprofit corporation headquartered in Saint Paul, Minnesota. Rooted in the Jewish principle of *Tikkun Olam* (repairing the world), NECHAMA engages volunteers in disaster relief, rebuilds people's lives, provides comfort and hope, and represents the Jewish people and their values. NECHAMA supports the most vulnerable members of communities facing disasters through:

- **Disaster response** – Following hurricanes, flooding, and wind events, NECHAMA provides responsive services by mucking out homes; removing debris, damaged goods, and mud and sediment; gutting homes down to their studs to prepare them for rebuilding; and clearing downed trees, brush and dislodged debris.

- **Disaster recovery** – In the wake of disasters, NECHAMA provides rebuilding assistance including installing drywall, insulation, and flooring, and painting.

- **Disaster preparedness** – In an effort to help affected-communities and national and local partners, NECHAMA offers preparedness training aimed at improving the disaster response skills of local volunteers and staff.

NECHAMA also helps to build the identity and provide support and education to its volunteers, Jewish and non-Jewish alike, while providing community relations to help combat antisemitism in communities impacted by disasters.

### B. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

### C. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

### D. Cash and Cash Equivalents

For purposes of the statement of cash flows, NECHAMA considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

### E. Accounts Receivable

Accounts receivable is reported at the amount NECHAMA expects to collect on balances outstanding at period end. NECHAMA uses the allowance method to account for uncollectible receivables. This method provides allowances for credit losses based on historical experiences and management's evaluation of estimated losses that will be incurred in the collection of receivables. The provision for credit losses was $0 and $1,500 for the years ended December 31, 2025 and 2024, respectively. Management determined that no allowance for credit losses was deemed necessary for the years ended December 31, 2025 and 2024.

## Note 1: Summary of Significant Accounting Policies (Continued)

### F. Pledges Receivable

Pledges receivable expected to be collected within one year are recorded at net realizable value. Management has determined that the pledges receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at December 31, 2025 and 2024.

### G. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements.

### H. Property and Equipment

Property and equipment are recorded at cost or estimated value on the date of contribution. NECHAMA capitalizes all property and equipment acquisitions with a value of $5,000 or greater and an estimated useful life greater than one year. Property and equipment is depreciated using the straight-line method based on estimated useful lives as follows:

| Assets | Useful Lives |
|---|---|
| Machinery and equipment | 5 years |
| Website | 3 years |
| Vehicles | 5 -7 years |

Upon retirement or other disposition, the cost and related accumulated depreciation of disposed assets are removed from the accounts and any resultant gain or loss is recognized in operations.

Repairs and maintenance are charged to expense as incurred. Renewals and improvements, which extend the useful life of assets, are capitalized and depreciated over future periods.

Depreciation expense was $20,694 and $4,856 for the years ended December 31, 2025 and 2024, respectively.

### I. Support

For contributions, grants, and other similar revenues, revenue is recognized when the contribution is received or notification of the contribution is received. Contributions are recorded as an increase in support without donor restrictions or with donor restrictions, depending on the existence and nature of donor restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, NECHAMA reports the support as without donor restrictions. Accordingly, net assets of NECHAMA and changes therein are classified and reported as follows:

*Without Donor Restrictions* - Resources over which NECHAMA has discretionary control. Designated amounts represent revenue, which the Board of Directors has set aside for a particular purpose.

*With Donor Restrictions* - Resources subject to donor-imposed restrictions, which will be satisfied by actions of NECHAMA or passage of time.

## Note 1: Summary of Significant Accounting Policies (Continued)

**J. Concentrations**

From time to time, NECHAMA's cash balances at financial institutions may exceed the Federal Deposit Insurance Corporation (FDIC) limits of $250,000. To mitigate this risk, NECHAMA utilizes a sweep account which allocates funds across multiple financial institutions to maximize FDIC insurance coverage. Management monitors these balances and believes that its cash management practices do not expose NECHAMA to significant credit risk.

During the year ended December 31, 2025, NECHAMA received approximately $300,000, or 22% of its revenue from one contributor whose contributions were individually in excess of 10% of total revenue.

**K. In-kind Contributions**

NECHAMA records contributed noncash assets as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Non-cash donations are recorded as contributions at their estimated fair market values at the date of donation.

**L. Income Taxes**

NECHAMA is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Contributions to NECHAMA may be tax deductible as NECHAMA qualifies under Section 170(c) of the Internal Revenue Code.

**M. Advertising Expense**

NECHAMA follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was $19,065 and $1,178 for the years ended December 31, 2025 and 2024, respectively.

**N. Functional Expense Allocation**

The costs of providing NECHAMA's programs and supporting services are reflected on the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among programs and supporting services benefited. NECHAMA's largest expenses are salaries and benefits which are allocated based on each position's responsibilities. Expenses, other than salaries and related expenses, that are not directly identifiable by program or supporting service, are allocated on the best estimates of management.

**O. Subsequent Events**

In preparing the financial statements, NECHAMA has evaluated events and transactions for potential recognition or disclosure through June 16, 2026, the date the financial statements were available to be issued.

**P. Reclassifications**

Certain amounts in the prior year have been reclassified in order to be consistent with the current year presentation. Net assets have not been affected by these reclassifications.

## Note 2: Net Assets with Donor Restrictions

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

| | 2025 | 2024 |
|---|---|---|
| Antisemitism | $ 50,682 | $ 1,000 |
| Los Angeles wildfire relief | 45,153 | - |
| Capacity building planning | 31,410 | - |
| Time restrictions | 6,000 | 1,400 |
| Assessments | 2,266 | 1,632 |
| Chainsaw training seminars | - | 5,000 |
| Hurricane Helene | - | 548,027 |
| SE US hurricanes | - | 605 |
| General hurricanes | - | 12,500 |
| Total | $ 135,511 | $ 570,164 |

## Note 3: Board Designated Net Assets

As of year end December 31, 2025 and 2024, NECHAMA's board of directors had a designated portion of net assets without donor restriction to serve as an operating reserve. The operating reserve is intended to provide financial stability and liquidity to support ongoing operations of programs and services. The board designated balance was $145,302 for the years ended December 31, 2025 and 2024.

## Note 4: Retirement Plans

NECHAMA has a 403(b) retirement plan for permanent employees. During the year ended December 31, 2025 and 2024, NECHAMA did not make any contributions on behalf of its employees. Effective in 2026, NECHAMA transitioned to a 401(k) retirement plan administered through a professional employer organization. Contributions under the new plan, if any, will be recognized in the period incurred.

## Note 5: In-kind Contributions

NECHAMA received the following in-kind contributions during the years ended December 31:

| | 2025 | 2024 | Usage in Programs / Activities | Fair Value Techniques |
|---|---|---|---|---|
| Gift cards | $ 5,000 | $ 10,000 | Various programs and management and general | Valued at face value of gift card received. |
| Supplies | 806 | 263 | Various programs and management and general | Valued at estimated local market inputs for the supplies donated |
| Total | $ 5,806 | $ 10,263 | | |

In-kind contributions contained no donor restrictions for the years ended December 31, 2025 and 2024.

## Note 6: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

| | 2025 | 2024 |
|---|---|---|
| Cash and cash equivalents | $ 1,204,244 | $ 1,290,399 |
| Accounts receivable | - | 183 |
| Pledges receivable | - | 1,400 |
| Total Financial Assets | 1,204,244 | 1,291,982 |
| Less those unavailable for general expenditure within one year, due to: | | |
| Donor restrictions | (135,511) | (570,164) |
| Board designated | (145,302) | (145,302) |
| Total Financial Assets Unavailable | (280,813) | (715,466) |
| Financial assets available to meet cash needs for general expenditures within one year | $ 923,431 | $ 576,516 |

As part of NECHAMA's liquidity plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.