

Jewish Historical Society of Michigan and Supporting Organization

Reviewed Consolidated Financial Statements

Year Ended December 31, 2024



CONTENTS

FINANCIAL STATEMENTS	<u>Page</u>
Independent Accountant's Review Report	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Activities	3
Consolidated Statement of Functional Expenses	4
Consolidated Statement of Cash Flows	5
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	 6 - 13

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

**To the Board of Directors of
Jewish Historical Society of Michigan**

We have reviewed the accompanying consolidated financial statements of Jewish Historical Society of Michigan (a nonprofit organization) and JHS of Michigan Heritage Foundation (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2024, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Jewish Historical Society of Michigan and JHS of Michigan Heritage Foundation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

The Wayntraub Group

Southfield, MI
October 17, 2025

Jewish Historical Society of Michigan
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	78,827	
Investments		91,213	
Restricted investments		45,500	
Total current assets			\$ 215,540

OTHER ASSETS

Endowment		1,486,690	
Total other assets			1,486,690
Total assets			<u>\$ 1,702,230</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$	7,523	
Accrued payroll		5,332	
Accrued vacation		7,393	
Prepaid dues		10,299	
Total current liabilities			\$ 30,547

NET ASSETS

Without donor restrictions			
Undesignated		139,493	
Designated by the Board for endowment		1,486,690	
With donor restrictions			
Purpose restrictions		45,500	
			1,671,683
Total liabilities and net assets			<u>\$ 1,702,230</u>

See independent accountant's review report and notes to the consolidated financial statements.

Jewish Historical Society of Michigan

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	\$ 277,889	\$ -	\$ 277,889
Grants revenue	8,475	-	8,475
Program revenue	60,806	-	60,806
Membership dues	27,964	-	27,964
Net investment return	139,182	-	139,182
Net assets released from restrictions	110,083	(110,083)	-
Total revenue, support, and gains	<u>624,399</u>	<u>(110,083)</u>	<u>514,316</u>
EXPENSES			
Program services	294,942	-	294,942
Supporting services			
Management and general	159,019	-	159,019
Fundraising and development	36,081	-	36,081
Total functional expenses	<u>490,042</u>	<u>-</u>	<u>490,042</u>
CHANGE IN NET ASSETS	134,357	(110,083)	24,274
NET ASSETS - BEGINNING	<u>1,491,826</u>	<u>155,583</u>	<u>1,647,409</u>
NET ASSETS - ENDING	<u>\$ 1,626,183</u>	<u>\$ 45,500</u>	<u>\$ 1,671,683</u>

See independent accountant's review report and notes to the consolidated financial statements.

Jewish Historical Society of Michigan
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services	Management and General	Fundraising	Total
Compensation and related expenses				
Salary - director	33,607	38,408	24,005	96,019
Salary - admin	8,798	26,394	-	35,192
Salary - programming	38,878	-	-	38,878
Taxes - payroll	7,908	3,954	1,318	13,180
Employee benefits	11,953	13,660	8,538	34,150
Total compensation and related expenses	<u>101,143</u>	<u>82,416</u>	<u>33,860</u>	<u>217,419</u>
Program Expenses				
Journal	17,831	-	-	17,831
Museum	141,147	-	-	141,147
Other programs	9,922	-	-	9,922
Total Program expenses	<u>168,900</u>	<u>-</u>	<u>-</u>	<u>168,900</u>
Other Expenses				
Accounting	-	15,350	-	15,350
Bank and credit card fees	-	2,712	-	2,712
Computer and internet expense	7,641	2,183	1,092	10,915
Contract service expense	-	47,350	-	47,350
Insurance	-	1,799	-	1,799
Office supplies/expense	4,876	2,438	813	8,126
Payroll service fee	-	2,257	-	2,257
Postage	528	211	317	1,056
Travel	2,640	-	-	2,640
Website	9,214	2,304	-	11,518
Total other expenses	<u>24,899</u>	<u>76,604</u>	<u>2,221</u>	<u>103,723</u>
Total functional expenses	<u>\$ 294,942</u>	<u>\$ 159,019</u>	<u>\$ 36,081</u>	<u>\$ 490,042</u>

Jewish Historical Society of Michigan
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 24,274
Adjustments to reconcile change in net assets to net cash cash provided by operating activities:	
Net realized and unrealized losses on investments	(139,182)
Changes in operating assets and liabilities:	
Promises to give	25,000
Accounts payable and accrued expenses	(9,943)
Accrued payroll	5,332
Accrued vacation	(1,233)
Prepaid dues	<u>(6,588)</u>
Net cash used in operating activities	(102,340)

CASH FLOWS FROM INVESTING ACTIVITIES:

Change in restricted cash	85,083
Purchase of investments	<u>(34,872)</u>
Net cash provided by investing activities	50,211

CASH FLOWS FROM FINANCING ACTIVITIES:

Transfers from endowments	<u>94,540</u>
Net cash provided by financing activities	<u>94,540</u>

INCREASE IN CASH AND CASH EQUIVALENTS	42,411
BEGINNING CASH AND CASH EQUIVALENTS	<u>36,416</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 78,827</u></u>

See independent accountant's review report and notes to the consolidated financial statements.

Jewish Historical Society of Michigan

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Jewish Historical Society of Michigan (the "Organization") was founded in 1959 to preserve and commemorate Michigan Jewish history for future generations. Jewish Historical Society of Michigan is the only volunteer organization dedicated exclusively to this purpose, and the Organization has amassed a storehouse of information about the events, traditions and lives of Jewish people throughout the state. Major sources of revenue include grants, individual contributions, membership dues and program service fees.

JHS of Michigan Heritage Foundation (the "Foundation") is a Type I supporting organization of the Organization under the provisions of Internal Revenue Code section 509(a)(3). The Organization's Board of Directors exercise significant control over this organization through the appointment of board members.

The accompanying financial statements of the Organization have been prepared on a consolidated basis to include the Foundation because the Organization has both control and an economic interest in the Foundation. All significant intercompany accounts and transactions have been eliminated in consolidation. References to the "Organization" refer to the consolidated group.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period in which the promise is made, and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Unconditional promises to give due in more than one year are recognized at fair value, using present value techniques. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

The Organization uses the allowance method to determine uncollectible pledges receivable. Based on prior years' experience and management's analysis of specific promises made, there is no estimated uncollectible amount as of December 31, 2024.

Revenue Recognition

Revenue is recognized when earned. The Organization recognizes revenue from membership dues during the year in which the related services are provided. The performance obligation of delivering services is simultaneously received and consumed by members, therefore, the revenue is recognized ratably over the course of the membership year. All amounts received prior to commencement of the membership year are deferred to the applicable period.

Jewish Historical Society of Michigan

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue Recognition – Continued

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Estimates

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

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

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

Cash and Cash Equivalents

The Organization defines cash and cash equivalents as highly liquid, short-term investments with a maturity date of three months or less. Cash and cash equivalents held with investment advisors are included in investments.

The Organization maintains cash in demand deposit accounts that, at times, may exceed federally insured limits. The Organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Organization has not experienced losses with respect to such accounts.

Jewish Historical Society of Michigan

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

Jewish Historical Society of Michigan and JHS of Michigan Heritage Foundation are not-for-profit organizations and have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3), and have determined not to be private foundations under Sections 509(a)(1) and (3), respectively. Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose.

The Organization analyzes its income tax filing positions to identify potential uncertain tax positions and concluded that there are no significant uncertain tax positions requiring recognition in the consolidated financial statements. The Organization treats interest and penalties attributable to income taxes, and reflects any charges for such, to the extent they arise, as a component of its management and general expenses.

Investments

The Organization has two funds invested in money markets and securities accounts. Funds totaling \$1,197,610 at December 31, 2024 are invested with Vanguard. Funds totaling \$425,793 at December 31, 2024 are invested in a pooled investment fund through the United Jewish Foundation of Metro Detroit ("UJF"). The Organization retains the right to withdraw all or part of the funds upon written notice to UJF. Investments are recorded at cost, or if donated, at fair value on the date of donation. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual accounts based on the relationship of the fair value of the interest of each fund to the total fair value of the pooled investment accounts. Pooled investments are stated at the fair value of their underlying assets and allocated to the investors in proportion to the investor's ownership percentage. Investment income or loss and unrealized gains and losses are included in the consolidated statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted.

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation of property and equipment are provided over the estimated useful lives of the respective assets using the straight line method. Acquisitions of property and equipment in excess of \$1,000 are capitalized. Purchased equipment is recorded at cost.

Jewish Historical Society of Michigan

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Leases

The Organization applies ASC 842, Leases, in determining whether an arrangement is or contains a lease at the lease inception. An arrangement is considered to include a lease if it conveys the right to control the use of identified property, plant, or equipment for a period of time in excess of twelve month in exchange for consideration. The Company defines control of the asset as the right to obtain substantially all of the economic benefits from use of the identified asset as well as the right to direct the use of the identified asset. Under the modified retrospective approach, the adoption of ASC 842 resulted in no requirement to recognize ROU assets and lease liabilities, since there are no leases that fulfill the requirements. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized.

Donated Materials and Services

Contributions of donated non-cash assets are recorded at their fair values in the period received.

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. No significant contributions of such goods or services were received during the year ended December 31, 2024. In addition, a substantial number of volunteers donate their time to the Organization's program services and fundraising campaigns during the year, however these donated services are not reflected in the financial statements because they do not meet the criteria for recognition as contributed services.

Risks and Uncertainties

The Organization holds various investments, which are exposed to various risks, such as interest rate, market, and credit. Given the level of risk associated with certain investments and the level of uncertainty related to the changes in the value of investments, it is at least reasonably possible that changes in values in the near term could materially affect investment balances and the amounts reported in the statement of financial position and the statement of activities.

Jewish Historical Society of Michigan

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Expense Allocation

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, which is allocated on a square footage basis, as well as personnel costs, office expenses, and website expense, which are allocated on the basis of estimates of time and effort. Dollar amounts are allocated according to percentages, causing rounding differences that result in some columns not mathematically adding down or across. The differences do not exceed more than \$1.

NOTE B – LIQUIDITY AND AVAILABILITY

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments.

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:

Cash and cash equivalents	\$ 78,827
Investments	91,213
Endowment spending-rate distributions and appropriations	<u>76,500</u>
Total	\$ <u>246,540</u>

The endowment fund consists of a quasi-endowment fund. As described in Note E, the quasi-endowment has a spending rate of 5%.

As part of the liquidity management plan, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Although the Organization does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi-endowment could be made available if necessary.

NOTE C – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 17, 2025, the date which the consolidated financial statements were available to be issued.

Jewish Historical Society of Michigan

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

NOTE D – FAIR VALUE MEASUREMENTS

The Organization reports required types of financial instruments in accordance with fair value accounting standards. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization attempts to utilize valuation methods that maximize the use of observable inputs. Based on the observability of the inputs used in the valuation methods, the information is provided according to the fair value hierarchy, classified in one of the following three categories:

- Level 1 Quoted market prices in active markets for identical assets or liabilities
- Level 2 Observable market based inputs or unobservable inputs that are corroborated by market data
- Level 3 Unobservable inputs that are not corroborated by market data

The Organization holds as investment various securities that are publicly traded. Fair values are based on quoted prices and are classified as Level 1. The Organization holds no investments that would be classified as Level 2 or Level 3.

The carrying amounts of cash and cash equivalents, receivables, accounts payable, and accrued expenses approximate fair value due to their short term nature. The carrying amount of promises to give due in more than one year is based on the discounted net present value of the expected future cash receipts, and approximates fair value.

The Organization uses net asset value (NAV) per share, or its equivalent, as a practical expedient to estimate the fair values of certain investments which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

The following table presents assets measured at fair value on a recurring basis, except those measured by using NAV per share as a practical expedient as identified in the following, at December 31, 2024:

	<u>Total</u>	<u>Level 1</u>	<u>Valued at NAV</u>
UJF Pooled Funds	\$ 425,793	\$ 234,186	\$ 191,607
Other Investments	<u>1,197,610</u>	<u>1,197,610</u>	<u>-</u>
Total	<u>\$ 1,623,403</u>	<u>\$ 1,431,796</u>	<u>\$ 191,607</u>

Jewish Historical Society of Michigan

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

NOTE E – ENDOWMENT

As of December 31, 2024, the Board of Directors had designated \$1,486,690 of net assets without donor restrictions as a general endowment fund to support the mission of the Organization. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

The Organization has a spending policy of appropriating for distribution each year 5% of its board-designated endowment fund's 3 year rolling average of assets. In establishing this policy, the Organization considered the long-term expected investment return on its endowment. Accordingly, over the long term, the Organization expects the current investment policy to allow its general endowment fund to grow at an average of 5% annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

To achieve that objective, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified mix, which includes equity and debt securities, in the UJF balanced pool fund and with Vanguard. It is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the fund. Accordingly, the Organization expects its endowment assets, over time, to produce an average rate of return which will exceed the 5% distribution annually.

Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Composition of and changes in endowment net assets as of December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 1,486,690	\$ -	\$ 1,486,690
Donor-restricted endowment funds	<u>-</u>	<u>-</u>	<u>-</u>
	\$ <u>1,486,690</u>	\$ <u>-</u>	\$ <u>1,486,690</u>
Endowment net assets, beginning of year	\$ 1,442,048	\$ -	\$ 1,442,048
Investment return, net	139,182	-	139,182
Contributions	-	-	-
Appropriations of endowment assets pursuant to spending-rate policy	<u>(94,540)</u>	<u>-</u>	<u>(94,540)</u>
Endowment net assets, end of year	\$ <u>1,486,690</u>	\$ <u>-</u>	\$ <u>1,486,690</u>

Jewish Historical Society of Michigan

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

NOTE F – NET ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31, 2024:

Subject to expenditure for specific purpose:

Writers Fund	\$ <u>45,500</u>
Total net assets with donor restrictions	\$ <u>45,500</u>
Net assets without donor restrictions:	
Quasi-endowment	\$ 1,486,690
Undesignated	<u>139,493</u>
Total net assets	\$ <u>1,671,683</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows for the year ended December 31, 2024: \$110,083.

NOTE G – SIMPLE IRA PLAN

The Organization sponsors a SIMPLE IRA plan (the Plan) covering all employees with at least one year of service who agree to make contributions to the plan. The Organization matches participants' contributions to the Plan up to 3% of the individual participant's compensation. Total expense for the year ended December 31, 2024 was \$1,954.