

AMERICAN JEWISH HISTORICAL SOCIETY
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

AMERICAN JEWISH HISTORICAL SOCIETY

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
American Jewish Historical Society

Opinion

We have audited the financial statements of American Jewish Historical Society, which comprise the statement of financial position as of December 31, 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of American Jewish Historical Society as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American Jewish Historical Society 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.

Prior Period Financial Statements

The financial statements of American Jewish Historical Society as of and for the year ended December 31, 2022, were audited by other auditors, whose report dated September 20, 2023, expressed an unmodified opinion on those statements.

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 American Jewish Historical Society's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of American Jewish Historical Society'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 American Jewish Historical Society'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.

Marcum LLP

Melville, NY
October 11, 2024

AMERICAN JEWISH HISTORICAL SOCIETY

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	2023	2022
Assets		
Cash	\$ 214,703	\$ 18,239
Contributions receivable	642,178	62,300
Investments	6,418,676	5,841,401
Prepaid expenses	8,915	16,135
Property and equipment, net	4,748	9,130
Collections (Note 2)	--	--
Total Assets	\$ 7,289,220	\$ 5,947,205
Liabilities and Net Assets		
Liabilities		
Accounts payable and other liabilities	\$ 115,029	\$ 130,689
Deferred compensation obligation, net	20,658	27,623
Total Liabilities	135,687	158,312
Commitments and Contingencies		
Net Assets		
Without donor restrictions	5,963,971	5,456,989
With donor restrictions		
Purpose restrictions	871,583	13,925
Perpetual in nature	317,979	317,979
Total Net Assets With Donor Restrictions	1,189,562	331,904
Total Net Assets	7,153,533	5,788,893
Total Liabilities and Net Assets	\$ 7,289,220	\$ 5,947,205

The accompanying notes are an integral part of these financial statements.

AMERICAN JEWISH HISTORICAL SOCIETY

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support						
Contributions, grants and bequests	\$ 875,242	\$ --	\$ 875,242	\$ 847,761	\$ --	\$ 847,761
Contributions and grants - archival support	--	1,102,883	1,102,883	--	139,767	139,767
Special events (net of direct benefit to donors of \$117,846 in 2023 and \$98,200 in 2022)	300,917	--	300,917	467,485	--	467,485
Total Public Support	<u>1,176,159</u>	<u>1,102,883</u>	<u>2,279,042</u>	<u>1,315,246</u>	<u>139,767</u>	<u>1,455,013</u>
Investment and Other Revenues						
Investment income, spending rate	--	11,861	11,861	--	12,081	12,081
Royalties	115,621	--	115,621	32,155	--	32,155
Miscellaneous	10,985	--	10,985	15,331	--	15,331
Total Investment and Other Revenues	<u>126,606</u>	<u>11,861</u>	<u>138,467</u>	<u>47,486</u>	<u>12,081</u>	<u>59,567</u>
Total Public Support and Investment and Other Revenues Before Net Assets Released From Restrictions	1,302,765	1,114,744	2,417,509	1,362,732	151,848	1,514,580
Net Assets Released From Restrictions	<u>271,095</u>	<u>(271,095)</u>	<u>--</u>	<u>179,848</u>	<u>(179,848)</u>	<u>--</u>
Total Support and Revenues	<u>\$ 1,573,860</u>	<u>\$ 843,649</u>	<u>\$ 2,417,509</u>	<u>\$ 1,542,580</u>	<u>\$ (28,000)</u>	<u>\$ 1,514,580</u>

The accompanying notes are an integral part of these financial statements.

AMERICAN JEWISH HISTORICAL SOCIETY

STATEMENTS OF ACTIVITIES (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Expenses						
Program Services						
Library and archive	\$ 833,883	\$ --	\$ 833,883	\$ 787,766	\$ --	\$ 787,766
Exhibits	--	--	--	22,161	--	22,161
Publications	42,176	--	42,176	88,971	--	88,971
Public programs	106,343	--	106,343	119,396	--	119,396
Total Program Services	<u>982,402</u>	<u>--</u>	<u>982,402</u>	<u>1,018,294</u>	<u>--</u>	<u>1,018,294</u>
Supporting Services						
Management and general	866,401	--	866,401	791,523	--	791,523
Fundraising	181,045	--	181,045	122,837	--	122,837
Total Supporting Services	<u>1,047,446</u>	<u>--</u>	<u>1,047,446</u>	<u>914,360</u>	<u>--</u>	<u>914,360</u>
Total Expenses	<u>2,029,848</u>	<u>--</u>	<u>2,029,848</u>	<u>1,932,654</u>	<u>--</u>	<u>1,932,654</u>
Change in Net Assets from Operations	(455,988)	843,649	387,661	(390,074)	(28,000)	(418,074)
Non-Operating Activities						
Investment income (loss), net of authorized spending rate	812,515	14,009	826,524	(818,519)	(84,848)	(903,367)
Employee retention credit	150,455	--	150,455	--	--	--
Change in Net Assets	<u>506,982</u>	<u>857,658</u>	<u>1,364,640</u>	<u>(1,208,593)</u>	<u>(112,848)</u>	<u>(1,321,441)</u>
Net Assets - Beginning of Year	<u>5,456,989</u>	<u>331,904</u>	<u>5,788,893</u>	<u>6,665,582</u>	<u>444,752</u>	<u>7,110,334</u>
Net Assets - End of Year	<u>\$ 5,963,971</u>	<u>\$ 1,189,562</u>	<u>\$ 7,153,533</u>	<u>\$ 5,456,989</u>	<u>\$ 331,904</u>	<u>\$ 5,788,893</u>

The accompanying notes are an integral part of these financial statements.

AMERICAN JEWISH HISTORICAL SOCIETY

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services				Supporting Services			
	Library and Archive	Publications	Public Programs	Total Program Expenses	Management and general	Fundraising	Total Supporting Expenses	2023 Total
Salaries and Related Expenses								
Salaries	\$ 468,951	\$ --	\$ --	\$ 468,951	\$ 404,958	\$ 82,872	\$ 487,830	\$ 956,781
Payroll taxes and employee benefits	125,927	--	--	125,927	115,350	19,577	134,927	260,854
Total Salaries and Related Expenses	<u>594,878</u>	<u>--</u>	<u>--</u>	<u>594,878</u>	<u>520,308</u>	<u>102,449</u>	<u>622,757</u>	<u>1,217,635</u>
Other Expenses								
Insurance	17,543	--	--	17,543	15,343	3,021	18,364	35,907
Occupancy	132,786	--	--	132,786	116,141	22,868	139,009	271,795
Office	6,107	1,000	12,848	19,955	39,332	8,933	48,265	68,220
Installation and photography	--	--	--	--	--	1,401	1,401	1,401
Digitization and storage	72,706	--	37,750	110,456	4,774	--	4,774	115,230
Travel and entertainment	1,377	--	30,487	31,864	4,492	91,498	95,990	127,854
Printing	--	35,279	3,249	38,528	1,176	1,933	3,109	41,637
Advertising and promotion	188	5,887	10,741	16,816	15,242	5,329	20,571	37,387
Solicitation	158	10	8,815	8,983	9,562	60,969	70,531	79,514
Professional fees	6,000	--	2,298	8,298	130,232	--	130,232	138,530
Miscellaneous	--	--	155	155	7,926	121	8,047	8,202
Depreciation and amortization	2,140	--	--	2,140	1,873	369	2,242	4,382
Total Other Expenses	<u>239,005</u>	<u>42,176</u>	<u>106,343</u>	<u>387,524</u>	<u>346,093</u>	<u>196,442</u>	<u>542,535</u>	<u>930,059</u>
Total Expenses by Function	<u>833,883</u>	<u>42,176</u>	<u>106,343</u>	<u>982,402</u>	<u>866,401</u>	<u>298,891</u>	<u>1,165,292</u>	<u>2,147,694</u>
Less: Direct benefit to donors	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(117,846)</u>	<u>(117,846)</u>	<u>(117,846)</u>
Total Expenses	<u>\$ 833,883</u>	<u>\$ 42,176</u>	<u>\$ 106,343</u>	<u>\$ 982,402</u>	<u>\$ 866,401</u>	<u>\$ 181,045</u>	<u>\$ 1,047,446</u>	<u>\$ 2,029,848</u>

The accompanying notes are an integral part of these financial statements.

AMERICAN JEWISH HISTORICAL SOCIETY

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services					Supporting Services			2022 Total
	Library and Archive	Exhibits	Publications	Public Programs	Total Program Expenses	Management and general	Fundraising	Total Supporting Expenses	
Salaries and Related Expenses									
Salaries	\$ 448,759	\$ --	\$ --	\$ --	\$ 448,759	\$ 357,069	\$ 21,150	\$ 378,219	\$ 826,978
Payroll taxes and employee benefits	99,380	--	--	--	99,380	93,299	11,755	105,054	204,434
Total Salaries and Related Expenses	<u>548,139</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>548,139</u>	<u>450,368</u>	<u>32,905</u>	<u>483,273</u>	<u>1,031,412</u>
Other Expenses									
Insurance	20,337	--	--	--	20,337	16,976	1,221	18,197	38,534
Occupancy	143,443	--	--	--	143,443	119,741	8,611	128,352	271,795
Office	6,775	--	39,145	14,912	60,832	33,475	29,028	62,503	123,335
Installation and photography	--	17,561	--	--	17,561	--	--	--	17,561
Digitization and storage	47,517	--	--	15,750	63,267	690	--	690	63,957
Travel and entertainment	342	--	--	65,564	65,906	729	75,616	76,345	142,251
Printing	--	--	47,088	450	47,538	--	1,073	1,073	48,611
Advertising and promotion	16,000	4,600	1,688	970	23,258	6,455	4,826	11,281	34,539
Solicitation	400	--	--	12,630	13,030	9,260	58,855	68,115	81,145
Professional fees	2,500	--	1,050	8,025	11,575	151,768	8,678	160,446	172,021
Miscellaneous	--	--	--	1,095	1,095	130	86	216	1,311
Depreciation and amortization	2,313	--	--	--	2,313	1,931	138	2,069	4,382
Total Other Expenses	<u>239,627</u>	<u>22,161</u>	<u>88,971</u>	<u>119,396</u>	<u>470,155</u>	<u>341,155</u>	<u>188,132</u>	<u>529,287</u>	<u>999,442</u>
Total Expenses by Function	<u>787,766</u>	<u>22,161</u>	<u>88,971</u>	<u>119,396</u>	<u>1,018,294</u>	<u>791,523</u>	<u>221,037</u>	<u>1,012,560</u>	<u>2,030,854</u>
Less: Direct benefit to donors	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(98,200)</u>	<u>(98,200)</u>	<u>(98,200)</u>
Total Expenses	<u>\$ 787,766</u>	<u>\$ 22,161</u>	<u>\$ 88,971</u>	<u>\$ 119,396</u>	<u>\$ 1,018,294</u>	<u>\$ 791,523</u>	<u>\$ 122,837</u>	<u>\$ 914,360</u>	<u>\$ 1,932,654</u>

The accompanying notes are an integral part of these financial statements.

AMERICAN JEWISH HISTORICAL SOCIETY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	\$ 1,364,640	\$ (1,321,441)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	4,382	4,382
Donated securities	(746,633)	(239,144)
Proceeds from sales of donated securities	246,633	239,144
Realized and unrealized (gains) losses on investments	(692,391)	1,124,854
Changes in:		
Contributions receivable	(579,878)	(62,300)
Other accounts receivable	--	2,442
Prepaid expenses	7,220	(1,918)
Accounts payable and other liabilities	(15,660)	37,646
Deferred compensation obligation, net	(6,965)	(59,914)
Net Cash Used in Operating Activities	<u>(418,652)</u>	<u>(276,249)</u>
Cash Flows from Financing Activities		
Purchases of securities	(1,193,694)	(437,778)
Proceeds from sales of donated securities		
restricted for long-term purposes	500,000	--
Proceeds from sales of securities	<u>1,308,810</u>	<u>644,573</u>
Net Cash Provided by Financing Activities	<u>615,116</u>	<u>206,795</u>
Net Increase (Decrease) in Cash	196,464	(69,454)
Cash - Beginning of Year	<u>18,239</u>	<u>87,693</u>
Cash - End of Year	<u>\$ 214,703</u>	<u>\$ 18,239</u>

The accompanying notes are an integral part of these financial statements.

AMERICAN JEWISH HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 - ORGANIZATION

The American Jewish Historical Society (the “Society”), incorporated in Washington, D.C. in 1898, was founded for the collection, preservation, exhibition, publication, and popularization of material of every kind having reference to the settlement, history, and life of Jews on the American continent. In addition, the Society’s programs include the promotion and encouragement of research in, and the study of, Jewish history in general, and particularly in its relation to American Jewish history, and in connection with the causes and nature of Jewish emigration from various parts of the world to the American continent.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING AND 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 (“U.S. GAAP”).

The financial statements presentation is in accordance with Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Society is required to report information regarding its financial position and activities according to two classes of net assets: those without donor restrictions and those with donor restrictions. Net assets without donor restrictions are those net assets that are not subject to donor-imposed restrictions. Net assets with donor restrictions are subject to donor stipulations that limit the use of their contributions, which either expire by the passage of time or when used for specified purposes. Also included in net assets with donor restrictions are donor restrictions that are perpetual in nature and subject to the requirements of Washington D.C.’s Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). These donors have stipulated that those resources be maintained in perpetuity with the resultant income and net capital appreciation arising from the underlying assets to be used in the satisfaction of the wishes of those donors. When a donor restriction expires, that is, when a stipulated time restriction ends, a purpose restriction is accomplished, or funds are appropriated through action of the Board of Trustees, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as “net assets released from restrictions”.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

AMERICAN JEWISH HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH

Cash balances in banks are insured by the Federal Deposit Insurance Corporation, subject to certain limitations. At times, the Society maintains cash balances that may exceed federally insured limits; however, management believes that the Society does not face a significant risk of loss on these accounts and the Society has not experienced any account losses.

PROPERTY AND EQUIPMENT, NET

Property and equipment are stated at their original costs at the dates of acquisition, or, if contributed, at the estimated fair values at the dates of donation, net of accumulated depreciation and amortization. The Society capitalizes items of property and equipment that have a cost of \$7,500 or more and useful lives greater than one year. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the related assets which range from five to seven years.

INVESTMENTS

The Society's investments in equity securities and mutual funds are reported at their fair values in the statements of financial position based on quoted market prices. Money market funds held as part of the investment portfolio are also included in the balances reported as investments.

The Society's investments, in general, are subject to various risks, such as interest-rate, market, and credit risks. Due to the level of risk associated with certain investment vehicles, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted through donor stipulation. Realized gains and losses on investments are determined by comparison of the cost basis to proceeds at the time of disposition.

Unrealized gains and losses on investments are determined by comparing each investment's cost to the fair value at the end of each year. The earnings from dividends and interest are recognized when earned.

AMERICAN JEWISH HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS (CONTINUED)

Donated securities are recorded at their estimated fair values on the dates of donation. The Society's policy is to sell donated securities immediately, and, accordingly, for purposes of the statements of cash flows, donated securities received and the proceeds generated from their sales are generally included within operating activities. Proceeds restricted for long-term purposes are included within financing activities.

The Board of Trustees has adopted a portfolio spending policy whereby a predetermined amount of each year's investment assets is used to fund current operations. For both 2023 and 2022, respectively, the spending rate policy was calculated as 3% of the prior three-year rolling average of semi-annual market values.

COLLECTIONS

The Society maintains three collections:

- (i) A library collection of over 37,000 volumes and 300 periodical titles, to provide important and secondary material for researchers and the general public;
- (ii) Archives of the written and oral legacy of the American Jewish experience, with over 16,000 linear feet containing 1,500 collections, over 500 memoirs and manuscripts, and more than 1,000 photos; and
- (iii) A collection of various works of art and artifacts preserving a critical, visual record of American-Jewish history and material culture, including almost 100 paintings, approximately 100 silver collection pieces, historic American Jewish Sports artifacts and memorabilia, historic handwritten letters, and religious artifacts that document American-Jewish life.

All collection items are catalogued and preserved, and activities verifying their existence and assessing their condition are performed regularly. The cost or value of these collections is not included in the statements of financial position. Each of the three collections receives new items each year through contributions that are not included in the financial statements.

Items purchased by the Society for the collections, primarily for the library, are recorded as expenses in the year in which the items are purchased. The collections are insured for an amount up to \$7,000,000 through policies maintained by the Society.

AMERICAN JEWISH HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COLLECTIONS (CONTINUED)

The collections are maintained for public exhibition, education and research in furtherance of public service, rather than for financial gain. In conformity with accounting policies, the value of the Society's collections has been excluded from the statements of financial position and gifts of historical collections are excluded from revenue in the statements of activities. Purchases or deaccessions by the Society are recorded as decreases or increases in the statements of activities. Deaccessions are utilized only for future acquisitions, direct care (e.g., conservation, preservation, rehousing, or storage), processing, and/or cataloging of the collections and collections management.

REVENUE RECOGNITION

Gifts of cash and other assets received without donor stipulations are reported as revenue without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue with donor restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Gifts having donor stipulations, which are satisfied in the period the gift is received, are reported as revenue without donor restrictions. Contributions, grants and bequests are considered conditional when the underlying agreement includes a performance barrier and a right of return or a right to release promised assets exists. Conditional promises to give are not recognized until the performance barrier and the right of return or release have been overcome.

Contributions receivable consist of gifts pledged. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved. Management must make estimates of the uncollectability of all contributions receivable. Management specifically analyzes receivables, historical bad debts and changes in circumstances when evaluating the need for an allowance for doubtful accounts. As of December 31, 2023 and 2022, management has determined that no allowance for doubtful accounts was necessary.

Royalty income is recognized as the underlying sales or usages of licensed materials occur.

AMERICAN JEWISH HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SPECIAL EVENTS

Gross proceeds paid by attendees at special events held as fundraising activities represent contribution revenue as well as the payment of the direct cost of the benefit received by the attendee at the event. Special event income is reported net of the direct benefit to donors. Special event revenues, other than contributions, applicable to a current year are recognized as revenue in the year the special event takes place. Special event revenue for a future year's period is deferred and recognized when the event takes place.

DONATED SERVICES

Donated services are recognized if the services received create or enhance nonfinancial assets or require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Donated services that do not meet the above criteria are not recognized. Donated services are recorded at their estimated fair values when received and are reported without donor restrictions. Donated services are reported as both contributions and offsetting expenses in the statements of activities. During the years ended December 31, 2023 and 2022, the Society did not receive any donated services.

FUNCTIONAL ALLOCATION OF EXPENSES

Certain costs have been allocated among the programs and supporting services they benefit, in accordance with bases that best reflect, in management's judgment, the proportionate benefits derived by the program or administrative unit. Salaries, payroll taxes and employee benefits, occupancy, and depreciation and amortization are allocated based on the basis of time and effort by employees. Other costs are directly charged based on the nature of the expense.

OPERATING MEASURE

The Society includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Investment income (loss), net of authorized spending rate, and income from the employee retention credit are recognized as part of non-operating activities in the statements of activities.

ADVERTISING COSTS

The Society expenses the cost of advertising as incurred. Advertising expenses were \$37,387 and \$34,539 for the years ended December 31, 2023 and 2022, respectively.

AMERICAN JEWISH HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES

The Society is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (the “Code”) and from state and local taxes under comparable laws.

UNCERTAIN TAX POSITIONS

The Society recognizes and measures its unrecognized tax positions and assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances, and information available at the end of each period. The measurement of unrecognized tax positions is adjusted when new information is available, or when an event occurs that requires a change. Interest and penalties associated with unrecognized tax positions, if any, would be classified as interest expense and additional income taxes, respectively, in the statements of activities. The Society did not identify any uncertain tax positions for the years ended December 31, 2023 and 2022. The Society is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any periods pending or in progress.

RECLASSIFICATIONS

Certain reclassifications have been made to the prior-year financial statements to conform to the current-year presentation. These reclassifications have no effect on the change in net assets as reported in the statements of activities.

SUBSEQUENT EVENTS

These financial statements were approved by management and available for issuance on October 11, 2024. Management has evaluated subsequent events through this date.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Society’s financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use within one year of that date because of contractual or donor-imposed restrictions:

AMERICAN JEWISH HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 3 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)

	2023	2022
Cash	\$ 214,703	\$ 18,239
Contributions receivable	642,178	62,300
Investments	<u>6,418,676</u>	<u>5,841,401</u>
Total Financial Assets Available Within One Year	<u>7,275,557</u>	<u>5,921,940</u>
Less: Restrictions by donors with purpose restrictions	(871,583)	(13,925)
Less: Restrictions by donors that are perpetual in nature	<u>(317,979)</u>	<u>(317,979)</u>
Total Amounts Unavailable for General Expenditure Within One Year	<u>(1,189,562)</u>	<u>(331,904)</u>
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	<u>\$ 6,085,995</u>	<u>\$ 5,590,036</u>

The Society has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Society's liquidity policy is to ensure that the Society operates with an adequate level of institutional liquidity to minimize risk associated with temporary, unforeseen liquidity needs.

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, 2023 are expected to be collected in less than one year.

AMERICAN JEWISH HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 5 - INVESTMENTS

At each year-end, investments consisted of the following:

	December 31,			
	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Money market funds	\$ 76,222	\$ 76,222	\$ 50,787	\$ 50,787
Equity securities	224,251	224,251	--	--
Mutual funds:				
Equity funds	5,084,740	2,731,060	4,639,441	2,883,667
Fixed-income funds	<u>1,033,463</u>	<u>1,154,794</u>	<u>1,151,173</u>	<u>1,312,169</u>
Total	<u>\$ 6,418,676</u>	<u>\$ 4,186,327</u>	<u>\$ 5,841,401</u>	<u>\$ 4,246,623</u>

During each year, investment income consisted of the following:

	2023	2022
Unrealized (losses) gains	\$ 640,907	\$ (1,103,772)
Realized (losses) gains	51,484	(21,082)
Interest and dividends	<u>145,994</u>	<u>233,568</u>
	838,385	(891,286)
Less: investment income recognized under spending policy	<u>(11,861)</u>	<u>(12,081)</u>
Total	<u>\$ 826,524</u>	<u>\$ (903,367)</u>

The FASB's ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments, at the reporting date.

AMERICAN JEWISH HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 5 - INVESTMENTS (CONTINUED)

Level 2: Valuations are based on (i) quoted prices for similar investments in active markets, or (ii) quoted prices for those investments, or similar investments, in markets that are not active, or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.

Level 3: Valuations are based on pricing inputs that are unobservable and include situations where there is little, if any, market activity for the investments, or the investments cannot be independently valued.

The availability of market data is monitored by the Society's management to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer would be reported at the beginning of the reporting period.

The following table represents the Society's investments measured at fair value at December 31, 2023 and 2022:

December 31, 2023	Level 1	Level 2	Level 3	Total
Money market funds	\$ 76,222	\$ --	\$ --	\$ 76,222
Equity securities	224,251	--	--	224,251
Mutual funds:				
Equity funds	5,084,740	--	--	5,084,740
Fixed-income funds	<u>1,033,463</u>	<u>--</u>	<u>--</u>	<u>1,033,463</u>
Total	<u>\$ 6,418,676</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,418,676</u>
December 31, 2022	Level 1	Level 2	Level 3	Total
Money market funds	\$ 50,787	\$ --	\$ --	\$ 50,787
Mutual funds:				
Equity funds	4,639,441	--	--	4,639,441
Fixed-income funds	<u>1,151,173</u>	<u>--</u>	<u>--</u>	<u>1,151,173</u>
Total	<u>\$ 5,841,401</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 5,841,401</u>

AMERICAN JEWISH HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 6 - PROPERTY AND EQUIPMENT, NET

At December 31, 2023 and 2022, property and equipment consisted of the following:

	2023	2022
Furniture and equipment	\$ 380,318	\$ 380,318
Leasehold improvements	<u>21,911</u>	<u>21,911</u>
	402,229	402,229
Less: accumulated depreciation and amortization	<u>(397,481)</u>	<u>(393,099)</u>
Total	<u>\$ 4,748</u>	<u>\$ 9,130</u>

NOTE 7 - DEFERRED-COMPENSATION PLAN

The Society has a nonqualified, unfunded deferred-compensation plan for several former employees. The plan provides for annual payments of varying amounts for the remainder of the former employees' lives or the lives of their spouses, whichever is longer.

The Society's deferred-compensation obligation was \$20,658 and \$27,623 at December 31, 2023 and 2022, respectively, and the balance as of December 31, 2023 is estimated to be paid as follows:

Year Ending December 31,	Amount
2024	\$ 7,200
2025	7,200
2026	<u>7,200</u>
	21,600
Reduction of compensation payable to present value at a 4.09% discount rate	<u>(942)</u>
Total	<u>\$ 20,658</u>

Payments made to the beneficiaries of the plan totaled \$7,200 during each of the years ended December 31, 2023 and 2022.

AMERICAN JEWISH HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 8 - RELATED-PARTY TRANSACTIONS

The Society, along with four other not-for-profit organizations, are members of the Center for Jewish History, Inc. (the “Center”), a separate, 501(c)(3) not-for-profit corporation. The mission of the Center is to seek to advance the study and understanding of the history and culture of the Jewish people and to facilitate the programs of the member organizations.

The Center provides for the operation of the Society’s operating facility, including: (i) maintenance of all offices and specialized areas; (ii) control of the mechanical systems for the building; (iii) maintenance of elevators; (iv) support for all technology; (v) security; and (vi) many other related services. The Center also serves as the central repository for the Society’s archival documents, books, photographs, paintings, and artifacts. Although the Center derives its revenue from sources typical of not-for-profit enterprises, revenues generated by the Center are not sufficient to cover its operating expenses. As such, members provide their own funds as an annual subsidy to the Center to the extent required each year to cover the Center’s expenses.

Per the membership agreement, the amount contributed as an annual subsidy to the Center is based upon each member’s percentage interest, which is determined by its space allocated at the Center. The Society has a 19% membership interest in the Center. Upon liquidation of the Center, member organizations would be entitled to receive a share of the proceeds of the liquidation, subject to certain senior claims. Liquidation of the Center requires the consent of all member organizations.

In relation to its agreement with the Center, the Society incurred operating expenses of \$271,795 during each of the years ended December 31, 2023 and 2022. At December 31, 2023, there was \$1,186 due to the Center, which is included in accounts payable and other liabilities in the accompanying statements of financial position. There were no amounts due to the Center at December 31, 2022.

AMERICAN JEWISH HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2023 and 2022, net assets with donor restrictions consisted of the following:

	December 31,	
	2023	2022
Purpose restricted:		
Library and archives	\$ 871,583	\$ 13,925
Perpetual in nature:		
Library and archives	116,784	116,784
Publications	136,281	136,281
Public programs	<u>64,914</u>	<u>64,914</u>
	<u>317,979</u>	<u>317,979</u>
Total	<u>\$ 1,189,562</u>	<u>\$ 331,904</u>

Net assets released from restrictions during each year were for the following:

	Year Ended December 31,	
	2023	2022
Library and archives	\$ 234,275	\$ 145,349
Publications	24,815	4,741
Public programs	12,005	2,258
Time	<u>--</u>	<u>27,500</u>
Total	<u>\$ 271,095</u>	<u>\$ 179,848</u>

NOTE 10 - ACCOUNTING AND REPORTING FOR ENDOWMENT

THE ENDOWMENT

The Society's endowment consists of three donor-restricted funds established for a variety of purposes as described in Note 9.

AMERICAN JEWISH HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 10 - ACCOUNTING AND REPORTING FOR ENDOWMENT (CONTINUED)

INTERPRETATION OF RELEVANT LAW

As discussed in Note 2, UPMIFA is applicable to all of the Society's donor-restricted endowment funds. The Board of Trustees will continue to adhere to UPMIFA's requirements.

CHANGES IN ENDOWMENT NET ASSETS

During the years ended December 31, 2023 and 2022, endowment net assets changed as follows:

	December 31, 2023		
	Amount Subject to Appropriation	Amount Held in Perpetuity	Total
Endowment net assets, beginning of year	\$ (26,776)	\$ 317,979	\$ 291,203
Investment earnings, net	25,870	--	25,870
Appropriation	<u>(11,861)</u>	<u>--</u>	<u>(11,861)</u>
Endowment Net Assets, End of Year	<u>\$ (12,767)</u>	<u>\$ 317,979</u>	<u>\$ 305,212</u>

	December 31, 2022		
	Amount Subject to Appropriation	Amount Held in Perpetuity	Total
Endowment net assets, beginning of year	\$ 28,498	\$ 347,553	\$ 376,051
Investment earnings, net	(43,193)	(29,574)	(72,767)
Appropriation	<u>(12,081)</u>	<u>--</u>	<u>(12,081)</u>
Endowment Net Assets, End of Year	<u>\$ (26,776)</u>	<u>\$ 317,979</u>	<u>\$ 291,203</u>

AMERICAN JEWISH HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 10 - ACCOUNTING AND REPORTING FOR ENDOWMENT (CONTINUED)

CHANGES IN ENDOWMENT NET ASSETS (CONTINUED)

Amounts subject to appropriation represent that portion of allocated investment income, derived from endowment assets held in perpetuity, that have not been appropriated by the Board of Trustees for expenditure.

FUNDS WITH DEFICIENCIES

Due to unfavorable market fluctuations, from time to time, the fair value of assets associated with individual donor-restricted endowment funds may decline below the historic dollar value of the donor's original, permanently restricted contribution. Under the terms of UPMIFA, the Society has no responsibility to restore such decreases in value. As of December 31, 2023, a deficiency existed in three donor-restricted endowment funds which had an original value totaling \$347,553, a fair value of \$305,212, and a deficiency of \$42,341. As of December 31, 2022, a deficiency existed in three donor-restricted endowment funds which had an original value totaling \$347,553, a fair value of \$291,203, and a deficiency of \$56,350.

RETURN OBJECTIVES AND RISK PARAMETERS

The Society's Board of Trustees has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets and assuming a moderate level of investment risk. Endowment assets are those assets of donor-restricted funds that the Society must hold in perpetuity. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce acceptable rates of return, with an appropriate level of investment risk.

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES

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

AMERICAN JEWISH HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 10 - ACCOUNTING AND REPORTING FOR ENDOWMENT (CONTINUED)

SPENDING POLICY AND INVESTMENT OBJECTIVES

The Society's Board of Trustees has a policy to appropriate, and did appropriate, for distribution each year 3% of its endowment funds' three-year rolling average of semi-annual market values and has investment objectives to conform to current market conditions.

NOTE 11 - CONCENTRATIONS

As of December 31, 2023, receivables from two donors represented approximately 78% and 14% of the Society's total contributions receivable balance. As of December 31, 2022, receivables from two donors represented approximately 52% and 24% of the Society's total contributions receivable balance.

During the year ended December 31, 2023, approximately 53% of the Society's total revenue from operations was received from one donor. During the year ended December 31, 2022, approximately 54% (23%, 11%, 10% and 10%) of the Society's total revenue from operations was received from four donors.

NOTE 12 - EMPLOYEE RETENTION CREDIT

As a result of COVID-19, on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was signed into law. One of the provisions of the CARES Act that has assisted the Society's liquidity position is the employee retention credit.

The employee retention credit provides employers a refundable federal tax credit equal to 50% of the first \$10,000 for calendar year 2020 and 70% of the first \$10,000 for each quarter in calendar year 2021 of qualified wages and benefits paid to employees. Contributions to qualified medical plans also constitute creditable amounts. The credit is available to offset all federal employment withholdings owed in a particular quarter including both the employer and employee share of social security, Medicare taxes and withholdings for federal income taxes. To the extent that the credit exceeds employment withholdings, the employer may request a refund of prior taxes paid. The Society determined that the conditions to qualify for the employee retention credit have been substantially met during the second, third and fourth calendar quarters of 2020 and during the first, second and third calendar quarters of 2021. The Society recorded income for the employee retention credits totaling \$150,455 for the year ended December 31, 2023.