

**JEWISH FEDERATION OF DETROIT
AND UNITED JEWISH FOUNDATION**

Bloomfield Hills, Michigan

May 31, 2025 and 2024

COMBINED FINANCIAL STATEMENTS

Including Independent Auditor's Report

JEWISH FEDERATION OF DETROIT AND UNITED JEWISH FOUNDATION

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Independent Auditor's Report

To the Board of Governors and Board of Directors
Jewish Federation of Detroit
and United Jewish Foundation

Opinion

We have audited the combined financial statements of Jewish Federation of Detroit and United Jewish Foundation (collectively, the "Organizations"), which comprise the combined statement of financial position as of May 31, 2025 and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Organizations as of May 31, 2025 and the changes in their net assets and their 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 *Auditor's Responsibilities for the Audit of the Combined Financial Statements* section of our report. We are required to be independent of the Organizations and to meet our 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 the combined financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 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 combined financial statements.

To the Board of Governors and Board of Directors
Jewish Federation of Detroit
and United Jewish Foundation

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 combined 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 combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Organizations' 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organizations' 2024 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated October 22, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2024 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Plante & Moreau, PLLC

October 21, 2025

JEWISH FEDERATION OF DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF FINANCIAL POSITION

May 31, 2025

(With Summarized Comparative Combined Totals as of May 31, 2024)

ASSETS				
	Jewish Federation of Detroit	United Jewish Foundation	2025 Combined	2024 Combined
ASSETS				
Cash and cash equivalents	\$ 600	\$ 254,087	\$ 254,687	\$ 504,800
Investments (Note 3)	23,130,602	748,540,619	771,671,221	711,686,882
Accounts receivable, net (Note 5)	843,154	10,305,229	11,148,383	10,976,404
Pledges receivable, net (Note 6)	22,024,604	20,681,835	42,706,439	41,129,606
Notes receivable, net (Note 7)	-	18,921,794	18,921,794	7,097,580
Interorganization receivable (payable)	60,892	(60,892)	-	-
Donated real estate and other interest held for investment, net	-	2,503,090	2,503,090	2,503,090
Advances and other assets	369,027	4,800,838	5,169,865	4,839,053
Property and equipment, net (Note 8)	79,679	47,311,818	47,391,497	46,390,198
TOTAL ASSETS	\$ 46,508,558	\$ 853,258,418	\$ 899,766,976	\$ 825,127,613
LIABILITIES AND NET ASSETS				
LIABILITIES				
Appropriations payable				
General	\$ 18,036,394	\$ 1,198,465	\$ 19,234,859	\$ 18,357,644
Jewish Federations of North America and overseas	8,396,830	-	8,396,830	8,339,130
Trade accounts and other payables	2,814,561	1,894,876	4,709,437	3,917,475
Constituent agencies and other deposits	-	143,979,064	143,979,064	111,830,992
Charitable trust annuities payable	-	7,311,001	7,311,001	7,682,532
Other organizations payable	-	11,821,356	11,821,356	8,809,509
Contributions designated for future periods	-	3,378,207	3,378,207	3,068,412
Total Liabilities	<u>29,247,785</u>	<u>169,582,969</u>	<u>198,830,754</u>	<u>162,005,694</u>
NET ASSETS				
Without Donor Restrictions	17,260,773	338,386,364	355,647,137	341,536,624
With Donor Restrictions (Note 12)	-	345,289,085	345,289,085	321,585,295
Total Net Assets	<u>17,260,773</u>	<u>683,675,449</u>	<u>700,936,222</u>	<u>663,121,919</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 46,508,558	\$ 853,258,418	\$ 899,766,976	\$ 825,127,613

JEWISH FEDERATION OF DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended May 31, 2025
(With Summarized Comparative Combined Totals for the Year Ended May 31, 2024)

	Jewish Federation of Detroit	United Jewish Foundation					
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total UJF	Eliminating Adjustments	2025 Combined	2024 Combined
OPERATING REVENUE AND SUPPORT							
Public support from contributions	\$ 44,286,166	\$ 32,386,495	\$ 8,189,075	\$ 40,575,570	\$ (11,889,915)	\$ 72,971,821	\$ 85,248,722
Revenue							
Grant Revenue	6,412,514	-	-	-	-	6,412,514	21,549,126
Investment income (including unrealized gains/losses)	-	27,102,637	27,272,425	54,375,062	-	54,375,062	60,178,390
Gain on disposition of assets	-	-	-	-	-	-	171,177
Interorganization appropriations	10,088,185	4,611,540	6,050,885	10,662,425	(20,750,610)	-	-
Miscellaneous fees and other	5,259,811	7,371,438	1,731,367	9,102,805	(285,000)	14,077,616	14,910,653
Net assets released from restrictions	-	19,539,962	(19,539,962)	-	-	-	-
Total Revenue	21,760,510	58,625,577	15,514,715	74,140,292	(21,035,610)	74,865,192	96,809,346
Total Operating Revenue and Support	66,046,676	91,012,072	23,703,790	114,715,862	(32,925,525)	147,837,013	182,058,068
OPERATING EXPENSES							
Program Services							
Distributions							
Federation's annual campaign	-	11,889,915	-	11,889,915	(11,889,915)	-	-
Jewish Federations of North America and overseas	12,731,563	450,000	-	450,000	-	13,181,563	22,734,748
Local agencies	35,997,938	20,804,970	-	20,804,970	(20,750,610)	36,052,298	37,406,228
Other charitable organizations	2,749,754	27,289,023	-	27,289,023	-	30,038,777	32,087,681
Other	11,725,145	7,460,129	-	7,460,129	-	19,185,274	17,003,268
Total Program Services	63,204,400	67,894,037	-	67,894,037	(32,640,525)	98,457,912	109,231,925
Support Services							
Administrative	6,062,628	891,806	-	891,806	(285,000)	6,669,434	6,197,008
Financial resource development	3,557,395	-	-	-	-	3,557,395	3,642,464
Bad debt expense	694,182	526,723	-	526,723	-	1,220,905	878,129
Other	-	117,064	-	117,064	-	117,064	128,468
Total Support Services	10,314,205	1,535,593	-	1,535,593	(285,000)	11,564,798	10,846,069
Total Operating Expenses	73,518,605	69,429,630	-	69,429,630	(32,925,525)	110,022,710	120,077,994
(Decrease) Increase in Net Assets from Operations	(7,471,929)	21,582,442	23,703,790	45,286,232	-	37,814,303	61,980,074
Transfer of funds	-	-	-	-	-	-	-
(Decrease) Increase in Net Assets from Operations	(7,471,929)	21,582,442	23,703,790	45,286,232	-	37,814,303	61,980,074
NET ASSETS - Beginning of Year	24,732,702	316,803,922	321,585,295	638,389,217	-	663,121,919	601,141,845
NET ASSETS - END OF YEAR	<u>\$ 17,260,773</u>	<u>\$ 338,386,364</u>	<u>\$ 345,289,085</u>	<u>\$ 683,675,449</u>	<u>\$ -</u>	<u>\$ 700,936,222</u>	<u>\$ 663,121,919</u>

See accompanying notes to combined financial statements.

JEWISH FEDERATION OF DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended May 31, 2025

(With Summarized Comparative Combined Totals for the Year Ended May 31, 2024)

	Jewish Federation of Detroit			United Jewish Foundation				
	Direct Programs	Administrative Services	Financial Resource Development	Direct Programs	Administrative Services	Eliminating Adjustments	2025 Combined	2024 Combined
DISTRIBUTIONS								
Federation's annual campaign	\$ -	\$ -	\$ -	\$ 11,889,915	\$ -	\$ (11,889,915)	\$ -	\$ -
Jewish Federations of North America and overseas	12,731,563	-	-	450,000	-	-	13,181,563	22,734,748
Local agencies	35,997,938	-	-	20,804,970	-	(20,750,610)	36,052,298	37,406,228
Other charitable organizations	2,749,754	-	-	27,289,023	-	-	30,038,777	32,087,681
Total Distributions	51,479,255	-	-	60,433,908	-	(32,640,525)	79,272,638	92,228,657
OPERATING EXPENSES								
Other program services	5,418,759	-	-	565,563	-		5,984,322	3,287,824
Salaries and wages	3,623,057	3,925,075	2,416,734	-	-		9,964,866	9,373,234
Employee benefits	391,875	568,966	331,948	-	-		1,292,789	1,189,770
Other personnel	289,627	268,765	156,804	-	-		715,196	681,047
Rent and building costs	65,265	163,163	56,573	2,522,331	297,821	(285,000)	2,820,153	2,720,734
Professional services	8,660	297,005	-	-	244,301		549,966	577,093
Meetings and events	1,086,698	215,737	163,148	-	-		1,465,583	1,352,091
Missions	655,837	-	-	-	-		655,837	1,778,583
Marketing	45,443	57,726	57,500	-	-		160,669	219,245
Professional development and donor cultivation	42,906	88,193	45,693	-	-		176,792	163,794
Interest and bank fees	9,222	1,840	100,250	1,003	155,879		268,194	284,466
Postage	6,817	41,125	23,993	-	-		71,935	72,029
Office expense	9,783	75,054	25,120	-	-		109,957	92,643
Property expenses	-	-	-	350,889	12,280		363,169	338,504
Equipment repairs and maintenance	9,487	57,228	33,388	-	-		100,103	124,377
Information technology support	32,457	193,022	112,614	-	-		338,093	389,783
Telephone	7,959	38,419	22,415	-	-		68,793	60,422
Insurance	-	52,087	-	262,511	131,189		445,787	392,518
Other	-	-	-	177,954	50,336		228,290	158,806
Total Operating Expenses Before Depreciation and Bad Debt	11,703,852	6,043,405	3,546,180	3,880,251	891,806	(285,000)	25,780,494	23,256,963
Depreciation	21,293	19,223	11,215	3,579,878	117,064		3,748,673	3,714,245
Bad debt expense	3,811	-	690,371	-	526,723		1,220,905	878,129
TOTAL OPERATING EXPENSES	\$ 63,208,211	\$ 6,062,628	\$ 4,247,766	\$ 67,894,037	\$ 1,535,593	\$ (32,925,525)	\$ 110,022,710	\$ 120,077,994

JEWISH FEDERATION OF DETROIT AND UNITED JEWISH FOUNDATION

COMBINED STATEMENT OF CASH FLOWS
May 31, 2025
(With Summarized Comparative Prior Year Information)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 37,814,303	\$ 61,980,074
Adjustments to reconcile increase in net assets to net cash flows from operating activities		
Depreciation	3,748,673	3,714,245
Bad debt expense	1,220,905	878,129
Change in value of liability for charitable trust annuities	701,803	1,814,224
Net unrealized gain on investments	(6,777,075)	(43,866,023)
Net realized gain on investments	(25,486,432)	(4,947,611)
Gain on disposal of donated assets and other interests	-	(171,177)
Partnership and other investment gain	-	(10,000)
Contributions restricted for permanent investment	(7,211,314)	(5,695,212)
Contribution of donated real estate and other interests held for investment	-	(2)
Increase (decrease) in assets and liabilities		
Accounts receivable	414,795	(986,627)
Pledges receivable	(2,741,495)	3,533,520
Advances and other assets	(330,812)	(323,034)
Appropriations payable, trade accounts, and other payables	1,726,877	(820,987)
Constituent agencies and other deposits	32,148,072	16,767,129
Other organizations payable	3,011,847	2,745,257
Contributions designated for future periods and charitable trust annuities payable	309,795	141,868
Net Cash Flows from Operating Activities	<u>38,549,942</u>	<u>34,753,773</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds from sale of donated real estate and other interests held for investment	-	2,360,177
Net uses from purchases of investments	(27,720,832)	(32,632,852)
Purchases of property and equipment	(4,749,973)	(2,290,060)
Net proceeds from collection of notes receivable	156,008	149,828
Issuance of notes receivable	(12,884,445)	(4,688,590)
Net Cash Flows used in Investing Activities	<u>(45,199,242)</u>	<u>(37,101,497)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts on contributions restricted for permanent investment	7,472,521	3,141,314
Payments on charitable trust annuities	(1,073,334)	(1,014,171)
Net payments on notes payable	-	(32,556)
Net Cash Flows provided by Financing Activities	<u>6,399,187</u>	<u>2,094,587</u>
Net Decrease in Cash and Cash Equivalents	<u>(250,113)</u>	<u>(253,137)</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>504,800</u>	<u>757,937</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 254,687</u>	<u>\$ 504,800</u>
Supplemental cash flow disclosures		
Cash paid for interest	\$ 1,840	\$ 2,564
Cash paid for income taxes	\$ 32,322	\$ 36,943

**JEWISH FEDERATION OF DETROIT
AND UNITED JEWISH FOUNDATION**

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 1 – Organization

Organization

The Jewish Federation of Detroit (JFD or Federation) and the United Jewish Foundation (UJF or Foundation) are central organizations of the Jewish community. JFD is the operating entity, which conducts various annual campaigns to raise funds to support local, national, and overseas agencies. UJF retains custody of property and investments held for the long-term benefit of the community. JFD and UJF, although separate legal entities with separate governance, are referred to as the “organizations” throughout this report and are combined herein because they are under common management.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the organizations have been prepared on the accrual basis of accounting.

Classification of Net Assets

Net assets of the organizations are classified based on the presence or absence for donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed or the donor-imposed restriction have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the organizations.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the organizations or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

The organizations define 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.

**JEWISH FEDERATION OF DETROIT
AND UNITED JEWISH FOUNDATION**

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 2 – Summary of Significant Accounting Policies (continued)

Contributions

Contributions are generally reported as increases to net assets without donor restriction, unless the related assets are limited by donor-imposed restrictions. Contributions and investment income with donor-imposed restrictions are revenues reported as with donor restriction and are reclassified to net assets without donor restriction when expenses are incurred that satisfy the donor-imposed restrictions or upon expiration of donor-imposed time restrictions. Contributions are unconditional transfers of cash or other assets. Other assets include securities, land, buildings, and unconditional promises to give those items or financial support in the future. Contributions of securities and other assets are measured at their fair value at the date of receipt. Expenses are reported as decreases in net assets with donor restriction. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

Support Foundations and Donor Advised Funds

Net assets without donor restriction of UJF include various support foundations and donor advised funds. Support foundations are governed by individual Boards of Directors (“the Boards”). However, the support foundations are included in the financial statements because of their shared purpose with UJF in supporting JFD. These foundations have total assets of \$82,469,740 and \$88,538,512 as of May 31, 2025 and 2024, respectively. Donor Advised funds have total assets of \$156,088,788 and \$138,733,474 at May 31, 2025 and 2024, respectively.

Although support foundations and donor advised funds are unrestricted, donors may suggest distributions to organizations exempt under Section 501(c)(3) of the Internal Revenue Code. Donors may also provide UJF direction as to the use of these funds, which may result in transfers of funds to net assets with donor restrictions.

Constituent Agency Deposits

Deposits from constituent agencies and other organizations are reported in the UJF portfolio at fair value on the combined statement of financial position. Changes in the fair value of these deposits are reflected as a change in the corresponding liability on the combined statement of financial position. These transactions are not included in the combined statement of activities and changes in net assets. Investment income related to these deposits totaled \$11,814,860 and \$11,705,623 for the years ended May 31, 2025 and 2024, respectively, and is recorded as an increase to the related liability.

**JEWISH FEDERATION OF DETROIT
AND UNITED JEWISH FOUNDATION**

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 2 – Summary of Significant Accounting Policies (continued)

Investments

The United Jewish Foundation manages the investment portfolio for the benefit of JFD and UJF funds. The investment portfolio is comprised of equity securities, debt securities, hedge funds, funds of funds, and private equity investments. The Foundation records all investment in equity and debt securities with readily determinable fair values, based on published quotations at fair value in accordance with generally accepted accounting principles.

Each UJF fund carries its investment account based upon its original contribution, adjusted for subsequent receipts and disbursements and allocation of investment income. Each fund is allocated a portion of the portfolio's actual earnings, based on that fund's account balance.

JFD and UJF invest in various investment funds (the "Funds") with investment managers who manage investment partnerships, managed accounts, commodity funds, hedge funds, and private equity funds which employ diversified styles and strategies. The goal of these investments is to generate a long-term return with less risk than the equity market. The net asset value of these investments is calculated by the investment manager based on prices and valuations supplied to it by the underlying investment or money manager, or similar financial data provider. Market values as of May 31, 2025 and 2024 are based on monthly valuations provided by the managers of the funds. Management, in coordination with the UJF investment committee and the investment consultant, obtains and considers the audited financial statements issued by nationally recognized accounting firms of such investments when evaluating the overall reasonableness of carrying value. Because of the inherent uncertainty of valuations, values may differ materially from values had a ready market existed.

The investment managers may utilize a variety of financial instruments in their trading strategies, including equity and debt securities of U.S. and foreign issuers as well as a variety of derivative instruments. Several of these financial instruments contain varying degrees of off-balance-sheet risk whereby changes in market value of the securities underlying the financial instruments may be in excess of the amounts recorded on the investments' balance sheet. However, due to the nature of JFD and UJF's limited interest in these funds, JFD and UJF's risk with respect to such transactions is limited to its capital balance in each fund.

**JEWISH FEDERATION OF DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 2 – Summary of Significant Accounting Policies (continued)

Accounts Receivable and Notes Receivables

The organizations hold accounts receivables, which primarily include advances to constituent agencies. In general, the receivable balance is short term and paid within one year. Notes receivable are reported at the original issue amount plus accrued interest, less principal repaid. Interest is recognized according to terms of the specific notes. Notes and loans receivable consist primarily of amounts due to UJF from related parties (see Note 7).

An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the receivables. The organization collectively evaluates accounts and notes receivables to determine the allowance for credit losses based on credit risks associated with the industry. The organization calculates the allowance using an expected loss model that considers the organization's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The organization considers changes in customer's liquidity, customer's historical payments and loss experience, current economic conditions, and the organization's expectations for future economic conditions when making adjustments for reasonable and supportable forecasts. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received.

Pledges Receivable

The organizations receive pledges and bequests of financial support. Support revenue is recognized when pledges representing unconditional promises to give are received. In the absence of such promises, revenue is recognized when pledges are paid. Conditional promises to give are not included as support until the conditions are met.

Unconditional promises to give that are expected to be collected in future years are recorded as pledges receivable in the year promised at the present value of expected future cash flows, net of an allowance for uncollectible amounts. The present value of such amounts is computed using appropriate discount rates ranging from 0.34 to 4.71 percent based on the years in which the promises are received and commensurate with the expected payment dates.

An allowance for uncollectible amounts is provided based on management's judgment. The determination includes such factors as prior collection history, type of contributions, and nature of fundraising.

**JEWISH FEDERATION OF DETROIT
AND UNITED JEWISH FOUNDATION**

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 2 – Summary of Significant Accounting Policies (continued)

Donated Real Estate and Other Interests Held for Investment

Donated real estate and other interests held for investment consist of donated real estate or interests in real estate, carried at \$110,000 as of May 31, 2025 and 2024, respectively, and donated interests in partnerships and trusts carried at \$393,090 as of May 31, 2025 and 2024, respectively. The assets are recorded at their estimated fair values at the date of donation, as determined by independent appraisals. Subsequent to initial acquisition, donated interests in partnerships and trusts in which the Organizations have more than a minor interest (generally 3 to 5 percent) are accounted for using the equity method. Under the equity method, the investment is carried at cost, adjusted for the Partnership's proportionate share of undistributed earnings or losses. Impairment losses due to a decline in the value of the investment that is other than temporary are recognized when incurred. No impairment losses were recognized during the years ended May 31, 2025 and 2024.

Also included in donated real estate and other interests held for investments are single premium annuity contracts related to life insurance policies on the respective donor's life, carried at \$2,000,000 as of May 31, 2025 and 2024. The organizations record these transactions in accordance with generally accepted accounting principles for deposit accounting. The organizations will ultimately receive, at a minimum, the original amount invested, plus interest, via annuity payments and death benefits. Since there is no transfer of risk associated with the life insurance policies, the related annuity and life insurance investments are accounted for as deposit transactions. Life insurance premium payments are recorded in a deposit account and are offset by the return of the principal portion of the annuity payments.

Advances and Other Assets

Included in advances and other assets is the cash surrender value of donated life insurance policies whereby UJF has been named as the beneficiary. The total cash surrender value of life insurance policies included in advances and other assets was \$3,988,590 and \$3,678,067 as of May 31, 2025 and 2024, respectively.

Property and Equipment

Property and equipment are recorded at cost or, if acquired by gift, at fair value as of the date of donation. Depreciation of equipment is provided using the straight-line method over estimated useful lives of 3 to 10 years. Buildings and building renovations are depreciated using the straight-line method over periods of 10 to 30 years. Upon retirement or sale, the cost of disposed assets and the related accumulated depreciation are removed from the accounts, and any resulting gains or losses are recorded as increases or decreases in the combined statement of activities and changes in net assets. Repair and maintenance costs are expensed as incurred.

Property and equipment include land, buildings, and other property used by the organizations and their constituent agencies.

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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 2 – Summary of Significant Accounting Policies (continued)

Impairment of Long-Lived Assets

The organizations review long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

Appropriations Payable

Appropriations payable represent awards to constituent and other agencies as of May 31, with payments expected to be made generally throughout the next fiscal year. Also included in the UJF appropriations payable are certain multi-year awards granted by various donor advised funds.

Charitable Trust Annuities Payable

Certain donors have established irrevocable split-interest agreements with the organizations, primarily charitable gift annuities, pooled life income funds, and irrevocable charitable remainder trusts, whereby the donated assets are invested and distributions are made to the donor and/or other beneficiaries in accordance with the agreement for a specified period of time, at which time the remaining assets and future investment return are retained by the organizations. The organizations typically serve as trustee for the split-interest agreement.

Charitable Trust Annuities Payable (continued)

The organizations have recorded the estimated fair value of the investments associated with irrevocable split-interest agreements and an estimated liability, using various discount rates for the net present value of the future cash outflows to beneficiaries. For the years ended May 31, 2025 and 2024, the combined statement of activities and changes in net assets included changes to other operating income (loss) in the estimated liability for split-interest agreements of \$266,158 and (\$141,869), respectively, and investment income included in investment income of \$1,735,419 and \$1,888,278, respectively. Net assets of these trusts amounted to \$8,279,733 and \$6,892,549 at May 31, 2025 and 2024, respectively. Assets held in split-interest agreements, which are included in investments, totaled \$18,968,941 and \$17,643,493 as of May 31, 2025 and 2024, respectively.

Contributions Designated for Future Periods

Contributions designated for future periods represent the residual value of a charitable trust annuity agreement which is subject to donor control and has, therefore, been deferred pending final donor resolution of the distribution of the funds.

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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 2 – Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

The organizations have estimated the fair value of their financial instruments using the following methods and assumptions:

The carrying amounts of cash, accounts receivable, pledges receivable, appropriations payable, and accounts payable approximate fair value due to their short-term nature, and the carrying amounts of the organizations' notes receivable and long-term debt are considered to approximate fair value because current rates approximate market rates available on instruments with similar terms and credit risk.

The fair value of the financial instruments is determined using Level 2 inputs as described in Note 3.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized in the period received. Conditional promises are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

UJF reports gifts of cash and other assets as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When donor restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as contributions without donor restrictions.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rent and building costs, postage, office and property expenses, equipment repairs and maintenance, information technology, telephone, and insurance. Rent, building costs and property expenses are allocated based on a square footage basis. Postage, office, equipment repairs and maintenance, information technology, telephone, insurance and salaries and benefits are allocated on the basis of estimates of time and effort.

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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 2 – Summary of Significant Accounting Policies (continued)

Risks and Uncertainties

The organizations hold various investments in any combination of stocks, bonds, fixed-income securities, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Given the level of risk associated with certain investment securities and the level of uncertainty related to the changes in the value of investment securities, 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 combined statement of financial position and the combined statement of activities and changes in net assets.

Tax-Exempt Status

The organizations are Michigan nonprofit corporations that have been granted exemption from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and have been determined to be other than private foundations. The organizations' management believes that the organizations continue to operate in a manner that preserves their tax-exempt status.

Use of Estimates

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Prior Year Financial Information

The financial statements include certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organizations' financial statements for the year ended May 31, 2024, from which the summarized information was derived.

Subsequent Events

The organizations have evaluated subsequent events through October 21, 2025, which is the date that the combined financial statements were approved and available to be issued.

**JEWISH FEDERATION OF DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 3 – Fair Value Measurements

As defined in the 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 organizations use various valuation methods including the market, income, and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible, the organizations attempt to utilize valuation methods that maximize the use of observable inputs. Based on the observability of the inputs used in the valuation methods, the organizations are required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets and liabilities measured, reported, and/or disclosed at fair value will be classified and disclosed 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 organizations hold as an investment various equity and fixed-income investments that are publicly traded securities. Fair values are based on quoted prices and are classified as Level 1. Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals and net asset values. The organizations hold no investments that would be classified as Level 3. The organizations' policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during the years ended May 31, 2025 and 2024.

**JEWISH FEDERATION OF DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 3 – Fair Value Measurements (continued)

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy.

	May 31, 2025			
	Total	Level 1	Level 2	Valued at NAV
Pooled Income Portfolio				
Money Market	\$ 64,947,438	\$ 64,947,438	\$ -	\$ -
Mutual Funds:				
Equity	343,986,579	343,986,579	-	-
Debt	11,807,088	11,807,088	-	-
Real Assets	49,172,864	49,172,864	-	-
Liquid Limited Partnerships'				
Equity	83,648,813	-	-	83,648,813
Alternative Investments:				
Direct Hedge Funds	82,499,930	-	-	82,499,930
Private Partnerships (Equity, Debt, Real Assets)	119,669,944	-	-	119,669,944
Total Pooled Income Portfolio	<u>755,732,656</u>	<u>469,913,969</u>	<u>-</u>	<u>285,818,687</u>
Other:				
Money Market	2,875,863	2,875,863	-	-
Israel Bonds	300,000	-	300,000	-
Certificate of Deposit	270,881	270,881	-	-
Common Stocks	3,589,211	3,589,211	-	-
Mutual Funds:				
Equity	1,800,519	1,800,519	-	-
Debt	467,564	467,564	-	-
Liquid Limited Partnerships'	3,565,780	-	-	3,565,780
Private Partnerships (Equity, Debt, Real Assets)	3,068,747	-	-	3,068,747
Total Other Investments	<u>15,938,565</u>	<u>9,004,038</u>	<u>300,000</u>	<u>6,634,527</u>
Total Investments	<u>\$ 771,671,221</u>	<u>\$ 478,918,007</u>	<u>\$ 300,000</u>	<u>\$ 292,453,214</u>
	\$ -			

**JEWISH FEDERATION OF DETROIT
AND UNITED JEWISH FOUNDATION**

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 3 – Fair Value Measurements (continued)

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy.

	May 31, 2024			
	Total	Level 1	Level 2	Valued at NAV
Pooled Income Portfolio				
Money market	\$ 82,111,333	\$ 82,111,333	-	-
Mutual Funds:				
Equity	281,669,373	281,669,373	-	-
Debt	8,583,493	8,583,493	-	-
Real Assets	48,435,344	48,435,344	-	-
Liquid Limited Partnerships'				
Equity	93,446,001	-	-	93,446,001
Alternative Investments:				
Direct hedge funds	78,746,211	-	-	78,746,211
Private Partnerships (Equity, Debt, Real Assets)	94,656,017	-	-	94,656,017
Total Pooled Income Portfolio	<u>687,647,772</u>	<u>420,799,543</u>	<u>-</u>	<u>266,848,229</u>
Other:				
Money market	2,546,968	2,546,968	-	-
Israel bonds	300,000	-	300,000	-
Certificate of deposit	266,751	266,751	-	-
Common stocks	10,061,225	10,061,225	-	-
U.S. Government Debt	-	-	-	-
Municipal Debt	-	-	-	-
Corporate Debt	-	-	-	-
Mutual funds:				
Equity	2,261,103	2,261,103	-	-
Debt	1,438,528	1,438,528	-	-
Liquid Limited Partnership	3,019,615	-	-	3,019,615
Private Partnerships (Equity, Debt, Real Assets)	4,144,920	-	-	4,144,920
Total Other Investments	<u>24,039,110</u>	<u>16,574,575</u>	<u>300,000</u>	<u>7,164,535</u>
Total Investments	<u>\$ 711,686,882</u>	<u>\$ 437,374,118</u>	<u>\$ 300,000</u>	<u>\$ 274,012,764</u>

**JEWISH FEDERATION OF DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 3 – Fair Value Measurements (continued)

Investment Type	Investment Objective	Percentage	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Direct Hedge Funds	Invests directly in debt, equity, and derivative securities. Strategies employed include long/short equity, multi-strategy, macro, relative value, distressed, and hedging. Strategies are utilized with varying levels of expected volatility based on their asset allocation purpose: one distressed credit-oriented fund having risks consistent with below investment grade fixed income and all others are managed as a group to have low-Beta exposure and expected volatility similar to investment grade fixed income.	100%	None	Weekly - Annually	10-100 days
Private Partnerships	Invest directly in debt and equity interests of companies that are generally not actively traded at the time of investment or a basket of private capital funds that invest in said interests. Additionally, make acquisitions of private limited partnership interests and direct investment portfolios with a focus of acquiring these interests at a significant discount. Investments may be in US or foreign markets, and returns are expected to be higher than those achieved in comparable public equity and fixed income markets albeit with higher expected volatility.	79%	\$ 89,449,305	N/A	N/A
		10%	\$ 1,618,101	Semi-Annually	90 days
		11%	None	Quarterly	60 days
Liquid Limited Partnerships	Invest directly in publicly traded equity securities, fixed-income securities or futures through a commingled vehicle. Though the underlying securities have daily liquidity, funds within this category may offer liquidity ranging from daily to monthly.	100%	None	Daily - Monthly	0-30 days

**JEWISH FEDERATION OF DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 4 – Investments

Investment income includes realized gains of \$25,486,432 and \$4,947,611, unrealized gains of \$22,200,372 and \$58,897,608, and interest and dividends of \$24,974,602 and \$14,004,798 (net of \$1,099,227 and \$1,181,476 in fees), in each case for the years ended May 31, 2025 and 2024, respectively. Investment income in the organizations' combined statement of activities and changes in net assets is presented net of investment income earned on amounts held for constituent agencies and other deposits, charitable trust annuities payable, and other organizations payable.

NOTE 5 – Accounts Receivable

Accounts receivable consists of the following as of May 31:

	2025			2024
	JFD	UJF	Combined	
Advances to constituent agencies	\$ -	\$ 10,778,484	\$ 10,778,484	\$ 10,365,846
Other receivables	843,154	31,954	875,108	1,321,433
Total gross accounts receivable	843,154	10,810,438	11,653,592	11,687,279
Allowance for uncollectible amounts	-	(505,209)	(505,209)	(710,875)
Net accounts receivable	<u>\$ 843,154</u>	<u>\$ 10,305,229</u>	<u>\$ 11,148,383</u>	<u>\$ 10,976,404</u>

NOTE 6 – Pledges Receivable

	2025			2024
	JFD	UJF	Combined	
Gross pledges receivable	\$ 25,374,940	\$ 28,887,468	\$ 54,262,408	\$ 53,107,773
Allowance for uncollectible amounts	(3,350,336)	(1,735,865)	(5,086,201)	(5,159,700)
Unamortized discount		(6,469,768)	(6,469,768)	(6,818,467)
Net pledges receivable	<u>\$ 22,024,604</u>	<u>\$ 20,681,835</u>	<u>\$ 42,706,439</u>	<u>\$ 41,129,606</u>

Payments on pledges receivable at May 31, 2025 are expected to be received as follows:

	JFD	UJF	Combined
Within one year	\$ 25,374,940	\$ 790,523	\$ 26,165,463
Between one and five years	-	2,820,380	2,820,380
More than five years	-	25,276,565	25,276,565
Total	<u>\$ 25,374,940</u>	<u>\$ 28,887,468</u>	<u>\$ 54,262,408</u>

**JEWISH FEDERATION OF DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 6 – Pledges Receivable (continued)

UJF's pledges outstanding represent pledges in connection with the Centennial Campaign and various communal capital and endowment campaigns benefiting certain programs and agencies. The balances consist of the following at May 31:

	2025	2024
Centennial Campaign	\$ 23,609,170	\$ 26,628,280
Friendship Circle	4,100,000	1,800,000
Adat Shalom	400,000	400,000
Community Wide Security	221,000	125,000
Jewish Women's Foundation	213,000	158,974
Legacy Fund	131,175	130,767
Israeli Emergency Fund	111,123	
Gesher Human Services	100,000	100,000
Robinson Pioneer Village - Fresh Air Society	2,000	5,000
Holocaust Memorial Center	-	3,148
	<hr/>	<hr/>
Total Pledges Receivable	<u>\$ 28,887,468</u>	<u>\$ 29,351,169</u>

NOTE 7 – Notes Receivable

Notes receivable consist of the following at May 31:

	2025	2024
UJF:		
Notes receivable bearing interest at 5.00% annually, due in monthly principal and interest installments through March 1, 2030.	\$ 862,882	\$ 1,018,890
Notes receivable held in a Support Foundation bearing interest at 3.00% and 5.00%, due in monthly principal and interest installments ranging on or before May 15, 2030.	\$ 18,084,452	\$ 5,244,817
Other notes receivable	923,683	878,873
Gross notes receivable	19,871,017	7,142,580
Allowance for uncollectible amounts	(949,223)	(45,000)
Notes receivable, net - UJF	<u>\$ 18,921,794</u>	<u>\$ 7,097,580</u>

**JEWISH FEDERATION OF DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 8 – Property and Equipment – JFD and UJF

Property and equipment consist of the following at May 31:

	2025	2024
Land	\$ 6,947,856	\$ 6,947,856
Buildings	125,829,366	119,456,088
Furniture and equipment	4,130,741	4,106,563
Construction in progress	-	1,658,758
Total	<u>136,907,963</u>	<u>132,169,265</u>
Accumulated depreciation	<u>(89,516,466)</u>	<u>(85,779,067)</u>
Property and Equipment, net	<u><u>\$ 47,391,497</u></u>	<u><u>\$ 46,390,198</u></u>

The majority of land and buildings represent communal properties and consist of the following at May 31, 2025:

	Land	Buildings	Total
United Jewish Foundation			
Max M. Fisher Federation Building	\$ 900,000	\$ 8,195,562	\$ 9,095,562
Fresh Air Society – Camp Tamarack			
Ortonville	381,073	27,041,581	27,422,654
Grange Hall Road	247,207	-	247,207
Kennedy	129,782	49,868	179,650
Wawa	6,750	11,942	18,692
Jewish Community Center			
Applebaum Campus site	2,412,155	54,012,175	56,424,330
Jewish Family Service	1,537,176	7,044,130	8,581,306
Jean and Samuel Frankel Jewish Academy			
of Metropolitan Detroit	-	7,805,629	7,805,629
Farber Hebrew Day School - Yeshivat Akiva	291,482	12,855,097	13,146,579
B'nai B'rith Youth Organization	-	1,120,071	1,120,071
Gesher Human Services – Woodward and Canfield	245,916	1,641,424	1,887,340
University of Michigan Hillel	-	3,835,449	3,835,449
Michigan State University Hillel	65,555	2,216,438	2,281,993
6866 W. Maple, West Bloomfield	175,760	-	175,760
14450 Ten Mile Road, Oak Park	555,000	-	555,000
	<u>6,947,856</u>	<u>125,829,366</u>	<u>132,777,222</u>
Accumulated depreciation	<u>-</u>	<u>(85,534,056)</u>	<u>(85,534,056)</u>
Total Land and Buildings	<u><u>\$ 6,947,856</u></u>	<u><u>\$ 40,295,310</u></u>	<u><u>\$ 47,243,166</u></u>

**JEWISH FEDERATION OF DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 9 – Transactions with Affiliates

The Federation and The Jewish Fund have entered into a management agreement whereby the Federation provides administrative support to the Fund for an agreed-upon fee. Such fees were \$425,000 and \$395,000 for the years ended May 31, 2025 and 2024, respectively.

Grants received from The Jewish Fund by the Federation were \$0 and \$491,420 and indirect grant expenses paid to other affiliated entities were \$36,052,298 and \$37,406,228 for the years ended May 31, 2025 and 2024, respectively. The Federation has construction and other contracts with board members of \$2,395,314 and \$100,000 for the year ended May 31, 2025 and 2024, respectively.

Amounts owed to affiliated agencies at May 31 are summarized below:

	2025	2024
Appropriations payable	\$ 20,184,103	\$ 19,810,695
Constituent agency deposits	45,692,914	38,071,742
Total	<u>\$ 65,877,017</u>	<u>\$ 57,882,437</u>

NOTE 10 – Retirement Plans

On January 27, 2022, the JFD Board of Governors voted to terminate the Jewish Federation of Detroit Pension Plan (the "Plan"). The Plan covered employees of the organization and certain constituent agencies, and was frozen as of December 31, 2014. The Plan was not required to file Form 5500 and did not have a separate Employer Identification Number.

In FY 2023, as part of the Plan termination, benefits of \$16.3M were distributed to participants or beneficiaries, and an annuity contract was purchased for \$7.8M.

Effective January 1, 2015, JFD restated its 403(b) retirement plan to replace the Pension Plan. The Federation elected, for calendar year 2024, to offer a matching safe harbor contribution equal to 100% of employees' 403(b) plan contributions up to 3% of pay and 50% of employees' contributions above 3% up to 5% of pay. Employer contributions to the 403B plan in FY 2024 and FY 2025 were \$290,414 and \$312,526.

**JEWISH FEDERATION OF DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 11 – Endowment Funds

UJF's endowments includes both donor restricted endowment funds and funds designated by the board of trustees to function as endowments. The board designated net assets are in support of the constituent agencies. Net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

Interpretation of Relevant Law - The organization is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of trustees appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of trustees of the organization had interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor restricted endowment funds, the organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The organization has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organizations and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organizations
7. The investment policies of the organizations

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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 11 – Endowment Funds (continued)

Endowment net asset composition as of May 31, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated	\$ 18,510,794	\$ -	\$ 18,510,794
Attorney General Release	1,085,091	-	1,085,091
Donor restricted			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor		237,363,653	237,363,653
Accumulated investment gains		53,650,573	53,650,573
Split-interest agreements	330,622		330,622
	<u>\$ 19,926,507</u>	<u>\$ 291,014,226</u>	<u>\$ 310,940,733</u>

Endowment net asset composition as of May 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Board designated	\$ 16,157,080		\$ 16,157,080
Attorney General Release	\$ 1,367,119		\$ 1,367,119
Donor restricted			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor		229,891,132	229,891,132
Accumulated investment gains		36,110,460	36,110,460
Split-interest agreements	110,491		110,491
	<u>\$ 17,634,690</u>	<u>\$ 266,001,592</u>	<u>\$ 283,636,282</u>

Changes in endowment net assets for the year ended May 31, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 17,634,690	\$ 266,001,592	\$ 283,636,282
Income from investments	1,738,781	25,249,251	26,988,032
Contributions	-	7,472,521	7,472,521
Appropriations of endowment assets for expenditures	(817,511)	(9,281,718)	(10,099,229)
Other (loss) income	1,220,131	1,140,930	2,361,061
Transfers of net assets	150,416	431,650	582,066
Endowment net assets, end of year	<u>\$ 19,926,507</u>	<u>\$ 291,014,226</u>	<u>\$ 310,940,733</u>

**JEWISH FEDERATION OF DETROIT
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NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 11 – Endowment Funds (continued)

Changes in endowment net assets for the year ended May 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 15,452,284	\$ 248,212,395	\$ 263,664,679
Income from investments	1,740,629	26,921,870	28,662,499
Contributions	-	3,141,314	3,141,314
Appropriations of endowment assets for expenditures	(807,054)	(10,768,349)	(11,575,403)
Other income	(197,066)	625,219	428,153
Transfers of net assets	1,445,897	(2,130,857)	(684,960)
Endowment net assets, end of year	<u>\$ 17,634,690</u>	<u>\$ 266,001,592</u>	<u>\$ 283,636,282</u>

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the organizations to retain as a fund of perpetual duration. Deficiencies of this nature exist in 332 and 402 donor restricted endowment funds, which together have an original gift value of \$62,122,136 and \$94,994,884, a current fair value of \$54,996,127 and \$84,819,361, and a deficiency of \$7,126,009 and \$10,175,523 as of May 31, 2025 and 2024, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new contributions for donor restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the board of trustees.

Return Objectives and Risk Parameters - The organizations have adopted investment and pending policies for endowment assets that attempt to provide a predictable stream of funding to the organizations' programs and are supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organizations must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds. Under this policy, as approved by the governing board, the endowment assets are invested in a manner that is intended to produce results that exceed 5% annually while assuming a moderate level of investment risk.

**JEWISH FEDERATION OF DETROIT
AND UNITED JEWISH FOUNDATION**

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 11 – Endowment Funds (continued)

Strategies Employed for Achieving Objectives - To satisfy their long-term rate-of-return objectives, the organizations rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividend). The organizations target a diversified asset allocation that places a great emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy - The organizations have a policy of generally appropriating for distribution each year 5% of the endowment base, including those endowments deemed to be underwater. The endowment base is defined as the five-year moving average of the market value of the total endowment portfolio (calculated as of the last day of each of the previous 20 quarters). In establishing this policy, the organizations considered the long-term expected return on their endowment. Accordingly, over the long term, the organizations expect the current spending policy to allow their endowment to grow at an average of approximately 2% annually. This is consistent with the organizations' objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 12 – Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of May 31:

	2025	2024
Subject to expenditures for specified purposes:		
Special-purpose funds	\$ 27,161,050	\$ 28,643,078
Constituent Agency Funds	22,527,634	21,423,932
Total Net Assets Subject to Expenditures for Specified Purposes:	<u>49,688,684</u>	<u>50,067,010</u>
Subject to Time Restrictions	4,586,175	5,516,694
Total Net Assets Subject to Time and Expenditures for Specified Purposes	<u>54,274,859</u>	<u>55,583,704</u>
Endowments:		
Perpetual in nature, earnings from which are subject to endowment		
Perpetual Annual Campaign Endowment (PACE) funds	92,133,574	84,387,902
Special-purpose funds	24,540,443	20,829,135
Constituent agency funds	174,340,209	160,784,554
Total endowments	<u>291,014,226</u>	<u>266,001,591</u>
Net assets with donor restrictions	<u><u>\$ 345,289,085</u></u>	<u><u>\$ 321,585,295</u></u>

**JEWISH FEDERATION OF DETROIT
AND UNITED JEWISH FOUNDATION**

NOTES TO COMBINED FINANCIAL STATEMENTS
May 31, 2025 and 2024

NOTE 13 – Concentrations

The organizations maintain their cash in bank deposit accounts which, at times, may exceed federally insured limits. The organizations have not experienced losses in such accounts.

NOTE 14 – Liquidity and Availability of Resources

The organizations' financial assets and resources available to meet cash needs for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the date of the Combined Statements of Financial Position were as follows:

	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 254,687	\$ 504,800
Short-term investments	52,226,157	54,738,994
Accounts receivable	1,895,219	1,993,138
Pledges receivable	22,024,604	20,457,352
Notes receivable	862,882	1,018,890
Total financial assets available within one year	\$ 77,263,549	\$ 78,713,174

As part of the organizations' liquidity management strategy, the organizations structure their financial assets to be available as their general expenditures, liabilities and other obligations come due. In addition, the organizations invest cash in excess of daily requirements in short-term working capital investments. Cash withdrawals from the managed investment pool normally coincide with the endowment spending distributions, but may be adjusted higher or lower based on the timing of gift receipts, capital calls, income and capital distributions, operating expenses and other factors affecting available cash.

Additionally, the organizations have board-designated endowment funds of approximately \$18.5 and \$16.1 million as of May 31, 2025 and 2024, respectively. Although the organizations do not intend to spend from their board-designated endowment funds other than amounts appropriated for expenditures as part of its annual budget approval process, amounts from their board designated endowments could be made available if necessary. However, both board-designated and donor-restricted endowments contain investments with lock-up provisions that reduce the total investments that could be made available (see Note 3 for disclosures about investments).

SUPPLEMENTAL INFORMATION



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Independent Auditor's Report on Supplemental Information

To the Board of Governors and Board of Directors
Jewish Federation of Detroit
and United Jewish Foundation

We have audited the combined financial statements of Jewish Federation of Detroit and United Jewish Foundation as of and for the year ended May 31, 2025 and have issued our report thereon dated October 21, 2025, which contained an unmodified opinion on those combined financial statements. Our audit was performed for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combining statements of financial position and combining statements of activities and changes in net assets are presented for the purpose of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Plante & Moran, PLLC

October 21, 2025

JEWISH FEDERATION OF DETROIT

COMBINING STATEMENT OF FINANCIAL POSITION
May 31, 2025

	ASSETS							
	Operating Fund	Federation Annual Campaign	JFD Programming	Oversees Programming	Missions Fund	Jewish Life Fund	Grant Programming	Total
ASSETS								
Cash and cash equivalents	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600
Investments	1,123,580	15,828,854	4,593,727	654,534	501,227	-	428,680	23,130,602
Accounts receivable, net	206,671	-	41,580	50,000	9,889	-	535,014	843,154
Pledges receivable, net	-	22,024,104	500	-	-	-	-	22,024,604
Notes receivable, net	-	-	-	-	-	-	-	-
Interfund receivables (payables)	3,371,399	(3,555,649)	(233,912)	460,147	-	-	(41,985)	-
Interorganization (payable) receivable	-	-	-	-	-	-	60,892	60,892
Advances and other assets	324,922	-	27,690	2,000	14,415	-	-	369,027
Property and equipment, net	79,679	-	-	-	-	-	-	79,679
TOTAL ASSETS	<u>\$ 5,106,851</u>	<u>\$ 34,297,309</u>	<u>\$ 4,429,585</u>	<u>\$ 1,166,681</u>	<u>\$ 525,531</u>	<u>\$ -</u>	<u>\$ 982,601</u>	<u>\$ 46,508,558</u>
	LIABILITIES AND NET ASSETS							
LIABILITIES								
Appropriations payable								
General	\$ -	\$ 15,859,798	\$ 1,142,210	\$ 51,785	\$ -	\$ -	\$ 982,601	\$ 18,036,394
Jewish Federations of North America and overseas	-	8,396,830	-	-	-	-	-	8,396,830
Trade accounts and other payables	2,783,269	498	-	-	30,794	-	-	2,814,561
Total Liabilities	2,783,269	24,257,126	1,142,210	51,785	30,794	-	982,601	29,247,785
NET ASSETS								
Without Donor Restrictions	2,323,582	10,040,183	3,287,375	1,114,896	494,737	-	-	17,260,773
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,106,851</u>	<u>\$ 34,297,309</u>	<u>\$ 4,429,585</u>	<u>\$ 1,166,681</u>	<u>\$ 525,531</u>	<u>\$ -</u>	<u>\$ 982,601</u>	<u>\$ 46,508,558</u>

JEWISH FEDERATION OF DETROIT

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended May 31, 2025

	Operating Fund	Federation Annual Campaign	JFD Programming	Overseas Programming	Missions Fund	Jewish Life Fund	Grant Programming	Total
OPERATING REVENUE AND SUPPORT								
Public support from contributions	\$ 177,511	\$ 42,931,424	\$ 787,103	\$ 224,521	\$ 165,607	\$ -	\$ -	\$ 44,286,166
Revenue								
Grant revenue	51,000	-	200,000	-	-	-	6,161,514	6,412,514
Investment income (including unrealized gains)	-	-	-	-	-	-	-	-
Interorganization appropriations	4,668,858	8,512	745,757	112,643	155,877	336,551	4,059,987	10,088,185
Miscellaneous fees and other	4,056,067	-	561,464	347,409	294,871	-	-	5,259,811
Total Revenue	8,775,925	8,512	1,507,221	460,052	450,748	336,551	10,221,501	21,760,510
Total Operating Revenue and Support	8,953,436	42,939,936	2,294,324	684,573	616,355	336,551	10,221,501	66,046,676
OPERATING EXPENSES								
Program Services								
Distributions								
Jewish Federations of North America and overseas	-	9,581,541	3,150,022	-	-	-	-	12,731,563
Local agencies	-	26,485,260	3,785,654	-	-	251,469	5,475,555	35,997,938
Other charitable organizations	-	1,121,042	431,948	-	-	87,950	1,108,814	2,749,754
Other	5,649,511	-	1,289,564	1,327,432	655,837	-	2,802,801	11,725,145
Total Program Services	5,649,511	37,187,843	8,657,188	1,327,432	655,837	339,419	9,387,170	63,204,400
Support Services								
Administrative	6,062,628	-	-	-	-	-	-	6,062,628
Financial resource development	3,457,145	100,250	-	-	-	-	-	3,557,395
Bad debt expense	-	690,371	3,811	-	-	-	-	694,182
Other	-	-	-	-	-	-	-	-
Total Support Services	9,519,773	790,621	3,811	-	-	-	-	10,314,205
Total Operating Expenses	15,169,284	37,978,464	8,660,999	1,327,432	655,837	339,419	9,387,170	73,518,605
(Decrease) Increase in Net Assets from Operations	(6,215,848)	4,961,472	(6,366,675)	(642,859)	(39,482)	(2,868)	834,331	(7,471,929)
Transfer of funds	6,185,066	(6,117,173)	1,489,831	232,550	140,000	(1,095,943)	(834,331)	-
(DECREASE) INCREASE IN NET ASSETS	(30,782)	(1,155,701)	(4,876,844)	(410,309)	100,518	(1,098,811)	-	(7,471,929)
NET ASSETS - Beginning of Year	\$ 2,354,364	\$ 11,195,884	\$ 8,164,219	\$ 1,525,205	\$ 394,219	\$ 1,098,811	\$ -	\$ 24,732,702
NET ASSETS - END OF YEAR	\$ 2,323,582	\$ 10,040,183	\$ 3,287,375	\$ 1,114,896	\$ 494,737	\$ -	\$ -	\$ 17,260,773

See independent auditors' report on supplemental information.

UNITED JEWISH FOUNDATION

COMBINING STATEMENT OF FINANCIAL POSITION
Year Ended May 31, 2025

ASSETS							
	General Fund	Donor Advised Funds	Support Foundations	Land, Building and Equipment	Other Unrestricted Funds	Restricted Funds	Total
ASSETS							
Cash and cash equivalents	\$ 254,087	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 254,087
Investments	24,272,924	155,025,100	64,851,972	(279,155)	152,626,730	352,043,048	748,540,619
Accounts receivable, net	-	-	-	31,954	1,020,111	9,253,164	10,305,229
Pledges receivable, net	-	-	-	-	-	20,681,835	20,681,835
Notes receivable, net	862,882	878,683	17,180,229	-	-	-	18,921,794
Interfund receivables (payables)	-	(815,000)	(1,065,546)	-	-	1,880,546	-
Interorganization (payable) receivable	-	-	-	-	-	(60,892)	(60,892)
Donated real estate and other interests held for investment	-	1,000,005	1,503,085	-	-	-	2,503,090
Advances and other assets	86,947	-	-	239,728	485,573	3,988,590	4,800,838
Property and equipment, net	-	-	-	47,311,818	-	-	47,311,818
TOTAL ASSETS	<u>\$ 25,476,840</u>	<u>\$ 156,088,788</u>	<u>\$ 82,469,740</u>	<u>\$ 47,304,345</u>	<u>\$ 154,132,414</u>	<u>\$ 387,786,291</u>	<u>\$ 853,258,418</u>
LIABILITIES AND NET ASSETS							
LIABILITIES							
Appropriations payable	\$ -	\$ -	\$ 589,293	\$ -	\$ 609,172	\$ -	\$ 1,198,465
Trade accounts and other payables	122,151	-	-	286,000	1,426,590	60,135	1,894,876
Constituent agencies and other deposits	-	-	-	-	143,979,064	-	143,979,064
Bonds, notes and other payables	-	-	-	-	-	-	-
Charitable trust annuities payable	-	-	-	-	-	7,311,001	7,311,001
Other organizations payable	-	-	-	-	-	11,821,356	11,821,356
Contributions designated for future periods	-	-	-	-	-	3,378,207	3,378,207
Total Liabilities	<u>122,151</u>	<u>-</u>	<u>589,293</u>	<u>286,000</u>	<u>146,014,826</u>	<u>22,570,699</u>	<u>169,582,969</u>
NET ASSETS							
Without Donor Restrictions	25,354,689	156,088,788	81,880,447	47,018,345	8,117,588	19,926,507	338,386,364
With Donor Restrictions	-	-	-	-	-	345,289,085	345,289,085
Total Net Assets	<u>25,354,689</u>	<u>156,088,788</u>	<u>81,880,447</u>	<u>47,018,345</u>	<u>8,117,588</u>	<u>365,215,592</u>	<u>683,675,449</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 25,476,840</u>	<u>\$ 156,088,788</u>	<u>\$ 82,469,740</u>	<u>\$ 47,304,345</u>	<u>\$ 154,132,414</u>	<u>\$ 387,786,291</u>	<u>\$ 853,258,418</u>

UNITED JEWISH FOUNDATION

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended May 31, 2025

	General Fund	Donor Advised Funds	Support Foundations	Land, Building and Equipment	Other Unrestricted Funds	Restricted Funds	Total
OPERATING REVENUE AND SUPPORT							
Public support from contributions	\$ 1,330	\$ 30,265,868	\$ 2,069,297	\$ -	\$ 50,000	\$ 8,189,075	\$ 40,575,570
Revenue							
Investment income (including unrealized gains)	4,104,158	13,844,155	6,888,355	-	527,188	29,011,206	54,375,062
Interorganization appropriations	1,500,000	30,000	-	-	2,081,540	7,050,885	10,662,425
Miscellaneous fees and other	4,275,885	98	30,609	2,668,136	176,579	1,951,498	9,102,805
Total Revenue	9,880,043	13,874,253	6,918,964	2,668,136	2,785,307	38,013,589	74,140,292
Total Operating Revenue and Support	9,881,373	44,140,121	8,988,261	2,668,136	2,835,307	46,202,664	114,715,862
OPERATING EXPENSES							
Program Services							
Distributions							
Federation's annual campaign	-	6,421,576	698,200	-	-	4,770,139	11,889,915
Jewish Federations of North America and overseas	-	450,000	-	-	-	-	450,000
Local agencies	4,332,426	2,402,951	984,750	-	471,802	12,613,041	20,804,970
Other charitable organizations	-	15,070,161	11,153,879	-	-	1,064,983	27,289,023
Other	290,892	-	5,287	6,251,260	344,922	567,768	7,460,129
Total Program Services	4,623,318	24,344,688	12,842,116	6,251,260	816,724	19,015,931	67,894,037
Support Services							
Administrative	457,534	583	95,694	337,995	-	-	891,806
Bad debt expense (recovery)	-	-	904,223	-	-	(377,500)	526,723
Other	-	-	-	117,064	-	-	117,064
Total Support Services	457,534	583	999,917	455,059	-	(377,500)	1,535,593
Total Operating Expenses	5,080,852	24,345,271	13,842,033	6,706,319	816,724	18,638,431	69,429,630
Increase (Decrease) in Net Assets from Operations	4,800,521	19,794,850	(4,853,772)	(4,038,183)	2,018,583	27,564,233	45,286,232
Transfer of funds	(476,943)	(2,439,536)	(1,202,000)	6,714,519	(1,027,414)	(1,568,626)	-
INCREASE (DECREASE) IN NET ASSETS	4,323,578	17,355,314	(6,055,772)	2,676,336	991,169	25,995,607	45,286,232
NET ASSETS - Beginning of Year	\$ 21,031,111	\$ 138,733,474	\$ 87,936,219	\$ 44,342,009	\$ 7,126,419	\$ 339,219,985	\$ 638,389,217
NET ASSETS - END OF YEAR	<u>\$ 25,354,689</u>	<u>\$ 156,088,788</u>	<u>\$ 81,880,447</u>	<u>\$ 47,018,345</u>	<u>\$ 8,117,588</u>	<u>\$ 365,215,592</u>	<u>\$ 683,675,449</u>