

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

American Jewish Committee and Affiliates

December 31, 2024 and 2023

Contents

	Page
Report of Independent Certified Public Accountants	3
Consolidated Financial Statements	
Consolidated balance sheets	5
Consolidated statements of activities	6
Consolidated statements of functional expenses	8
Consolidated statements of cash flows	10
Notes to consolidated financial statements	11

GRANT THORNTON LLP

757 Third Avenue, 9th Floor
New York, NY 10017

D +1 212 599 0100

F +1 212 542 9855

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Governors of
American Jewish Committee

Opinion

We have audited the consolidated financial statements of American Jewish Committee and Affiliates ("AJC"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of AJC as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of AJC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of AJC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AJC'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.

Grant Thornton LLP

New York, New York
June 27, 2025

American Jewish Committee and Affiliates

CONSOLIDATED BALANCE SHEETS

**December 31,
(Dollars in thousands)**

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 39,363	\$ 35,365
Contributions receivable, net (Note 4)	18,275	9,951
Investments (Note 3)	74,825	69,452
Prepaid expenses and other assets	664	1,228
Total current assets	<u>133,127</u>	<u>115,996</u>
Noncurrent assets		
Contributions receivable, net (Note 4)	19,610	12,055
Beneficial interest in trusts held by third parties (Note 3)	11,741	10,719
Investments (Note 3)	155,295	144,528
Prepaid expenses and other assets	2,417	935
Right of use asset	5,118	7,263
Fixed assets, net (Note 5)	8,259	7,557
Total noncurrent assets	<u>202,440</u>	<u>183,057</u>
Total assets	<u><u>\$ 335,567</u></u>	<u><u>\$ 299,053</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 4,519	\$ 4,699
Accrued compensation	6,512	4,997
Accrued pension plan and other benefit obligations (Note 6)	3,848	4,033
Lease liability	2,083	2,629
Liability under split-interest agreements	379	429
Total current liabilities	<u>17,341</u>	<u>16,787</u>
Noncurrent liabilities		
Accrued pension plan and other benefit obligations (Note 6)	3,910	7,235
Lease liability	3,745	5,560
Liability under split-interest agreements	2,258	1,984
Other noncurrent liabilities	28	27
Total noncurrent liabilities	<u>9,941</u>	<u>14,806</u>
Total liabilities	<u>27,282</u>	<u>31,593</u>
Commitments and contingencies (Notes 6 and 10)		
Net assets (Notes 7 and 8)		
Net assets without donor restrictions		
Operating	47,562	48,849
Board-designated	33,789	30,920
Pension plan and other benefit obligations	<u>(7,758)</u>	<u>(11,268)</u>
Total net assets without donor restrictions	73,593	68,501
Net assets with donor restrictions	<u>234,692</u>	<u>198,959</u>
Total net assets	<u>308,285</u>	<u>267,460</u>
Total liabilities and net assets	<u><u>\$ 335,567</u></u>	<u><u>\$ 299,053</u></u>

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

American Jewish Committee and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended December 31, 2024

(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue			
Contributions and special events for operations (net of direct costs of special events of \$2,237)	\$ 51,363	\$ -	\$ 51,363
Trusts and bequests	1,270	94	1,364
Contributions with time or purpose restrictions	-	60,487	60,487
Contributions for endowments	-	1,513	1,513
Investment return used for operations	3,386	6,756	10,142
Rental income (Note 10)	1,375	-	1,375
Other	1,739	-	1,739
Net assets released from restrictions	42,720	(42,720)	-
Total operating revenue	101,853	26,130	127,983
Operating expenses			
Program services			
Government and international relations	26,128	-	26,128
Regional offices	20,798	-	20,798
Communications	27,299	-	27,299
Interreligious and intergroup relations	2,836	-	2,836
Education and Jewish Leadership	5,118	-	5,118
Total program services	82,179	-	82,179
Supporting services			
Management and general	8,717	-	8,717
Fund-raising	11,398	-	11,398
Total supporting services	20,115	-	20,115
Total operating expenses	102,294	-	102,294
Change in net assets from operations	(441)	26,130	25,689
Non-operating activities			
Net investment return, in excess of amounts used for operations	2,854	8,581	11,435
Change in value of split-interest agreements	126	1,022	1,148
Other components of net periodic benefit cost (Note 6)	(1,110)	-	(1,110)
Pension and postretirement changes other than net periodic benefit cost (Note 6)	3,663	-	3,663
Change in net assets from non-operating activities	5,533	9,603	15,136
CHANGE IN NET ASSETS	5,092	35,733	40,825
Net assets at beginning of year	68,501	198,959	267,460
Net assets at end of year	\$ 73,593	\$ 234,692	\$ 308,285

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

American Jewish Committee and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended December 31, 2023
(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue			
Contributions and special events for operations (net of direct costs of special events of \$1,889)	\$ 48,045	\$ -	\$ 48,045
Trusts and bequests	1,282	-	1,282
Contributions with time or purpose restrictions	-	32,695	32,695
Contributions for endowments	-	229	229
Investment return used for operations	3,178	6,370	9,548
Rental income (Note 10)	1,320	-	1,320
Other	1,283	-	1,283
Net assets released from restrictions	30,448	(30,448)	-
Total operating revenue	85,556	8,846	94,402
Operating expenses			
Program services			
Government and international relations	27,970	-	27,970
Regional offices	18,387	-	18,387
Communications	11,622	-	11,622
Interreligious and intergroup relations	2,852	-	2,852
Education and Jewish leadership	4,553	-	4,553
Total program services	65,384	-	65,384
Supporting services			
Management and general	6,811	-	6,811
Fund-raising	10,487	-	10,487
Total supporting services	17,298	-	17,298
Total operating expenses	82,682	-	82,682
Change in net assets from operations	2,874	8,846	11,720
Non-operating activities			
Net investment return, in excess of amounts used for operations	2,736	7,328	10,064
Change in value of split-interest agreements	452	359	811
Redesignation based on donor intent	(855)	855	-
Other components of net periodic benefit cost (Note 6)	(5,237)	-	(5,237)
Pension and postretirement changes other than net periodic benefit cost (Note 6)	4,995	-	4,995
Change in net assets from non-operating activities	2,091	8,542	10,633
CHANGE IN NET ASSETS	4,965	17,388	22,353
Net assets at beginning of year	63,536	181,571	245,107
Net assets at end of year	\$ 68,501	\$ 198,959	\$ 267,460

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

American Jewish Committee and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2024
(Dollars in thousands)

	Program Services						Supporting Services			Total 2024
	Government and International Relations	Regional Offices	Communications	Interreligious and Intergroup Relations	Education and Jewish Leadership	Total	Management and General	Fund-raising	Total	
Salaries	\$ 11,934	\$ 10,934	\$ 3,113	\$ 1,520	\$ 2,381	\$ 29,882	\$ 4,275	\$ 7,064	\$ 11,339	\$ 41,221
Fringe benefits	3,134	2,580	684	308	608	7,314	1,160	1,615	2,775	10,089
Total employee compensation	15,068	13,514	3,797	1,828	2,989	37,196	5,435	8,679	14,114	51,310
Travel	1,435	721	30	180	528	2,894	64	70	134	3,028
Rent and utilities	1,469	1,145	-	-	29	2,643	230	388	618	3,261
Telephone	67	25	12	9	3	116	13	16	29	145
Printing and postage	36	150	305	7	11	509	19	411	430	939
Stationery and supplies	16	65	52	3	2	138	38	25	63	201
IT services and equipment	452	324	164	89	39	1,068	200	208	408	1,476
Building maintenance	164	104	123	34	26	451	823	151	974	1,425
Insurance	232	160	48	35	16	491	52	69	121	612
Educational materials	22	17	3	1	9	52	15	3	18	70
Grants	2,050	62	13	9	54	2,188	13	46	59	2,247
Dues paid to other organizations	90	66	7	12	11	186	31	34	65	251
Conferences, meetings, and events	3,023	3,300	46	401	1,084	7,854	156	410	566	8,420
Outside contract program services	1,326	433	22,389	142	234	24,524	1,417	541	1,958	26,482
Advertising	9	40	148	1	2	200	23	84	107	307
Bank service charges	400	206	67	66	72	811	71	142	213	1,024
Catering and facilities rental	-	-	-	-	-	-	-	2,237	2,237	2,237
Total expenses before depreciation and amortization	25,859	20,332	27,204	2,817	5,109	81,321	8,600	13,514	22,114	103,435
Depreciation and amortization	269	466	95	19	9	858	117	121	238	1,096
Total expenses	26,128	20,798	27,299	2,836	5,118	82,179	8,717	13,635	22,352	104,531
Less: direct cost of special events	-	-	-	-	-	-	-	(2,237)	(2,237)	(2,237)
Total 2024 expenses	<u>\$ 26,128</u>	<u>\$ 20,798</u>	<u>\$ 27,299</u>	<u>\$ 2,836</u>	<u>\$ 5,118</u>	<u>\$ 82,179</u>	<u>\$ 8,717</u>	<u>\$ 11,398</u>	<u>\$ 20,115</u>	<u>\$ 102,294</u>

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

American Jewish Committee and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2023
(Dollars in thousands)

	Program Services						Supporting Services			Total 2023
	Government and International Relations	Regional Offices	Communications	Interreligious and Intergroup Relations	Education and Jewish Leadership	Total	Management and General	Fund-raising	Total	
Salaries	\$ 10,608	\$ 9,623	\$ 2,873	\$ 1,394	\$ 2,077	\$ 26,575	\$ 3,392	\$ 5,446	\$ 8,838	\$ 35,413
Fringe benefits	2,923	2,586	679	356	572	7,116	933	1,325	2,258	9,374
Total employee compensation	13,531	12,209	3,552	1,750	2,649	33,691	4,325	6,771	11,096	44,787
Travel	1,542	584	32	166	604	2,928	190	32	222	3,150
Rent and utilities	1,533	1,058	23	27	34	2,675	174	395	569	3,244
Telephone	61	22	8	8	3	102	12	14	26	128
Printing and postage	42	120	197	7	9	375	18	352	370	745
Stationery and supplies	26	59	45	5	5	140	38	21	59	199
IT services and equipment	394	284	122	79	37	916	158	180	338	1,254
Building maintenance	205	135	119	69	61	589	740	152	892	1,481
Insurance	190	123	50	33	16	412	57	68	125	537
Educational materials	18	15	2	3	3	41	10	2	12	53
Grants	5,516	9	-	-	7	5,532	-	-	-	5,532
Dues paid to other organizations	64	98	3	9	4	178	14	28	42	220
Conferences, meetings, and events	2,798	2,353	42	344	848	6,385	86	183	269	6,654
Outside contract program services	1,299	503	7,157	243	167	9,369	777	1,955	2,732	12,101
Advertising	18	48	102	7	2	177	17	57	74	251
Bank service charges	439	260	65	81	94	939	68	145	213	1,152
Catering and facilities rental	-	-	-	-	-	-	-	1,889	1,889	1,889
Total expenses before depreciation and amortization	27,676	17,880	11,519	2,831	4,543	64,449	6,684	12,244	18,928	83,377
Depreciation and amortization	294	507	103	21	10	935	127	132	259	1,194
Total expenses	27,970	18,387	11,622	2,852	4,553	65,384	6,811	12,376	19,187	84,571
Less: direct cost of special events	-	-	-	-	-	-	-	(1,889)	(1,889)	(1,889)
Total 2023 expenses	<u>\$ 27,970</u>	<u>\$ 18,387</u>	<u>\$ 11,622</u>	<u>\$ 2,852</u>	<u>\$ 4,553</u>	<u>\$ 65,384</u>	<u>\$ 6,811</u>	<u>\$ 10,487</u>	<u>\$ 17,298</u>	<u>\$ 82,682</u>

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

American Jewish Committee and Affiliates

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31,
(Dollars in thousands)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 40,825	\$ 22,353
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,098	1,193
Contributions restricted for long-term investment	(1,513)	(229)
Net realized and unrealized gains on investments	(13,790)	(16,313)
Pension and postretirement changes other than net periodic benefit cost	(3,663)	(4,995)
Change in value of split-interest agreements	(1,148)	(811)
Change in operating assets and liabilities:		
Contributions receivable, net	(15,879)	4,638
Prepaid expenses and other assets	(970)	(398)
Accounts payable, accrued expenses, and other liabilities	(179)	1,779
Accrued compensation	1,515	380
Accrued pension and other benefit obligations	153	4,411
Right of use asset	2,145	434
Lease liability	(2,361)	(347)
Net cash provided by operating activities	<u>6,233</u>	<u>12,095</u>
Cash flows from investing activities:		
Fixed asset acquisitions	(1,748)	(631)
Investment purchases	(89,995)	(81,672)
Investment sales	87,645	69,641
Net cash used in investing activities	<u>(4,098)</u>	<u>(12,662)</u>
Cash flows from financing activities:		
Contributions restricted for long-term investment	1,513	229
Other changes in split-interest agreements, net	350	608
Net cash provided by financing activities	<u>1,863</u>	<u>837</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>3,998</u>	<u>270</u>
Cash and cash equivalents at beginning of year	<u>35,365</u>	<u>35,095</u>
Cash and cash equivalents at end of year	<u><u>\$ 39,363</u></u>	<u><u>\$ 35,365</u></u>

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

American Jewish Committee and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024 and 2023

NOTE 1 - NATURE OF ORGANIZATIONS COMPRISING AJC

American Jewish Committee is a not-for-profit organization founded in 1906. American Jewish Committee's mission is to enhance the well-being of the Jewish people and Israel and to advance human rights and democratic values in the United States and around the world. In pursuit of this mission, American Jewish Committee advances democratic principles, fights anti-Semitism and other forms of bigotry, advocates for a secure Israel achieving fair treatment in the community of nations, and seeks to safeguard universal human rights. American Jewish Committee and its Affiliates, Institute of Human Relations ("IHR"), AJC Jerusalem, AJC Berlin, Transatlantic Institute ("TAI"), AJC Central Europe, AJC France, and AJC UAE (collectively, "AJC") are related through common control.

IHR is a fundraising organization that remits all its revenues to American Jewish Committee. In 2016, IHR completed its conversion into a 509(a)(3) supporting organization of American Jewish Committee that is controlled by American Jewish Committee and exists solely to raise funds for American Jewish Committee.

American Jewish Committee and IHR are exempt from federal income tax under Section 501(a) of the Internal Revenue Code (the "Code") as organizations described in Section 501(c)(3) of the Code and qualify as public charities under Section 509(a) of the Code.

AJC Jerusalem is a not-for-profit association headquartered in Jerusalem, Israel. AJC Jerusalem was formed to engage with Israeli government officials, religious leaders, and diplomatic representatives of foreign countries stationed in Israel to share AJC's advocacy positions and analysis.

AJC Berlin is a German not-for-profit association headquartered in Berlin, Germany. AJC Berlin was formed to promote transatlantic relations, enhance German-Israeli ties, combat anti-Semitism and extremism, and foster dialogue regarding American Jewish Committee's core advocacy priorities.

TAI is a not-for-profit association headquartered in Brussels, Belgium. TAI was formed to foster ties among the European Union, Israel, and the United States.

AJC Central Europe, established in 2016, is a Polish not-for-profit association headquartered in Warsaw, Poland. AJC Central Europe was formed to promote transatlantic relations, enhance ties between the region and Israel, combat anti-Semitism and extremism, and cooperate with local Jewish communities.

AJC France, established in 2017, is a French not-for-profit association headquartered in Paris, France. AJC France consults regularly with government officials, civil society leaders, journalists, and policy analysts, and works closely with leaders of the French Jewish community. Its targeted advocacy advances the fight against anti-Semitism, radicalism, and extremism.

AJC UAE is a not for profit wholly owned affiliate of AJC headquartered in Abu Dhabi. It works on building understanding of, and ties with, Israel and the worldwide Jewish community in both the UAE and the Arab world more generally.

The expenses of AJC have been summarized on a functional basis. Accordingly, certain costs have been allocated to the programs and supporting services benefited. AJC's programmatic activities include the following:

Interreligious and Intergroup Relations

AJC builds coalitions to advance shared interests and support understanding with other religions and ethnic groups. Through these coalitions, AJC also advocates on behalf of the Jewish people and Israel, furthers mutual respect and combats prejudice.

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

Government and International Relations

AJC advocates on its priority issues at the highest levels of government and civil society in the United States and internationally in order to affect public policies of concern to the Jewish people.

AJC advocates at the national level on legislative and legal issues that affect AJC priorities. Advocacy activities in the United States include: meetings with members of the Executive Branch, Congress, and local officials; formal comments on pending legislation; filing of briefs in litigation; coalition building with community and opinion leaders; writing op-eds; and creating online petitions.

AJC maintains international institutes and offices that coordinate its advocacy throughout the world, including in Africa, Europe, Latin America, and Asia. AJC's institute and international office professionals are experts in their fields and work across national boundaries with elected officials, diplomats, and other sectors. Institute and international office professionals also build coalitions with faith, community, and other opinion leaders to promote greater understanding and dialogue in the countries in which they work, through exchange programs and through their coordination of such programs as AJC Project Interchange (educational seminars that bring influential leaders to Israel).

Regional Offices

AJC maintains more than 20 regional offices throughout the United States. The offices establish key relationships with civil society representatives, government officials, Congressional representatives, and local representatives of foreign governments to create diverse coalitions and mobilize the Jewish community on AJC's priority issues.

Education and Jewish Leadership

To help ensure that educational spaces are safe for Jewish students, AJC trains and advocates with administrators and faculty in K-12 and university spaces and empowers both Jewish students and parents. More broadly, AJC engages Jewish young professionals in the United States and Jewish communities around the world to ensure global Jewry is empowered to engage in AJC's advocacy work for the Jewish people. AJC also engages Jewish communities on issues of Jewish peoplehood and seeks areas of collaboration and cooperation on issues of mutual concern.

Communications

Using a variety of traditional and new media tools, AJC communicates nationally and globally to convey its analysis of key political events and galvanize support for the organization's advocacy priorities.

AJC mobilizes and informs opinion makers through print and digital media, as well as through active and informative social media accounts geared toward both global Jewish concerns as well as toward topics specific to each region or country in which an AJC office or institute is located. AJC also posts on its website all its active advocacy campaigns to encourage constituents to take action on these issues. Other communication tools include timely press releases and op-eds, blog posts, and interviews by or featuring AJC experts in major media outlets.

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements of AJC include the financial position and changes in net assets of American Jewish Committee, IHR, AJC Jerusalem, AJC Berlin, TAI, AJC Central Europe, and AJC Paris. All significant interorganizational balances and transactions have been eliminated in consolidation. The accompanying consolidated financial statements have been prepared on the accrual basis of accounting.

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

Net assets without donor restrictions - Represents net assets which are not restricted by donors. Net assets without donor restrictions are funds that are fully available, at the discretion of the Board of Governors and management, for AJC to utilize in any of its programs or supporting services. Net assets without donor restrictions may be designated for specific purposes by AJC's Board of Governors or may be limited by legal requirements or contractual agreements with outside parties.

Net assets with donor restrictions - Represents net assets which are subject to donor-imposed restrictions that will be met either by actions of AJC and/or the passage of time.

A portion of net assets with donor restrictions are subject to donor-imposed stipulations that they be maintained in perpetuity by AJC, which are subject to the provisions of New York Prudent Management of Institutional Funds Act ("NYPMIFA"). The donors of these assets specify the use of the income earned. In addition, these net assets include certain gifts that require the use of a spending rate. AJC follows the provisions of NYPMIFA in managing its donor-restricted endowment. AJC has interpreted NYPMIFA as allowing it to appropriate for expenditure or accumulate so much of the donor-restricted endowment fund as is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulation or by law. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

AJC considers pension and postretirement changes other than net periodic benefit cost and other nonrecurring activities to be nonoperating activities.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of fixed assets, allowances for uncollectible amounts, the valuation of investments and beneficial interest in trusts held by third parties, the allocation of functional expenses, and the valuation of liabilities for employee benefit obligations and other contingencies.

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

Cash Equivalents

AJC considers all highly liquid investments with maturities of three months or less when acquired to be cash equivalents, except those amounts held by investment managers for long-term investment purposes.

Investments

Investments in equity securities with readily determinable fair values and all investments in marketable debt securities are reported at fair value based upon quoted market prices or published net asset value ("NAV"). Alternative investments that are not readily marketable are reported at fair value based upon NAVs, as a practical expedient, provided by the fund managers, which are reviewed by management for reasonableness.

Fair Value Measurements

Fair value is defined as 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. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 - inputs are quoted prices (unadjusted) or published NAV in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date. Included in Level 1 are cash and cash equivalents, fixed income securities, common and preferred stocks and mutual funds. Each of these respective classes of investments are determined by obtaining quoted prices on nationally recognized securities exchanges or active markets traded on a daily basis;
- Level 2 - inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - inputs are unobservable inputs for the asset or liability.

Investments reported at NAV or its equivalent as a practical expedient to estimate fair value are not classified in the fair value hierarchy, except for those with a readily determinable fair value.

Risks and Uncertainties

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

Contributions / Rental Income

Revenue from contributions is recognized in accordance with Accounting Standards Update ("ASU") 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08"). Accordingly, AJC evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be a contribution, AJC evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before AJC is entitled to the assets transferred

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

and promised and (2) a right of return of assets or a right of release of a promisor's obligation to transfer assets. Contributions which are deemed to be unconditional are considered to be available for general purposes (without donor restrictions) unless specifically restricted by the donor.

Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported within net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected after one year are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates. Amortization of the discount is included in contribution revenue. Conditional promises to give are not recognized until the conditions are substantially met.

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), AJC recognizes rental income over the terms of its rental agreements. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. ASC 606 also requires new and expanded disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Split-Interest Agreements

Charitable gift annuities are subject to the restrictions of gift instruments requiring AJC to pay stipulated amounts to donors or beneficiaries. Such payments terminate at the time of the donor's or beneficiary's death. AJC has used actuarial assumptions and discount rates to record the present value of estimated future payments to donors and beneficiaries. The present values of payments to the donors and beneficiaries of the annuities are calculated using a discount rate of 2% in 2024 and 2023.

AJC is designated as the remainder beneficiary of various charitable remainder annuity trusts and a unitrust, where the assets are controlled and invested by independent third parties. The charitable remainder annuity trusts and unitrust interests are recorded in trusts and bequests income within net assets with donor restrictions at the present value of estimated future benefits to be received when those trusts' assets are distributed to AJC. Over 95% of the assets are invested in one equity security and, therefore, are subject to elevated market risk and fluctuations.

Fixed Assets

Fixed assets are stated at cost. Fixed assets having a useful life of one year or more and an acquisition cost of \$1,500 or more per unit are capitalized. Depreciation and amortization are computed on the straight-line basis over their estimated useful lives as follows:

Buildings	20 - 40 years
Building improvements	10 - 20 years
Furniture and equipment	5 - 15 years
Leasehold improvements	5 - 10 years

Deferred Rent

AJC has entered into several operating lease agreements as lessor and lessee, some of which contain provisions for future rent increases, tenant allowances, rent-free periods, or periods in which rent payments are reduced. The total amount of rental payments due over the lease term is being charged to rent expense or rent income using the straight-line method over the terms of the leases. The difference between rent

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

expense recorded and the amount paid is recorded as a change in deferred rent, which is included in liabilities on the consolidated balance sheets. The difference between rent income recorded and the amount received is recorded as a change in prepaid expenses and other assets, which is included in assets on the consolidated balance sheets.

Expenses

Expenses are recognized by AJC on an accrual basis. Expenses paid in advance and not yet incurred are reported as prepaid expenses until the applicable period.

The costs of program and supporting activities have been summarized on a functional basis on the consolidated statements of activities. The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported within that functional area. Indirect expenses that benefit multiple functional areas have been allocated by AJC using a variety of cost allocation techniques such as square footage and time and effort.

During the year ended December 31, 2024, AJC changed its methodology for allocating certain shared costs among program and supporting services. Management believes this change provides a more accurate reflection of how costs relate to functional activities. Prior year functional expense amounts have been reclassified to conform to the current year presentation. This reclassification did not affect total expenses, net assets, or the financial position for the year ended December 31, 2023.

Income Tax

AJC has evaluated its tax positions and has determined that it is more likely than not that there are no significant uncertain tax positions and that it will continue to be exempt from federal and state income taxes.

AJC prescribed to a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. As of December 31, 2024, AJC does not have any uncertain tax positions or any unrelated business income tax liability, which would have a material impact upon its financial statements.

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases*. This ASU require lessees to recognize almost all leases on the statements of financial position as a right-of-use ("ROU") asset and a lease liability. For statement of activity purposes, the FASB retained a dual model, requiring leases to be classified as finance leases or operating leases. This update is effective for AJC's fiscal year beginning January 1, 2022, with early adoption permitted. AJC has adopted the new standard in its consolidated financial statements.

Measure of Operations

The consolidated statements of activities distinguish between operating and non-operating activities. Operating activities to carry out the mission of AJC include all revenue and expenses that are an integral part of AJC's programs and supporting services. Non-operating activities include net investment return, in excess of amounts used for operations, change in value of split-interest agreements, other components of net periodic benefit cost and pension and postretirement changes other than net periodic benefit cost.

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE 3 - INVESTMENTS

The following tables present AJC's investments and other assets measured at fair value as of December 31, 2024 and 2023:

	December 31, 2024			
	Fair Value	Level 1	Level 2	Level 3
Investments				
Cash and cash equivalents	\$ 12,923	\$ 12,923	\$ -	\$ -
Fixed income				
State of Israel bonds	31	-	31	-
Treasury securities	35,151	35,151	-	-
Mutual funds	18,093	18,093	-	-
	<u>66,198</u>	<u>66,167</u>	<u>31</u>	<u>-</u>
Equities				
Common and preferred stocks	29,680	29,680	-	-
Mutual funds				
Large-cap equity funds	19,043	19,043	-	-
	<u>48,723</u>	<u>48,723</u>	<u>-</u>	<u>-</u>
Total	<u>114,921</u>	<u>\$ 114,890</u>	<u>\$ 31</u>	<u>\$ -</u>
Investments reported at NAV				
One - three-year U.S. Treasury index	19			
Multistrategy hedge funds (a)	17,146			
Long/short equities (b)	26,059			
Long only equities (c)	41,604			
Private investments (d)	26,623			
Total investments reported at NAV	<u>111,451</u>			
Investment redemption receivable	<u>3,748</u>			
Total investments	<u>\$ 230,120</u>			
Beneficial interest in trusts held by independent third parties	<u>\$ 11,741</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,741</u>

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

	December 31, 2023			
	Fair Value	Level 1	Level 2	Level 3
Investments				
Cash and cash equivalents	\$ 4,372	\$ 4,372	\$ -	\$ -
Fixed income				
State of Israel bonds	22	-	22	-
Treasury securities	33,419	33,419	-	-
Mutual funds	18,601	18,601	-	-
	56,414	56,392	22	-
Equities				
Common and preferred stocks	27,066	27,066	-	-
Mutual funds				
Large-cap equity funds	19,911	19,911	-	-
	46,977	46,977	-	-
Total	103,391	\$ 103,369	\$ 22	\$ -
Investments reported at NAV				
One - three-year U.S. Treasury index	19			
Multistrategy hedge funds (a)	22,813			
Long/short equities (b)	26,050			
Long only equities (c)	42,866			
Private investments (d)	17,189			
Total investments reported at NAV	108,937			
Investment redemption receivable	1,652			
Total investments	\$ 213,980			
Beneficial interest in trusts held by independent third parties	\$ 10,719	\$ -	\$ -	\$ 10,719

(a) Multistrategy hedge funds include investments in funds that pursue multiple investment strategies that attempt to diversify risks and reduce volatility. Capital is allocated to each of the strategies as well as, geographical areas, and varies depending on market opportunities.

(b) Long/short equities are funds invested in equity securities where long positions are expected to appreciate and short positions are expected to decline.

(c) Long only equities are funds invested in equity securities where long positions are expected to appreciate.

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

(d) Private investments are funds that invest in non-publicly traded assets, such as private equities, private real estate, private debt, or other assets, in an attempt to diversify risks and enhance returns.

Included in investments as of December 31, 2024 and 2023 is \$33,789 and \$30,920, respectively, which is the portion of the fair value of the portfolio attributed to the Board-designated endowment (as further discussed in Note 9).

The limitations and restrictions on AJC's ability to redeem or sell alternative investments vary by investment. Based on the terms and conditions in effect at December 31, 2024 and 2023, AJC's alternative investments can be redeemed or sold as follows:

December 31, 2024				
Redemption Period	Number of Funds	Amount	Days' Notice for Redemption	Unfunded Commitments
Daily				
One-three year U.S. Treasury index	1	\$ 19	2	Not applicable
Monthly				
Long/short equities	3	5,040	30	Not applicable
Long only equities	1	1	15	Not applicable
Quarterly				
Multistrategy	3	14,032	60 - 90	Not applicable
Long/short equities	7	16,283	45 - 120	Not applicable
Long only equities	4	28,006	30 - 90	Not applicable
Annually				
Long/short equities	1	3,172	60	Not applicable
Long only equities	1	11,485	120	Not applicable
Funds subject to lockup				
Multistrategy	7	3,114	Not applicable	\$ -
Long/short equities	1	1,564	Not applicable	\$ -
Long only equities	2	2,112	Not applicable	\$ -
Private investments	36	26,623	Not applicable	\$ 13,296
		<u>\$ 111,451</u>		

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

December 31, 2023				
Redemption Period	Number of Funds	Amount	Days' Notice for Redemption	Unfunded Commitments
Daily				
One-three year U.S. Treasury index	1	\$ 19	2	Not applicable
Monthly				
Long/short equities	3	4,541	30	Not applicable
Long only equities	1	343	15	Not applicable
Quarterly				
Multistrategy	6	18,874	60 - 90	Not applicable
Long/short equities	7	15,736	45 - 120	Not applicable
Long only equities	5	28,923	30 - 90	Not applicable
Annually				
Long/short equities	2	4,343	60	Not applicable
Long only equities	1	10,075	120	Not applicable
Funds subject to lockup				
Multistrategy	8	3,939	Not applicable	\$ -
Long/short equities	1	1,430	Not applicable	\$ -
Long only equities	2	3,525	Not applicable	\$ -
Private investments	32	17,189	Not applicable	\$ 12,259
		<u>\$ 108,937</u>		

Investments totaling approximately \$3,767 and \$4,068 as of December 31, 2024 and 2023, respectively, were held subject to charitable gift annuity obligations.

Investment return comprises interest, dividends, and realized and unrealized gains and losses. Return for the years ended December 31, 2024 and 2023 consisted of the following:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2024 Total	2023 Total
Interest and dividends	\$ 2,631	\$ 1,616	\$ 4,247	\$ 2,790
Net realized gains on investments	990	3,585	4,575	464
Net unrealized gains on investments	<u>2,619</u>	<u>10,136</u>	<u>12,755</u>	<u>16,358</u>
Total investment gains	6,240	15,337	21,577	19,612
Investment return used for operations	<u>(3,386)</u>	<u>(6,756)</u>	<u>(10,142)</u>	<u>(9,548)</u>
Net investment return, in excess of amount used for operations	<u>\$ 2,854</u>	<u>\$ 8,581</u>	<u>\$ 11,435</u>	<u>\$ 10,064</u>

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, 2024 and 2023 are scheduled to be collected as follows:

	2024	2023
Within one year	\$ 18,574	\$ 10,190
One to five years	20,430	9,219
More than five years	100	3,725
	<u>39,104</u>	<u>23,134</u>
Less: discount to present value at rates ranging from 0.7% to 4.0%	(587)	(586)
Less: allowance for uncollectible amounts	<u>(632)</u>	<u>(542)</u>
	<u>\$ 37,885</u>	<u>\$ 22,006</u>

Included in contributions receivable, net at December 31, 2024 and 2023 are pledges of \$25,173 and \$12,098, respectively, from four and three donors, respectively. Included in contributions and special events and trusts and bequests revenue at December 31, 2024 and 2023 is revenue of \$21,419 and \$0, respectively, from two and zero donors, respectively.

NOTE 5 - FIXED ASSETS

Fixed assets consist of the following at December 31, 2024 and 2023:

	2024	2023
Land	\$ 430	\$ 430
Buildings	5,231	5,231
Building improvements	16,130	14,980
Furniture and equipment	14,056	13,716
Leasehold improvements	<u>4,516</u>	<u>4,258</u>
	40,363	38,615
Accumulated depreciation and amortization	<u>(32,104)</u>	<u>(31,058)</u>
	<u>\$ 8,259</u>	<u>\$ 7,557</u>

NOTE 6 - ACCRUED PENSION PLAN AND OTHER BENEFIT OBLIGATIONS

American Jewish Committee has a defined benefit pension plan. The benefits are based on the average of the highest three consecutive January 1 salaries, limited to a maximum of \$245,000. American Jewish Committee's funding policy is to contribute annually at least the minimum amount required under the Employee Retirement Income Security Act of 1974. Effective July 17, 2009, no new participants are included in the plan and all future benefit accruals are frozen.

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

In addition, American Jewish Committee has unfunded contributory postretirement medical and life insurance benefit plans. The postretirement medical plan covers all employees who have retired after age 65 and have completed 10 years of service. The postretirement life insurance plan covers all employees who retired on or before January 1, 1998, after attainment of age 60 and 10 years of service and who were covered for active employee life insurance at the time of retirement.

AJC recognizes the funded status of these plans, measured as the difference between plan assets at fair value and the benefit obligation, in the consolidated balance sheets.

In July 2023 AJC approved a plan to reduce the unfunded liability associated with the defined benefit pension plan. AJC offered eligible pension plan participants in September 2023 a one-time opportunity to receive lump sum payments that satisfy the liability of the plan for those participants. The lump sum offer which completed by December 31, 2023 conformed in all respects to the requirements of the Employment Retirement Income Security Act, and as a result the benefit obligation was reduced by \$11,600.

The following tables provide information with respect to the plans as of and for the years ended December 31, 2024 and 2023:

	December 31, 2024	
	Pension Benefits	Other Benefits
Change in benefit obligation		
Benefit obligation at January 1, 2024	\$ 37,415	\$ 1,865
Service cost	-	133
Interest cost	1,938	83
Actuarial gain	(1,433)	(325)
Benefits paid	(3,445)	(67)
Benefit obligation at December 31, 2024	<u>34,475</u>	<u>1,689</u>
Change in plan assets		
Fair value of plan assets at January 1, 2024	28,326	-
Actual return on plan assets	2,805	-
Employer contribution	1,238	67
Benefits paid	(3,445)	(67)
Fair value of plan assets at December 31, 2024	<u>28,924</u>	<u>-</u>
Funded status	<u>\$ 5,551</u>	<u>\$ 1,689</u>
Balance sheet recognition		
Accrued benefit cost	<u>\$ 5,551</u>	<u>\$ 1,689</u>

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

	December 31, 2023	
	Pension Benefits	Other Benefits
Change in benefit obligation		
Benefit obligation at January 1, 2023	\$ 48,289	\$ 2,650
Service cost	-	215
Interest cost	2,682	117
Actuarial loss (gain)	2,343	(1,046)
Benefits paid	(4,239)	(71)
Settlements	(11,660)	-
	<u>37,415</u>	<u>1,865</u>
Benefit obligation at December 31, 2023		
Change in plan assets		
Fair value of plan assets at January 1, 2023	39,182	-
Actual return on plan assets	3,687	-
Employer contribution	1,200	71
Benefits paid	(4,239)	(71)
Settlements	(11,504)	-
	<u>28,326</u>	<u>-</u>
Fair value of plan assets at December 31, 2023		
Funded status	<u>\$ 9,089</u>	<u>\$ 1,865</u>
Balance sheet recognition		
Accrued benefit cost	<u>\$ 9,089</u>	<u>\$ 1,865</u>

The 2024 and 2023 employer contributions of \$1,305 and \$1,271, respectively, are reflected as a use of cash in operating activities in the accompanying 2024 and 2023 consolidated statements of cash flows.

Included in the projected accumulated benefit obligation (other benefits) is approximately \$138 and \$150 for 2024 and 2023, respectively, for life insurance and approximately \$1,624 and \$2,222 for 2024 and 2023, respectively, for medical premiums.

Components of net periodic benefit cost are as follows for 2024 and 2023:

	December 31, 2024	
	Pension Benefits	Other Benefits
Service cost	\$ -	\$ 133
Interest cost	1,938	83
Expected return on plan assets	(1,623)	-
Amortization of actuarial loss (gain)	911	(200)
	<u>\$ 1,226</u>	<u>\$ 16</u>
Net periodic benefit cost		

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

	December 31, 2023	
	Pension Benefits	Other Benefits
Service cost	\$ -	\$ 215
Interest cost	2,682	117
Expected return on plan assets	(2,249)	-
Amortization of actuarial loss (gain)	1,769	(164)
Settlement loss	3,081	-
	<u>\$ 5,283</u>	<u>\$ 168</u>
Net periodic benefit cost		

Components of pension and retirement changes other than net periodic benefit cost are as follows for 2024 and 2023:

	December 31, 2024	
	Pension Benefits	Other Benefits
New actuarial gain	\$ (2,615)	\$ (325)
Amortization of unrecognized amounts	(911)	200
	<u>\$ (3,526)</u>	<u>\$ (125)</u>
Pension and retirement changes other than net periodic benefit cost		

	December 31, 2023	
	Pension Benefits	Other Benefits
New actuarial (gain) loss	\$ 905	\$ (1,046)
Amortization of unrecognized amounts	(1,770)	164
Effect of settlement	(3,237)	-
	<u>\$ (4,102)</u>	<u>\$ (882)</u>
Pension and retirement changes other than net periodic benefit cost		

At December 31, 2024 and 2023, items not yet recognized as net periodic benefit costs are net losses of \$2,762 and \$6,995, respectively.

AJC used a Dedicated Bond Portfolio model to derive the discount rate for 2024 and 2023.

The weighted-average assumptions are as follows:

	December 31, 2024	
	Pension Benefits	Other Benefits
Discount rate used to determine the benefit obligation	5.80%	5.51%
Discount rate used to determine net periodic benefit cost	5.43%	4.81%

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

	December 31, 2023	
	Pension Benefits	Other Benefits
Discount rate used to determine the benefit obligation	5.43%	4.81%
Discount rate used to determine net periodic benefit cost	5.74%	5.01%

The medical trend rate used is 5%; a 1% change in the healthcare cost trends has the following impact:

	December 31, 2024	
	Increase	Decrease
Effect on total service and interest cost	\$ 62	\$ (45)
Effect on the postretirement benefit obligation	321	(248)

	December 31, 2023	
	Increase	Decrease
Effect on total service and interest cost	\$ 107	\$ (76)
Effect on the postretirement benefit obligation	374	(287)

In 2024 and 2023, AJC used the 2024 Mortality Improvement Scale MP-2024 and 2023 Mortality Improvement Scale MP-2023, respectively, to value its pension and postretirement obligation.

The accounting related to the 2023 settlement is as follows:

1. Unrecognized net (gain)/loss before settlement	\$ 13,255,539
2. (Gain)/loss from settlement:	
a. Projected benefit obligation before settlement	49,074,216
b. Projected benefit obligation after settlement	37,414,647
c. Decrease in projected benefit obligation: [(a) – (b)]	11,659,569
d. Decrease in assets due to settlement	11,504,176
e. (Gain)/loss due to settlement: [(d) – (c)]	(155,393)
3. Unrecognized net (gain)/loss after settlement: [(1) + (2e)]	13,100,145
4. Unrecognized net (asset) from transition	-
5. Maximum (gain)/loss: [(3) + (4)]	13,100,145
6. Settlement ratio:	
a. Amount settled: (2d)	11,504,176
b. Projected benefit obligation adjusted for settlement: [(2a) + (2e)]	48,918,823
c. Ratio of projected benefit obligation settled	23.52%
7. Amount recognized in earnings for settlement:	
a. (Gain)/loss recognized: [(3) x (6c)]	3,081,154
b. (Asset) from transition recognized: [(4) x (6c)]	-
c. Total recognized: [(a) + (b)]	3,081,154
8. Reconciliation of Items:	
a. Change in unrecognized (gain)/loss: [(2e) – (7a)]	(3,236,547)
b. Remaining unrecognized (gain)/loss: [(1) + (8a)]	10,018,991
c. Change in unrecognized (asset) from transition: [negative of (7b)]	-
d. Remaining unrecognized (asset) from transition: [(4) + (8c)]	-

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

The reconciliation of the 2023 settlement is as follows:

	<u>Before Settlement</u>	<u>Effect of Settlement</u>	<u>After Settlement</u>
1. Projected benefit obligation:	\$ 49,074,216	\$ (11,659,569)	\$ 37,414,647
2. Fair value of plan assets	<u>39,830,306</u>	<u>(11,504,176)</u>	<u>28,326,131</u>
3. Funded status: [(2) – (1c)]	(9,243,910)	155,393	(9,088,516)
4. Unrecognized net obligation/(asset)	-	-	-
5. Unrecognized prior service cost	-	-	-
6. Unrecognized net (gain)/loss	<u>13,255,539</u>	<u>(3,236,547)</u>	<u>10,018,991</u>
7. (Accrued)/prepaid pension cost: [(3) + (4) + (5) + (6)]	<u>\$ 4,011,629</u>	<u>\$ (3,081,154)</u>	<u>\$ 930,475</u>

Plan Assets

The following tables present the investments of American Jewish Committee's pension plan assets measured at fair value by asset category, which are included in the funded status of the pension liability recorded in the accompanying consolidated balance sheets as of December 31, 2024 and 2023:

	<u>December 31, 2024</u>	
	<u>Fair Value</u>	<u>Level 1</u>
Cash and cash equivalents		
Short-term investment fund	\$ 3,166	\$ 3,166
	<u>3,166</u>	<u>3,166</u>
Fixed income		
Debt fund	<u>10,869</u>	<u>10,869</u>
	<u>10,869</u>	<u>10,869</u>
Equities		
Mutual funds		
Large-cap equity funds	<u>11,026</u>	<u>11,026</u>
	<u>11,026</u>	<u>11,026</u>
	<u>25,061</u>	<u>\$ 25,061</u>
Total		
Investments reported at NAV		
Multistrategy hedge funds ^(a)	1,476	
Long/short equities ^(b)	64	
Long only equities ^(c)	838	
Private investments ^(d)	<u>1,485</u>	
	<u>3,863</u>	
Total investments reported at NAV		
	<u>\$ 28,924</u>	
Total investments		

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

	December 31, 2023	
	Fair Value	Level 1
Cash and cash equivalents		
Short-term investment fund	\$ 419	\$ 419
	<u>419</u>	<u>419</u>
Fixed income		
Debt fund	6,033	6,033
	<u>6,033</u>	<u>6,033</u>
Equities		
Mutual funds		
Large-cap equity funds	4,522	4,522
	<u>4,522</u>	<u>4,522</u>
Total	<u>10,974</u>	<u>\$ 10,974</u>
Investments reported at NAV		
Multistrategy hedge funds ^(a)	5,711	
Long/short equities ^(b)	3,618	
Long only equities ^(c)	6,684	
Private investments ^(d)	1,339	
	<u>17,352</u>	
Total investments reported at NAV	<u>17,352</u>	
Total investments	<u>\$ 28,326</u>	

(a) Multistrategy hedge funds include investments in funds that pursue multiple investment strategies that attempt to diversify risks and reduce volatility. Capital is allocated to each of the strategies, as well as geographical areas, and varies depending on market opportunities.

(b) Long/short equities are funds invested in equity securities where long positions are expected to appreciate and short positions are expected to decline.

(c) Long only equities are funds invested in equity securities where long positions are expected to appreciate.

(d) Private investments are funds that invest in non-publicly traded assets, such as private equities, private real estate, private debt, or other assets, in an attempt to diversify risks and enhance returns.

The investment allocation is as follows for 2024 and 2023:

	2024	2023
Cash and cash equivalents	11%	2%
Fixed income	38	21
Equities	38	16
Alternative investments	13	61

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

Based on historically indexed data, the assumed long-term rates of return for 2024 and 2023 are as follows:

Fixed income of 4%, equities of 7% and alternative investments of 6%, which produce an expected composite rate of return of 6%.

The limitations and restrictions on AJC's ability to redeem or sell alternative investments vary by investment. Based on the terms and conditions in effect at December 31, 2024 and 2023, the plan's alternative investments can be redeemed or sold as follows:

December 31, 2024				
Redemption Period	Number of Funds	Amount	Days' Notice for Redemption	Unfunded Commitments
Monthly				
Long only equities	1	\$ 701	60	Not applicable
Quarterly				
Multistrategy	2	1,338	60 - 90	Not applicable
Long/short equities	1	59	90	Not applicable
Semi-annually				
Long/short equities	1	5	60	Not applicable
Funds subject to lockup				
Multistrategy	6	138	Not applicable	Not applicable
Long only equities	2	137	Not applicable	Not applicable
Private investments	2	1,485	Not applicable	Not applicable
		<u>\$ 3,863</u>		
December 31, 2023				
Redemption Period	Number of Funds	Amount	Days' Notice for Redemption	Unfunded Commitments
Monthly				
Long only equities	1	\$ 822	60	Not applicable
Quarterly				
Multistrategy	3	5,334	60 - 90	Not applicable
Long/short equities	3	2,688	60 - 90	Not applicable
Long only equities	1	1,468	60	Not applicable
Semi-Annually				
Long/short equities	1	9	60	Not applicable
Annually				
Long/short equities	1	860	60	Not applicable
Long only equities	1	4,166	60	Not applicable
Funds subject to lockup				
Multistrategy	7	377	Not applicable	Not applicable
Long/short equities	1	61	Not applicable	Not applicable
Long only equities	2	228	Not applicable	Not applicable
Private investments	2	1,339	Not applicable	Not applicable
		<u>\$ 17,352</u>		

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

Estimated Future Benefit Payments

It is estimated that \$264 of the actuarial loss will be included as a component of net periodic benefit costs in fiscal year 2025.

The following benefit payments are expected to be paid as follows:

<u>Years Ending December 31,</u>	<u>Pension Benefits</u>	<u>Other Benefits</u>
2025	\$ 3,765	\$ 83
2026	3,668	83
2027	3,589	83
2028	3,453	83
2029	3,281	84
2030 - 2034	14,113	485

American Jewish Committee expects to contribute to the pension plan at least \$1,300 in fiscal year 2025, which is the estimated Internal Revenue Service required minimum contribution calculated by AJC's actuary.

American Jewish Committee is contractually obligated to provide retirement benefits to certain current and former executives and employees. As of December 31, 2024 and 2023, accrued special retirement benefits and executive insurance totaled approximately \$433 and \$315, respectively.

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2024 and 2023 were composed of the following:

	2024	2023
Program funds and endowment funds appropriated and available for spending		
Government and international relations	\$ 12,659	\$ 13,543
Communications	18,342	11,784
Regional offices	5,204	4,988
Education and Jewish leadership	7,561	3,700
Interreligious and intergroup relations	1,376	1,770
Total available for spending	45,142	35,785
Time restricted		
Multi-year contributions - general operations	36,929	18,091
Split-interest agreements	11,741	10,719
Total time restricted	48,670	28,810
Subject to AJC's spending policy and appropriation		
Original endowment corpus		
General operations	52,968	55,013
Government and international relations	26,379	25,585
Interreligious and intergroup relations	5,859	5,712
Regional offices	3,868	3,557
Education and Jewish leadership	18,824	18,777
Communications	108	108
Endowment and other investment earnings available for future appropriations	32,874	25,612
Total subject to AJC's spending policy and appropriation	140,880	134,364
Total net assets with donor restrictions	\$ 234,692	\$ 198,959

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors:

	2024	2023
Purpose restrictions accomplished		
Government and international relations	\$ 9,123	\$ 12,420
Regional offices	1,992	1,239
Communications	22,117	8,293
Education and Jewish leadership	2,648	1,752
Interreligious and intergroup relations	741	784
Total purpose restrictions released	36,621	24,488
Time restrictions expired	6,099	5,960
Total restrictions released	\$ 42,720	\$ 30,448

NOTE 8 - ENDOWMENT FUNDS

AJC maintains several donor-restricted funds, the purpose of which is to provide support for various programmatic activities and supporting services. In classifying such funds for financial statement purposes as either net assets with donor restrictions or net assets without donor restrictions, the Board of Governors looks to the explicit direction of the respective donor and provisions of applicable New York state law.

In accordance with NYPMIFA, AJC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the donor restricted endowment;
2. The purposes of AJC and the donor restricted endowment;
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 AJC; and
7. The investment policies of AJC.

Endowment composition by net asset classification as of December 31, 2024 and 2023 is as follows:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 140,880	\$ 140,880
Board-designated funds	33,789	-	33,789
Total funds	\$ 33,789	\$ 140,880	\$ 174,669

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 134,363	\$ 134,363
Board-designated funds	30,920	-	30,920
Total funds	<u>\$ 30,920</u>	<u>\$ 134,363</u>	<u>\$ 165,283</u>

Changes in endowment net assets for the years ended December 31, 2024 and 2023 are as follows:

	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 30,920	\$ 134,363	\$ 165,283
Interest and dividend income	430	1,433	1,863
Net realized and unrealized gain on investments	3,809	12,547	16,356
Contributions	-	1,793	1,793
Redesignations based on donor intent	-	(2,500)	(2,500)
Distributions	(1,370)	(6,756)	(8,126)
Endowment net assets, end of year	<u>\$ 33,789</u>	<u>\$ 140,880</u>	<u>\$ 174,669</u>

	December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 28,270	\$ 124,098	\$ 152,368
Interest and dividend income	343	1,187	1,530
Net realized and unrealized gain on investments	3,767	12,930	16,697
Contributions	-	1,249	1,249
Redesignations based on donor intent	-	516	516
Distributions	(1,460)	(5,617)	(7,077)
Endowment net assets, end of year	<u>\$ 30,920</u>	<u>\$ 134,363</u>	<u>\$ 165,283</u>

Included in investments as of December 31, 2024 and 2023 is \$33,789 and \$30,920, respectively, which is the portion of the fair value of the portfolio attributed to the Board-designated endowment (as further discussed in Note 9).

In addition to the investment return with donor restrictions on endowment funds, the consolidated statements of activities reflect \$171 and \$140 of interest and dividend income and \$1,174 and (\$514) of net realized and unrealized gains and losses on investments, respectively, for donor funds requiring investment returns be added to the original gift until certain time, program, or other donor restrictions are met for 2024 and 2023, respectively.

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

Fund Deficiencies

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 NYPMIFA requires AJC to retain as a fund of perpetual duration.

There were no deficiencies of this nature in donor-restricted endowment funds as of December 31, 2024.

Deficiencies of this nature exist in two donor-restricted endowment funds in 2023, which have an original give value of \$2,566, a current fair value of \$2,527, and a deficiency of \$39 as of December 31, 2023.

These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and appropriation for certain programs was not continued.

Return Objectives and Risk Parameters

AJC has adopted investment and spending policies and procedures for endowment assets based on total return. The primary investment objective is to exceed the inflation adjusted annualized spending rate over a five-year market cycle, recognizing established risk parameters, and the need to preserve capital. The investment committee strives to diversify investments to reduce volatility by allocating assets to multiple asset classes, allocating assets among various investment styles, and retaining multiple investment firms with complementary investment philosophies, styles, and approaches. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

To satisfy its long term rate of return objectives, AJC 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). AJC targets a diversified asset allocation to reduce volatility that places a greater emphasis on equity based investments to achieve its long term return objectives within prudent constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

AJC has a spending policy based on a three-year trailing average of the market value of the portfolio. For any endowment fund in existence fewer than three years, the market value of the endowment fund shall be calculated for the specified period the endowment fund has been in existence. For 2023, the spending rate will continue to be 5%. For 2024, the spending rate will continue to be 5%. In establishing this policy, AJC considers the long term expected return on its endowment.

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE 9 - LIQUIDITY AND AVAILABILITY OF RESOURCES

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

	2024	2023
Cash and cash equivalents	\$ 39,363	\$ 35,365
Contributions receivable	18,275	9,951
Investments	74,825	69,452
Prepaid expenses and other assets	664	1,228
Total financial assets available within one year	133,127	115,996
Less:		
Contractual, legal or donor-imposed restrictions		
Amounts subject to expenditure for specified purposes	40,484	31,433
Pledges for endowment purposes	3,298	6,058
Total amounts unavailable for general expenditures within one year	43,782	37,491
Total financial assets available within one year, including Board designations	89,345	78,505
Board-designated endowment - unavailable to management without board approval	33,789	30,920
Total financial assets available within one year, excluding board designations	\$ 55,556	\$ 47,585

AJC is primarily supported by contributions (both with and without donor restrictions). As donor restrictions require resources to be used in a particular manner or in future periods, AJC maintains sufficient resources to meet those responsibilities to its donors. Thus, certain financial assets may not be available for general expenditure within one year. As part of AJC's liquidity management, through budget planning and monitoring, financial assets are made available as its general operations, liabilities, and other obligations require. It is AJC's goal to build reserves to meet current and unexpected operating needs. In January 2017, the Executive Council of AJC's Board of Governors authorized the creation of a Board-designated endowment using excess cash above AJC's operating cash requirements to seek higher returns. As of December 31, 2024 and 2023, Board-designated funds, which had no specific designation for the usage of the funds, totaled \$33,789 and \$30,920, respectively, and are included in current investments on the consolidated balance sheets. In the event of financial distress or an immediate liquidity need resulting from events outside general operations, AJC's Board may draw upon these Board-designated funds. AJC could also draw from its \$10,000 line of credit (as further discussed in Note 10).

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

NOTE 10 - LEASES AND OTHER COMMITMENTS

Leases

AJC assesses contracts at inception to determine whether an arrangement includes a lease, which conveys AJC's right to control the use of an identified asset for a period of time in exchange for consideration. AJC leases office space under non-cancelable lease agreements, for which ROU assets and lease liabilities are recorded in the accompanying fiscal year 2024 statement of financial position. These leases expire on various dates through fiscal 2031 and are subject to escalation for real estate tax increases and other building operating expenses. AJC measures its lease assets and liabilities using the risk-free rate of return selected based on the term lease. AJC considered the likelihood of exercising renewal or termination terms in measuring the ROU assets and liabilities. AJC has included renewal periods in its assessment of lease terms when provided for in the lease. AJC's lease payments are based on fixed payments. There are no variable or short-term leases. The leases contain no termination options or residual value guarantee.

Supplemental consolidated statement of financial position information related to operating leases at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
ROU asset	\$ 11,157	\$ 11,157
Accumulated amortization	(6,039)	(3,894)
	<u>\$ 5,118</u>	<u>\$ 7,263</u>
	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term	7 years	6 years
Weighted-average discount rate	2.0%	2.1%
<u>Fiscal Year December 31:</u>		
2025		\$ 2,083
2026		1,341
2027		991
2028		789
2029		593
Thereafter		<u>278</u>
Total lease obligation, gross		6,075
Less: amounts representing interest rates from 1.0% to 4.6%		<u>(247)</u>
Total lease liability		<u>\$ 5,828</u>

Rent expense (including escalation costs) amounted to \$2,857 and \$2,675 for the years ended December 31, 2024 and 2023, respectively. During the current year, there were three new lease agreements.

American Jewish Committee and Affiliates

NOTES CONSOLIDATED TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2024 and 2023

The components of lease cost for the year ended December 31, 2024 are as follows:

Operating lease cost	\$ 2,437
Short-term lease cost	420
Total lease cost	\$ 2,857

Supplemental cash flow information related to leases for the year ended December 31, 2024 is as follows:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 2,652

Rental Income under Operating Leases

AJC leases space to others in its building located in New York City and subleases space in Washington, D.C. The leases provide for minimum annual rentals and reimbursement of certain expenses. The following is a schedule of minimum future rentals on noncancelable leases as of December 31, 2024 and 2023:

2025	\$ 1,596
2026	1,536
2027	1,158
2028	763
2029	408
2030 and thereafter	314
	\$ 5,775

Line of Credit

AJC has available a line of credit from a bank in the amount of \$10,000, which was not drawn upon during the years ended December 31, 2024 and 2023. The line of credit is available through June 2025, subject to extension, and carries an interest rate equal to the prime rate or the minimum interest rate determined by the bank. As of December 31, 2024 and 2023, no balance was outstanding under this line of credit.

Litigation and Claims

AJC is a party to various litigation in the ordinary course of business, which, in the opinion of management, will not have a material adverse effect on the consolidated financial position or changes in net assets of AJC.

NOTE 11 - SUBSEQUENT EVENTS

AJC evaluated events from December 31, 2024 through June 27, 2025, the date on which the consolidated financial statements were available to be issued, and determined that no additional disclosures are required.