Consolidated Financial Statements and Report of Independent Certified Public Accountants

American Jewish Committee and Affiliates

December 31, 2025 and 2024

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Governors of
American Jewish Committee and Affiliates

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, 2025 and 2024, 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, 2025 and 2024, 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

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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 26, 2026

American Jewish Committee and Affiliates

CONSOLIDATED BALANCE SHEETS

December 31,
(Dollars in thousands)

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 28,814	$ 39,363
Contributions receivable, net (Note 4)	15,051	18,275
Investments (Note 3)	93,981	74,825
Prepaid expenses and other assets	1,730	664
Assets held for sale (Note 5)	5,234	-
Total current assets	144,810	133,127
Noncurrent assets		
Contributions receivable, net (Note 4)	13,453	19,610
Beneficial interest in trusts held by third parties (Note 3)	10,310	11,741
Investments (Note 3)	177,709	155,295
Prepaid expenses and other assets	616	2,417
Right-of-use asset	14,310	5,118
Fixed assets, net (Note 5)	3,311	8,259
Total noncurrent assets	219,709	202,440
Total assets	$ 364,519	$ 335,567
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	$ 6,017	$ 4,519
Accrued compensation	5,696	6,512
Accrued pension plan and other benefit obligations (Note 6)	3,864	3,848
Lease liability	2,512	2,083
Liability under split-interest agreements	16	379
Total current liabilities	18,105	17,341
Noncurrent liabilities		
Accrued pension plan and other benefit obligations (Note 6)	2,350	3,910
Lease liability	13,126	3,745
Liability under split-interest agreements	2,621	2,258
Other noncurrent liabilities	28	28
Total noncurrent liabilities	18,125	9,941
Total liabilities	36,230	27,282
Commitments and contingencies (Notes 6 and 10)		
Net assets (Notes 7 and 8)		
Net assets without donor restrictions		
Operating	45,946	47,562
Board-designated	40,550	33,789
Pension plan and other benefit obligations	(6,214)	(7,758)
Total net assets without donor restrictions	80,282	73,593
Net assets with donor restrictions	248,007	234,692
Total net assets	328,289	308,285
Total liabilities and net assets	$ 364,519	$ 335,567

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, 2025
(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 $2,221)	$ 48,182	$ -	$ 48,182
Trusts and bequests	3,917	-	3,917
Contributions with time or purpose restrictions	-	34,156	34,156
Contributions for endowments	-	4,122	4,122
Investment return used for operations	3,374	6,359	9,733
Rental income (Note 10)	1,496	-	1,496
Other	2,306	-	2,306
Net assets released from restrictions	48,094	(48,094)	-
Total operating revenue	107,369	(3,457)	103,912
Operating expenses			
Program services			
Government and international relations	28,407	-	28,407
Regional offices	20,824	-	20,824
Communications	26,084	-	26,084
Interreligious and intergroup relations	3,039	-	3,039
Education and Jewish Leadership	6,415	-	6,415
Total program services	84,769	-	84,769
Supporting services			
Management and general	9,295	-	9,295
Fund-raising	13,012	-	13,012
Total supporting services	22,307	-	22,307
Total operating expenses	107,076	-	107,076
Change in net assets from operations	293	(3,457)	(3,164)
Non-operating activities			
Net investment return, in excess of amounts used for operations	5,999	18,204	24,203
Change in value of split-interest agreements	320	(1,432)	(1,112)
Other components of net periodic benefit cost (Note 6)	(537)	-	(537)
Pension and postretirement changes other than net periodic benefit cost (Note 6)	614	-	614
Change in net assets from non-operating activities	6,396	16,772	23,168
CHANGE IN NET ASSETS	6,689	13,315	20,004
Net assets at beginning of year	73,593	234,692	308,285
Net assets at end of year	$ 80,282	$ 248,007	$ 328,289

The accompanying notes are an integral part of this consolidated financial statement.

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 this consolidated financial statement.

American Jewish Committee and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2025
(Dollars in thousands)

	Program Services						Supporting Services			
	Government and International Relations	Regional Offices	Communications	Interreligious and Intergroup Relations	Education and Jewish Leadership	Total	Management and General	Fundraising	Total	Total 2025
Salaries	$ 13,323	$ 10,895	$ 3,189	$ 1,468	$ 2,859	$ 31,734	$ 4,294	$ 8,220	$ 12,514	$ 44,248
Fringe benefits	3,821	2,808	858	371	794	8,652	1,246	2,155	3,401	12,053
Total employee compensation	17,144	13,703	4,047	1,839	3,653	40,386	5,540	10,375	15,915	56,301
Travel	1,917	790	45	228	656	3,636	93	88	181	3,817
Rent and utilities	1,831	1,103	12	10	9	2,965	260	489	749	3,714
Telephone	67	26	12	9	3	117	11	16	27	144
Printing and postage	50	132	292	8	17	499	17	373	390	889
Stationery and supplies	29	80	35	2	11	157	42	25	67	224
IT services and equipment	498	357	166	96	70	1,187	230	219	449	1,636
Building maintenance	235	134	117	46	33	565	970	180	1,150	1,715
Insurance	235	132	51	37	95	550	52	77	129	679
Educational materials	21	14	5	1	32	73	11	5	16	89
Grants	867	26	274	3	8	1,178	4	74	78	1,256
Dues paid to other organizations	77	29	13	10	8	137	26	35	61	198
Conferences, meetings, and events	3,278	3,138	30	437	1,391	8,274	85	215	300	8,574
Outside contract program services	1,456	386	20,521	215	340	22,918	1,723	466	2,189	25,107
Advertising	8	26	277	1	4	316	18	88	106	422
Bank service charges	398	236	82	76	75	867	84	154	238	1,105
Catering and facilities rental	-	-	-	-	-	-	-	2,221	2,221	2,221
Total expenses before depreciation and amortization	28,111	20,312	25,979	3,018	6,405	83,825	9,166	15,100	24,266	108,091
Depreciation and amortization	296	512	105	21	10	944	129	133	262	1,206
Total expenses	28,407	20,824	26,084	3,039	6,415	84,769	9,295	15,233	24,528	109,297
Less: direct cost of special events	-	-	-	-	-	-	-	(2,221)	(2,221)	(2,221)
Total 2025 expenses	$ 28,407	$ 20,824	$ 26,084	$ 3,039	$ 6,415	$ 84,769	$ 9,295	$ 13,012	$ 22,307	$ 107,076

The accompanying notes are an integral part of this consolidated financial statement.

American Jewish Committee and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2024
(Dollars in thousands)

	Program Services						Supporting Services			
	Government and International Relations	Regional Offices	Communications	Interreligious and Intergroup Relations	Education and Jewish Leadership	Total	Management and General	Fundraising	Total	Total 2024
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	$ 26,128	$ 20,798	$ 27,299	$ 2,836	$ 5,118	$ 82,179	$ 8,717	$ 11,398	$ 20,115	$ 102,294

The accompanying notes are an integral part of this consolidated financial statement.

American Jewish Committee and Affiliates

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31,
(Dollars in thousands)

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 20,004	$ 40,825
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,206	1,098
Contributions restricted for long-term investment	(4,122)	(1,513)
Net realized and unrealized gains on investments	(29,924)	(13,790)
Pension and postretirement changes other than net periodic benefit cost	(614)	(3,663)
Change in value of split-interest agreements	1,112	(1,148)
Change in operating assets and liabilities:		
Contributions receivable, net	9,381	(15,879)
Prepaid expenses and other assets	538	(970)
Accounts payable, accrued expenses, and other liabilities	1,498	(179)
Accrued compensation	(816)	1,515
Accrued pension and other benefit obligations	(930)	153
Right-of-use asset	(9,192)	2,145
Lease liability	9,810	(2,361)
Net cash (used in) provided by operating activities	(2,049)	6,233
Cash flows from investing activities:		
Fixed asset acquisitions	(1,295)	(1,748)
Investment purchases	(135,879)	(89,995)
Investment sales	124,233	87,645
Net cash used in investing activities	(12,941)	(4,098)
Cash flows from financing activities:		
Contributions restricted for long-term investment	4,122	1,513
Other changes in split-interest agreements, net	319	350
Net cash provided by financing activities	4,441	1,863
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(10,549)	3,998
Cash and cash equivalents at beginning of year	39,363	35,365
Cash and cash equivalents at end of year	$ 28,814	$ 39,363
Supplemental disclosure of noncash activities:		
Right-of-use assets obtained in exchange for lease liabilities	$ 11,549	$ -

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

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.

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.

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 Executive Council 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 Executive Council 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.

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.

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

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 2025 and 2024.

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

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.

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, 2025, 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.

NOTE 3 - INVESTMENTS

The following tables present AJC's investments and other assets measured at fair value as of December 31, 2025 and 2024:

	December 31, 2025			
	Fair Value	Level 1	Level 2	Level 3
Investments				
Cash and cash equivalents	$ 19,175	$ 19,175	$ -	$ -
Fixed income				
State of Israel bonds	19	-	19	-
Treasury securities	39,048	39,048	-	-
Mutual funds	14,308	14,308	-	-
	72,550	72,531	19	-
Equities				
Common and preferred stocks	32,399	32,399	-	-
Mutual funds				
Large-cap equity funds	22,005	22,005	-	-
	54,404	54,404	-	-
Total	126,954	$ 126,935	$ 19	$ -
Investments reported at NAV				
Multistrategy hedge funds [a]	21,042			
Long/short equities [b]	44,185			
Long only equities [c]	49,297			
Private investments [d]	30,212			
Total investments reported at NAV	144,736			
Total investments	$ 271,690			
Beneficial interest in trusts held by independent third parties	$ 10,310	$ -	$ -	$ 10,310

	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	-	-
	66,198	66,167	31	-
Equities				
Common and preferred stocks	29,680	29,680	-	-
Mutual funds				
Large-cap equity funds	19,043	19,043	-	-
	48,723	48,723	-	-
Total	114,921	$ 114,890	$ 31	$ -
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	111,451			
Investment redemption receivable	3,748			
Total investments	$ 230,120			
Beneficial interest in trusts held by independent third parties	$ 11,741	$ -	$ -	$ 11,741

[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.

Included in investments as of December 31, 2025 and 2024 is $40,550 and $33,789, 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, 2025 and 2024, AJC's alternative investments can be redeemed or sold as follows:

	December 31, 2025			
Redemption Period	Number of Funds	Amount	Days' Notice for Redemption	Unfunded Commitments
Monthly				
Multistrategy	1	$ 5,433	90	Not applicable
Long/short equities	4	19,291	30 - 60	Not applicable
Quarterly				
Multistrategy	3	15,154	60 - 90	Not applicable
Long/short equities	7	19,780	45 - 120	Not applicable
Long only equities	4	27,845	60 - 90	Not applicable
Private investments	1	4,341	45	Not applicable
Semi-Annually				
Long only equities	1	4,573	90	Not applicable
Annually				
Long/short equities	1	3,398	60	Not applicable
Long only equities	1	14,634	120	Not applicable
Funds subject to lockup				
Multistrategy	7	455	Not applicable	$ -
Long/short equities	1	1,716	Not applicable	$ -
Long only equities	2	2,245	Not applicable	$ -
Private investments	41	25,871	Not applicable	$ 19,597
		$ 144,736		

	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
		$ 111,451		

Investments totaling approximately $3,554 and $3,767 as of December 31, 2025 and 2024, 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, 2025 and 2024 consisted of the following:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2025 Total	2024 Total
Interest and dividends	$ 2,340	$ 2,962	$ 5,302	$ 4,247
Net realized gains on investments	2,188	6,998	9,186	4,575
Net unrealized gains on investments	4,845	14,603	19,448	12,755
Total investment gains gains	9,373	24,563	33,936	21,577
Investment return used for operations	(3,374)	(6,359)	(9,733)	(10,142)
Net investment return, in excess of amount used for operations	$ 5,999	$ 18,204	$ 24,203	$ 11,435

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Contributions receivable at December 31, 2025 and 2024 are scheduled to be collected as follows:

	2025	2024
Within one year	$ 15,360	$ 18,574
One to five years	14,119	20,430
More than five years	50	100
	29,529	39,104
Less: discount to present value at rates ranging from 0.7% to 4.5%	(430)	(587)
Less: allowance for uncollectible amounts	(595)	(632)
	$ 28,504	$ 37,885

Included in contributions receivable, net at December 31, 2025 and 2024 are pledges of $15,447 and $25,173, respectively, from four donors. Included in contributions and special events and trusts and bequests revenue at December 31, 2025 and 2024 is revenue of $0 and $21,419, respectively, from zero and two donors, respectively.

NOTE 5 - FIXED ASSETS

Fixed assets consist of the following at December 31, 2025 and 2024:

	2025	2024
Land	$ -	$ 430
Buildings	1,576	5,231
Building improvements	-	16,130
Furniture and equipment	10,276	14,056
Leasehold improvements	4,298	4,516
	16,150	40,363
Accumulated depreciation and amortization	(12,839)	(32,104)
	$ 3,311	$ 8,259

Assets held for sale totaled $5,234 and $0 during 2025 and 2024, respectively. These buildings were approved by the Executive Council, AJC's board of directors, to be sold in 2025, and the sale was completed in May 2026.

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.

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.

The following tables provide information with respect to the plans as of and for the years ended December 31, 2025 and 2024:

	December 31, 2025	
	Pension Benefits	Other Benefits
Change in benefit obligation		
Benefit obligation at January 1, 2025	$ 34,475	$ 1,689
Service cost	-	130
Interest cost	1,896	90
Actuarial loss (gain)	1,691	(53)
Benefits paid	(3,569)	(69)
Benefit obligation at December 31, 2025	34,493	1,787
Change in plan assets		
Fair value of plan assets at January 1, 2025	28,924	-
Actual return on plan assets	3,698	-
Employer contribution	1,307	69
Benefits paid	(3,569)	(69)
Fair value of plan assets at December 31, 2025	30,360	-
Funded status	$ 4,133	$ 1,787
Balance sheet recognition		
Accrued benefit cost	$ 4,133	$ 1,787

	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	34,475	1,689
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	28,924	-
Funded status	$ 5,551	$ 1,689
Balance sheet recognition		
Accrued benefit cost	$ 5,551	$ 1,689

The 2025 and 2024 employer contributions of $1,376 and $1,305, respectively, are reflected as a use of cash in operating activities in the accompanying 2025 and 2024 consolidated statements of cash flows.

Included in the projected accumulated benefit obligation (other benefits) is approximately $100 and $138 for 2025 and 2024, respectively, for life insurance and approximately $1,576 and $1,624 for 2025 and 2024, respectively, for medical premiums.

Components of net periodic benefit cost are as follows for 2025 and 2024:

	December 31, 2025	
	Pension Benefits	Other Benefits
Service cost	$ -	$ 130
Interest cost	1,896	90
Expected return on plan assets	(1,654)	-
Amortization of actuarial loss (gain)	400	(195)
Net periodic benefit cost	$ 642	$ 25

	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)
Net periodic benefit cost	$ 1,226	$ 16

Components of pension and retirement changes other than net periodic benefit cost are as follows for 2025 and 2024:

	December 31, 2025	
	Pension Benefits	Other Benefits
New actuarial gain	$ (225)	$ (53)
Amortization of unrecognized amounts	(400)	195
Pension and retirement changes other than net periodic benefit cost	$ (625)	$ 142

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

At December 31, 2025 and 2024, items not yet recognized as net periodic benefit costs are net losses of $2,101 and $2,762, respectively.

AJC used a Dedicated Bond Portfolio model to derive the discount rate for 2025 and 2024.

The weighted-average assumptions are as follows:

	December 31, 2025	
	Pension Benefits	Other Benefits
Discount rate used to determine the benefit obligation	5.39%	5.60%
Discount rate used to determine net periodic benefit cost	5.80%	5.51%

	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%

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

	December 31, 2025	
	Increase	Decrease
Effect on total service and interest cost	$ 60	$ (44)
Effect on the postretirement benefit obligation	348	(269)

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

In 2025 and 2024, AJC used the 2025 Mortality Improvement Scale MP-2025 and 2024 Mortality Improvement Scale MP-2024, respectively, to value its pension and postretirement obligation.

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, 2025 and 2024:

	December 31, 2025	
	Fair Value	Level 1
Cash and cash equivalents		
Short-term investment fund	$ 845	$ 845
	845	845
Fixed income		
Debt fund	12,521	12,521
	12,521	12,521
Equities		
Mutual funds		
Large-cap equity funds	12,830	12,830
	12,830	12,830
Total	26,196	$ 26,196
Investments reported at NAV		
Multistrategy hedge funds [(a)]	112	
Long/short equities [(b)]	1,649	
Long only equities [(c)]	919	
Private investments [(d)]	1,484	
Total investments reported at NAV	4,164	
Total investments	$ 30,360	

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

[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 2025 and 2024:

	2025	2024
Cash and cash equivalents	3%	11%
Fixed income	41	38
Equities	42	38
Alternative investments	14	13

Based on historically indexed data, the assumed long-term rates of return for 2025 and 2024 are as follows:

Cash and cash equivalents of 3%, fixed income of 5%, equities of 5% and alternative investments of 4%, 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, 2025 and 2024, the plan's alternative investments can be redeemed or sold as follows:

December 31, 2025

Redemption Period	Number of Funds	Amount	Days' Notice for Redemption	Unfunded Commitments
Monthly				
Long only equities	1	$ 694	60	Not applicable
Quarterly				
Long/short equities	2	1,644	60 - 90	Not applicable
Semi-annually				
Long/short equities	1	5	60	Not applicable
Funds subject to lockup				
Multistrategy	6	112	Not applicable	Not applicable
Long only equities	2	225	Not applicable	Not applicable
Private investments	2	1,484	Not applicable	$ 223
		$ 4,164		

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
		$ 3,863		

Estimated Future Benefit Payments

It is estimated that $146 of the actuarial loss will be included as a component of net periodic benefit costs in fiscal year 2026.

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

Years Ending December 31,	Pension Benefits	Other Benefits
2026	$ 3,781	$ 83
2027	3,699	84
2028	3,558	85
2029	3,434	86
2030	3,254	89
2031 - 2035	13,762	515

American Jewish Committee expects to contribute to the pension plan at least $1,300 in fiscal year 2026, 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, 2025 and 2024, accrued special retirement benefits and executive insurance totaled approximately $234 and $433, respectively.

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2025 and 2024 were composed of the following:

	2025	2024
Program funds and endowment funds appropriated and available for spending		
Government and international relations	$ 12,767	$ 12,659
Communications	15,686	18,342
Regional offices	5,109	5,204
Education and Jewish leadership	9,498	7,561
Interreligious and intergroup relations	1,264	1,376
Total available for spending	44,324	45,142
Time restricted		
Multi-year contributions - general operations	30,931	36,929
Split-interest agreements	10,310	11,741
Total time restricted	41,241	48,670
Subject to AJC's spending policy and appropriation		
Original endowment corpus		
General operations	52,801	52,968
Government and international relations	29,205	26,379
Interreligious and intergroup relations	5,836	5,859
Regional offices	3,883	3,868
Education and Jewish leadership	19,752	18,824
Communications	108	108
Endowment and other investment earnings available for future appropriations	50,857	32,874
Total subject to AJC's spending policy and appropriation	162,442	140,880
Total net assets with donor restrictions	$ 248,007	$ 234,692

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

	2025	2024
Purpose restrictions accomplished		
Government and international relations	$ 9,806	$ 9,123
Regional offices	2,314	1,992
Communications	21,146	22,117
Education and Jewish leadership	4,499	2,648
Interreligious and intergroup relations	749	741
Total purpose restrictions released	38,514	36,621
Time restrictions expired	9,580	6,099
Total restrictions released	$ 48,094	$ 42,720

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 Executive Council 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, 2025 and 2024 is as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 162,442	$ 162,442
Board-designated funds	40,550	-	40,550
Total funds	$ 40,550	$ 162,442	$ 202,992

	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

Changes in endowment net assets for the years ended December 31, 2025 and 2024 are as follows:

	December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 33,789	$ 140,880	$ 174,669
Interest and dividend income	759	2,447	3,206
Net realized and unrealized gain on investments	6,731	21,718	28,449
Contributions	750	4,228	4,978
Redesignations based on donor intent	-	(493)	(493)
Distributions	(1,479)	(6,338)	(7,817)
Endowment net assets, end of year	$ 40,550	$ 162,442	$ 202,992

	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	$ 33,789	$ 140,880	$ 174,669

Included in investments as of December 31, 2025 and 2024 is $40,550 and $33,789, 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 $503 and $171 of interest and dividend income and ($117) and $1,174 of net realized and unrealized (losses) and gains 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 2025 and 2024, respectively.

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, 2025, and 2024.

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. The spending rate remained at 5% for both 2025 and 2024. In establishing this policy, AJC considers the long term expected return on its endowment.

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:

	2025	2024
Cash and cash equivalents	$ 28,814	$ 39,363
Contributions receivable	15,051	18,275
Investments	93,981	74,825
Prepaid expenses and other assets	1,730	664
Assets held for sale	5,234	-
Total financial assets available within one year	144,810	133,127
Less:		
Contractual, legal or donor-imposed restrictions		
Amounts subject to expenditure for specified purposes	42,498	40,484
Pledges for endowment purposes	2,528	3,298
Total amounts unavailable for general expenditures within one year	45,026	43,782
Total financial assets available within one year, including Board designations	99,784	89,345
Board-designated endowment - unavailable to management without board approval	40,550	33,789
Total financial assets available within one year, excluding board designations	$ 59,234	$ 55,556

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 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, 2025 and 2024, Board-designated funds, which had no specific designation for the usage of the funds, totaled $40,550 and $33,789, 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 Executive Council may draw upon these Board-designated funds. AJC could also draw from its $10,000 line of credit (as further discussed in Note 10).

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 2025 and 2024 statements of financial position. These leases expire on various dates through fiscal 2037 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.

In May 2025, AJC entered a 142-month office space lease in Washington, D.C. with a total lease liability of $10,822 as of December 31, 2025.

Supplemental consolidated statement of financial position information related to operating leases at December 31, 2025 and 2024:

	2025	2024
ROU asset	$ 22,849	$ 11,157
Accumulated amortization	(8,539)	(6,039)
	$ 14,310	$ 5,118

	2025	2024
Weighted-average remaining lease term	10 years	7 years
Weighted-average discount rate	3.6%	2.0%

Fiscal Year December 31:	
2026	$ 1,532
2027	2,224
2028	2,223
2029	2,049
2030	1,754
Thereafter	9,367
Total lease obligation, gross	19,149
Less: amounts representing interest rates from 1.0% to 4.6%	(3,511)
Total lease liability	$ 15,638

Rent expense (including escalation costs) amounted to $3,310 and $2,857 for the years ended December 31, 2025 and 2024, respectively. During the current year, there were five new lease agreements.

The components of lease cost for the year ended December 31, 2025 are as follows:

Operating lease cost	$	2,797
Short-term lease cost		513
Total lease cost	$	3,310

Supplemental cash flow information related to leases for the year ended December 31, 2025 is as follows:

Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$	2,179

Rental Income Under Operating Leases

AJC leases space to others in its building located in New York City. The leases provide for minimum annual rentals and reimbursement of certain expenses. In May 2026 AJC sold its building in New York City. Rental income amounted to $394 in 2026 prior to the sale. See Note 11 - Subsequent Events for further details.

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, 2025 and 2024. The line of credit is available through June 2026, 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, 2025 and 2024, 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, 2025 through June 26, 2026, the date on which the consolidated financial statements were available to be issued. AJC is unaware of any events which would require recognition or disclosure in the accompanying consolidated financial statements other than the matter described in this note below.

On May 14, 2026, subsequent to year-end and prior to the issuance of the financial statements, AJC completed the sale of its New York Headquarters Building. As such, the property had been classified as an asset held for sale as of December 31, 2025. The sale resulted in net proceeds of approximately $38.2 million and a gain on sale of approximately $33.1 million.