

Financial Statements Together with
Report of Independent Certified Public
Accountants

**American Committee for the Weizmann
Institute of Science, Inc.**

As of and for the three-months ended
September 30, 2024

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GRANT THORNTON LLP

757 Third Ave., 9th Floor
New York, NY 10017-2013

D +1 212 599 0100

F +1 212 370 4520

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
American Committee for the Weizmann Institute of Science, Inc.

Opinion

We have audited the financial statements of the American Committee for the Weizmann Institute of Science, Inc. (the "Organization"), which comprise the statement of financial position as of September 30, 2024, and the related statement of activities and cash flows for the period then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of the three month period ending September 30, 2024, and the changes in its net assets and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit of the 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 the Organization 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 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern 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 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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
April 8, 2025

American Committee for the Weizmann Institute of Science, Inc.

STATEMENT OF FINANCIAL POSITION

September 30, 2024

(000's omitted)

ASSETS

Cash and cash equivalents	\$	35,577
Pledges and legacies receivable, net (Note 3)		117,359
Other assets		1,763
Investments (Note 4)		832,945
Office condominium, furniture and equipment, net (Note 5)		<u>5,530</u>
Total assets	\$	<u><u>993,174</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accrued expenses and other liabilities	\$	3,888
Due to affiliate (Note 4)		4,846
Annuity payment liability (Note 2)		5,198
Loan payable, net (Note 7)		<u>7,741</u>
Total liabilities		<u>21,673</u>

Net assets

Net assets without donor restrictions		107,571
Net assets with donor restrictions		<u>863,930</u>
Total net assets		<u>971,501</u>
Total liabilities and net assets	\$	<u><u>993,174</u></u>

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

American Committee for the Weizmann Institute of Science, Inc.

STATEMENT OF ACTIVITIES

Three-months ended September 30, 2024
(000's omitted)

	Without Donor Restrictions	With Donor Restrictions		Total
		Program or Time Restricted	Amounts Held in Perpetuity	
Revenues				
Contributions, exclusive of \$1,253 during the three-months ended September 30, 2024, sent directly to the Weizmann Institute of Science from U.S. donors, net of special events expenses of \$118 during the three-months ended September 30, 2024	\$ 532	\$ 1,701	\$ 192	\$ 2,425
Legacies and bequests, exclusive of \$0 during the three-months ended September 30, 2024, sent directly to the Weizmann Institute of Science from U.S. donors	19	820	-	839
Government and other grants, exclusive of \$1,881 during the three-months ended September 30, 2024, sent directly to the Weizmann Institute of Science from U.S. donors	-	-	-	-
Funding from the Institute	7,708	-	-	7,708
Investment income	212	1,183	-	1,395
State of Israel incentive interest	-	711	-	711
Net realized and unrealized gains on investments (Note 4)	6,854	42,490	-	49,344
Net assets released from restrictions	20,217	(20,217)	-	-
	<u>35,542</u>	<u>26,688</u>	<u>192</u>	<u>62,422</u>
Total revenues				
	<u>35,542</u>	<u>26,688</u>	<u>192</u>	<u>62,422</u>
Expenses				
Program services in support of the Weizmann Institute of Science (Note 2)	22,709	-	-	22,709
Supporting services:				
Management and general	1,102	-	-	1,102
Fundraising	4,379	-	-	4,379
Public information	169	-	-	169
	<u>28,359</u>	<u>-</u>	<u>-</u>	<u>28,359</u>
Total expenses				
	<u>28,359</u>	<u>-</u>	<u>-</u>	<u>28,359</u>
CHANGE IN NET ASSETS	7,183	26,688	192	34,063
Net assets, beginning of period	100,388	289,394	547,656	937,438
Net assets, end of period	<u>\$ 107,571</u>	<u>\$ 316,082</u>	<u>\$ 547,848</u>	<u>\$ 971,501</u>

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

American Committee for the Weizmann Institute of Science, Inc.

STATEMENT OF CASH FLOWS

Three-months ended September 30, 2024
(000's omitted)

Cash flows from operating activities:

Change in net assets	\$ 34,063
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	114
Donated securities	(144)
Change in the discount and allowance on pledges and legacies receivable	211
Net realized and unrealized gains on investments	(49,344)
Endowment contributions, legacies, and bequests	192
Changes in assets and liabilities:	
Pledges and legacies receivable	891
Other assets	184
Accrued expenses and other liabilities	217
Due to affiliate	781
Annuity payment liability	(38)
	<hr/>
Net cash used in operating activities	(12,873)

Cash flows from investing activities:

Acquisition of furniture and equipment	(10)
Proceeds from sale of investments	11,747
Purchases of investments	(5,941)
	<hr/>
Net cash provided by investing activities	5,796

Cash flows from financing activities:

Change in notes payable	3
Endowment contributions, legacies, and bequests	(192)
Change in permanently restricted pledges and legacies receivable	3,512
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Net cash provided by financing activities	3,323

NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,754)
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Cash and cash equivalents, beginning of period	39,331
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Cash and cash equivalents, end of period	\$ 35,577
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Supplemental disclosure of cash flow information:

Cash paid during the period for interest	\$ 77
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The accompanying notes are an integral part of this financial statement.

American Committee for the Weizmann Institute of Science, Inc.

NOTES TO FINANCIAL STATEMENTS

As of and for the three-months ended September 30, 2024

NOTE 1 - ORGANIZATION

The American Committee for the Weizmann Institute of Science, Inc. (the "Organization") was incorporated in New York in 1944. The primary objective of the Organization is to promote, encourage, and advance scientific research and graduate study at the Weizmann Institute of Science (the "Institute"), a world-renowned, scientific research center located in Rehovot, Israel.

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and is designated as a publicly supported organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). In September 2024, the Board of Trustees voted unanimously to change the fiscal year of the Organization from June 30 to September 30. Accordingly, the accompanying financial statements present the results of the operations of the Organization as of and for the three-month period ended September 30, 2024.

The Organization's resources are classified and reported based upon the existence or absence of donor-imposed restrictions, as follows:

Without Donor Restrictions - net assets that are not subject to donor-imposed restrictions and, therefore, are available to meet the Organization's objectives. Net assets without donor restrictions may also be designated by the Organization's Board of Directors.

With Donor Restrictions - net assets that are subject to donor-imposed restrictions that either expire with the passage of time or, can be fulfilled and removed by the actions of the Organization pursuant to those restrictions, or which may be perpetual.

Use of Estimates

The preparation of financial statements in conformity with 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization classifies deposits in banks and money market accounts with original maturities of three months or less as cash equivalents, excluding cash and cash equivalents available for long-term investment, which are included within investments in the accompanying statement of financial position.

Contributions, Pledges and Legacies Receivable

During the year ended June 30, 2020, the Organization adopted Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies and improves the scope and the accounting guidance for contributions received and made, including guidance to help an entity evaluate whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determine whether a contribution is conditional.

American Committee for the Weizmann Institute of Science, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

As of and for the three-months ended September 30, 2024

For contributions, revenue is recognized when a contribution becomes unconditional, that is, when the conditions on which they depend are substantially met. Grants are evaluated as to whether they qualify as exchange transactions or contributions. If a contract or grant agreement contains a right of return or right of release from the respective obligation provision on the part of the grantor, and the agreement also contains a barrier to be overcome, the Organization recognizes revenue for these conditional contributions when the related barrier to entitlement has been overcome.

Unconditional promises to give are recorded as contributions at their net present value, less an allowance for uncollectible pledges. Pledges receivable are discounted at credit adjusted rates ranging from 0.9% to 7.1% during the three-months ended September 30, 2024. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Legacies are recorded when the will is declared valid, amounts to be received can be reasonably estimated and the probate process is complete.

Charitable Gift Annuities and Charitable Remainder Trusts

The Organization enters into agreements with donors to accept and administer charitable gift annuities, which provide for payments to the donors or their beneficiaries based upon specified annuity amounts. Assets held under charitable gift annuities are included in investments (Note 4). Contribution revenue is recognized at the date the annuity contract is established after recording the liability for the present value of the estimated future payments expected to be made to the donor and/or beneficiary. The liabilities are adjusted annually for changes in the life expectancy of the donor or beneficiary, amortization of the discount, and other changes in the estimates of future payments.

The Organization is the beneficiary of certain charitable remainder trusts that are held and administered by others. The present value of the estimated future cash receipts from these trusts is recognized as an asset and as a contribution when the Organization is notified that the trust has been established.

At September 30, 2024, the Organization's annuity payment liabilities were classified as Level 3 within the fair value hierarchy (see Note 4).

The following table summarizes the changes in the Organization's Level 3 annuity payment liability balances for the three-months ended September 30, 2024 (000's omitted):

	<u>Charitable Gift Annuities</u>
Balance at June 30, 2024	\$ 5,236
New agreements	34
Payments to annuitants	(166)
Terminated agreements	-
Change in fair value of annuities payable	<u>94</u>
Balance at September 30, 2024	<u>\$ 5,198</u>

Income Taxes

The Organization follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

American Committee for the Weizmann Institute of Science, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

As of and for the three-months ended September 30, 2024

The Organization is exempt from federal income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Office Condominium, Furniture, and Equipment

Furniture and equipment are stated at cost and are being depreciated on a straight-line basis over a range of three to 10 years. The office condominium, purchased in 2004, is stated at cost and is being depreciated on the straight-line method over 40 years.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Transmissions

All transmissions made to the Institute for its various projects are made pursuant to authorization by the Board of Directors of the Organization.

Funding from the Institute

The Institute agreed to assist the Organization with certain operating costs. For the three-months ended September 30, 2024, the Organization received support of approximately \$7,708,000, which is included in funding from the Institute in the accompanying statement of activities.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments in fixed income funds, equity funds, and alternative investments. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Organization's cash accounts were placed with high credit quality financial institutions. The Organization has not experienced, nor does it anticipate, any losses in such accounts.

American Committee for the Weizmann Institute of Science, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

As of and for the three-months ended September 30, 2024

NOTE 3 - PLEDGES AND LEGACIES RECEIVABLE, NET

At September 30, 2024, pledges and legacies receivable consisted of the following (000's omitted):

<u>Amount Due</u>	
Within one year	\$ 26,043
One to five years	60,995
More than five years	<u>73,309</u>
	160,347
Less:	
Allowance for uncollectable receivables	(15,656)
Discount to present value	<u>(27,332)</u>
	<u>\$ 117,359</u>

The Organization is the ultimate beneficiary of certain irrevocable charitable remainder trusts. The value of those trusts is approximately \$9,443,000 as of September 30, 2024, and is included above in gross receivables.

At September 30, 2024, the Organization's beneficial interests in its irrevocable charitable remainder trusts were classified as Level 3 within the fair value hierarchy. The Organization's Level 3 irrevocable charitable remainder trusts, which are included in the pledges and legacies receivable, net balance, did not incur any activity during the three-month period ended September 30, 2024.

Approximately 39% of the pledges and legacies receivable (gross) are due from five donors at September 30, 2024.

NOTE 4 - INVESTMENTS

Investments, at fair value, are composed of the following at September 30, 2024 (000's omitted):

Money market funds	\$ 301
Fixed income	1,069
Mutual funds	1,693
Fund of funds that invest in equity	5,982
Fund of funds that invest in bonds	3,019
Weizmann Global Endowment Fund, L.P.	817,087
Common stock	11
Non-trading common stock	3,373
Other	<u>410</u>
	<u>\$ 832,945</u>

Fair Value Measurements

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. As required by U.S. GAAP for fair value measurement, the

American Committee for the Weizmann Institute of Science, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

As of and for the three-months ended September 30, 2024

Organization uses a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follow:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.
- Level 2 - Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.
- Level 3 - Securities that have little to no observable pricing. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Organization. The Organization considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Organization's perceived risk of that instrument.

The following tables summarize investments within the fair value hierarchy as of September 30, 2024 (000's omitted):

	Level 1	Level 2	Level 3	Total
Common stock	\$ 11	\$ -	\$ -	\$ 11
Money market funds	301	-	-	301
Fixed income	-	1,069	-	1,069
Mutual funds	1,693	-	-	1,693
Non-trading common stock	-	-	3,373	3,373
Other	-	-	410	410
	<u>\$ 2,005</u>	<u>\$ 1,069</u>	<u>\$ 3,783</u>	<u>6,857</u>
Investments measured at NAV				<u>826,088</u>
Total investments				<u>\$ 832,945</u>

American Committee for the Weizmann Institute of Science, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

As of and for the three-months ended September 30, 2024

The following table summarizes the significant unobservable inputs the Organization used to value two investments categorized as Level 3. The tables below are not meant to be all inclusive, but instead capture the significant unobservable inputs relevant to determination of fair value at September 30, 2024:

<u>Assets Type</u>	<u>Fair Value</u>	<u>Valuation Technique</u>	<u>Unobservable Inputs</u>
Non-trading common stock	\$ 3,373	Income approach	Discount rate

The Organization used the net asset value ("NAV") or its equivalent to determine the fair value of all the underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

Investments valued at NAV or its equivalent as of September 30, 2024, consisted of the following (000's omitted):

<u>Investment Description</u>	<u>Strategy</u>	<u># of Funds</u>	<u>NAV in Funds</u>	<u>Redemption Restrictions/ Liquidity Provisions</u>
Weizmann Global Endowment Fund, L.P.	Long-term capital growth through investments in a diversified portfolio	1	\$ 817,087	Redemptions permitted monthly with restrictions
Fund of funds that invest in equity	Approximate overall performance of MSCI EAFE Index, MSCI Emerging Markets Index, Russel 2000 Index, S&P MidCap 400 Index and Dow Jones U.S. Total Stock Market Index	16	5,982	Redemptions permitted daily
Fund of funds that invest in bonds	Approximate overall performance of Barclays Capital U.S. Aggregate Bond Index, U.S. Corporate High Yield 2% Issuer Cap Index and U.S. Treasury Inflation Protected Securities Index	6	3,019	Redemptions permitted daily

The above funds have no unfunded commitments as of September 30, 2024.

The Weizmann Global Endowment Fund, L.P. (the "Fund") was formed on November 6, 2002 with the purpose of enabling the Institute and its affiliates to invest on a coordinated basis. The Organization is a limited partner in the Fund. The investment objective of the Fund is to achieve long-term capital growth through investments in a diversified portfolio and to achieve a competitive return over a complete market cycle by allocating the Fund's assets among third-party investment advisers (investment subadvisors) employing a variety of strategies.

The Fund's investments in common stocks and fixed-income securities are stated at fair value. Fair value of exchange-listed securities is determined by the last sales price on the valuation date. Fixed-income securities (other than short-term obligations but including listed issues), are valued based on prices obtained by one or more independent pricing services. Pricing services use a matrix, formula, or other objective methods that take into consideration market indices and yield curves and other specific adjustments.

Mutual funds are valued based on published NAVs.

Investment transactions are accounted for on the trade-date basis. Investment income is accounted for on the accrual basis; dividend income is recorded on the ex-dividend date. Realized gains and losses from securities transactions are computed on the average-cost basis and are reported in the statement of activities, net of approximately \$2,715,000 of the Organization's share of related expenses (including the

American Committee for the Weizmann Institute of Science, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

As of and for the three-months ended September 30, 2024

Fund's operating expenses, subadvisor and custodian fees and taxes) for the three-months ended September 30, 2024.

The Fund's investments in non-registered investment companies are carried at fair value as determined by the General Partner and generally represent the Fund's pro rata interest in the net assets of each non-registered investment company. All valuations utilize financial information supplied by each investment company and are net of management and performance incentive fees or other expenses payable to the investment company managers as required by the investment company agreements.

As a general matter, the fair value of the Fund's investments in non-registered investment companies represents the amount that the Fund can reasonably expect to receive if the Fund's investments were redeemed at the time of valuation based on information reasonably available at the time. The non-registered investment companies provide for periodic redemptions ranging from quarterly to three-year lock-up, except for private equity funds and illiquid shares that cannot be redeemed until the underlying investments are liquidated. Non-registered investment companies generally require advance notice of the Fund's intent to redeem its interest and may, depending on the non-registered investment company's governing agreements, deny or delay a redemption request. The underlying investments of each non-registered investment company are accounted for at fair value as described in each investment company's financial statements.

The Organization's Board of Directors has authorized a policy permitting the use of total return at a rate of 4.5% of the fair value of the endowed funds with donor restrictions on the average of the 12 quarters ended September 30, 2024 for distribution to fund expenditures in accordance with donor restrictions. For the three-months ended September 30, 2024, the amounts appropriated for expenditure were approximately \$8,167,000. This policy is designed to preserve the value of these funds in real terms (after inflation) and to provide a predictable flow of funds to support operations.

Investments include amounts held on behalf of the Feinberg Graduate School of the Institute of approximately \$4,846,000 for September 30, 2024, which are reported as due to affiliate in the statement of financial position, as well as amounts associated with charitable gift annuities of approximately \$5,198,000 as of September 30, 2024. The assets held by the Organization as trustee for its charitable gift annuities include additional amounts set aside by the Organization for state-mandated insurance reserves, which are maintained at the required level.

NOTE 5 - OFFICE CONDOMINIUM, FURNITURE AND EQUIPMENT, NET

Office condominium, furniture, and equipment, net consisted of the following at September 30, 2024 (000's omitted):

Office condominium	\$	9,641
Furniture and equipment		<u>2,186</u>
		11,827
Less: accumulated depreciation		<u>(6,412)</u>
		5,415
Art collection		<u>115</u>
	\$	<u>5,530</u>

American Committee for the Weizmann Institute of Science, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

As of and for the three-months ended September 30, 2024

Depreciation expense totaled approximately \$114,000 for the three-months ended September 30, 2024.

NOTE 6 - PENSION PLANS

The Organization has a defined contribution pension plan that covers substantially all of its employees. Contributions to this plan amounted to approximately \$356,000 for the three-months ended September 30, 2024, and are based on 9% of an employee's compensation.

At various times, the Organization has entered into deferred compensation agreements with certain key officers. Pursuant to the terms of these contracts and subject to certain conditions, the Organization is required to make periodic payments directly to these executives upon retirement. The assets and liabilities related to these agreements are approximately \$359,000 as of September 30, 2024, and are included in investments and accrued expenses and other liabilities in the accompanying statement of financial position. There were no costs charged to operations related to these agreements for the three-months ended September 30, 2024.

NOTE 7 - LOAN PAYABLE

On April 2, 2004, the New York City Industrial Development Agency issued \$8,830,000 of Civic Facility Revenue Bonds (Series A and B) on behalf of the Organization. The proceeds of the Bonds were used to finance the acquisition and renovation of the Organization's principal office, a condominium unit located on the 20th floor at 633 Third Avenue, New York, New York, as well as to finance certain issuance costs.

Interest on the Bonds is payable monthly at an annual rate of 3.215%. The Bonds are subject to mandatory redemption by the Organization according to a schedule of annual sinking fund installments that commenced on November 1, 2023, and the final payment is due on November 1, 2034.

Interest expense totaled \$77,000 for the three-months ended September 30, 2024.

The Bonds were issued under an Indenture of Trust dated October 1, 2015 by and between the Organization and The Bank of New York, as trustee, which created a lien on all moneys and securities held by the trustee for the holders of the Bonds. As further security for the Bonds, the payment of the principal, sinking fund installments, and interest on the Bonds is guaranteed by the Organization pursuant to a Guaranty Agreement, and the Organization assigned to the trustee certain rights and remedies under the Installment Sale Agreement. The Bonds and Note are further secured by mortgage liens on and security interests in the Organization's principal office.

The scheduled future principal payments follow (000's omitted):

<u>Years Ending September 30,</u>	<u>Amount</u>
2025	\$ 735
2026	735
2027	735
2028	735
2029	735
Thereafter	4,410
	<u>\$ 8,085</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

As of and for the three-months ended September 30, 2024

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at September 30, 2024 (000's omitted):

Purpose restrictions	\$	839,248
Time restrictions		<u>24,682</u>
	\$	<u>863,930</u>

The purpose-restricted net assets referred to above at September 30, 2024 are available principally for scientific research projects, professorial chairs, scholarships and fellowships, exchange programs, and youth activities.

NOTE 9 - ENDOWMENT

The Organization has interpreted the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as requiring the preservation of the original gift, as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by NYPMIFA. In accordance with NYPMIFA, the Board of Directors considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the Organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effects of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Organization;
- The investment policies of the Organization; and
- When appropriate, alternatives to spending from donor-restricted endowment funds and the possible effects on the Organization.

Annual spending from the endowment funds is described in Note 4.

American Committee for the Weizmann Institute of Science, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

As of and for the three-months ended September 30, 2024

Changes in endowment funds for the three-months ended September 30, 2024 are as follows (000's omitted):

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the period	\$ 95,749	\$ 730,033	\$ 825,782
Investment return, net	5,902	42,146	48,048
Designations/contributions	1	192	193
Appropriation for expenditure	(925)	(7,242)	(8,167)
Endowment net assets, end of period	<u>\$ 100,727</u>	<u>\$ 765,129</u>	<u>\$ 865,856</u>

NOTE 10 - NATURAL CLASSIFICATION OF EXPENSES

The Organization's program expense include Program Services in support of the Institute. The Organization's support expenses consist of the following categories: Management and General, Fundraising and Public Information. The Organization's expenses for the three-months ended September 30, 2024 comparative totals are follows (000's omitted):

	Program Services	Management and General	Fundraising	Public Information	Total Expenses
Transmissions to the Weizmann Institute of Science	\$ 21,387	\$ -	\$ -	\$ -	\$ 21,387
Science program	700	-	360	-	1,060
Salaries and benefits	514	776	2,760	31	4,081
Professional and consulting fees	95	170	342	117	724
Travel	-	18	188	-	206
Printing, publications, and advertising	13	-	242	17	272
Occupancy costs (including interest of \$77)	-	1	193	-	194
Supplies and services	-	3	9	-	12
Postage and shipping	-	5	6	-	11
Telecommunications	-	6	25	-	31
Equipment rental and maintenance	-	49	76	3	128
Meetings	-	-	82	-	82
Dues, books, subscriptions	-	-	5	1	6
Insurance	-	39	-	-	39
Depreciation and amortization	-	30	87	-	117
Other	-	5	4	-	9
Total expenses	<u>\$ 22,709</u>	<u>\$ 1,102</u>	<u>\$ 4,379</u>	<u>\$ 169</u>	<u>\$ 28,359</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

As of and for the three-months ended September 30, 2024

NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

As of September 30, 2024, financial assets available within one year for general expenditure are as follows (000's omitted):

Cash and cash equivalents	\$ 35,577
Pledges and legacies receivable, net	117,359
Investments	<u>832,945</u>
	985,881
Less:	
Net assets with donor restrictions	(863,930)
Contractual liabilities	<u>(21,673)</u>
Total amounts unavailable due to donor restrictions or law	<u>(885,603)</u>
Total financial assets available for general expenditure within one year	<u>\$ 100,278</u>

The total financial assets available for general expenditure within one year include board designated funds that have the ability to be re-allocated on the basis of board approval.

The Organization regularly monitors liquidity to meet its operating needs and strives to maintain liquid assets of at least \$15 million at all times. The Organization has an arrangement with the Institute, whereby, the Institute covers the shortfall between the Board approved operating budget and unrestricted funds received.

NOTE 12 - SUBSEQUENT EVENTS

The Organization evaluated its September 30, 2024 financial statements for subsequent events through April 8 2025, the date the financial statements were issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.