

Financial Statements Together with  
Report of Independent Certified Public Accountants

**AMERICAN COMMITTEE FOR THE WEIZMANN  
INSTITUTE OF SCIENCE, INC.**

June 30, 2020  
(With Summarized Comparative Totals for June 30, 2019)

# AMERICAN COMMITTEE FOR THE WEIZMANN INSTITUTE OF SCIENCE, INC.

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

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

**Report on the financial statements**

We have audited the accompanying financial statements of the American Committee for the Weizmann Institute of Science, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Committee for the Weizmann Institute of Science, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other matters**

*Report on 2019 summarized comparative information*

We have previously audited the Organization's 2019 financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 20, 2019. In our opinion, the accompanying summarized comparative information as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Grant Thornton LLP*

New York, New York  
December 23, 2020

**AMERICAN COMMITTEE FOR THE WEIZMANN  
INSTITUTE OF SCIENCE, INC.**  
**Statements of Financial Position**  
**As of June 30, 2020 and 2019**  
**(000's omitted)**

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	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 20,546	\$ 19,801
Pledges and legacies receivable, net (Note 3)	121,456	117,098
Other assets	1,908	1,551
Investments (Note 4)	637,207	628,133
Office condominium, furniture and equipment, net (Note 5)	<u>6,408</u>	<u>6,638</u>
Total assets	<u>\$ 787,525</u>	<u>\$ 773,221</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accrued expenses and other liabilities	\$ 4,288	\$ 4,657
Due to affiliate (Note 4)	3,673	3,637
Annuity payment liability (Note 2)	6,896	7,807
Loan payable, net (Note 7)	<u>8,434</u>	<u>8,422</u>
Total liabilities	<u>23,291</u>	<u>24,523</u>
<b>NET ASSETS</b>		
Net assets without donor restrictions	46,831	43,878
Net assets with donor restrictions	<u>717,403</u>	<u>704,820</u>
Total net assets	<u>764,234</u>	<u>748,698</u>
Total liabilities and net assets	<u>\$ 787,525</u>	<u>\$ 773,221</u>

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

# AMERICAN COMMITTEE FOR THE WEIZMANN INSTITUTE OF SCIENCE, INC.

## Statement of Activities

For the year ended June 30, 2020, with summarized comparative totals for 2019  
(000's omitted)

	2020			2019 Total	
	Without Donor Restrictions	With Donor Restrictions			
		Non-Endowment	Endowment	Total	
<b>REVENUES</b>					
Contributions, exclusive of \$2,168 and \$5,892 in 2020 and 2019, respectively, sent directly to the Weizmann Institute of Science from U.S. donors, net of special events expenses of \$631 and \$441 in 2020 and 2019, respectively	\$ 2,061	\$ 25,430	\$ 9,441	\$ 36,932	\$ 37,778
Legacies and bequests, exclusive of \$943 and \$12 in 2020 and 2019, respectively, sent directly to the Weizmann Institute of Science from U.S. donors	6,408	9,655	28,018	44,081	19,937
Government and other grants, exclusive of \$10,248 and \$10,607 in 2020 and 2019, respectively, sent directly to the Weizmann Institute of Science from U.S. donors	-	200	-	200	200
Funding from the Institute	13,143	-	-	13,143	10,591
Investment income	522	2,996	-	3,518	3,771
State of Israel incentive interest	-	2,844	-	2,844	2,844
Net realized and unrealized gain on investments	(273)	4,160	-	3,887	19,542
Net assets released from restrictions	70,159	(70,159)	-	-	-
<b>Total revenues</b>	<b>92,020</b>	<b>(24,874)</b>	<b>37,459</b>	<b>104,605</b>	<b>94,663</b>
<b>EXPENSES</b>					
Program services in support of the Weizmann Institute of Science (including transmissions to the Institute of \$72,899 and \$73,350 in 2020 and 2019, respectively)	74,669	-	-	74,669	75,178
Supporting services:					
Management and general	3,227	-	-	3,227	3,145
Fundraising	10,711	-	-	10,711	10,289
Public information	462	-	-	462	689
<b>Total expenses</b>	<b>89,069</b>	<b>-</b>	<b>-</b>	<b>89,069</b>	<b>89,301</b>
Change in net assets	2,951	(24,874)	37,459	15,536	5,362
Net assets, beginning of year	43,878	199,984	504,836	748,698	743,336
Net assets, end of year	\$ 46,829	\$ 175,110	\$ 542,295	\$ 764,234	\$ 748,698

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

**AMERICAN COMMITTEE FOR THE WEIZMANN  
INSTITUTE OF SCIENCE, INC.**

**Statements of Cash Flows**

For the years ended June 30, 2020 and 2019

(000's omitted)

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 15,536	\$ 5,362
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	370	396
Donated securities	(6,041)	(2,267)
Change in discount and allowance on pledges and legacies receivable	(4,256)	1,152
Net realized and unrealized gain on investments	(3,887)	(19,542)
Endowment contributions, legacies, and bequests	37,459	8,161
Changes in assets and liabilities:		
Pledges and legacies receivable	2,333	2,135
Other assets	(357)	(260)
Accrued expenses and other liabilities	(369)	621
Due to affiliate	36	70
Annuity payment liability	(911)	(1,795)
Net cash provided by (used in) operating activities	<u>39,913</u>	<u>(5,967)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	(128)	(42)
Proceeds from sale of investments	44,787	51,376
Purchases of investments	<u>(43,933)</u>	<u>(40,540)</u>
Net cash provided by investing activities	<u>726</u>	<u>10,794</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment on principal of loans payable	-	(311)
Endowment contributions, legacies, and bequests	(37,459)	(8,161)
Change in endowment pledges and legacies receivable	<u>(2,435)</u>	<u>5,328</u>
Net cash used in financing activities	<u>(39,894)</u>	<u>(3,144)</u>
Net increase in cash	745	1,683
Cash, beginning of year	<u>19,801</u>	<u>18,118</u>
Cash, end of year	<u>\$ 20,546</u>	<u>\$ 19,801</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 299</u>	<u>\$ 347</u>

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

# AMERICAN COMMITTEE FOR THE WEIZMANN INSTITUTE OF SCIENCE, INC.

## Notes to Financial Statements

June 30, 2020

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### 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.

### 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 (“US GAAP”).

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.

#### Comparative Totals

The 2020 financial statements are presented with prior year summarized comparative information. With respect to the statement of activities, such information is presented in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Organization’s financial statements as of and for the year ended June 30, 2019, from which the summarized information was derived.

#### Use of Estimates

The preparation of financial statements in conformity with US 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 statements of financial position.



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**Notes to Financial Statements**  
**June 30, 2020**

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**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.

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% in 2020 and from 1.2% to 7.1% in 2019. 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 June 30, 2020 and 2019, the Organization’s annuity payment liabilities were classified as Level 3 within the fair value hierarchy (see Note 4).

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Notes to Financial Statements  
June 30, 2020

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The following table summarizes the changes in the Organization’s Level 3 annuity payment liability balances for the years ended June 30, 2020 and 2019 (000’s omitted):

	<u>Charitable Gift Annuities</u>
<b>Balance at June 30, 2018</b>	\$ 9,602
New agreements	667
Payments to annuitants	(1,052)
Terminated agreements	(2,096)
Change in fair value of annuities payable	<u>686</u>
<b>Balance at June 30, 2019</b>	7,807
New agreements	376
Payments to annuitants	(947)
Terminated agreements	(926)
Change in fair value of annuities payable	<u>586</u>
<b>Balance at June 30, 2020</b>	<u>\$ 6,896</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.

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 ten 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.

# AMERICAN COMMITTEE FOR THE WEIZMANN INSTITUTE OF SCIENCE, INC.

## Notes to Financial Statements

June 30, 2020

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### Transmissions

All transmissions made to the Institute for its various projects are made pursuant to authorization by the Executive Committee of the Board of Directors of the Organization. At June 30, 2020 and 2019, the Organization had a liability of approximately \$991,000 and \$766,000, respectively, for amounts authorized before year end that were transferred to the Institute after year end. This amount is included in accrued expenses and other liabilities in the accompanying statements of financial position.

### Funding from the Institute

The Institute agreed to assist the Organization with certain operating costs. For the years ended June 30, 2020 and 2019, the Organization received support of approximately \$13,143,000 and \$10,591,000, respectively, 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.

### New Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statements of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset.

In June 2020, the FASB issued ASU No. 2020-05, Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842), which deferred the effective dates of ASU 2014-09 and ASU 2016-02. The guidance permits eligible entities to defer the adoption of Topic 606 until the period beginning after December 15, 2019 (i.e., the Organization's fiscal year 2021) and Topic 842 until the period beginning after December 15, 2021 (i.e., the Organization's fiscal year 2023). The Organization has elected to defer the implementation of Topic 606 and Topic 842 and is currently evaluating the new guidance and has not

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Notes to Financial Statements  
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determined the impact this standard may have on the financial statements nor decided upon the method of adoption.

**3. PLEDGES AND LEGACIES RECEIVABLE, NET**

At June 30, 2020 and 2019, pledges and legacies receivable consisted of the following (000's omitted):

<u>Amount Due</u>	<u>2020</u>	<u>2019</u>
Within one year	\$ 21,525	\$ 20,610
One to five years	39,944	37,720
More than five years	<u>92,682</u>	<u>97,381</u>
	154,151	155,711
Less:		
Allowance for uncollectible receivables	(11,941)	(14,079)
Discount to present value	<u>(20,754)</u>	<u>(24,534)</u>
	<u>\$ 121,456</u>	<u>\$ 117,098</u>

The Organization is the ultimate beneficiary of certain irrevocable charitable remainder trusts. The value of those trusts is approximately \$8,463,000 and \$8,484,000 as of June 30, 2020 and 2019, respectively, and is included above in gross receivables.

At June 30, 2020 and 2019, the Organization's beneficial interests in its irrevocable charitable remainder trusts were classified as Level 3 within the fair value hierarchy.

The following table summarizes the changes in the Organization's Level 3 irrevocable charitable remainder trusts - which are contained in the pledges and legacies receivable, net balance - for the years ended June 30, 2020 and 2019 (000's omitted):

	<u>Trusts</u>
<b>Balance at June 30, 2018</b>	\$ 8,516
Terminated agreements	-
Unrealized depreciation in fair value	<u>(32)</u>
<b>Balance at June 30, 2019</b>	8,484
Terminated agreements	-
Unrealized depreciation in fair value	<u>(21)</u>
<b>Balance at June 30, 2020</b>	<u>\$ 8,463</u>

**AMERICAN COMMITTEE FOR THE WEIZMANN  
INSTITUTE OF SCIENCE, INC.**  
**Notes to Financial Statements**  
**June 30, 2020**

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Approximately 28% and 30% of the pledges and legacies receivable (gross) are due from three donors at June 30, 2020 and from three donors at June 30, 2019, respectively.

**4. INVESTMENTS**

Investments, at fair value, are composed of the following at June 30, 2020 and 2019 (000's omitted):

	<u>2020</u>	<u>2019</u>
Money market funds	\$ 102	\$ 129
Fixed income	995	1,386
Mutual funds	1,769	1,614
Fund of funds that invest in equity	6,979	8,714
Fund of funds that invest in bonds	3,128	2,983
Weizmann Global Endowment Fund, L.P.	620,653	600,427
Non-trading common stock	3,373	3,373
Other	208	219
Cash held for investment	-	9,288
	<u>\$ 637,207</u>	<u>\$ 628,133</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 US GAAP for fair value measurement, the 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.

**AMERICAN COMMITTEE FOR THE WEIZMANN  
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**Notes to Financial Statements**

June 30, 2020

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 June 30, 2020 and 2019 (000's omitted):

	<b>2020</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 102	\$ -	\$ -	\$ 102
Fixed income	-	995	-	995
Mutual funds	1,769	-	-	1,769
Non-trading common stock	-	-	3,373	3,373
Other	-	-	208	208
	<u>\$ 1,871</u>	<u>\$ 995</u>	<u>\$ 3,581</u>	<u>6,447</u>
Investments measured at NAV				<u>630,760</u>
Total investments				<u>\$ 637,207</u>

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	2019			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 129	\$ -	\$ -	\$ 129
Fixed income	-	1,386	-	1,386
Mutual funds	1,614	-	-	1,614
Non-trading common stock	-	-	3,373	3,373
Other	-	-	219	219
	<u>\$ 1,743</u>	<u>\$ 1,386</u>	<u>\$ 3,592</u>	<u>6,721</u>
Investments measured at NAV				612,124
Cash held for investment				<u>9,288</u>
Total investments				<u>\$ 628,133</u>

As required by US GAAP for fair value measurement, the following table summarizes the changes in fair values associated with Level 3 assets as of June 30, 2020 and 2019 (000's omitted):

<b>Balance as of June 30, 2018</b>	\$ 3,888
Purchases	-
Sales	<u>(296)</u>
<b>Balance as of June 30, 2019</b>	3,592
Purchases	-
Sales	<u>(11)</u>
<b>Balance as of June 30, 2020</b>	<u>\$ 3,581</u>

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.

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**Notes to Financial Statements**  
**June 30, 2020**

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Investments valued at NAV or its equivalent as of June 30, 2020, consisted of the following (000's omitted):

<b>Investment Description</b>	<b>Strategy</b>	<b># of Funds</b>	<b>NAV in Funds</b>	<b>Redemption Restrictions/ Liquidity Provisions</b>
Weizmann Global Endowment Fund, L.P.	Long-term capital growth through investments in a diversified portfolio	1	\$ 620,653	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	15	6,979	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	3,128	Redemptions permitted daily

Investments valued at NAV or its equivalent as of June 30, 2019, consisted of the following (000's omitted):

<b>Investment Description</b>	<b>Strategy</b>	<b># of Funds</b>	<b>NAV in Funds</b>	<b>Redemption Restrictions/ Liquidity Provisions</b>
Weizmann Global Endowment Fund, L.P.	Long-term capital growth through investments in a diversified portfolio	1	\$ 600,427	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	8,714	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	4	2,983	Redemptions permitted daily

The above funds have no unfunded commitments as of June 30, 2020 and 2019.

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 subadvisers) employing a variety of strategies.



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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 \$1,606,000 and \$1,387,000 of the Organization's share of related expenses (including the Fund's operating expenses, subadvisor and custodian fees and taxes) for the years ended June 30, 2020 and 2019, respectively.

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 4.8% and 5% of the fair value of the endowed funds with donor restrictions on the average of the twelve quarters ended June 30, 2020 and 2019, respectively, for distribution to fund expenditures in accordance with donor restrictions. 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 \$3,700,000 and \$3,600,000 for June 30, 2020 and 2019, respectively, which are reported as due to affiliate in the statements of financial position, as well as amounts associated with charitable gift annuities of approximately \$11,300,000 and \$13,200,000 as of June 30, 2020 and 2019, respectively. 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.

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**5. OFFICE CONDOMINIUM, FURNITURE AND EQUIPMENT, NET**

Office condominium, furniture, and equipment, net consisted of the following at June 30, 2019 and 2018 (000's omitted):

	<u>2020</u>	<u>2019</u>
Office condominium	\$ 9,596	\$ 9,596
Furniture and equipment	<u>1,858</u>	<u>1,786</u>
	11,454	11,382
Less: Accumulated depreciation	<u>(5,161)</u>	<u>(4,859)</u>
	6,293	6,523
Art collection	<u>115</u>	<u>115</u>
	<u>\$ 6,408</u>	<u>\$ 6,638</u>

**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 \$775,000 and \$743,000 for the years ended June 30, 2020 and 2019, respectively, 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 \$267,000 and \$240,000 as of June 30, 2020 and 2019, respectively, and are included in investments and accrued expenses and other liabilities in the accompanying statements of financial position. There were no costs charged to operations related to these agreements for the years ended June 30, 2020 and 2019.

**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 20<sup>th</sup> floor at 633 Third Avenue, New York, New York, as well as to finance certain issuance costs.

The 2004 Series A and B bonds were paid off with the proceeds of the 2015 bonds ("Bonds"), issued on October 29, 2015. The Bonds were issued to take advantage of the significantly lower interest rates offered by the New York City Industrial Agency. In the process of refinancing the 2004 bonds, the Organization incurred \$400,000 in expenses that were financed through the issuance of a \$400,000 note payable ("Note") which was paid off during fiscal 2019.

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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 commencing on November 1, 2023, and the final payment is due on November 1, 2034.

Interest on the Note was payable monthly at an annual rate of 3.840%. The Note was subject to mandatory redemption by the Organization according to a schedule of annual sinking fund installments commencing on December 1, 2015, and the final payment was due on November 1, 2034.

Interest expense for the years ended June 30, 2020 and 2019 totaled \$299,000 and \$347,000 per annum, respectively.

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):

<b><u>Year Ending June 30,</u></b>	<b><u>Amount</u></b>
2021	\$ -
2022	-
2023	-
2024	745
2025	735
Thereafter	<u>7,350</u>
	<u>\$ 8,830</u>

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**8. COMMITMENTS AND CONTINGENCIES**

The minimum future annual commitments under operating leases at June 30, 2020 are summarized as follows (000's omitted):

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 163
2022	107
2023	110
2024	59
2025	9
Thereafter	<u>-</u>
	<u>\$ 448</u>

Rent expense for the years ended June 30, 2020 and 2019 amounted to approximately \$264,000 and \$292,000, respectively.

The impact of the COVID-19 pandemic, of which the effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The extent of the impact of COVID-19 on ACWIS' operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, which at present cannot be determined. Accordingly, the extent to which COVID-19 may impact ACWIS's statement of financial position, operations, changes in net assets and cash flows is uncertain.

**9. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes at June 30, 2020 and 2019 (000's omitted):

	<u>2020</u>	<u>2019</u>
Purpose restrictions	\$ 692,239	\$ 680,609
Time restrictions	<u>25,166</u>	<u>24,211</u>
	<u>\$ 717,405</u>	<u>\$ 704,820</u>

The purpose-restricted net assets referred to above at June 30, 2020 and 2019 are available principally for scientific research projects, professorial chairs, scholarships and fellowships, exchange programs, and youth activities.

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**10. 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.

Endowment net asset, which include funds in both net assets with donor restrictions - endowment and nets assets with donor restrictions - non-endowment. Composition by type of fund as of June 30, 2020 and 2019 follows (000’s omitted):

Endowment Net Asset Composition by Type of Fund as of June 30, 2020	With Donor Restrictions Non-Endowment	With Donor Restrictions Endowment	Total
Donor-restricted endowment funds	\$ 86,094	\$ 542,295	\$ 628,389
Endowment Net Asset Composition by Type of Fund as of June 30, 2019	With Donor Restrictions Non-Endowment	With Donor Restrictions Endowment	Total
Donor-restricted endowment funds	\$ 105,643	\$ 504,836	\$ 610,479

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Changes in endowment net assets for fiscal years 2020 and 2019 are as follows (000's omitted):

	<b>2020</b>		
	<b>With Donor Restrictions Non-Endowment</b>	<b>With Donor Restrictions Endowment</b>	<b>Total</b>
	<u>Non-Endowment</u>	<u>Endowment</u>	<u>Total</u>
<b>Endowment net assets, beginning of the year</b>	\$ 105,643	\$ 504,836	\$ 610,479
Contributions and bequests	-	37,459	37,459
Appropriation of endowment assets for expenditure	(26,698)	-	(26,698)
Interest and dividends	2,983	-	2,983
Net realized and unrealized gains	4,166	-	4,166
<b>Endowment net assets, end of year</b>	<u>\$ 86,094</u>	<u>\$ 542,295</u>	<u>\$ 628,389</u>
	<b>2019</b>		
	<b>With Donor Restrictions Non-Endowment</b>	<b>With Donor Restrictions Endowment</b>	<b>Total</b>
	<u>Non-Endowment</u>	<u>Endowment</u>	<u>Total</u>
<b>Endowment net assets, beginning of the year</b>	\$ 112,859	\$ 496,675	\$ 609,534
Contributions and bequests	-	8,161	8,161
Appropriation of endowment assets for expenditure	(26,481)	-	(26,481)
Interest and dividends	3,144	-	3,144
Net realized and unrealized gains	16,121	-	16,121
<b>Endowment net assets, end of year</b>	<u>\$ 105,643</u>	<u>\$ 504,836</u>	<u>\$ 610,479</u>

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**11. NATURAL CLASSIFICATION OF EXPENSES**

Expenses attributable to more than one program or supporting service are allocated based on the driver of employee headcount. 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 year ended June 30, 2020, with 2019 comparative totals are follows (000's omitted):

	2020				Total Expenses
	Program Services	Management and General	Fundraising	Public Information	
Transmissions to the Weizmann Institute of Science	\$ 72,899	\$ -	\$ -	\$ -	\$ 72,899
Science programs	126	-	144	-	270
Salaries and benefits	1,284	2,318	7,588	186	11,376
Professional and consulting fees	55	199	893	70	1,217
Travel	-	13	157	3	173
Printing, publications, and advertising	301	-	420	113	834
Occupancy cost (including interest of \$299)	-	211	630	57	898
Supplies and services	-	30	48	4	82
Postage and shipping	-	15	27	5	47
Telecommunications	-	21	69	5	95
Equipment rental and maintenance	-	142	260	6	408
Meetings	-	1	141	-	142
Dues, books, subscription	-	6	13	12	31
Insurance	-	159	-	-	159
Depreciation	-	96	274	-	370
Other	4	16	47	1	68
	<u>\$ 74,669</u>	<u>\$ 3,227</u>	<u>\$ 10,711</u>	<u>\$ 462</u>	<u>\$ 89,069</u>
Total expenses					

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	2019				
	Program Services	Management and General	Fundraising	Public Information	Total
Transmissions to the Weizmann Institute of Science	\$ 73,350	\$ -	\$ -	\$ -	\$ 73,350
Science programs	117	-	87	-	204
Salaries and benefits	1,249	2,241	7,079	176	10,745
Professional and consulting fees	105	168	680	200	1,153
Travel	-	21	264	11	296
Printing, publications and advertising	353	-	384	190	927
Occupancy cost (including interest of \$302)	-	243	709	62	1,014
Supplies and services	-	38	38	5	81
Postage and shipping	-	18	33	6	57
Telecommunications	-	23	73	5	101
Equipment rental and maintenance	-	130	241	5	376
Meetings	-	-	347	-	347
Dues, books and subscriptions	-	3	13	24	40
Insurance	-	146	-	-	146
Depreciation	-	102	294	-	396
Other	4	12	47	5	68
	<u>4</u>	<u>12</u>	<u>47</u>	<u>5</u>	<u>68</u>
Total expenses	<u>\$ 75,178</u>	<u>\$ 3,145</u>	<u>\$ 10,289</u>	<u>\$ 689</u>	<u>\$ 89,301</u>



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**12. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

As of June 30, 2020 and June 30 2019, financial assets available within one year for general expenditure are as follows (000's omitted):

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 20,546	\$ 19,801
Pledges and legacies receivable, net	121,456	117,098
Investments	<u>637,207</u>	<u>628,133</u>
	<u>779,209</u>	<u>765,032</u>
Less:		
Net assets with donor restrictions	717,405	704,820
Contractual liabilities	<u>23,291</u>	<u>24,523</u>
Total amounts unavailable due to donor restrictions or law	<u>740,696</u>	<u>729,343</u>
 Total financial assets available for general expenditure within one year	 <u>\$ 38,513</u>	 <u>\$ 35,689</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 \$10M 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.

**13. SUBSEQUENT EVENTS**

The Organization evaluated its June 30, 2020 financial statements for subsequent events through December 23, 2020, 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.