

Financial Statements and Report of
Independent Certified Public
Accountants

American Jewish World Service, Inc.

For the year ended April 30, 2025, with
summarized comparative information for the year
ended April 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 Trustees of
American Jewish World Service, Inc.

Report on the financial statements**Opinion**

We have audited the financial statements of American Jewish World Service, Inc. ("AJWS"), which comprise the statement of financial position as of April 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 AJWS as of April 30, 2025, 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.

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 AJWS and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the 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 AJWS'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 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 AJWS'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 AJWS'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.

Report on 2024 summarized comparative information

We have previously audited AJWS's 2024 financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 30, 2024. In our opinion, the accompanying summarized comparative information as of and for the year ended April 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Grant Thornton LLP

New York, New York
September 26, 2025

American Jewish World Service, Inc.

STATEMENT OF FINANCIAL POSITION

As of April 30, 2025, with summarized comparative information as of April 30, 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 15,530,471	\$ 22,059,551
Contributions receivable, net	12,194,693	7,704,457
Investments	42,216,221	39,102,380
Prepaid expenses and other assets	1,157,141	826,753
Right-of-use assets for operating leases	7,225,992	8,132,244
Property and equipment, net	528,217	646,608
	<hr/>	<hr/>
Total assets	\$ 78,852,735	\$ 78,471,993
	<hr/>	<hr/>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 964,315	\$ 1,900,155
Grants payable	3,537,267	4,305,631
Lease liability for operating leases	8,294,397	9,227,718
Unearned revenue	250	37,322
Charitable gift annuity obligations	313,591	354,634
	<hr/>	<hr/>
Total liabilities	13,109,820	15,825,460
	<hr/>	<hr/>
Net assets		
Without donor restrictions		
Undesignated	15,482,779	16,830,891
Designated for donor-advised fund	619,727	1,844,428
Board-designated for reserve fund	25,562,887	23,656,092
Board-designated for working capital fund	4,903,953	4,599,979
	<hr/>	<hr/>
Total without donor restrictions	46,569,346	46,931,390
	<hr/>	<hr/>
With donor restrictions	19,173,569	15,715,143
	<hr/>	<hr/>
Total net assets	65,742,915	62,646,533
	<hr/>	<hr/>
Total liabilities and net assets	\$ 78,852,735	\$ 78,471,993
	<hr/>	<hr/>

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

American Jewish World Service, Inc.

STATEMENT OF ACTIVITIES

For the year ended April 30, 2025, with summarized comparative information for the year ended April 30, 2024

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and support				
Contributions				
Individuals	\$ 15,370,080	\$ 9,529,641	\$ 24,899,721	\$ 18,319,327
Donor-advised fund	102,061	-	102,061	2,715,000
Bequests	1,173,027	100,000	1,273,027	494,686
Foundations and corporations	364,712	13,635,131	13,999,843	17,157,476
Donated services and goods	380,163	-	380,163	630,943
Government revenue	1,564,091	-	1,564,091	2,027,917
Investment return	2,976,008	37,833	3,013,841	2,743,028
Miscellaneous revenue	775,320	7,689	783,009	751,205
Net assets released from restrictions				
Satisfaction of purpose restrictions	15,100,293	(15,100,293)	-	-
Satisfaction of time restrictions	4,751,575	(4,751,575)	-	-
Total revenues and support	42,557,330	3,458,426	46,015,756	44,839,582
Program services				
Programs	29,412,904	-	29,412,904	32,035,486
Communications	3,159,157	-	3,159,157	4,039,539
Strategic learning, research and evaluation	814,634	-	814,634	1,270,719
Total program services expenses	33,386,695	-	33,386,695	37,345,744
Supporting services				
Management and general	2,599,080	-	2,599,080	2,840,133
Fundraising	6,933,599	-	6,933,599	6,626,421
Total supporting services expenses	9,532,679	-	9,532,679	9,466,554
Total expenses	42,919,374	-	42,919,374	46,812,298
CHANGE IN NET ASSETS	(362,044)	3,458,426	3,096,382	(1,972,716)
Net assets				
Beginning of year	46,931,390	15,715,143	62,646,533	64,619,249
End of year	<u>\$ 46,569,346</u>	<u>\$ 19,173,569</u>	<u>\$ 65,742,915</u>	<u>\$ 62,646,533</u>

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

American Jewish World Service, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended April 30, 2025, with summarized comparative information for the year ended April 30, 2024

	2025								2024
	Programs	Communications	Strategic Learning, Research and Evaluation	Program Services Total	Management and General	Fundraising	Supporting Services Total	Total	Total
Salaries and benefits	\$ 6,050,895	\$ 1,917,682	\$ 653,208	\$ 8,621,785	\$ 1,681,467	\$ 3,499,345	\$ 5,180,812	\$ 13,802,597	\$ 15,973,787
Program grants (donor-advised)	1,216,874	-	-	1,216,874	-	-	-	1,216,874	1,487,443
Program grants (non donor-advised)	17,632,688	-	-	17,632,688	-	-	-	17,632,688	18,194,884
Professional services	2,011,117	422,369	64,928	2,498,414	447,994	1,442,224	1,890,218	4,388,632	5,097,551
Conferences, meetings and travel	762,834	62,532	23,940	849,306	69,557	131,893	201,450	1,050,756	1,192,645
Occupancy	792,619	141,239	36,410	970,268	144,840	271,941	416,781	1,387,049	1,542,428
Telecommunications and systems applications	431,276	119,243	18,390	568,909	73,951	241,411	315,362	884,271	720,183
Printing and publications	6,066	24,582	114	30,762	7,349	500,331	507,680	538,442	546,462
Office supplies and other office expenses	93,291	16,442	3,966	113,699	18,646	48,277	66,923	180,622	176,499
Insurance	79,459	14,159	3,650	97,268	14,520	27,262	41,782	139,050	153,873
Postage	2,220	3,390	82	5,692	3,149	192,236	195,385	201,077	205,573
Dues and subscriptions	42,982	8,904	2,554	54,440	9,257	23,067	32,324	86,764	106,799
Advertising and promotion	43,596	400,149	131	443,876	4,359	190,828	195,187	639,063	616,206
Provision for uncollectible accounts	-	-	-	-	-	181,536	181,536	181,536	39,670
Depreciation and amortization	113,113	20,156	5,196	138,465	20,670	38,808	59,478	197,943	232,965
Other fees	128,004	6,866	1,717	136,587	99,341	110,133	209,474	346,061	468,226
Miscellaneous	5,870	1,444	348	7,662	3,980	34,307	38,287	45,949	57,104
Total	<u>\$ 29,412,904</u>	<u>\$ 3,159,157</u>	<u>\$ 814,634</u>	<u>\$ 33,386,695</u>	<u>\$ 2,599,080</u>	<u>\$ 6,933,599</u>	<u>\$ 9,532,679</u>	<u>\$ 42,919,374</u>	<u>\$ 46,812,298</u>

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

American Jewish World Service, Inc.

STATEMENT OF CASH FLOWS

For the year ended April 30, 2025, with summarized comparative information for the year ended April 30, 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 3,096,382	\$ (1,972,716)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in present value discount of contributions receivable	243,910	(16,888)
Change in allowance for doubtful accounts	176,536	39,670
Amortization of right-of-use assets for operating leases	906,252	1,030,043
Depreciation and amortization	197,943	232,965
Net realized and unrealized gains on investments	(2,180,806)	(1,980,207)
Actuarial loss on charitable gift annuity obligation	30,244	33,750
Loss on disposal of fixed assets	7,305	1,987
Changes in operating assets and liabilities:		
(Increase) decrease in contributions receivable	(4,910,682)	3,528,381
(Increase) decrease in prepaid expenses and other assets	(330,388)	92,457
(Decrease) increase in accounts payable and accrued expenses	(935,840)	895,285
Decrease in grants payable	(768,364)	(690,586)
Decrease in lease liability for operating leases	(933,321)	(1,033,836)
(Decrease) increase in unearned revenue	(37,072)	36,875
Net cash (used in) provided by operating activities	<u>(5,437,901)</u>	<u>197,180</u>
Cash flows from investing activities:		
Purchases of property and equipment	(86,857)	(21,836)
Purchases of investments	(36,638,741)	(34,602,302)
Proceeds from sales of investments	<u>35,705,706</u>	<u>32,605,248</u>
Net cash used in investing activities	<u>(1,019,892)</u>	<u>(2,018,890)</u>
Cash flows from financing activities:		
Payment on obligations under charitable gift annuity obligation	<u>(71,287)</u>	<u>(48,241)</u>
Net cash used in financing activities	<u>(71,287)</u>	<u>(48,241)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(6,529,080)</u>	<u>(1,869,951)</u>
Cash and cash equivalents at beginning of year	<u>22,059,551</u>	<u>23,929,502</u>
Cash and cash equivalents at end of year	<u><u>\$ 15,530,471</u></u>	<u><u>\$ 22,059,551</u></u>

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

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS

**For the year ended April 30, 2025,
with summarized comparative information for the year ended April 30, 2024**

NOTE 1 - ORGANIZATION

American Jewish World Service, Inc. ("AJWS"), a not-for-profit organization incorporated under the laws of the State of New York, is the leading Jewish organization working to fight poverty and realize human rights in Africa, Asia, Latin America and the Caribbean. By supporting hundreds of social change organizations, AJWS responds to the most pressing issues of our time – from disasters, genocide and hunger, to the persecution of women and minorities worldwide. AJWS's international grantmaking and U.S. advocacy focus on four central issues that we believe are key to securing human rights and ending poverty: advancing sexual health and rights; promoting civil and political rights; defending land, water and climate rights; and aiding communities in the aftermath of disasters. AJWS pursues lasting change by mobilizing supporters in the United States to support grassroots and global human rights organizations and advocate for global justice. With Jewish values and a global reach, AJWS is making a difference in millions of lives and bringing a more just and equitable world closer for all.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("US GAAP").

Net Asset Classification

AJWS classifies its net assets in the following categories:

Net Assets Without Donor Restrictions

Net assets without donor restrictions include funds that have not been restricted by an outside donor and are, therefore, available for use in carrying out the general operations of AJWS. Net assets without donor restrictions may be designated for specific purposes by actions of the Board of Trustees (Note 9).

Net Assets With Donor Restrictions

Net assets with donor restrictions include funds that have been restricted by donor-imposed stipulations and either expire with the passage of time or can be fulfilled and removed by actions of AJWS pursuant to stipulations (see Note 7). When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net asset released from restrictions.

Net assets with donor restrictions also include donor-imposed restrictions that stipulate that resources be maintained in perpetuity but permit AJWS to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes (Note 14).

Cash and Cash Equivalents

AJWS maintains cash in bank accounts which, at times, may exceed federally insured limits. AJWS has not experienced any losses in such accounts.

For the purpose of the statement of cash flows, AJWS considers highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**For the year ended April 30, 2025,
with summarized comparative information for the year ended April 30, 2024**

Investments

Investments are stated at fair value in the accompanying statement of financial position. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized gains and losses on sale of investments are calculated on the basis of specific identification of the securities sold and included within investment return in the accompanying statement of activities. Purchases and sales of investments are recorded on a trade-date basis.

Property and Equipment

AJWS's policy for capitalization of property and equipment is limited to purchases of \$1,000 or more. Property and equipment (consisting of leasehold improvements, furniture and office equipment and website) are recorded at cost, if purchased, or, if donated, at fair value at the date of donation. Depreciation and amortization are recorded using the straight-line method over the lesser of the estimated useful lives of the assets or lease term.

Revenue Recognition

AJWS recognizes revenue from contributions in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-605. In accordance with ASC 958-605, AJWS 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 an exchange transaction, AJWS applies guidance under FASB ASC 606, *Revenue from Contracts with Customers*. If the transfer of assets is determined to be a contribution, AJWS evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before AJWS is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

AJWS reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Unconditional promises due in less than one year are recorded at their net realizable value. Unconditional promises to give due in one year or more are recorded at the present value of their net realizable value, using a discount rate, which also considers the credit risk factors of the donor at the time the promise is received. Amortization of the discount is offset against contributions revenue. An allowance for doubtful contributions received is provided by management based upon AJWS's experience with the donors and their ability to pay.

AJWS receives certain contributed services and materials that meet the criteria established by ASC 958 for recognition as contributions (Note 13).

Expenses

The costs of providing program services and supporting services have been allocated among functional categories depending upon the ultimate purpose of the expense. Functional expenses that are not exclusively attributable to program services or supporting services have been allocated by management among the program and supporting services benefited based on time and effort.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

For the year ended April 30, 2025,
with summarized comparative information for the year ended April 30, 2024

Grants are recorded as an expense and a payable when grants are approved and communicated to the grantees.

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

Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional classification. 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 AJWS's financial statements for the year ended April 30, 2024, from which the summarized information was derived.

Fair Value Measurement

AJWS applies FASB ASC 820, *Fair Value Measurements*, which provides a framework for measuring fair value under US GAAP. ASC 820 applies to all financial instruments measured and reported on a fair value basis.

As defined in ASC 820, fair value is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, AJWS uses various methods, including market price, income and cost approaches. Based on these approaches, AJWS often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. AJWS utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, AJWS is required to provide the following information according to the fair value hierarchy, which assess the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

- Level 1 - Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 - Observable inputs other than Level 1, including quoted prices for similar assets or liabilities quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or that can be derived principally from or corroborated by observable market data.
- Level 3 - Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

For the years ended April 30, 2025 and 2024, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is based on quoted market prices, when available, or bid or evaluation prices provided by recognized broker-dealers.

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**For the year ended April 30, 2025,
with summarized comparative information for the year ended April 30, 2024**

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. AJWS's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

Income Taxes

AJWS 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.

AJWS is exempt from federal income tax under Internal Revenue Code (the "Code") 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 Code. AJWS has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated business 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. AJWS has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. In addition, AJWS has not recorded a provision for income taxes as it has no material tax liability from unrelated business income activities.

Leases

AJWS determines if an arrangement contains a lease at inception based on whether there is an identified asset and whether AJWS controls the use of the identified asset throughout the period of use. AJWS classifies leases as either financing or operating. ROU assets are recognized at the lease commencement date and represent AJWS's right to use an underlying asset for the lease term and lease liabilities represent AJWS's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments are discounted based on the risk-free rate.

AJWS's lease ROU assets are measured based on the corresponding operating lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred and (iii) lease incentives under the lease. Options to renew or terminate the lease are recognized as part of ROU assets and lease liabilities when it is reasonably certain the options will be exercised. ROU assets are also assessed for impairment consistent with the long-lived asset guidance.

AJWS does not allocate consideration between lease and non-lease components, such as operating costs, as AJWS has elected to not separate lease and non-lease components for any leases within operating classes of assets. Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. Variable lease payments for usage-based fees are not included in the measurement of the ROU assets or lease liabilities and are expensed as incurred.

Subsequent Events

AJWS evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected and/or disclosed in the financial statements. Such evaluation is performed through the date the financial statements are available for issuance, which was September 26, 2025.

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**For the year ended April 30, 2025,
with summarized comparative information for the year ended April 30, 2024**

NOTE 3 - CONTRIBUTIONS AND CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable are expected to be collected as follows:

	2025	2024
Within one year	\$ 7,013,363	\$ 4,860,208
One to five years	5,931,747	3,174,220
	12,945,110	8,034,428
Less: discount to present value at rates ranging from 0.15% to 4.69%	(407,279)	(163,369)
Allowance for uncollectible contributions	(343,138)	(166,602)
	<u>\$ 12,194,693</u>	<u>\$ 7,704,457</u>

A significant portion of AJWS's total revenues and support, excluding donated services and goods, was provided by a single donor during the years ended April 30, 2025 and 2024. These contributions amounted to 20% and 27%, respectively, of total revenues and support when donor-advised funds are included. When donor-advised fund contributions are excluded, such percentages were 20% and 24%, respectively.

A significant portion of AJWS's total gross contributions receivable balances were due from ten donors as of April 30, 2025 and four as of April 30, 2024, which amounted to \$8,549,785 and \$3,239,230, respectively. These contributions represent 66% and 40% of the gross contributions receivable as of April 30, 2024 and 2025, respectively.

In addition to the contributions receivable above, certain donors provided conditional contributions over a period of one to three years, as of April 30, as follows:

	2025	2024
Conditional receivables	<u>\$ 17,069,000</u>	<u>\$ 25,475,000</u>

As of April 30, 2025, AJWS has been awarded \$17,069,000 and 25,475,000 for year ended April 30, 2024, in conditional contributions which have not been recorded on the accompanying 2025 financial statements. These contributions are conditional based on the presence of quantifiable barriers that AJWS must satisfy before being entitled to such amounts and a right of return outlined in each agreement.

These anticipated contributions have not been recognized in the accompanying financial statements, as they do not meet the criteria for recognition of contributions revenue under FASB ASC 958-605.

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**For the year ended April 30, 2025,
with summarized comparative information for the year ended April 30, 2024**

NOTE 4 - INVESTMENTS

Investments, at fair value, consisted of the following as of April 30:

	2025
<u>Description</u>	<u>Level 1</u>
Money market funds	\$ 1,513,715
Fixed income securities	7,667,764
Equity funds	17,469,470
Mutual funds	13,855,075
Exchange-traded funds	1,710,197
	<hr/>
Total	\$ 42,216,221
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	2024
<u>Description</u>	<u>Level 1</u>
Money market funds	\$ 508,000
Fixed income securities	5,180,976
Equity funds	18,671,896
Mutual funds	13,493,724
Exchange-traded funds	1,247,784
	<hr/>
Total	\$ 39,102,380
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Money market funds, equity funds, exchange-traded funds and mutual funds listed on a national securities exchange are stated at the last reported sales, trade or evaluation price on the day of valuation.

Investments in fixed income securities are stated at the last reported sales price on the day of valuation.

The components of investment return, net of expenses follow:

	2025	2024
Interest and dividend income	\$ 1,091,425	\$ 968,272
Realized gains	1,191,784	250,438
Unrealized gains	989,022	1,729,769
Management fees	(258,390)	(205,451)
	<hr/>	<hr/>
	\$ 3,013,841	\$ 2,743,028
	<hr/>	<hr/>

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**For the year ended April 30, 2025,
with summarized comparative information for the year ended April 30, 2024**

NOTE 5 - PROPERTY AND EQUIPMENT, NET

Property and equipment, at cost, consisted of the following as of April 30:

	Depreciation/ Amortization Period	2025	2024
Computer equipment	3-5 years	\$ 222,835	\$ 187,289
Computer software	3-7 years	1,026,687	999,562
Website	4 years	226,400	226,400
Office equipment	5-15 years	304,577	298,417
Office furniture	5-15 years	648,404	714,865
Leasehold improvements	Lesser of useful life or lease term	2,091,049	2,137,201
		4,519,952	4,563,734
Less: accumulated depreciation and amortization		(3,991,735)	(3,917,126)
Property and equipment, net		<u>\$ 528,217</u>	<u>\$ 646,608</u>

Depreciation and amortization expense for the years ended April 30, 2025 and 2024 was \$197,943 and \$232,965, respectively.

NOTE 6 - CHARITABLE GIFT ANNUITY OBLIGATIONS

AJWS has an established gift annuity program, whereby donors may contribute assets to AJWS in exchange for the right to receive a fixed-dollar annual return during their lifetimes. The difference between the amount provided for the gift annuities and the present value of the liabilities for future payments, determined on an actuarial basis, is recognized as a contribution without donor restrictions on the date of the gift and, therefore, is considered a charitable contribution for the respective donor's income tax purposes. Such liabilities are adjusted annually, based on actuarially determined mortality rates and risk-adjusted discount rates. The discount rates used were between 4% to 10.4% in 2025 and 2024. Gains and losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the respective net asset category in the accompanying statement of activities.

AJWS's assets associated with these charitable gift annuity agreements are included in the accompanying statement of financial position as investments and cash and cash equivalents.

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**For the year ended April 30, 2025,
with summarized comparative information for the year ended April 30, 2024**

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

As of April 30, 2025 and 2024, net assets with donor restrictions consisted of and were restricted for the following purposes:

	2025	2024
Programs	\$ 10,627,960	\$ 10,874,584
Time-restricted (for general support)	8,005,670	4,444,286
Family philanthropy funds	380,585	349,609
Donor-restricted endowment (Note 14)	159,354	46,664
	<u>\$ 19,173,569</u>	<u>\$ 15,715,143</u>

Net assets released from restrictions consisted of the following for the years ended April 30, 2025 and 2024:

	2025	2024
Programs	\$ 13,653,279	\$ 19,344,940
Communications	425,000	498,615
Strategic learning, research and evaluation	85,000	97,500
Management and general	510,000	585,000
Fundraising	425,000	487,500
Philanthropy	2,014	1,433
	<u>15,100,293</u>	<u>21,014,998</u>
Time-restricted (for general support)	4,751,268	4,042,980
Permanently restricted endowment	307	218
	<u>4,751,575</u>	<u>4,043,198</u>
	<u>\$ 19,851,868</u>	<u>\$ 25,058,186</u>

NOTE 8 - JOINT COSTS

AJWS invests in materials designed to educate the general public, which often yield individual contributions. These joint costs, incurred for print publications and digital outreach, among other expenses, were allocated as follows for the years ended April 30, 2025 and 2024:

	2025	2024
Programs	\$ 125,928	\$ 155,466
Communications	139,044	168,874
Management and general	9,546	11,834
Fundraising	573,030	713,061
	<u>\$ 847,548</u>	<u>\$ 1,049,235</u>

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**For the year ended April 30, 2025,
with summarized comparative information for the year ended April 30, 2024**

NOTE 9 - BOARD-DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions represent expendable funds that are available for support of AJWS's operations. Net assets without donor restrictions include amounts that the Board designated for a reserve fund and a working capital fund.

The reserve fund is a distinct pool of liquid assets that AJWS can, with Board approval, access to ensure the sustainability of its programs and to pursue opportunities of strategic importance. It was created to cover at least six months of operational and grant expenses, and AJWS may use both the principal and earnings of the reserve fund to mitigate unexpected losses and undesirable financial events.

The working capital fund is to be used to cover expenses, with Board approval, when AJWS anticipates receiving replacement funds later in the same fiscal year. The anticipated replacement funds are expected either based on a pledge due later in the fiscal year and/or from renewal gifts. The working capital fund is different from the reserve fund as the latter may be used only in the case of organizational emergencies or significant organizational opportunities. The total amounts designated by the Board of Trustees for reserve fund and working capital fund were as follows as of April 30, 2025 and 2024:

	2025	2024
Board-designated for reserve fund	\$ 25,562,887	\$ 23,656,092
Board-designated for working capital fund	4,903,953	4,599,979
	<u>\$ 30,466,840</u>	<u>\$ 28,256,071</u>

NOTE 10 - DONOR-ADVISED FUND

AJWS administers a donor-advised fund (the "Fund") within the meaning of Section 4966(d)(2) of the Internal Revenue Code of 1986, for the purpose of facilitating grants to non-U.S. grantee organizations. The Fund is owned and controlled by AJWS, which serves as the "sponsoring organization" of the Fund within the meaning of Code Section 4966(d)(1). The assets of the Fund include the initial gift made upon its creation and any subsequent gifts. The Fund's assets are held as cash or cash equivalents, with any earnings from the investment of the assets of the Fund transferred to AJWS for its own charitable purposes and operations. AJWS makes grants from the Fund based on donor recommendations; however, AJWS has full discretion to accept or reject a grant recommendation.

Revenue for grant purposes for the years ended April 30, 2025 and 2024 was \$102,061 and \$2,715,000, respectively.

Program grants expense from the Fund for the years ended April 30, 2025 and 2024 was \$1,216,874 and \$1,487,443, respectively.

In 2025 and 2024, the donor-advised fund awarded certain conditional grants to various grantee organizations. The remaining portions of these grants are conditional to AJWS's determination of the grantees' proper use of the previously distributed funds as well as sufficient funds being on deposit with AJWS. Conditional grants as of April 30, 2025 and 2024 amounted to approximately \$377,013 and \$225,069, respectively.

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**For the year ended April 30, 2025,
with summarized comparative information for the year ended April 30, 2024**

NOTE 11 - 403(B) PLAN

AJWS established a 403(b) plan, available to all eligible employees who qualify, under Section 401(a) of the Code. AJWS also makes a safe-harbor matching contribution to the plan for each participant who makes salary deferrals to the plan. Employer contributions under the plan for the years ended April 30, 2025 and 2024 were \$372,166 and \$436,799, respectively.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Leases Commitments

AJWS leases its office spaces under several noncancelable operating leases that have various expiring terms, with the latest expiring in June 2032. Rents under these leases are subject to escalations for their share of increases in real estate taxes. AJWS subleased part of its office space under non-cancelable operating leases. Sublease income under leases amounted to approximately \$227,000 and \$153,000 for the years ended April 30, 2025 and 2024, respectively.

Supplemental statement of financial position information related to operating leases on April 30, 2025:

ROU asset, April 30, 2024	\$ 8,132,244
Amortization during the year	<u>(906,252)</u>
ROU asset, April 30, 2025	<u>\$ 7,225,992</u>
Weighted-average remaining lease term (operating leases)	7 years
Weighted-average discount rate	2.98%

Future minimum rent obligations under AJWS's operating leases as of April 30, 2025, are as follows:

<u>Years Ending April 30:</u>	<u>Amount</u>
2026	\$ 1,195,362
2027	1,225,246
2028	1,255,877
2029	1,287,274
2030	1,319,456
Thereafter	<u>2,970,681</u>
Total minimum lease payments	9,253,896
Less: present value discount	<u>(959,499)</u>
Total lease liability for operating leases	<u>\$ 8,294,397</u>

Supplemental statement of financial position information related to operating leases at April 30, 2024:

ROU asset, May 1, 2023	\$ 9,162,287
Amortization during the year	<u>(1,030,043)</u>
ROU asset, April 30, 2024	<u>\$ 8,132,244</u>

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

For the year ended April 30, 2025,
with summarized comparative information for the year ended April 30, 2024

Weighted-average remaining lease term (operating leases)	8 years
Weighted-average discount rate	2.98%

Rental expense under operating leases for the years ended April 30, 2025 and 2024 totaled approximately \$1,176,000 and \$1,329,000, respectively. Cash paid for amounts included in the measurement of lease liabilities was approximately \$1,196,234 for the year ended April 30, 2025.

Other

Various claims and regulatory reviews may arise in the ordinary course of AJWS's activities. Based upon information currently available, management believes that such matters, if any, will not have a material effect on the financial position or operations of AJWS.

NOTE 13 - DONATED SERVICES AND GOODS

In the years ended April 30, 2025 and 2024, AJWS received donations of professional services and commodities, which are recorded in the accompanying financial statements at their approximate fair market values, as follows:

	2025	2024
Donated legal services	\$ 18,886	\$ 280,296
Donated online advertisement service	361,277	334,116
Donated meals and catering	-	16,531
	<u>\$ 380,163</u>	<u>\$ 630,943</u>

Donated legal services comprise professional legal support provided by attorneys. These services are valued and reported at their approximate fair market value, based on current market rates for similar legal services.

Donations of online advertising space support AJWS's digital presence and promote its mission among donors and advocacy audiences. Their fair market value is based on current rates for similar online advertising space.

During 2025 and 2024 AJWS received donated software licenses. The fair market value of these licenses is equivalent to the retail costs we would incur if purchased.

AJWS receives donated meals and catering which comprise of food and venue services received. The fair market value of these goods is equivalent to the retail costs we would incur if purchased.

NOTE 14 - ENDOWMENTS

AJWS is subject to the New York Prudent Management of Institutional Funds Act ("NYPMIFA") and has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. AJWS classifies as net assets with donor restrictions: (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**For the year ended April 30, 2025,
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applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund includes the accumulated unspent earnings on the donor-restricted endowment fund that remains within net assets with donor restrictions until those amounts are appropriated for expenditure by AJWS in a manner consistent with the standard of prudence prescribed by NYPMIFA.

AJWS's endowment includes donor-restricted endowment funds. The Board of Trustees has determined that when AJWS receives a contribution and the donor restricts AJWS from spending the principal, New York law requires AJWS to maintain the original historical dollar value of the contribution received as an endowment. This amount and income from interest and dividends are recorded as net assets with donor restrictions.

AJWS has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that AJWS must hold in perpetuity or for a donor-specified period, as well as Board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that provide a high total return (income and capital gains) over the long term, consistent with the preservation of principal. AJWS expects that earnings growth will match or exceed inflation and that the real (i.e., inflation-adjusted) value of the endowment will be maintained. Actual returns in any given year may vary.

To satisfy its long-term rate-of-return objectives, AJWS 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).

AJWS's Board of Trustees determines the amount of appropriation each year. In establishing this policy, AJWS considered the long-term expected return on its endowment. Accordingly, over the long term, AJWS expects the current spending policy to support the objective of maintaining the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return. There was no spending draw taken from the endowment during the years ended April 30, 2025 or 2024.

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**For the year ended April 30, 2025,
with summarized comparative information for the year ended April 30, 2024**

Changes in endowment net assets for the years ended April 30, 2025 and 2024 are as follows:

Endowment net assets, April 30, 2023	\$ 40,130
Investment return	
Investment income	935
Unrealized and realized gains	<u>5,817</u>
Total investment return	6,752
Investment expenses	
Management fee	<u>(218)</u>
Endowment net assets, April 30, 2024	46,664
Investment return	
Investment income	1,000
Unrealized and realized gains	<u>3,997</u>
Total investment return	4,997
Revenue	
Contributions	108,000
Investment expenses	
Management fee	<u>(307)</u>
Endowment net assets, April 30, 2025	<u>\$ 159,354</u>

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**For the year ended April 30, 2025,
with summarized comparative information for the year ended April 30, 2024**

NOTE 15 - LIQUIDITY AND AVAILABILITY OF RESOURCES

AJWS receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions as well as support without donor restrictions. AJWS regularly monitors the availability of resources required to meet its operating needs and other contractual commitments while also striving to maximize the investment of its available funds. AJWS's financial assets available within one year of April 30, 2025 and 2024 for general expenditures are as follows:

	2025	2024
Cash and cash equivalents	\$ 15,530,471	\$ 22,059,551
Contributions receivable, gross	12,945,110	8,034,428
Investments, at fair value	42,216,221	39,102,380
Other assets	42,436	43,521
	<u>70,734,238</u>	<u>69,239,880</u>
Total financial assets available		
Less		
Contractual, legal or donor-imposed restrictions:		
Amounts subject to Board appropriation		
(Board-designated for reserve fund and		
Board-designated for working capital fund)	30,466,840	28,256,071
Amounts reserved for donor-advised fund	208,216	1,619,359
Amounts reserved for charitable gift annuity obligation	599,423	620,720
Satisfaction of donor restrictions	8,161,553	4,220,082
	<u>39,436,032</u>	<u>34,716,222</u>
Total amounts unavailable for general expenditures within one year		
Total financial assets available within one year to meet general expenditures	<u>\$ 31,298,206</u>	<u>\$ 34,523,658</u>

As part of AJWS's liquidity management, AJWS structures its financial assets to be available as its general operations, liabilities, and other obligations require. To manage its liquidity, AJWS operates within a prudent range of financial soundness and stability and maintains adequate liquid assets to fund near term operating needs and continues to build its reserves to provide reasonable assurance that long-term obligations will be met.

NOTE 16 - SELF-INSURED UNEMPLOYMENT

AJWS is required to provide for unemployment claims for former employees by making payments to a state unemployment insurance program or by self-insurance. Since January 2014, AJWS is self-insured for unemployment claims under a plan monitored by a third-party administrator. Annually, the administrator determines AJWS's required contributions to the plan to pay future unemployment claims as they arise. AJWS had a plan balance of approximately \$138,000 and \$164,000 on April 30, 2025 and 2024, respectively, which is included in prepaid expenses and other assets in the accompanying statement of financial position.

American Jewish World Service, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

**For the year ended April 30, 2025,
with summarized comparative information for the year ended April 30, 2024**

In accordance with US GAAP, AJWS is required to accrue for expected future claims during the period of employment of those eligible to make unemployment claims. As of April 30, 2025, AJWS had recognized a liability and expense of approximately \$82,000 for possible future claims, which is included in accounts payable and accrued expenses in the accompanying statement of financial position.

NOTE 17 - COLLECTIVE BARGAINING AGREEMENT

As of April 30, 2025, approximately 30% of the AJWS's employees are union employees covered under a collective bargaining agreement set to expire on August 31, 2025. The agreement covers provisions including, but not limited to, annual wage increases, health insurance benefits, retirement plan benefits, leave policies and support for professional development.