AMERICAN FRIENDS OF THE ISRAEL MUSEUM

FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

DECEMBER 31, 2025 (With Comparative Information For December 31, 2024)

AMERICAN FRIENDS OF THE ISRAEL MUSEUM

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
American Friends of the Israel Museum
New York, New York

Opinion

We have audited the accompanying financial statements of American Friends of the Israel Museum (***"AFIM"***) (a nonprofit organization), which comprise the statement of financial position as of December 31, 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 financial statements referred to above present fairly, in all material respects, the financial position of AFIM as of December 31, 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 in accordance with auditing standards generally accepted in the United States of America. 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 AFIM 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 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.

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 AFIM's ability to continue as a going concern within one year after the date that 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 and 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 generally accepted auditing standards 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, including omissions, 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.

Board of Directors
American Friends of the Israel Museum
New York, New York

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the AFIM's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the AFIM'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 Summarized Comparative Information

We have previously audited AFIM's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 3, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Tait, Weller & Baker LLP

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
August 28, 2026

AMERICAN FRIENDS OF THE ISRAEL MUSEUM

STATEMENTS OF FINANCIAL POSITION

December 31, 2025 With Comparative Totals For 2024

	As of December 31, 2025					As of December 31, 2024
	Net Assets Without Donor Restrictions					
	Operating	Work of Art	Total	Net Assets With Donor Restrictions	Total	Total
ASSETS						
Current Assets:						
Cash and cash equivalents	$10,777,157	$ -	$10,777,157	$ 28,900,643	$ 39,677,800	$ 8,222,008
Investments	5,507,994	-	5,507,994	149,492,688	155,000,682	139,134,102
Accrued receivables	473,296	-	473,296	-	473,296	305,328
Pledges receivables	50,000	-	50,000	-	50,000	-
Prepaid expenses	86,534	-	86,534	-	86,534	178,642
Right-of-use asset	66,774	-	66,774	-	66,774	265,314
Total current assets	16,961,755	-	16,961,755	178,393,331	195,355,086	148,105,394
Works of art	-	6,767,481	6,767,481	-	6,767,481	10,277,281
Pledge receivables – Art	-	190,000	190,000	-	190,000	190,000
Furniture and fixtures, net of accumulated depreciation of $160,732 and $167,107 in 2025 and 2024 respectively	1,963	-	1,963	-	1,963	1,259
Total assets	$16,963,718	$6,957,481	$23,921,199	$178,393,331	$202,314,530	$158,573,934
LIABILITIES AND NET ASSETS						
Current Liabilities:						
Accounts payable and accrued expenses	$ 5,925,489	$ -	$ 5,925,489	$ -	$ 5,925,489	$ 2,100,758
Deferred revenue	256,980	-	256,980	-	256,980	422,001
Operating lease liability	68,961	-	68,961	-	68,961	273,682
Total current liabilities	6,251,430	-	6,251,430	-	6,251,430	2,796,441
Net Assets	10,712,288	6,957,481	17,669,769	178,393,331	196,063,100	155,777,493
Total liabilities and net assets	$16,963,718	$6,957,481	$23,921,199	$178,393,331	$202,314,530	$158,573,934

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

AMERICAN FRIENDS OF THE ISRAEL MUSEUM

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2025 With Comparative Totals For 2024

	Year ended December 31, 2025					Year ended December 31, 2024
	Net Assets Without Donor Restrictions					
	Operating	Work of Art	Total	Net Assets With Donor Restrictions	Total	Total
Support and Revenue:						
Contributions revenue	$ 11,701,228	$ -	$ 11,701,228	$ 32,575,500	$ 44,276,728	$ 8,279,343
Special events (net of expenses of $569,990 - 2025; $806,536 - 2024)	1,822,301	-	1,822,301	-	1,822,301	1,753,557
Patron and guardian membership	52,264	-	52,264	-	52,264	87,500
	13,575,793	-	13,575,793	32,575,500	46,151,293	10,120,400
Realized and unrealized gain (loss) on investments	192,421	-	192,421	16,228,696	16,421,117	11,250,727
Contributed works of art	-	3,659,650	3,659,650	-	3,659,650	1,010,186
Net assets released from restrictions	9,036,207	-	9,036,207	(9,036,207)	-	-
Total support and revenue	22,804,421	3,659,650	26,454,071	39,767,989	66,232,060	22,381,313
Expenses and Transmissions:						
Support and expenses - Israel Museum	20,073,001	7,169,450	27,242,451	-	27,242,451	18,950,639
Administration and general	437,670	-	437,670	-	437,670	381,547
Fundraising	1,313,005	-	1,313,005	-	1,313,005	1,144,642
Total expenses and transmissions	21,823,676	7,169,450	28,993,126	-	28,993,126	20,476,828
Change before other items	980,745	(3,509,800)	(2,529,055)	39,767,989	37,238,934	1,904,485
Other Items:						
Investment income (net of investment expenses of $446,393- 2025; $413,698 - 2024)	363,075	-	363,075	2,683,598	3,046,673	2,970,082
Total other items	363,075	-	363,075	2,683,598	3,046,673	2,970,082
Change in net assets	1,343,820	(3,509,800)	(2,165,980)	42,451,587	40,285,607	4,874,567
Net Assets						
Beginning of year, as restated	9,368,468	10,467,281	19,835,749	135,941,744	155,777,493	150,902,926
End of year	$ 10,712,288	$ 6,957,481	$ 17,669,769	$ 178,393,331	$ 196,063,100	$ 155,777,493

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

AMERICAN FRIENDS OF THE ISRAEL MUSEUM

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2025 Comparative Totals For 2024

	Year ended December 31, 2025				Year ended December 31, 2024
	Program Services	Supporting Services			
	Support And Expenses – Israel Museum	Management And General	Fundraising	Total	Total
Transmissions to the Israel Museum	$ 19,635,712	$ -	$ -	$19,635,712	$12,892,005
Grants of artwork	7,169,450	-	-	7,169,450	5,546,185
Salaries, payroll taxes and employee benefits	-	237,817	713,451	951,268	819,796
Pension contribution	-	14,489	43,466	57,955	61,346
Consultant expenses	351,189	32,103	96,310	479,602	496,477
Rent and storage	83,837	58,565	175,694	318,096	374,457
Travel and entertainment	-	26,439	79,317	105,756	83,921
Publications/Newsletters	-	20,521	61,562	82,083	62,544
Audit and other professional fees	-	21,799	65,395	87,194	35,525
Computer expenses	-	7,665	22,994	30,659	38,451
Credit card and bank fees	-	4,596	13,789	18,385	20,207
Newspaper ads	-	782	2,344	3,126	-
Insurance	-	3,442	10,326	13,768	24,833
Depreciation	-	175	525	700	1,698
Miscellaneous	2,263	9,277	27,832	39,372	19,383
Total Expenses - 2025	$ 27,242,451	$ 437,670	$ 1,313,005	$28,993,126	
Total Expenses - 2024	$ 18,950,639	$ 381,547	$ 1,144,642		$20,476,828

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

AMERICAN FRIENDS OF THE ISRAEL MUSEUM

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2025 Comparative Totals For 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 40,285,607	$ 4,874,567
Adjustments to reconcile the net change in net assets to net cash provided by (used for) operating activities		
Depreciation	700	1,698
Amortization of right-of-use assets	198,540	195,924
Operating lease liability payments	(204,721)	(197,553)
Realized & unrealized gain on investments	(16,421,117)	(11,250,727)
Decrease (Increase) in Operating Assets:		
Accrued receivables	(167,968)	(6,337)
Pledge receivables	(50,000)	-
Prepaid expenses	92,108	(85,679)
Works of art	3,509,800	4,535,999
Increase (Decrease) in Operating Liabilities:		
Accounts payable and accrued expenses	3,824,731	(2,551,348)
Deferred revenue	(165,021)	119,261
Net cash provided by (used for) operating activities	30,902,659	(4,364,195)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investment securities	43,264,459	14,663,696
Purchase of investment securities	(42,709,922)	(17,269,957)
Purchase of furniture and fixtures	(1,404)	-
Net cash provided by (used for) investing activities	553,133	(2,606,261)
Net increase (decrease) in cash and cash equivalents	31,455,792	(6,970,456)
CASH AND CASH EQUIVALENTS		
Beginning of year	8,222,008	15,192,464
End of year	$ 39,677,800	$ 8,222,008

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ORGANIZATION

American Friends of the Israel Museum (**"AFIM"**) is a not-for-profit organization whose purpose is to foster and encourage the development of liberal arts by obtaining works of art and archaeology for the Israel Museum and by obtaining grants, contributions and loans for, and by making grants, contributions and loans to the Israel Museum.

ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of 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.

CONCENTRATION OF MARKET AND CREDIT RISK

AFIM occasionally maintains deposits in financial institutions in excess of federally insured limits. Accounting Standards Codification (***"ASC"***) 825, ***"Financial Instruments"***, identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

Market risk represents the potential loss AFIM faces due to the decrease in the value of marketable securities. Credit risk represents the potential loss AFIM faces due to the possible nonperformance by obligors and counterparts of the terms of their contracts. The investments are managed by professional investment managers subject to AFIM's investment policy or are invested in major mutual funds. The degree and concentration of credit and market risk varies by type of investment.

CASH AND CASH EQUIVALENTS

For purposes of the statement of financial position and the statement of cash flows, AFIM considers highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

INVESTMENTS

AFIM records its investments in securities at fair value with the resulting unrealized gains and losses reported in the statement of activities. The fair value of investments traded on a securities exchange is determined based on quoted market prices.

Investments also include alternative investment of limited partnership interests in publicly-traded securities, private equity, energy and real estate partnerships, and other funds whose underlying investments are comprised of other funds, partnerships and trusts. These funds invest in securities and other investments that include both publicly traded investments as well as other investments that do not have readily ascertainable market values. These investments include arbitrage, distressed companies, energy and real estate. Certain of these investments also are subject to withdrawal restrictions. The general partners of these limited partnerships and other funds that hold investments which do not have readily ascertainable market values provide valuations based on a variety of factors including comparable investments in transactions and operating performance of the underlying companies. The limited partnerships that invest in these other funds use the prices provided by these general managers. AFIM's management may consider other factors in assessing fair value of these investments.

Due to the level of risk associated with certain of these investments, it is possible that changes in the values of investment securities could occur in the near term and that such changes could affect the investment balances.

FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing AFIM's various programs and supporting services has been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on time and effort studies.

WORKS OF ART

AFIM capitalizes its works of art. If purchased, they are capitalized at cost, and if donated, they are capitalized at their fair market value on the date of contribution.

REVENUE RECOGNITION

AFIM recognizes contributions when cash, securities or other assets are received, upon receipt of an unconditional promise to give, or upon notification of a beneficial interest. Conditional contributions include donor-imposed conditions with one or more barriers that must be overcome before AFIM is entitled to the assets transferred or promised and there is a right of return to the contributor for assets transferred or a right of release of the promisor from its obligation to transfer assets. AFIM recognizes the contribution when the conditions are substantially met or explicitly waived. Unconditional contributions are classified as without donor restrictions unless there are donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are then classified to net assets without donor restrictions and reported in the statement of activities as **"net assets released from restrictions."**

NET ASSETS

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

Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary mission of AFIM.

With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of AFIM or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt, including gifts; pledges; and investment returns on "true" endowment funds. Expirations of restrictions of net assets with donor restrictions are reported as net assets released from restriction.

Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by AFIM, including gifts wherein donors stipulate that the corpus of the gift be held in perpetuity (primarily gifts for endowment) and that only the income be made available for operations or other purposes.

TAX EXEMPT STATUS

AFIM is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the ***"Code"***), and has been classified as an organization, which is not a private foundation under Section 509(a) of the Code.

Management has reviewed the tax positions for each of the open tax years (2022 – 2024) or expected to be taken in the AFIM's 2025 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

DEPRECIATION

Depreciation of fixed assets is provided on the straight-line method over the useful lives of the assets.

TRANSMISSIONS

Transmissions represent money sent to the Israel Museum several times a year, or artwork gifted to the Israel Museum.

PRIOR-YEAR SUMMARIZED COMPARATIVE INFORMATION

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with AFIM's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

RECLASSIFICATIONS

Certain reclassifications were made to the 2024 financial statements to conform to the 2025 presentation.

(2) PLEDGES RECEIVABLE

AFIM has $7,200,000 of promises to give that are conditional, which are subject to donor-imposed conditions that must be met by AFIM. As of December 31, 2025, AFIM received $3,600,000 related to the conditional pledge. During the year certain conditions associated with the pledge had been partially satisfied, and AFIM recognized $3,600,000 as contribution revenue. The remaining $3,600,000 is contingent upon satisfaction of the applicable conditions and has not been recognized as contribution revenue as of December 31, 2025.

(3) FAIR VALUE OF INVESTMENTS

AFIM utilized various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that AFIM has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing AFIM's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The hierarchy requires the use of observable market data when available. The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the measurement.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

INVESTMENTS MEASURED USING THE NET ASSET VALUE PRACTICAL EXPEDIENT

For those investments for which fair value is measured using the net asset value practical expedient, AFIM uses the reported capital account or net asset value (NAV) per share to determine the fair value of investments that (a) do not have a readily determinable fair value due to a lack of market activity or transparency into the underlying investments of the fund and (b) either have the attributes of an investment company or prepare their audited financial statements consistent with the measurement principals of an investment company.

The summary of inputs used to value AFIM's various financial instruments as of December 31, 2025 and 2024 are as follows:

Financial Instruments
December 31, 2025

Categories	Level 1	Level 2	Level 3	Net Asset Value	Fair Value
Money market funds	$ 3,750,447	$ -	$ -	$ -	$ 3,750,447
Equity securities	10,257	-	-	-	10,257
Debt securities	-	51,705,146	-	-	51,705,146
Equity mutual funds	70,431,677	-	-	-	70,431,677
Fixed income mutual funds	11,248,533	-	-	-	11,248,533
Alternative investments	-	-	-	17,854,622	17,854,622
Total	$85,440,914	$51,705,146	$ -	$ 17,854,622	$155,000,682

Financial Instruments
December 31, 2024

Categories	Level 1	Level 2	Level 3	Net Asset Value	Fair Value
Money market funds	$ 3,497,133	$ -	$ -	$ -	$ 3,497,133
Debt securities	-	45,713,817	-	-	45,713,817
Equity mutual funds	66,044,642	-	-	-	66,044,642
Fixed income mutual funds	10,475,462	-	-	-	10,475,462
Alternative investments	-	-		13,403,048	13,403,048
Total	$80,017,237	$45,713,817	$ -	$ 13,403,048	$139,134,102

Investment income consists of the following:

	2025	2024
Interest and dividends	$3,493,066	$ 3,383,780
Investment expenses	(446,393)	(413,698)
Total	$3,046,673	$ 2,970,082

(4) PENSION AND DEFERRED COMPENSATION PLANS:

DEFINED CONTRIBUTION PLAN

AFIM maintains a retirement plan for its employees under Section 403(b) of the Internal Revenue Code. All employees of AFIM are eligible to participate and contribute a portion of their gross salaries not to exceed $23,500 in 2025 and $23,000 in 2024 ($31,000 in 2025 and $30,500 in 2024 if an employee is age 50 or more). In addition, AFIM made discretionary contributions to the plan of 8% of employee eligible wages plus 5.7% of employee eligible wages in excess of the Social Security wage base.

The pension expense under this plan was $57,955 for the year ended December 31, 2025 and $61,346 for the year ended December 31, 2024.

(5) NET ASSETS

Net assets with donor restrictions consist of the following for the year ended December 31, 2025:

Subject to expenditure for a special purpose:

	Balance January 1, 2025	Restatement (Note 9)	Contributions	Net Investment Income	Realized & Unrealized App/Dep On Investments	Released From Restrictions Operating	Balance December 31, 2025
Contemporary Art Acquisition	$ 807,025	$ -	$ 75,500	$ -	$ -	$ (227,062)	$ 655,463
BCE Circle	87,763	-	-	-	-	-	87,763
Mediterranean Acquisition	59,000	-	-	-	-	-	59,000
AFIM Art Acquisition	384,147	-	-	-	-	(384,147)	-
The William W. Stein, M.D. Acquisition Fund	5,755,782	-	-	138,621	838,293	-	6,732,696
General Endowment Fund	14,854,956	(2,284,624)	-	1,317,116	7,965,083	(5,645,006)	16,207,525
Arlene Cohen Archeology Fund	13,581	-	-	1,204	7,282	(3,061)	19,006
Rodney Soher Curator Fund	176,068	-	-	15,611	94,406	(39,680)	246,405
Ivor Svarc Etruscan Art Fund	69,555	-	-	6,167	37,295	(15,676)	97,341
Ruth Borowsky Fine Arts Fund	141,656	-	-	12,560	75,955	(31,925)	198,246
Horace Goldsmith Photography Curator Fund	81,488	-	-	7,225	43,693	(18,365)	114,041
Katharine Falk Exhibition Fund	50,130	-	-	4,445	26,879	(11,298)	70,156
Horace Goldsmith Youth Wing Fund	67,907	-	-	6,021	36,411	(15,304)	95,035
Robboy Youth Wing Fund IMO Vicky Meroz	5,704	-	-	506	3,058	(1,286)	7,982
Twenty-Fifth Anniversary Facilities Fund	239,906	-	-	21,271	128,635	(54,067)	335,745
Rosenfeld Gardens Fund IHO Elaine Weitzen	27,163	-	-	2,408	14,564	(6,122)	38,013
Cogan Youth Wing Fund	42,645	-	-	3,781	22,866	(9,611)	59,681
Kolliner Prize Fund	13,644	-	-	1,204	7,282	(3,064)	19,066
Jesselson Judaica Fund	16,559	-	-	1,445	8,739	(3,686)	23,057
Bergman Visiting Artists Fund	123,825	-	-	5,058	30,585	-	159,468
Kaplan Book Purchase Fund	12,845	-	-	482	2,913	-	16,240
Schimmel Prize Fund	26,290	-	-	2,288	13,836	(5,839)	36,575
Berg Curator Fund	270,311	-	-	8,429	50,975	-	329,715
Willner Fund	41,285	-	-	3,613	21,846	(9,208)	57,536
Rodman Youth Wing Fund	118,983	-	-	10,838	65,540	(27,391)	167,970
Haas Gardens Funds	102,053	-	-	9,031	54,616	(22,965)	142,735
Warschaw Archaeology Fund	174,121	-	-	6,021	36,411	-	216,553
Fischbach Scholarship Fund	35,001	-	-	3,062	18,515	(7,805)	48,773
Shapiro, Montgomery and Genesis Archaeology Fund	73,007		-	6,491	39,251	(16,488)	102,261
Pattiz Israeli Art Fund	6,621	-	-	602	3,641	(1,522)	9,342
Harwood Flower Fund	13,886	-	-	1,216	7,351	(3,098)	19,355
Myden Youth Wing Fund	70,284	-	-	6,134	37,097	(15,645)	97,870
Skirball Judaica Fund	1,359,377	-	-	115,673	699,514	(296,653)	1,877,911
Weisbord Pavilion Fund	2,313,607	-	-	202,042	1,221,822	(515,230)	3,222,241
Adam Kimmel Bar Mitzvah Fund	55,999	-	-	4,817	29,129	(12,324)	77,621
Cummings and Kravis Building Fund	53,099	-	-	4,817	29,129	(12,184)	74,861
Forchheimer Ethnography Fund	328,825	-	-	28,901	174,772	(73,598)	458,900
Asian Art Fund	64,652	-	-	5,660	34,226	(14,425)	90,113
Jesselson, Littauer, Chernys Library Fund	33,030	-	-	3,021	18,272	(7,630)	46,693
Weiss et al. A.O.A. Fund	468,454	-	-	40,281	243,595	(103,068)	649,262
Berg U.S.A. Fund	486,824	-	-	34,921	211,183	-	732,928
Rosen Egyptian Art Curator Fund	346,928	-	-	28,600	172,952	(73,868)	474,612
Krupp Shrine of the Book Fund	210,668	-	-	21,675	131,079	(53,468)	309,954
Madeleine Lejwa Fund	450,343	-	-	40,078	242,364	(101,789)	630,996
Stella Fischbach Modern Art Fund	53,974	-	-	4,817	29,129	(12,226)	75,694
Abrams Library Fund	88,676	-	-	8,670	52,432	(21,599)	128,179
Bernard & Ella Snyder Lecture Fund	24,558	-	-	2,408	14,564	(5,996)	35,534
Mandel JAL Wing Fund	1,019,894	-	-	120,419	728,218	(289,798)	1,578,733
Ayla Zachs Abramov Fund	381,624	-	-	-	-	-	381,624
Noel & Harriette Levine Photography Fund	1,449,541	-	-	267,037	1,614,872	(603,550)	2,727,900
William Davidson Foundation Fund	390,097	-	-	120,419	728,218	(259,480)	979,254
Nancy Lainer West Coast Curatorial Travel Fund	11,313	-	-	2,408	14,564	-	28,285
60th Anniversary Exhibition Fund	-	-	-	24,084	145,644	-	169,728
Total	$ 33,554,674	$ (2,284,624)	$ 75,500	$ 2,683,598	$ 16,228,696	$ (9,036,207)	$ 41,221,637

Perpetual in Nature:

	Balance January 1, 2025	Contributions	Releases From Restrictions	Balance December 31, 2025
General Endowment Fund	$ 54,688,872	$ -	$ -	$ 54,688,872
Arlene Cohen Archeology Fund	50,000	-	-	50,000
Rodney Soher Curator	648,197	-	-	648,197
Ivor Svarc Etruscan Art Fund	256,068	-	-	256,068
Ruth Borowsky Fine Arts Fund	521,510	-	-	521,510
Horace Goldsmith Photography Curator Fund	300,000	-	-	300,000
Katharine Falk Exhibition Fund	184,555	-	-	184,555
Horace Goldsmith Youth Wing Fund	250,000	-	-	250,000
Robboy Youth Wing Fund IMO Vicky Meroz	21,000	-	-	21,000
Twenty-Fifth Anniversary Facilities Fund	883,219	-	-	883,219
Rosenfeld Gardens Fund IHO Elaine Weitzen	100,000	-	-	100,000
Cogan Youth Wing Fund	157,000	-	-	157,000
Kolliner Prize Fund	50,000	-	-	50,000
Jesselson Judaica Fund	60,000	-	-	60,000
Bergman Visiting Artists Fund	210,000	-	-	210,000
Kaplan Book Purchase Fund	20,000	-	-	20,000
Schimmel Prize Fund	95,000	-	-	95,000
Berg Curator Fund	350,000	-	-	350,000
Rodman Youth Wing Fund	450,000	-	-	450,000
Haas Gardens Fund	375,000	-	-	375,000
Willner Endowment Fund	150,000	-	-	150,000
Warschaw Archaeology Fund	250,000	-	-	250,000
Fischbach Scholarship Fund	127,125	-	-	127,125
Shapiro, Montgomery and Genesis Archaeology Fund	269,500	-	-	269,500
Pattiz Israeli Art Fund	25,000	-	-	25,000
Harwood Flower Fund	50,471	-	-	50,471
Myden Youth Wing Fund	254,712	-	-	254,712
Skirball Judaica Fund	4,802,920	-	-	4,802,920
Weisbord Pavilion Fund	8,389,123	-	-	8,389,123
Adam Kimmel Bar Mitzvah Fund	200,000	-	-	200,000
Cummings and Kravis Building Fund	200,000	-	-	200,000
Forchhelmer Ethnography Fund	1,200,000	-	-	1,200,000
Asian Art Fund	235,000	-	-	235,000
Jesselson, Littauer, Chernys Library Fund	125,459	-	-	125,459
Weiss et al, A.O.A. Fund	1,672,542	-	-	1,672,542
Berg U.S.A. Fund	1,450,000	-	-	1,450,000
Rosen Egyptian Art Curator Fund	1,187,500	-	-	1,187,500
Krupp Shrine of the Book Fund	900,000	-	-	900,000
Madeleine Lejwa Fund	1,664,088	-	-	1,664,088
Stella Fischbach Modern Art Fund	200,000	-	-	200,000
Abrams Library Fund	360,000	-	-	360,000
Bernard & Ella Snyder Lecture Fund	100,000	-	-	100,000
Mandel JAL Wing Fund	5,000,000	-	-	5,000,000
Noel & Harriette Levine Photography Fund	11,087,833	-	-	11,087,833
William Davidson Foundation Fund	5,000,000	-	-	5,000,000
Nancy Lainer West Coast Curatorial Travel Fund	100,000	-	-	100,000
60th Anniversary Exhibition Fund	-	1,000,000	-	1,000,000
Juliane M. Heyman Fine Arts Fund	-	1,500,000	-	1,500,000
Nina Jo Cohen Endowment Fund	-	30,000,000	-	30,000,000
Total	$ 104,671,694	$ 32,500,000	$ -	$ 137,171,694
Total with donor restrictions				$ 178,393,331

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose and other operating transmissions were as follows for the year ended December 31, 2025:

	Net Assets Released From Restrictions	Other Operating Transmissions	Total
Contemporary Art Acquisition	$ 227,062	$ -	$ 227,062
Bezalel Art Museum	-	11,036,794	11,036,794
Youth Wing	-	-	-
AFIM Art Acquisition	384,147	-	384,147
General Endowment Fund	5,645,006	-	5,645,006
Arlene Cohen Archeology Fund	3,061	-	3,061
Rodney Soher Curator	39,680	-	39,680
Ivor Svarc Etruscan Art Fund	15,676	-	15,676
Ruth Borowsky Fine Arts Fund	31,925	-	31,925
Horace Goldsmith Photography Curator Fund	18,365	-	18,365
Katharine Falk Exhibition	11,298	-	11,298
Horace Goldsmith Youth Wing Fund	15,304	-	15,304
Robboy Youth Wing Fund IMO Vicky Meroz	1,286	-	1,286
Twenty-Fifth Anniversary Facilities Fund	54,067	-	54,067
Rosenfeld Gardens Fund IHO Elaine Weitzen	6,122	-	6,122
Cogan Youth Wing Fund	9,611	-	9,611
Kolliner Prize Fund	3,064	-	3,064
Jesselson Judaica Fund	3,686	-	3,686
Bergman Visiting Artists Fund	-	-	-
Kaplan Book Purchase Fund	-	-	-
Schimmel Prize Fund	5,839	-	5,839
Berg Curator Fund	-	-	-
Willner Fund	9,208	-	9,208
Rodman Youth Wing Fund	27,391	-	27,391
Haas Gardens Funds	22,965	-	22,965
Warschaw Archaeology Fund	-	-	-
Fischbach Scholarship Fund	7,805	-	7,805
Shapiro, Montgomery and Genesis Archaeology Fund	16,488	-	16,488
Pattiz Israeli Art Fund	1,522	-	1,522
Harwood Flower Fund	3,098	-	3,098
Myden Youth Wing Fund	15,645	-	15,645
Skirball Judaica Fund	296,653	-	296,653
Weisbord Pavilion Fund	515,230	-	515,230
Adam Kimmel Bar Mitzvah Fund	12,324	-	12,324
Cummings and Kravis Building Fund	12,184	-	12,184
Forchheimer Ethnography Fund	73,598	-	73,598
Asian Art Fund	14,425	-	14,425
Jesselson, Littauer, Chernys Library Fund	7,630	-	7,630
Weiss et al. A.O.A. Fund	103,068	-	103,068
Berg U.S.A. Fund	-	-	-
Rosen Egyptian Art Curator Fund	73,868	-	73,868
Krupp Shrine of the Book Fund	53,468	-	53,468
Madeleine Lejwa Fund	101,789	-	101,789
Stella Fischbach Modern Art Fund	12,226	-	12,226
Abrams Library Fund	21,599	-	21,599
Bernard & Ella Snyder Lecture Fund	5,996	-	5,996
Mandel JAL Wing Fund	289,798	-	289,798
Noel & Harriette Levine Photography Fund	603,550	-	603,550
William Davidson Foundation Fund	259,480	-	259,480
	$9,036,207	$11,036,794	$20,073,001

INTERPRETATION OF RELEVANT LAW

AFIM is incorporated in the state of New York, which has enacted the Uniform Prudent Management of Institutional Funds Act ***("UPMIFA")***. UPMIFA governs donor restricted or permanently restricted endowment funds for not-for-profit corporations. AFIM has interpreted the applicable state standards and guidelines for the prudent management of an endowment fund as requiring the preservation of the fair value of the original gift as of the gift date of the endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, AFIM classifies as permanently restricted net assets (a) the original value of 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 (i.e. the accumulated realized and unrealized gains/losses) that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by AFIM. AFIM considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund

(2) The purposes of AFIM and the donor-restricted endowment fund

(3) General economic conditions

(4) The possible effect of inflation and deflation

(5) The expected total return from income and the appreciation of investments

(6) Other resources of AFIM

(7) Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the institution.

(8) The investment policies of AFIM

RETURN OBJECTIVES AND RISK PARAMETERS

AFIM has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the value of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income and capital appreciation, which exceeds the annual distribution with acceptable levels of risk over the long term.

Endowment assets are invested in a well diversified asset mix, which includes equity and debt securities, that is intended to result in an inflation-protected rate of return that has sufficient liquidity to make the annual distribution, while growing the funds if possible. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

SPENDING POLICY

AFIM has a policy of appropriating for distribution each year 5% of its endowment funds' average fair value of the prior 20 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, AFIM considered the long-term expected return on its investment assets, the nature of the individual endowment funds, and the possible effects of inflation. AFIM expects the current spending policy to allow its endowment funds to grow at a rate in excess of annual distributions, which is consistent with AFIM's objective to maintain the value of the endowment assets as well as to provide additional real growth through investment return.

(6) LEASES

Foundation leases office space in New York under a lease agreement with an initial term greater than 12 months. AFIM determines whether an agreement is or contains a lease at lease inception. Right-of-use assets represent AFIM's right to use an underlying asset for the lease term and lease liabilities represent AFIM's obligation to make lease payments arising from the lease, measured at an amount equal to the present value of the minimum lease payments over the remaining expected term of the lease. Amortization expense and interest expense related to AFIM's operating leases are included in occupancy and office expense on the statement of functional expenses.

In determination of the lease term, AFIM considers the likelihood of lease renewal options and lease termination provisions.

The discount rate for a lease is derived from the rate implicit in the lease whenever readily determinable or AFIM's incremental borrowing rate.

The following quantitative data related to the AFIM's operating leases for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
Operating Lease Amounts:		
Right-of-use assets	$ 66,774	$ 265,314
Lease liabilities	68,961	273,682
Other Information:		
Operating outgoing cash flows for operating leases	$206,840	$ 202,288
Weighted-average remaining lease term	0.33 years	1.33 years
Weighted average discount rate	1.30%	1.30%

Lease cost information for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
Operating lease cost	$ 200,659	$200,659

Future lease payments at December 31, 2025 are as follows:

Fiscal Year	Total
2026	$ 69,073
Less: present value adjustment	(112)
Lease liability	$ 68,961

(7) RELATED PARTIES

AFIM has retained a member of its Board of Directors to provide consulting services paying $16,667 on a monthly basis.

(8) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

AFIM strives to maintain liquid financial assets to be available as its general expenditures, liabilities and other obligations become due. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments. As part of the AFIM's liquidity management, it has a practice to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

The following table reflects AFIM's financial assets as of December 31, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions. Amounts not available to meet general expenditures within one year may include net assets with donor and/or contractual restrictions.

	2025	2024
Financial Assets		
Cash and cash equivalents	$ 39,677,800	$ 8,222,008
Investments	155,000,682	139,134,102
Accrued receivables	473,296	305,328
Total financial assets	195,151,778	147,661,438
Endowment draw	6,441,187	8,424,998
Less:		
Net assets with donor restrictions	178,393,331	135,941,744
Financial assets available to meet general expenditures within one year	$ 23,199,634	$ 20,144,692

(9) RESTATEMENT

In 2025, AFIM determined that certain net assets reported as net assets with donor restrictions in previously issued financial statements should have been classified as net assets without donor restrictions because the funds were not subject to donor-imposed restrictions.

The effect of restating the 2024 beginning net asset balances was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, December 31, 2024 as previously reported	$ 17,551,125	$ 138,226,368	$ 155,777,493
Net assets reclassification	2,284,624	(2,284,624)	-
Net assets, December 31, 2024 as restated	$ 19,835,749	$ 135,941,744	$ 155,777,493

AFIM has evaluated the impact of this correction and concluded that the restatement was limited to the classification of net assets and did not affect AFIM's previously reported total net assets, changes in total net assets, or cash flow.

(10) SUBSEQUENT EVENTS

Subsequent events after the balance sheet through the date that the financial statements were available for issuance, August 28, 2026, have been evaluated in the preparation of the financial statements.