FINANCIAL STATEMENTS

ASIAN AMERICANS
ADVANCING
JUSTICE
AAJC

FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023

ASIAN AMERICANS ADVANCING JUSTICE - AAJC INC.

CONTENTS

CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Asian Americans Advancing Justice - AAJC Inc.
Washington, D.C.

Opinion

We have audited the accompanying financial statements of Asian Americans Advancing Justice - AAJC Inc. (AAJC), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years 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 AAJC as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 AAJC'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 an auditor's report that includes our opinion.

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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.

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 AAJC'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 AAJC'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.

Gelman Rozenberg & Freedman

May 16, 2025, except as to Note 6, which is as of September 10, 2025.

ASIAN AMERICANS ADVANCING JUSTICE - AAJC INC.

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023

ASSETS

	2024 (AS RESTATED)	2023
CURRENT ASSETS		
Cash and cash equivalents	$ 15,255,327	$ 20,762,160
Investments	17,402,210	17,513,132
Contributions receivable	4,980,916	2,976,600
Pledges receivable	323,960	248,866
Prepaid expenses	76,030	136,058
Total current assets	38,038,443	41,636,816
FIXED ASSETS		
Furniture and equipment	41,491	41,491
Less: Accumulated depreciation	(38,844)	(35,957)
Net fixed assets	2,647	5,534
OTHER ASSETS		
Operating right-of-use asset, net	529,979	826,059
Investments - restricted	500,000	500,000
Contributions receivable, net	919,044	640,138
Total other assets	1,949,023	1,966,197
TOTAL ASSETS	**$ 39,990,113**	**$ 43,608,547**

LIABILITIES AND NET ASSETS

	2024 (AS RESTATED)	2023
CURRENT LIABILITIES		
Operating lease liability	$ 363,269	$ 350,260
Accounts payable and accrued liabilities	418,751	364,047
Grants payable	820,000	960,000
Total current liabilities	1,602,020	1,674,307
LONG-TERM LIABILITIES		
Operating lease liability, net	249,584	612,853
Total liabilities	1,851,604	2,287,160
NET ASSETS		
Without donor restrictions	22,283,187	21,484,558
With donor restrictions	15,855,322	19,836,829
Total net assets	38,138,509	41,321,387
TOTAL LIABILITIES AND NET ASSETS	**$ 39,990,113**	**$ 43,608,547**

ASIAN AMERICANS ADVANCING JUSTICE - AAJC INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (AS RESTATED)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	$ 1,325,873	$ 9,316,604	$ 10,642,477
Net investment return	1,586,749	55,201	1,641,950
Events	465,619	-	465,619
Other income	40,649	-	40,649
Contributed nonfinancial assets	754,003	-	754,003
Net assets released from donor restrictions	13,353,312	(13,353,312)	-
Total revenue and support	17,526,205	(3,981,507)	13,544,698
EXPENSES			
Program Services:			
Voting Rights	5,571,232	-	5,571,232
Community Partners	2,933,254	-	2,933,254
Anti-Asian Violence and Race Relations	1,758,356	-	1,758,356
Tech Telecom	930,382	-	930,382
Immigration and Immigrant Rights	854,384	-	854,384
Education Advocacy	793,041	-	793,041
Litigation	647,557	-	647,557
Census	249,594	-	249,594
Direct Lobbying	15,382	-	15,382
Grassroots Lobbying	2,243	-	2,243
Total program services	13,755,425	-	13,755,425
Supporting Services:			
Management and General	1,854,720	-	1,854,720
Fundraising	1,117,431	-	1,117,431
Total supporting services	2,972,151	-	2,972,151
Total expenses	16,727,576	-	16,727,576
Changes in net assets	798,629	(3,981,507)	(3,182,878)
Net assets at beginning of year	21,484,558	19,836,829	41,321,387
NET ASSETS AT END OF YEAR	**$ 22,283,187**	**$ 15,855,322**	**$ 38,138,509**

See accompanying notes to financial statements.

ASIAN AMERICANS ADVANCING JUSTICE - AAJC INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	$ 1,764,121	$ 10,156,078	$ 11,920,199
Net investment return	1,479,107	(3,750)	1,475,357
Contributed nonfinancial assets	1,016,552	-	1,016,552
Events	682,074	-	682,074
Other income	41,225	-	41,225
Net assets released from donor restrictions	9,394,996	(9,394,996)	-
Total revenue and support	14,378,075	757,332	15,135,407
EXPENSES			
Program Services:			
Voting Rights	858,031	-	858,031
Community Partners	2,336,730	-	2,336,730
Anti-Asian Violence and Race Relations	2,668,368	-	2,668,368
Tech Telecom	1,035,966	-	1,035,966
Immigration and Immigrant Rights	1,014,204	-	1,014,204
Litigation	444,848	-	444,848
Census	220,011	-	220,011
Direct Lobbying	13,236	-	13,236
Grassroots Lobbying	7,184	-	7,184
Total program services	8,598,578	-	8,598,578
Supporting Services:			
Management and General	1,066,838	-	1,066,838
Fundraising	883,200	-	883,200
Total supporting services	1,950,038	-	1,950,038
Total expenses	10,548,616	-	10,548,616
Changes in net assets	3,829,459	757,332	4,586,791
Net assets at beginning of year	17,655,099	19,079,497	36,734,596
NET ASSETS AT END OF YEAR	$ 21,484,558	$ 19,836,829	$ 41,321,387

See accompanying notes to financial statements.

ASIAN AMERICANS ADVANCING JUSTICE - AAJC

STATEMENT OF FUNCTIONAL EXPENSES (AS RESTATED)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services						
	Voting Rights	Community Partners	Anti-Asian Violence and Race Relations	Tech Telecom	Immigration and Immigrant Rights	Education Advocacy	Litigation
Grants	$ 4,817,306	$ 690,428	$ 405,000	$ 50,700	$ 200,000	$ 495,000	$ -
Salaries and related expenses	245,275	1,813,591	276,699	391,436	519,614	241,454	526,473
Professional fees	352,752	249,312	1,029,534	323,670	65,551	10,530	27,140
Conferences, meetings and travel	83,744	98,029	19,244	44,624	22,577	24,968	20,497
Base office and administrative operations	18,603	40,801	22,248	34,737	39,337	18,005	62,947
Other office and administrative expenses	53,552	41,093	5,631	85,215	7,305	3,084	10,500
TOTAL	**$ 5,571,232**	**$ 2,933,254**	**$ 1,758,356**	**$ 930,382**	**$ 854,384**	**$ 793,041**	**$ 647,557**

See accompanying notes to financial statements.

ASIAN AMERICANS ADVANCING JUSTICE - AAJC

STATEMENT OF FUNCTIONAL EXPENSES (AS RESTATED)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services (Continued)				Supporting Services			
	Census	Direct Lobbying	Grassroots Lobbying	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Grants	$ -	$ -	$ -	$ 6,658,434	$ -	$ -	$ -	$ 6,658,434
Salaries and related expenses	143,578	13,472	1,941	4,173,533	769,392	862,902	1,632,294	5,805,827
Professional fees	89,480	200	30	2,148,199	861,275	60,194	921,469	3,069,668
Conferences, meetings and travel	3,318	377	36	317,414	135,207	91,020	226,227	543,641
Base office and administrative operations	11,113	1,227	188	249,206	59,220	65,507	124,727	373,933
Other office and administrative expenses	2,105	106	48	208,639	29,626	37,808	67,434	276,073
TOTAL	**$ 249,594**	**$ 15,382**	**$ 2,243**	**$ 13,755,425**	**$ 1,854,720**	**$ 1,117,431**	**$ 2,972,151**	**$ 16,727,576**

See accompanying notes to financial statements.

ASIAN AMERICANS ADVANCING JUSTICE - AAJC

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services					
	Anti-Asian Violence and Race Relations	Community Partners	Tech Telecom	Immigration and Immigrant Rights	Voting Rights	Litigation
Salaries and related expenses	$ 549,978	$ 1,546,740	$ 397,380	$ 550,742	$ 185,132	$ 290,992
Professional fees	1,035,189	317,112	164,007	8,567	419,323	90,296
Grants	1,000,000	50,950	348,850	372,800	144,500	-
Conferences, meetings and travel	23,765	239,749	41,891	25,253	43,214	23,579
Base office and administrative operations	52,137	153,270	38,339	51,853	17,307	36,647
Other office and administrative expenses	7,299	28,909	45,499	4,989	48,555	3,334
TOTAL	**$ 2,668,368**	**$ 2,336,730**	**$ 1,035,966**	**$ 1,014,204**	**$ 858,031**	**$ 444,848**

ASIAN AMERICANS ADVANCING JUSTICE - AAJC

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services (Continued)				Supporting Services			
	Census	Direct Lobbying	Grassroots Lobbying	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries and related expenses	$ 147,034	$ 11,644	$ 6,432	$ 3,686,074	$ 593,567	$ 644,308	$ 1,237,875	$ 4,923,949
Professional fees	52,796	155	76	2,087,521	362,899	31,386	394,285	2,481,806
Grants	-	-	-	1,917,100	-	-	-	1,917,100
Conferences, meetings and travel	4,440	201	110	402,202	24,231	108,629	132,860	535,062
Base office and administrative operations	14,094	1,158	544	365,349	58,415	62,218	120,633	485,982
Other office and administrative expenses	1,647	78	22	140,332	27,726	36,659	64,385	204,717
TOTAL	**$ 220,011**	**$ 13,236**	**$ 7,184**	**$ 8,598,578**	**$ 1,066,838**	**$ 883,200**	**$ 1,950,038**	**$10,548,616**

ASIAN AMERICANS ADVANCING JUSTICE - AAJC INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ (3,182,878)	$ 4,586,791
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities:		
Depreciation	2,887	2,887
Net realized and unrealized gain on investments	(355,999)	(269,883)
Discount on noncurrent contributions receivable	(7,210)	59,235
Amortization of operating lease right-of-use asset, net	296,080	291,352
(Increase) decrease in:		
Contributions receivable	(2,276,012)	(453,164)
Pledges receivable	(75,094)	303,964
Prepaid expenses	60,028	23,095
Increase (decrease) in:		
Accounts payable and accrued liabilities	54,704	(965,578)
Grants payable	(140,000)	(292,000)
Lease liability	(350,260)	(337,612)
Net cash (used) provided by operating activities	(5,973,754)	2,949,087
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(17,205,839)	(34,686,233)
Proceeds from sales of investments	17,672,760	17,862,698
Net cash provided (used) by investing activities	466,921	(16,823,535)
Net decrease in cash and cash equivalents	(5,506,833)	(13,874,448)
Cash and cash equivalents at beginning of year	20,762,160	34,636,608
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 15,255,327**	**$ 20,762,160**

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Asian Americans Advancing Justice - AAJC Inc., Inc. (AAJC) is a 501(c)(3) non-profit organization, incorporated in Washington, D.C. AAJC works to advance civil and human rights for Asian Americans, and to build and promote a fair and equitable society for all. In accomplishing its mission, AAJC focuses its work to promote civic engagement, to forge strong and safe communities, and to create an inclusive society in communities on a local, regional, and national level. A nationally recognized voice on behalf of Asian Americans, AAJC focuses its expertise on anti-Asian violence prevention/race relations, broadband, census, health, immigrant rights, language access, and voting rights.

Program Services -

Voting Rights - AAJC works to eliminate discriminatory barriers to Asian Americans and others in voting and civil rights. AAJC provides technical assistance and training on many voter-related issues including language assistance mandated by the voting rights act, voter suppression, and election reform.

Community Partners - Created to build the capacity and leadership of the Asian American communities, AAJC works hand-in-hand with community-based organizations to conduct workshops and trainings on various Issues of importance to local, regional, and national partners. The Community Partners network, which has expanded to include over 250 Community Partners in 37 states and Washington, D.C., provides a critical link allowing AAJC to target underserved Asian American populations.

Anti-Asian Violence and Race Relations - Addressing hate and discrimination has been central to AAJC's work since the organization was founded 30 years ago. Through our anti-hate work, AAJC strives to ensure that the civil rights and human rights of Asian Americans are protected. AAJC works to advance laws and policies that address anti-Asian hate, including improvements to hate crimes laws and Government data collection, and advocating for increased resources to respond to hate crimes and hate incidents and to build community safety. AAJC works with policy makers on the Hill, in the White House, and in executive agencies; with civil rights advocates, including the Leadership Conference on Civil and Human Rights Hate Crimes Task Force; community leaders, including our community partners network of over 250 AAPI-serving community-based organizations; and the media to address anti-Asian racism and xenophobia. AAJC also has established resources for responding to anti-Asian hate, including the provision of bystander intervention training nationwide.

Tech Telecom - AAJC works to ensure that the principles of opportunity, fairness, and equity are protected on-line. It does so by advocating for policies that ensure that the Asian American community has nondiscriminatory access to technology, and that technology will not be used in a way that will harm the community. In addition, AAJC advocates for the fair and equal representation of Asian Americans both in front of and behind the camera. Through AAJC's mis-disinformation project, AAJC promotes media and digital literacy skills through community trainings, provides tools and resources for community partners, and advocates for policies and processes that can effectively reduce harmful content targeting the Asian American community.

Immigration and Immigrant Rights - AAJC provides leadership, educates policymakers, stakeholders, and the media on immigration policy as it affects the Asian American and Pacific Islander communities. AAJC advocates for fair and just immigration policies that protect family unity, provide access to immigration status and citizenship, and promote civil rights protections and due process in enforcement. AAJC also provides the Asian American community with essential information, insight and analysis on newly enacted and proposed immigration and immigrant integration policies and programs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Program Services (continued) -

Immigration and Immigrant Rights (continued) -

AAJC works to combat the Government's racial targeting and profiling of Asian American and Asian immigrant scientists, researchers, and scholars, particularly those of Chinese descent. AAJC leads Federal advocacy efforts, including successful advocacy to end the Department of Justice's China Initiative. AAJC also provides a legal referral service in English and Mandarin Chinese that connects people impacted by Government profiling to attorneys and helps ensure they know their rights.

Education Advocacy - AAJC works with State and local partners, convening, sharing resources, and building capacity to advocate for Asian American history to be included in K-12 curriculum. We have provided testimony in support of bills that seek to diversify history curricula at the State level, supported Federal measures to uplift the need for Asian American history in our classrooms, and engaged in cross-racial coalitions to support the teaching of the histories of all communities of color.

Litigation - AAJC participates in key civil rights cases through direct litigation, and through amicus briefs to the supreme court and other courts, on cases that protect the rights of Asian Americans and other communities of color. Through our various litigation efforts, we have advocated on issues involving census, immigrant rights, voting rights, telecommunications, and affirmative action. AAJC has played a leading role in preserving and protecting affirmative action policies that promote diversity and benefit Asian American students. We are involved in lawsuits across the country to ensure that all communities of color continue to benefit from policies that seek to provide equitable access to educational opportunities.

Census - It is essential to ensure an accurate count of the Asian American community in the census. Advancing Justice-AAJC is a national leader when it comes to Census Policy and Community Outreach. Advancing Justice-AAJC pursues a fair and accurate census count of Asian Americans and Pacific Islanders in the decennial census and American Community Survey (ACS). Advancing Justice-AAJC partnered with national and local partners nationwide in leading a Census 2020 Get Out The Count Campaign. Advancing Justice-AAJC is the co-chair of The Leadership Conference on Civil & Human Rights Census Task Force.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Basis of presentation (continued) -

- **Net Assets with Donor Restrictions -** Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

Cash and cash equivalents -

AAJC considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000. At times during the year, AAJC maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in net investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statements of Activities and Changes in Net Assets.

Contributions and pledges receivable -

Contributions and pledges receivable include unconditional promises to give that are expected to be collected in future years. Contributions and pledges receivable are recorded at their fair value, which is measured as the present value of the future cash flows. The discount on long-term contributions and pledges receivable is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in contributions. All receivables are considered by management to be fully collectable. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets in excess of $5,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation expense totaled $2,887 for each of the years ended December 31, 2024 and 2023.

Income taxes -

AAJC is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. AAJC is not a private foundation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Contributions -

The majority of AAJC's revenue is received through contributions from organizations and other entities. Contributions are recognized in the appropriate category of net assets in the period received. AAJC performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from contributions is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, AAJC had no refundable advances for the years ended December 31, 2024 and 2023

In addition, AAJC may obtain funding source agreements related to conditional contributions, which will be received in future years. However, AAJC had no conditional contributions to be received in future years for the years ended December 31, 2024 and 2023.

Events revenue -

AAJC’s events revenue is the most significant revenue stream that is treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met and the event has occurred. AAJC has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on cost and/or sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. AAJC’s contracts with customers generally have initial terms of one year or less.

Contributed nonfinancial assets -

Contributed nonfinancial assets consist of professional services and are recognized at their estimated fair value if they require specialized skills that would need to be purchased if they were not contributed.

Contributed professional services are valued at the estimated fair value based on their current rates for similar services. In addition, volunteers have donated significant amounts of their time to AAJC; these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Use of estimates -

The preparation of the 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing AAJC's programs and supporting services have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and expenses that benefited more than one functional area, such as personnel costs, were allocated based on actual time and effort or other reasonable basis.

Investment risks and uncertainties -

AAJC invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, AAJC has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market AAJC has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the years ended December 31, 2024 and 2023. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Funds held by AAJC are open-end and are registered with the SEC. These funds are required to publish their daily value and to transact at that price and are deemed to be actively traded.

- *Exchange Traded Funds* - Valued at the daily closing price as reported by the fund. Funds held by AAJC are open-end and are registered with the SEC. These funds are required to publish their daily value and to transact at that price and are deemed to be actively traded.

- *Certificates of Deposit* - Generally valued at original cost plus accrued interest, which approximates fair value.

- *Corporate Bonds* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

- *U.S. Government Securities* - Valued at the closing price reported in the active market in which the individual securities are traded.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Asset Class				
Mutual funds	$ 7,653,099	$ -	$ -	$ 7,653,099
Exchange traded funds	725,862	-	-	725,862
Corporate bonds	-	3,689,598	-	3,689,598
U.S. Government securities	-	5,833,651	-	5,833,651
TOTAL	**$ 8,378,961**	**$ 9,523,249**	**$ -**	**$ 17,902,210**

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Asset Class				
Mutual funds	$ 2,600,000	$ -	$ -	$ 2,600,000
Exchange traded funds	4,875,833	-	-	4,875,833
Certificates of deposit	-	980,063	-	980,063
Corporate bonds	-	2,231,606	-	2,231,606
U.S. Government securities	-	7,325,630	-	7,325,630
TOTAL	**$ 7,475,833**	**$ 10,537,299**	**$ -**	**$ 18,013,132**

Included in investments is the Ford Foundation Reserves restricted for use totaling $500,000 as of December 31, 2024 and 2023.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Net investment return consisted of the following for the years ended December 31, 2024 and 2023:

	2024	2023
Interest and dividends	$ 1,337,468	$ 1,218,363
Realized and unrealized gain	355,999	269,883
Investment expenses provided by external investment advisors	(51,517)	(12,889)
TOTAL INVESTMENT INCOME, NET OF INVESTMENT EXPENSES	**$ 1,641,950**	**$ 1,475,357**

3. CONTRIBUTIONS RECEIVABLE

AAJC has received written promises to give from various donors totaling $5,970,032 and $3,679,600, respectively as of December 31, 2024 and 2023. Contributions that are due in more than one year have been recorded at the net present value of their estimated future cash flows using discount rates ranging from 7.5% to 8.5% for the years ended December 31, 2024 and 2023, respectively.

Contributions are expected to be collected as follows as of December 31, 2024 and 2023:

	2024	2023
Less than one year	$ 4,980,916	$ 2,976,600
One-to-five years	989,116	703,000
Subtotal	5,970,032	3,679,600
Less: Allowance to discount balance to present value	(70,072)	(62,862)
CONTRIBUTIONS RECEIVABLE, NET	**$ 5,899,960**	**$ 3,616,738**

4. BOARD DESIGNATED NET ASSETS

AAJC's Board of Directors created the following Board designated net asset funds for the following purpose:

Long-Term Investments Fund: created for the purpose of long-term investing for total return, to sustain and improve its ability to support projects that further its mission and to maintain the financial stability of AAJC.

Operating Reserve Fund: to ensure stability of the mission, programs, employment and ongoing operations of AAJC. The minimum amount to be designated as operating reserves will be established in an amount sufficient to maintain on-going operations and programs measured for a set period of time, measured in months. The target minimum Operating Reserve Fund is equal to nine months of average operating costs, to be calculated each year after approval of the annual budget.

Special Initiatives Fund: create for uses in alignment with AAJC's Strategic Plan as approved by the Board of Directors.

4. BOARD DESIGNATED NET ASSETS (Continued)

Board designated net assets included the following as of December 31, 2024 and 2023:

	2024	2023
Long-Term Investments	$ 8,328,058	$ 7,500,000
Operating Reserve Fund	6,000,000	6,000,000
Special Initiative Fund	3,721,576	5,600,000
BOARD DESIGNATED NET ASSETS	**$ 18,049,634**	**$ 19,100,000**

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2024 and 2023:

	2024	2023
Subject to expenditure for specified purpose of time:		
General support or time	$ 8,635,434	$ 10,822,960
Community Partners	657,210	307,278
Voting Rights	3,835,564	5,802,830
Litigation	269,099	703,847
Tech Telecom	1,654,155	1,045,126
Anti-Asian Violence	15,840	421,969
Immigration Rights	20,710	20,710
Accumulated investment earnings from endowment funds not yet authorized for spending	234,995	179,794
Endowments contributions to be invested in perpetuity:		
Ford Foundation Operating Reserves	500,000	500,000
Joyce Chiang Memorial Scholarship Fund	32,315	32,315
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	**$ 15,855,322**	**$ 19,836,829**

The following net assets with donor restrictions were released from donor restrictions by either incurring expenses which satisfied the restricted purpose specified by the donors or through the passage of time during the years ended December 31, 2024 and 2023:

	2024	2023
Purpose restrictions accomplished:		
General support or time	$ 5,882,719	$ 6,842,010
Voting Rights	5,531,901	1,091,783
Anti-Asian Violence	457,237	741,656
Litigation	434,748	159,592
Tech Telecom	796,639	194,206
Community Partners	250,068	265,749
Census	-	100,000
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	**$ 13,353,312**	**$ 9,394,996**

6. CONTRIBUTED NONFINANCIAL ASSETS (AS RESTATED)

AAJC was the beneficiary of certain contributed nonfinancial assets which allowed AAJC to provide greater resources towards its various programs. No donor-imposed restrictions were associated with the contributed nonfinancial assets, which are recorded at their estimated fair market value as of the date of the gift. In addition, none of the donated goods were monetized through sale.

6. CONTRIBUTED NONFINANCIAL ASSETS (AS RESTATED) (Continued)

The contributed nonfinancial assets consisted of the following for the years ended December 31, 2024 and 2023:

	2024	2023
Professional Fees	$ 754,003	$ 1,016,552

The contributed nonfinancial assets have been recorded in support and in the following functional expense category for the years ended December 31, 2024 and 2023:

	2024	2023
Anti-Asian Violence and Race Relations	$ 754,003	$ 1,016,552

7. LIQUIDITY

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the current Statements of Financial Position date comprise the following at December 31, 2024 and 2023:

	2024	2023
Cash and cash equivalents	$ 15,255,327	$ 20,762,160
Investments	17,902,210	18,013,132
Contributions and pledges receivable	5,304,876	3,225,466
Subtotal financial assets available within one year	38,462,413	42,000,758
Less: Donor restricted funds	(7,219,888)	(9,013,869)
Less: Board designated funds	(18,049,634)	(19,100,000)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	**$ 13,192,891**	**$ 13,886,889**

AAJC is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, AAJC must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of AAJC's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Occasionally, the Board designates a portion of any operating surplus to its reserve, which was $18,049,634 and $19,100,000 as of December 31, 2024 and 2023, respectively. This fund established by the governing Board may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

8. LEASE COMMITMENT

AAJC follows FASB ASC 842 for leases. AAJC has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. AAJC has also elected to use a risk-free rate of 1.37% as the lease discount rate for all leases as allowed under FASB ASC 842.

AAJC has an operating lease for office space in Washington, D.C. that expires in August 2026. The office lease includes an escalation of base rentals which is being amortized on a basis to achieve straight-line rent expense over the life of the lease.

8. LEASE COMMITMENT (Continued)

The lease provides AAJC with a conditional option to renew for an additional 5-year term. Additionally, AAJC had a one-time right to terminate the lease effective December 2022, by submitting a termination notice at least one year in advance. As of December 31, 2024 and 2023, respectively, it is more likely than not that the tenant will not exercise either option. Consequently, these provisions have not been included in the lease calculations.

For the years ended December 31, 2024 and 2023, office lease expense was $349,930 and $375,136, respectively, which includes costs passed-through as occupancy expenses. These costs are included in base office and administrative operation expenses on the Statements of Functional Expenses. Total cash payments on the operating lease for the years ended December 31, 2024 and 2023 were $360,857 and $352,922, respectively.

The following is a schedule of the future minimum lease payments due under the operating lease, net of imputed interest, as of December 31, 2024:

Year Ending December 31,	
2025	$ 368,563
2026	250,598
	619,161
Less: Imputed interest	(6,308)
	612,853
Less: Current portion	(363,269)
LONG-TERM PORTION	**$ 249,584**

9. PENSION PLAN

AAJC qualified non-contributory defined benefit plan covers substantially all its full-time employees. Plan benefits are based on years of service and average annual earnings, as defined by the Plan. Under the Plan, AAJC will make employer contributions following a tiered structure, contributing from 3% to 7% determined by an employee's staff level and years of service. For the years ended December 31, 2024 and 2023, contributions totaled $142,099 and $130,289, respectively.

10. ENDOWMENT

AAJC's endowment funds consist of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law -

AAJC has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted by Washington, D.C. as requiring the preservation of the fair value of the original gift made to the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result, of this interpretation, AAJC classifies as net assets with donor restrictions: (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.

10. ENDOWMENT (Continued)

Interpretation of relevant law (continued) -

Additionally, in accordance with UPMIFA, AAJC 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 and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

Return Objectives and Risk Parameters -

AAJC has adopted an investment policy for endowment assets that attempts 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 AAJC must hold in perpetuity or for a donor specified periods as well as Board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives -

To satisfy its long-term rate-of-return objectives, AAJC 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). AAJC targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy -

AAJC has a policy of appropriating for distribution each year a certain percentage of its endowment fund's average fair value. In establishing this policy, AAJC considered the long-term expected return on its endowment. Accordingly, over the long-term, AAJC expects the current spending policy to allow its endowment to grow at the average rate of return for the market. This is consistent with AAJC's objective to maintain 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.

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires AAJC to maintain as a fund of perpetual duration. However, there were no funds with deficiencies as of December 31, 2024 and 2023.

10. ENDOWMENT (Continued)

Endowment funds consisted of the following as of December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions: Available for Appropriation	With Donor Restrictions: Held in Perpetuity	Total
Donor Restricted Funds	**$ -**	**$ 234,995**	**$ 532,315**	**$ 767,310**

Changes in endowment funds consisted of the following as of and for the year ended December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions: Available for Appropriation	With Donor Restrictions: Held in Perpetuity	Total
Endowment funds, beginning of year	$ -	$ 179,794	$ 532,315	$ 712,109
Net investment return	-	55,201	-	55,201
ENDOWMENT FUNDS, END OF YEAR	**$ -**	**$ 234,995**	**$ 532,315**	**$ 767,310**

Endowment funds consisted of the following as of December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions: Available for Appropriation	With Donor Restrictions: Held in Perpetuity	Total
Donor Restricted Funds	**$ -**	**$ 179,794**	**$ 532,315**	**$ 712,109**

Changes in endowment funds consisted of the following as of and for the year ended December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions: Available for Appropriation	With Donor Restrictions: Held in Perpetuity	Total
Endowment net assets, beginning of year	$ -	$ 183,544	$ 532,315	$ 715,859
Net investment return	-	(3,750)	-	(3,750)
ENDOWMENT FUNDS, END OF YEAR	**$ -**	**$ 179,794**	**$ 532,315**	**$ 712,109**

11. SUBSEQUENT EVENTS

In preparing these financial statements, AAJC has evaluated events and transactions for potential recognition or disclosure through May 16, 2025, the date the financial statements were issued.